

2026 REPORT

Giving from IRAs

Why QCDs are the hottest giving
vehicle for older donors

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Introduction

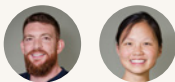
We're at a pivotal moment for philanthropy. When we published our last dedicated report on Qualified Charitable Distributions (QCDs) in 2022, this gift type was often viewed as a "niche" strategy for the most tax-savvy donors. Today, due to shifting demographics and recent tax law changes, QCDs have rapidly become a primary giving vehicle for older, high-impact donors.

At FreeWill, we have watched this vehicle grow from a quiet alternative into a source of significant and consistent revenue for nonprofits of all missions and sizes. This report is designed to equip your organization to bridge the opportunity gap: the space between the rapidly growing population of age-eligible donors and those currently utilizing this powerful, tax-smart strategy.

We believe the most successful organizations will be those that prioritize non-cash giving and leverage a changing philanthropic landscape to inform which gifts present the most potential for growth. Qualified Charitable Distributions are one of those critical gifts, and we hope this report serves as both support for those already prioritizing them and compelling proof for everyone else to get started.

Thank you for all you do; we hope you enjoy reading.

Patrick Schmitt & Jenny Xia Spradling
FreeWill Co-CEOs



Key findings

At the outset of this report, we set out with two primary goals:

1. Confirm that QCDs are now a high-growth giving vehicle.
2. Quantify the “opportunity gap” between the growing age-eligible donor population and actual QCD participation rates.

Through data sourced from FreeWill’s Smart Giving Suite and a newly-released survey of 230+ nonprofit fundraising professionals, we were able to validate the following key findings:

- **QCDs are a proven high-growth vehicle.** Completed QCD gifts on the FreeWill platform grew by 56% in 2024 and 47% in 2025. Total gift values processed through FreeWill have increased by over 390% since 2019.
- **A significant opportunity gap exists.** There is a clear and quantifiable gap between the growing age-eligible donor population and current QCD participation rates. For example, 64% of organizations with a majority of donors aged 70.5+ reported that only 0 to 10% of those eligible donors made a QCD in 2025.
- **New tax laws are expected to impact donor behavior.** In response to the One, Big Beautiful Bill, 46% of organizations expect donors to lean even more heavily into tax-efficient options like QCDs in the coming year.
- **QCD activity is concentrated in Q4.** 56% of all QCD gifts raised in 2025 through the FreeWill platform were completed in the final quarter of the year.

QCD gift growth through FreeWill’s Smart Giving Suite since 2019

840%

increase in gifts under \$1k

975%

increase in gifts between \$1K and \$5K

1,290%

increase in gifts of \$10K+

Methodology

This report combines survey data from nonprofit professionals with aggregated insights from FreeWill's platform.

Survey responses were collected in early 2026 from 230+ nonprofit organizations across a range of sizes, sectors, and fundraising roles. All survey questions were retrospective, with respondents reporting on their organization's QCD activity and fundraising efforts in 2025.

In addition to survey data, this report incorporates anonymized QCD transaction data from FreeWill's network of 2,300+ nonprofit partners, including trends in gift volume, timing, and average gift size.

Where relevant, survey findings and platform data are analyzed together to identify patterns, validate trends, and highlight areas of opportunity.

What is a QCD?

A Qualified Charitable Distribution (QCD) is a direct, tax-free transfer of funds from an Individual Retirement Account (IRA) to a qualified 501(c)(3) public charity.

QCDs are not new. They were first introduced by Congress in the Pension Protection Act of 2006 and made permanent in 2015. While a niche option for years, their popularity surged after the SECURE 2.0 Act of 2022 introduced annual inflation adjustments for the QCD limit (beginning in 2024) and created a one-time opportunity for donors to fund a split-interest entity like a Charitable Gift Annuity (CGA).

This report will focus on the mechanics of annual QCD gifts.

1. Age requirement

Donors are eligible to make QCDs as soon as they reach age 70.5. This is earlier than the age for Required Minimum Distributions (RMDs), which do not take effect until age 73. This creates a highly beneficial multi-year window to draw down an IRA balance tax-free for charity before RMDs are mandatory.

2. Annual limit

An individual donor can contribute up to \$111,000 per year in QCDs, as long as they are 70.5 years old or older. For married couples, each spouse can make a QCD up to the limit for a potential total of \$222,000.

Important note: The \$111,000 per person limit applies to the sum of all QCDs taken from all IRAs in a year. A donor can make one large contribution or several smaller contributions over the course of the calendar year.

Why QCDs are great for tax savings

As a fundraiser, promoting QCDs to your older donors is one of the most effective strategies you can use because it transforms their mandatory tax burden into a highly efficient form of philanthropy.

When a donor aged 70.5 or older gives directly from their traditional IRA to your nonprofit, that money completely bypasses their taxable income, meaning they get the full financial benefit of the gift without ever needing to itemize deductions. By keeping these funds out of their Adjusted Gross Income (AGI), a QCD creates a protective ripple effect across their finances:

1. It can prevent their Social Security benefits from being pushed into higher tax brackets.
2. It can help them avoid costly Medicare premium surcharges.
3. Satisfies Required Minimum Distributions for donors aged 73 and older.

QCDs in today's giving landscape

Peak 65

The philanthropic world is currently navigating “Peak 65”, a demographic phenomenon where more Americans are turning 65 than at any other point in history. As this massive cohort of Baby Boomers continues to age, they are quickly reaching the 70.5 threshold, and will age into a period where their previous giving patterns are no longer as beneficial.

This demographic shift is especially significant for philanthropy, as the aging population is already reflected in nonprofit donor databases. In fact, one-third of surveyed organizations (33%) report that more than 50% of their total donor base is now 70.5 or older.

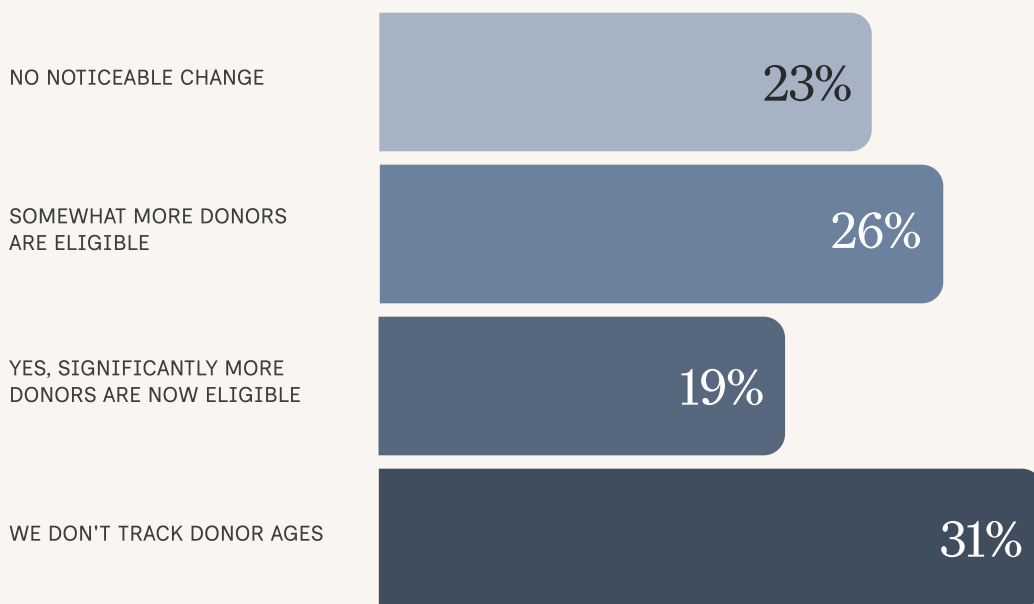
Percentage of donor base aged 70.5 or older



As the Baby Boomer generation ages, we'll continue to see an extraordinary number of older Americans in the population, and this shift is well reflected in an aging donor base. Nearly half of nonprofits (45%) have noticed "somewhat more" or "significantly more" donors become age-eligible to give from their IRAs in recent years.

However, a significant gap in data remains: 31% of organizations admit they do not currently track donor ages. This lack of data likely contributes to the fact that "Unknown donor eligibility" was named the #1 top challenge by survey respondents. For nonprofits that don't track donor ages, marketing QCDs far and wide will be essential to ensure your organization is not missing out on these high-value gifts from an increasingly eligible audience.

Have you noticed a change in the number of your donors who are age-eligible (70.5+) to make QCD gifts over the past few years?



Effects of 2025 tax law changes

The new tax law, known as the “One, Big Beautiful Bill” (OBBB), was passed in July 2025, representing the first meaningful tax reform since the Tax Cuts and Jobs Act (TCJA) of 2017.

While the OBBB did not affect the core mechanics of the QCD, it introduced two new restrictions on itemized charitable deductions starting in 2026. A standard cash donation must now clear these hurdles to provide any tax benefit (while a QCD bypasses them entirely):

1. The new floor (0.5% of AGI): Under the OBBB, donors who itemize can only deduct charitable gifts that exceed 0.5% of their Adjusted Gross Income (AGI).

- Scenario: If a donor’s AGI is \$200,000, the first \$1,000 donated is non-deductible. They only receive a tax break on amounts above that \$1,000.
- The QCD advantage: Since a QCD is an exclusion from income rather than a deduction, it is not subject to this floor. Every dollar of a QCD effectively reduces taxable income, starting from dollar one.

2. The benefit “cap” for high earners: For taxpayers in the top bracket (37%), the OBBB caps the value of itemized deductions at a 35% tax benefit.

- Scenario: A high-income donor giving cash loses 2% of the tax value of their gift compared to previous years.
- The QCD advantage: Because a QCD reduces income directly, it effectively saves the donor taxes at their full marginal rate (37%), bypassing this artificial cap.

The OBBB also introduced a new, temporary Senior Tax Deduction (\$6,000 for singles, \$12,000 for couples 65 and older) effective through 2028. This sits on top of the already-high standard deduction, which the OBBB made permanent.

This means that even fewer retirees will find it beneficial to itemize their deductions. Since there is a limited tax benefit for writing a check to charity if you don't itemize, the QCD becomes the best way for most seniors to receive a tax break on their giving.

Many nonprofits are already considering these factors when looking at their 2026 strategy. When asked how these changes will affect giving by older donors, 46% of organizations believe donors will seek more tax-efficient giving options like QCDs. While over one-third (38%) remain unsure, the structural advantages of the QCD post-OBBB make it the most logical choice for retirees looking to maximize their giving and tax savings.

How organizations expect 2026 tax law changes to affect older donor giving

46%

Donors will seek more tax-efficient giving options (like QCDs)

15%

No major impact expected

38%

Unsure

The 2025 data

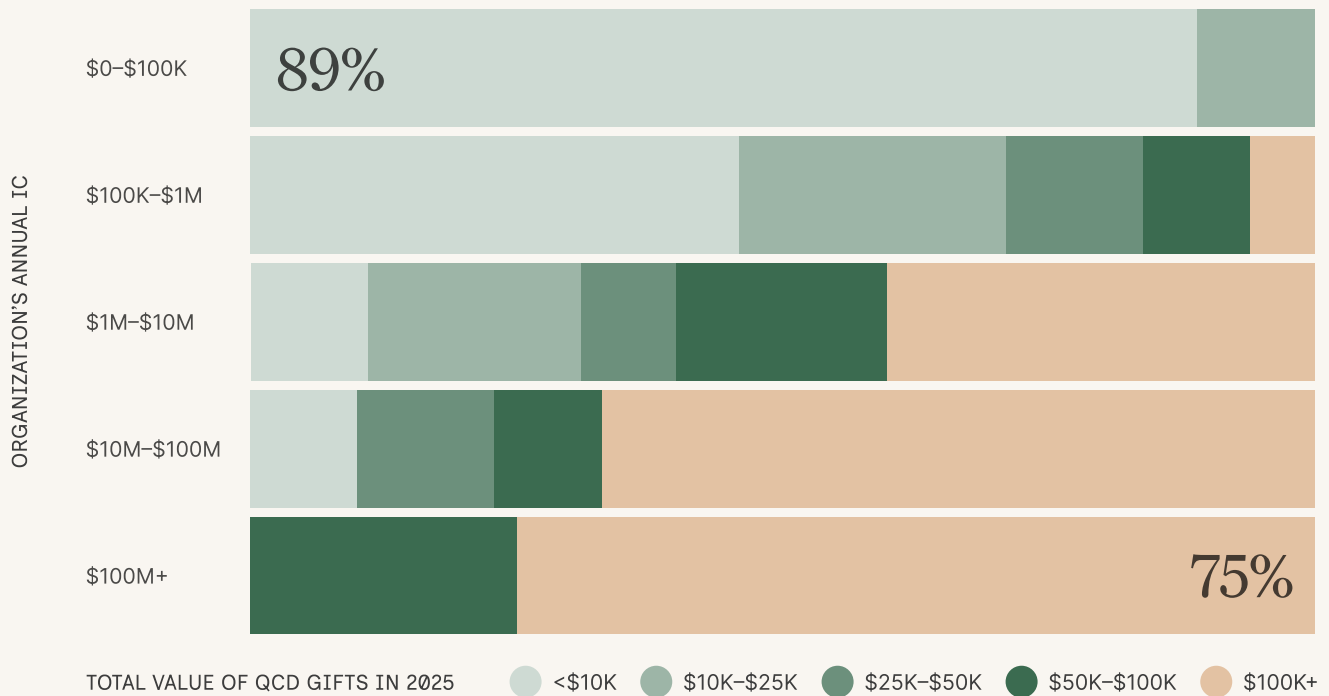
QCD momentum across the sector

QCDs continue to solidify their position as a high-growth vehicle for savvy donors. Organizations are seeing substantial year-over-year gains in both the frequency and magnitude of these gifts.

An analysis of our survey data demonstrates a positive correlation between an organization’s annual individual contributions and dollars raised through QCDs.

89% of nonprofits raising \$100,000 or less in individual contributions reported less than \$10,000 in IRA gifts. On the other hand, 75% of organizations raising more than \$100M in individual contributions secured more than \$100,000 in IRA gifts.

Organization’s annual individual contributions (IC) x Total QCD dollars in 2025



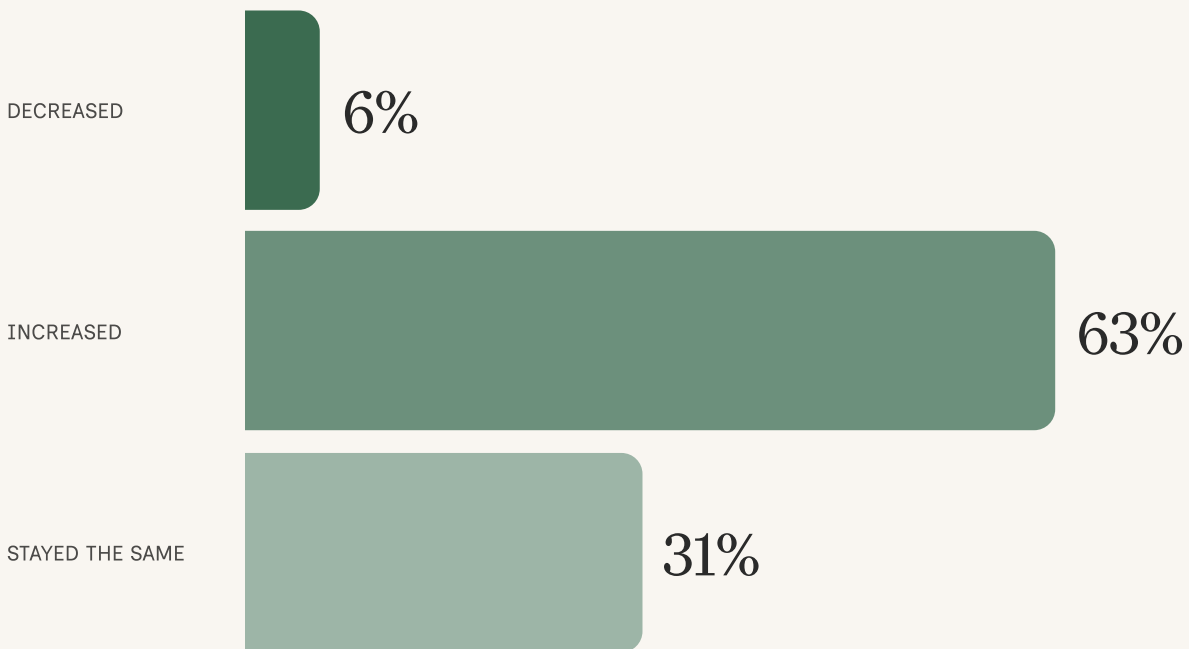
63%

of respondents reported an increase in their average QCD gift size since 2024

Midsized organizations had a somewhat more even distribution with 20% of nonprofits receiving between \$1M-\$10M in individual contributions raising between \$10,000 to \$25,000 in QCD gifts in 2025 and another 20% raising between \$50,000 to \$100,000.

Together, this suggests that QCD revenue tends to increase alongside an organization's overall fundraising program, with clear opportunities for growth at every size.

How has the average size of a QCD gift to your organization changed since 2024?



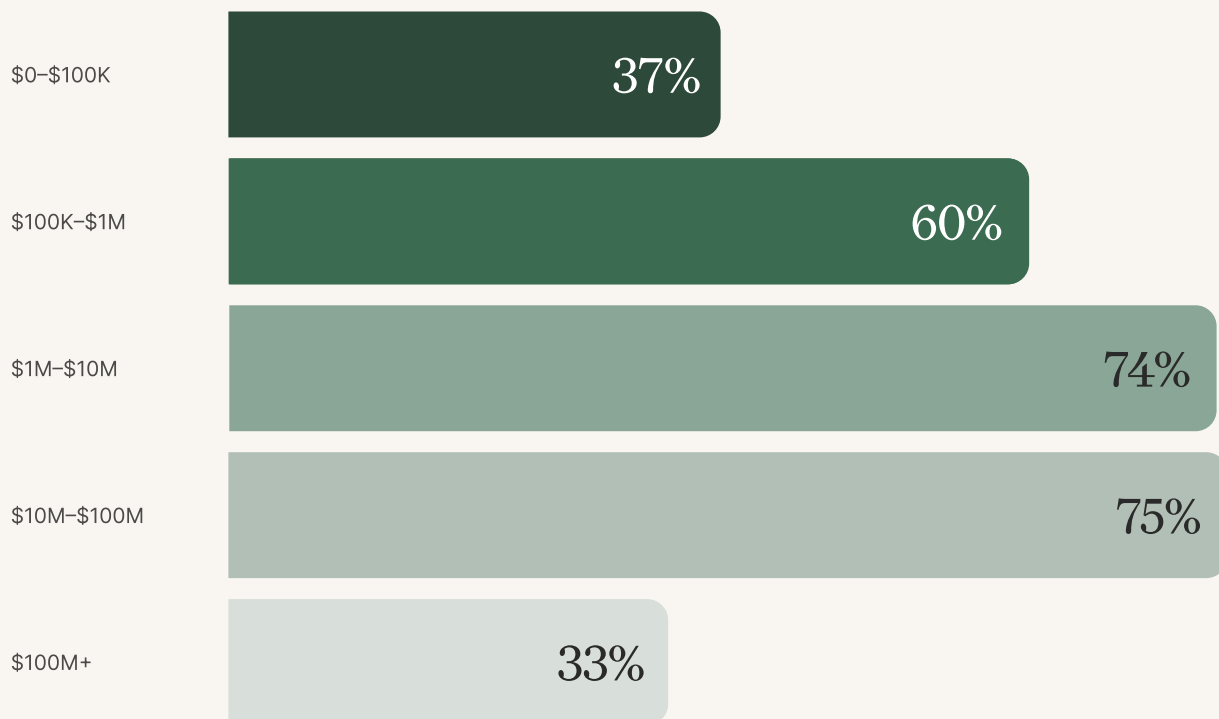
\$4,000

average QCD gift in 2025

FreeWill's internal gift data showed that the average QCD gift was \$4,000 in 2025.

Our internal data also shows that QCD activity is growing. Completed QCD gifts completed through FreeWill's Smart Giving Suite increased by 56% in 2024 and by 47% in 2025.

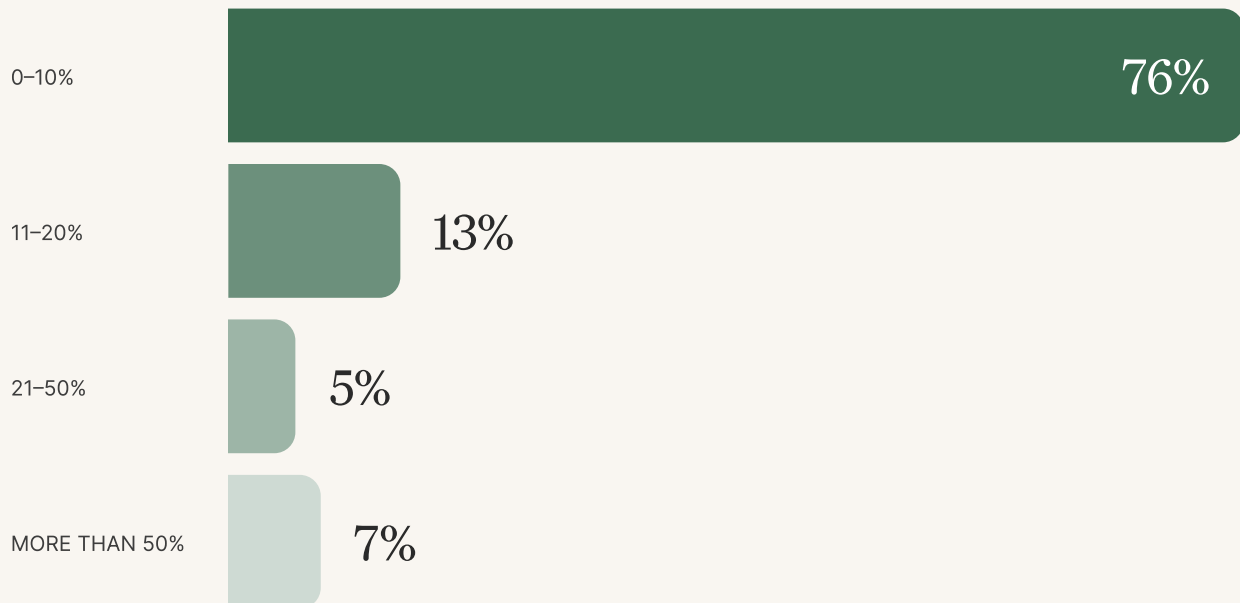
Share of organizations reporting growth in average QCD gift size, by individual contributions



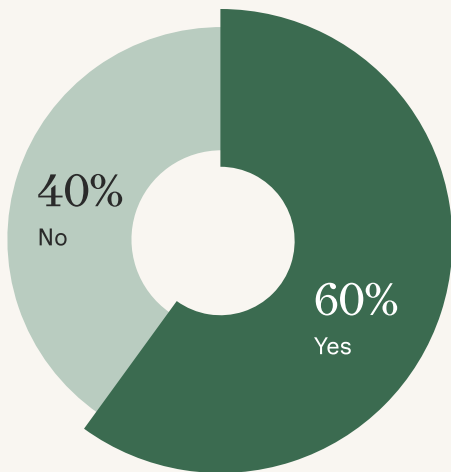
The QCD opportunity gap

There is an opportunity gap that remains a significant challenge for nonprofits, representing the space between the rapidly growing population of age-eligible donors and actual QCD participation rates. The data clearly quantifies this challenge: 76% of organizations report that fewer than 10% of their age-eligible donors gave via QCD in 2025.

Approximately what percentage of your donors age 70+ made a QCD in 2025?

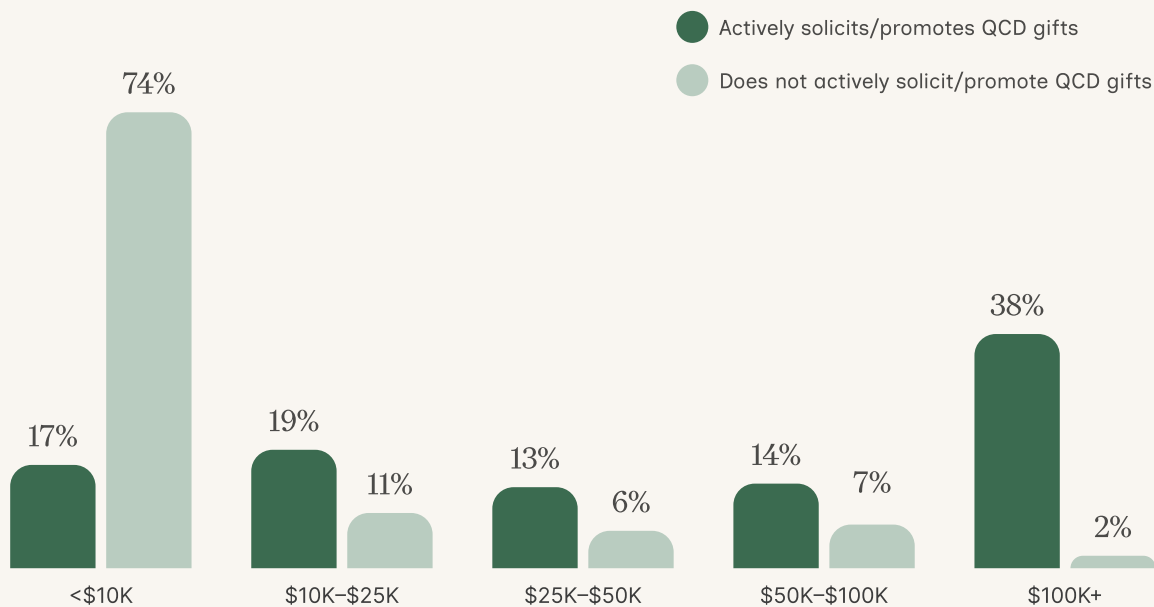


Does your organization actively solicit or promote QCD giving to older donors?



Demographics alone do not drive IRA giving. Active promotion is essential in filling the existing opportunity gap. Currently, 60% of organizations actively solicit or promote QCDs. This is a critical oversight, given a majority (64%) of nonprofits report that at least a quarter or more of their donor base is eligible to give from their IRA, and because active promotion yields stronger results. Organizations that promoted QCD giving reported higher total gift values than those that did not. 38% of organizations that actively solicit or promote QCDs to their donor base raised more than \$100,000 in 2025. Conversely, 74% of organizations that do not actively promote QCDs reported raising less than \$10,000.

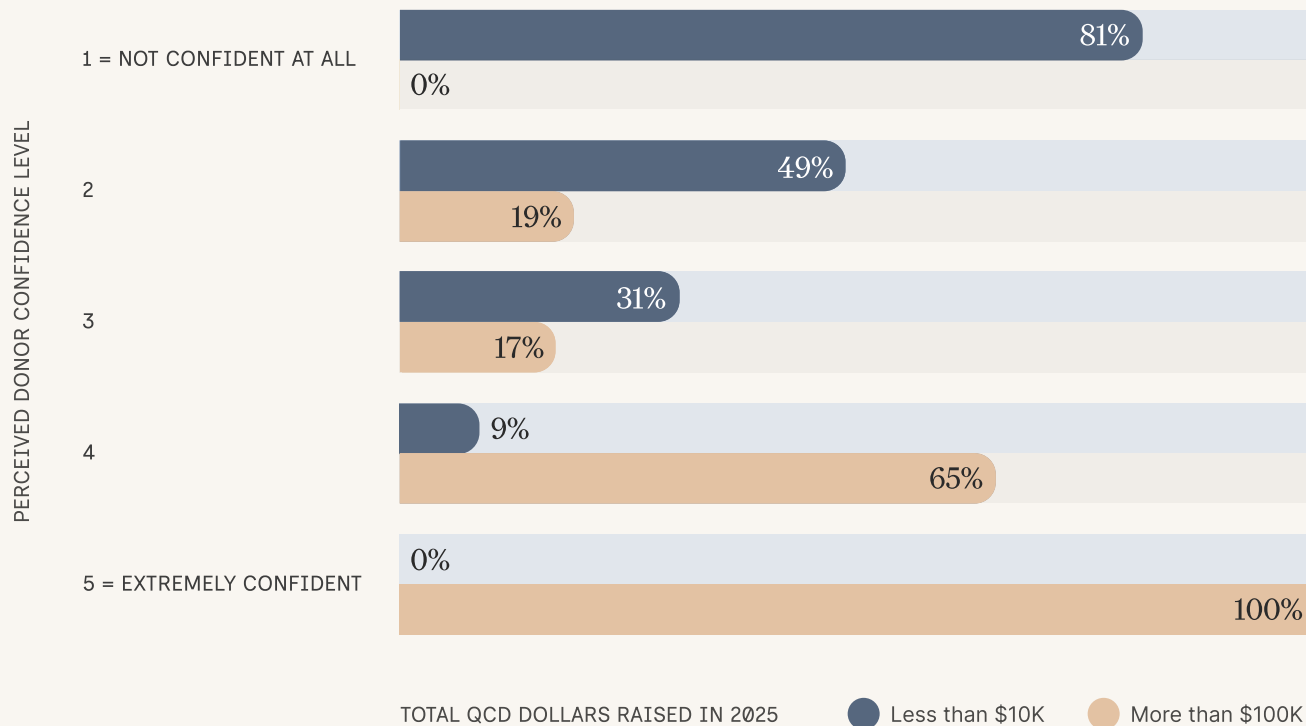
Active QCD promotion vs. total value of QCD gifts (2025)



Analysis reveals a significant correlation between staff confidence in donor knowledge and fundraising performance. We asked fundraisers, “How confident are you that your eligible donors understand what a QCD is and how to make one?” and 100% of the organizations that felt “extremely confident” reported raising over \$100,000 in IRA gifts in 2025.

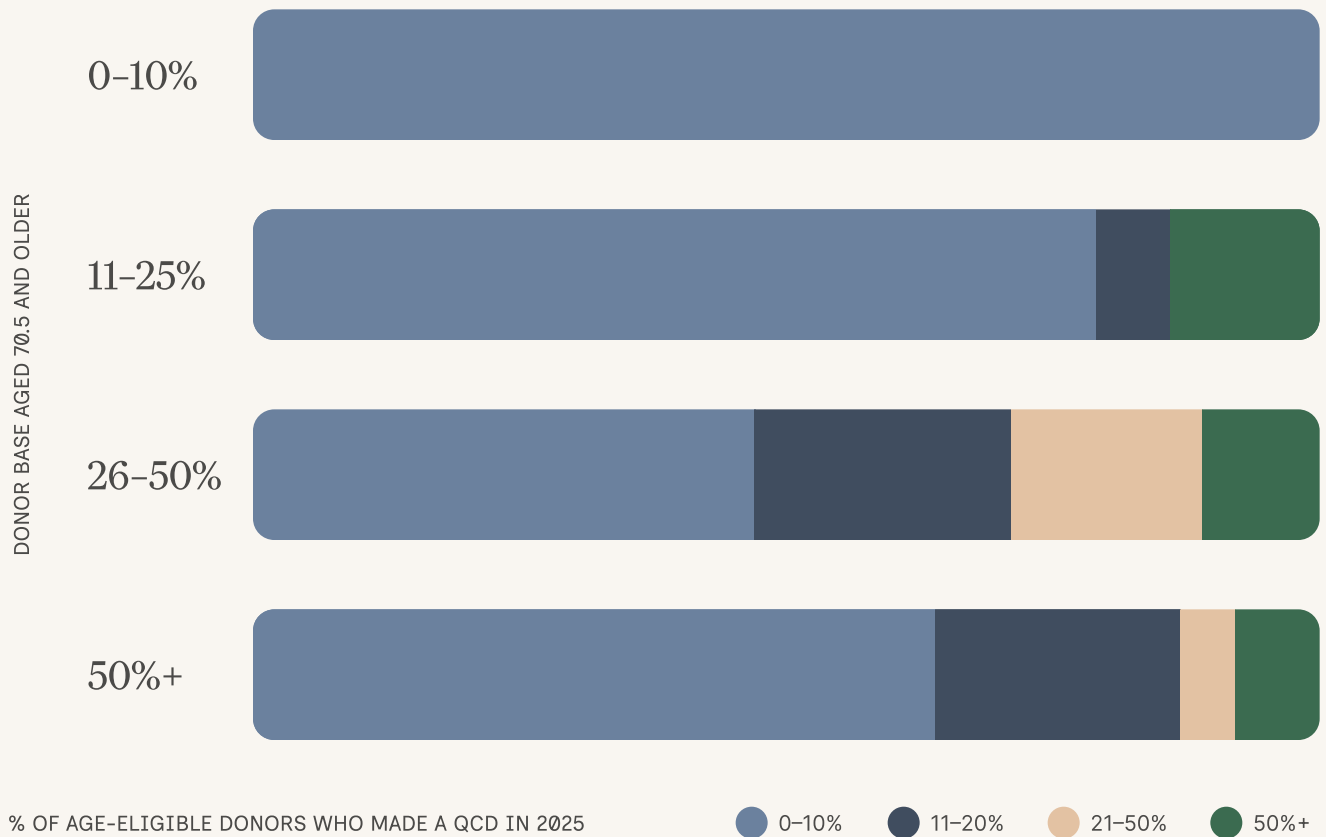
In contrast, 81% of those who answered “not confident at all” raised less than \$10,000. This suggests that both internal education and donor education influence success with QCD fundraising.

Average total value of QCD gifts by confidence in donor understanding



Organizations with a larger share of age-eligible donors do not automatically see higher QCD participation rates. In fact, even among nonprofits where more than half of the donor base is 70.5 years or older, the majority report that fewer than 10% of eligible donors made a QCD in 2025.

% donors 70.5+ vs. % of donors who made a QCD



To understand these obstacles, we asked respondents to name their greatest challenges.

The top three challenges selected were:

1. Unknown donor eligibility
2. Donors not aware of QCDs
3. Limited marketing bandwidth

These bottlenecks underscore the critical need for widespread donor education and streamlined marketing processes.

Biggest challenges with QCDs



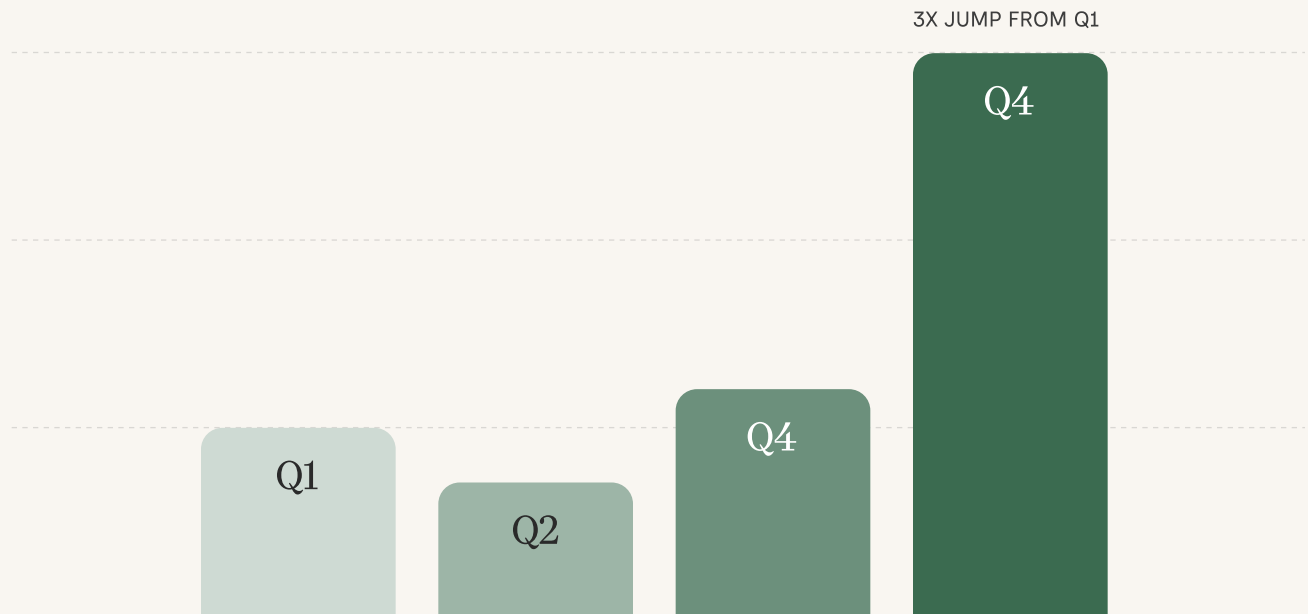
Timing patterns

Nearly 7 in 10 organizations (69%) report that QCD activity peaks at the end of the year. The most commonly cited driver of year-end QCD activity is RMD deadlines (43%), followed by year-end appeals (28%), and donor awareness increasing late in the year (23%).

FreeWill's Smart Giving Suite data reflects the same pattern: 50% of completed QCDs occur in the final months of the year.

This reliable Q4 spike, driven by Required Minimum Distribution (RMD) deadlines and year-end generosity, gives development teams a predictable, high-ROI window to concentrate their most aggressive QCD marketing efforts.

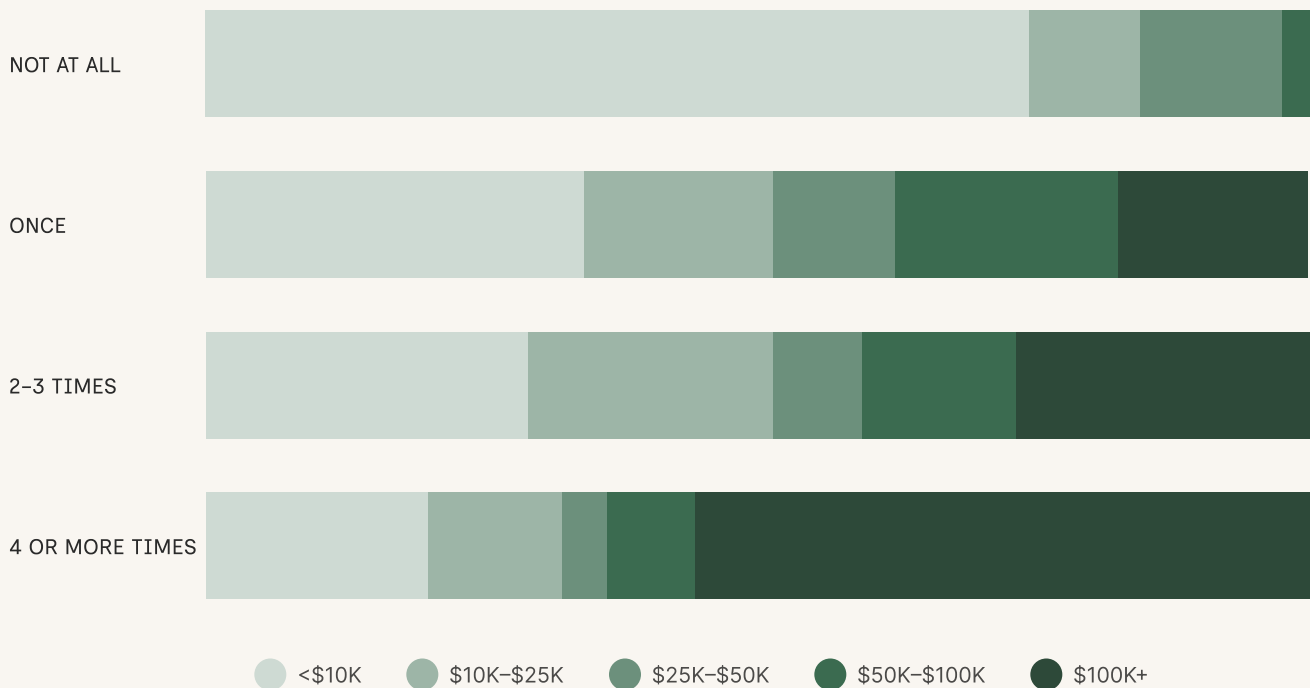
FreeWill Smart Giving Suite QCD activity by quarter



At the same time, organizations that saw the strongest results were not relying solely on year-end visibility. Those that promoted QCDs four or more times throughout the year were the most likely to report raising \$100,000 or more in total QCD gifts in 2025. By contrast, among organizations that did not promote QCDs at all, 74% reported raising less than \$10,000 in total QCD gifts, and none reported raising \$100,000 or more.

The data suggests that while Q4 captures concentrated activity, the organizations that are most successful at fundraising QCDs are promoting this way to give well before December.

Frequency of QCD promotion vs. Total value of QCD gifts



Looking ahead: The 2026 strategy

Fundraising QCDs under the new tax law

For many older donors, donating cash is becoming less attractive. With higher standard deductions and more wealth held in investable assets, fewer donors will see a meaningful tax benefit from writing a check to their favorite nonprofit.

Concurrently, the financial priorities of these donors in retirement are increasingly focused on maintaining income and managing required distributions — with QCDs sitting directly at the intersection of these dynamics.

Where cash giving once served as the preferred method of philanthropy, QCDs are increasingly positioned as a more effective option for older donors seeking to make a greater impact without drawing from the funds they rely on for everyday expenses.

In 2026, organizations that recognize and clearly communicate this shift will be best positioned to meet donors at this moment and capture a growing share of this form of giving.

Closing the opportunity gap

The data in our survey reveals a clear disconnect. A growing share of donors are now age-eligible to make QCDs but only a small percentage are actually using this giving vehicle. Yet, those same donors continue to give annually.

This tells us that this is not a generosity issue but whether organizations are actively promoting, soliciting, and educating donors on a way of giving that benefits them.

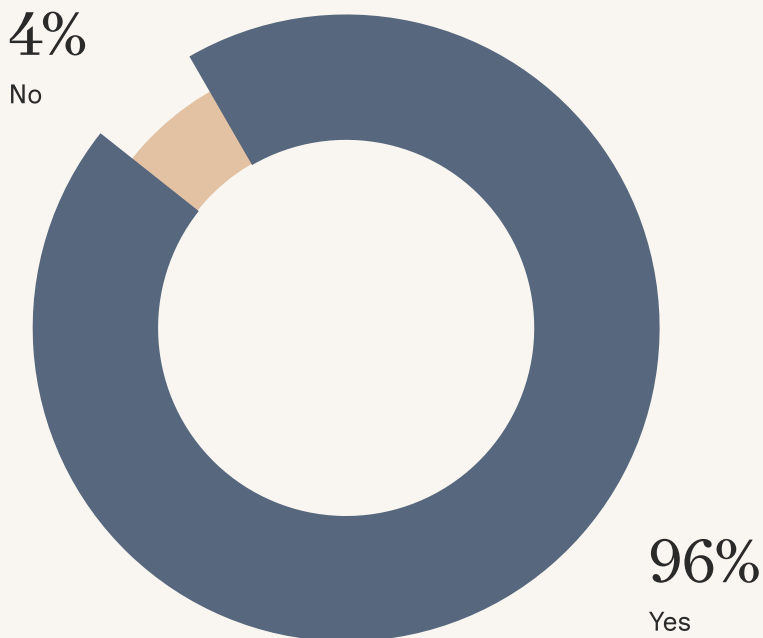
Many donors do not realize they are eligible or approaching the threshold to give. Others are unsure how QCDs work, whether a nonprofit accepts them, or how to complete the gift.

The good news: for most organizations, closing this gap does not require a new audience. However, it does require a more intentional approach to the types of gifts being prioritized and how clearly we are presenting those ways to give to donors.

Many organizations are already recognizing this opportunity, with 96% planning to increase their QCD marketing in 2026.

Tools like [FreeWill's Smart Giving Suite](#) and [Planned Giving Microsites](#) can help nonprofits raise more non-cash gifts like QCDs by educating donors and making it easier than ever for them to make a gift from their IRA.

Does your organization plan to increase QCD marketing in 2026?



From year-end spikes to year-round messaging

QCD activity remains heavily concentrated at year-end, driven by RMD deadlines and seasonal giving behavior. But the data suggests that waiting until the final months of the year limits overall gift totals.

Donors may act in December, but decisions are often made earlier, and the most effective organizations will treat QCDs as a year-round conversation.

This includes introducing the concept early in the year, reinforcing it through multiple touchpoints, and re-engaging donors at key moments, such as Tax Season in the spring, gift anniversaries, or milestones like reaching eligibility.

Unlock the full potential
of your donors

[Book a meeting](#)

Take advantage of FreeWill's comprehensive platform of giving tools to raise more transformational gifts for your nonprofit.



For more resources visit:
nonprofits.FreeWill.com/resources