Building a Foundation of Trust

2021 Giving Report
Together, we make the good go further.
Dear Charitable Donor,

As we emerge from the coronavirus pandemic, many of us are navigating our reentry to schools, workplaces, and the world at large. Donors and nonprofits are determining how they can best help after the shocks to both our health and economic systems and considering the continued dialogue around racial justice.

This report includes the year’s giving highlights and our annual financial statement. Additionally, we’ve included information on new developments in giving, including an interview with our newest T. Rowe Price Charitable Board member, Fagan Harris, on how Baltimore Corps works to harness untapped potential in its city. You’ll also find an insightful overview of family philanthropy and why it can be a powerful way to knit the generations closer as well as how trust-based philanthropy is creating a new paradigm in the donor-nonprofit relationship.

While society and individuals strive to overcome the challenges of the past year, communities continue to struggle with basic needs. Entering the next chapter, we are looking for ways to empower our communities while continuing to help you support the causes that matter most to you.

Sincerely,

John Brothers, President

T. Rowe Price Charitable is a donor-advised fund dedicated to helping you simplify your charitable giving, maximize valuable tax benefits, and increase your impact on the causes you care about most.

Supporting your favorite charities is as easy as:

1. CONTRIBUTE
   Make an irrevocable donation of cash, appreciated securities, or noncash assets and receive an immediate, current-year tax deduction, up to the allowable IRS limits.

2. INVEST
   While you decide which charities to support, your contributions are invested, so they have the opportunity to grow tax-free over time—potentially increasing the amount you have to give.

3. GIVE
   Support your favorite charities at any time by making grant recommendations of $100 or more. We’ll handle the paperwork.
Q&A WITH FAGAN HARRIS OF BALTIMORE CORPS

Tapping In to a City’s Potential.

Fagan Harris joined the T. Rowe Price Charitable Board of Directors in 2021. He is cofounder and CEO of Baltimore Corps, a nonprofit that works to enlist talent to accelerate social innovation in Baltimore while also advancing a citywide agenda for equity and racial justice.

Q: Can you tell us about the work you do with Baltimore Corps?
FH: Baltimore Corps is a platform for equitable talent development, acceleration, and innovation. There’s a tremendous amount of genius and talent in Baltimore’s neighborhoods to solve big problems, whether that’s a person in a West Baltimore ZIP code who has an idea to open a child-care center or someone in East Baltimore with thoughts on how to improve food justice and food recovery. Unless we work to tap into all the talent and potential here, Baltimore is always going to have a ceiling on its trajectory. At Baltimore Corps, we run more than a dozen different talent programs, all done through a racial equity lens and bound by our values. We connect people who are social entrepreneurs or just looking for full-time work with those who can help, including executives or people with technical skills like software developers or engineers.

Over the last six years, we’ve helped inspire a large grassroots movement dedicated to this work. We’ve seen an explosion of social entrepreneurs and social innovators with hundreds, if not thousands, of people starting organizations, scaling new solutions, trying new strategies, and sitting on boards that they either joined or created. It’s done a lot to lift the voice of the community and inspire people who live in Baltimore to do things differently and better.

Q: What prompted you to join the T. Rowe Price Charitable Board?
FH: I’m very familiar with the charitable efforts of T. Rowe Price, through both T. Rowe Price Charitable, which helps individual and corporate donors maximize their giving, and the firm’s direct giving efforts through the T. Rowe Price Foundation. With the latter, Baltimore Corps launched the Civic Innovator program in 2019 to connect the professional expertise of volunteers with city agencies in Baltimore. When the opportunity to join the T. Rowe Price Charitable Board came to me, I was excited, given all they are doing to reimagine the giving infrastructure by bringing more of a values orientation and through educating individual donors on giving more effectively. The movement to trust-based philanthropy is the future of the philanthropic sector. Too often, philanthropy and giving happen in a silo. There needs to be a relationship.

Q: After the events of the past year, should individual donors change their approach to giving?
FH: There’s a natural desire among individual donors when things are in flux to step back and ask themselves, “How can I be most impactful?” Giving needs to be co-created. John Brothers, the president of the Foundation, and his team understand that you have to create a partnership with the community.

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Q: What did COVID-19 mean for nonprofits generally and the work of Baltimore Corps specifically?
FH: The Black and Brown communities start new businesses at some of the fastest rates in America. We were making so much progress on business creation before COVID-19 hit. The pandemic was this devastating tidal wave that wiped out and compromised a lot of these businesses. It wasn’t just a public health nightmare—it precipitated an economic crisis that disproportionately impacted Black and Brown small business owners and sole proprietors. We need to help these businesses survive this chapter, start back up, and rebuild even better. So, there’s a lot of work to do.

Q: What’s your outlook on where philanthropy and giving will be in five or 10 years?
FH: I’m hopeful in the future that we’ll see more decision-making power given to nonprofits in a community, as well as more resources entrusted to community members to carry out the work that’s so desperately needed. The community should have an active role in setting the strategy for how money is allocated to solve big problems. I also hope we’ll see more reporting from nonprofits about their progress in tackling problems, which will instill confidence among givers and hopefully prompt additional giving.

Individual donors can provide funds to nonprofits without restrictions. Setting limits on how much of your donation can go toward overhead, such as salaries, limits the good a nonprofit can do. Every business with a philanthropic commitment should examine the values of that commitment. For example, companies can give more than just money—they can give their time and talent as well by providing a specialized set of skills so that these challenges aren’t left to the community or the public to grapple with.

Learn more about Baltimore Corps. Visit baltimorecorps.org
How Our Donors Are Making an Impact

- **$487M** Assets Under Management
- **$120M** Investment Growth
- **3,800** Donations Received
- **1,600** Active Donors

**2021 HIGHLIGHTS**

- **11,100** Charities Supported
- **29,300** # of Grants

**Top 5 Charities:**
1. Doctors Without Borders
2. Salvation Army
3. Maryland Food Bank
4. American Red Cross
5. Planned Parenthood

- **$89M** Appreciated Securities
- **$22M** Cash
- **$120M** Investment Growth
- **1,600** Active Donors
- **$500** Median Grant Amount
- **$85M** Total Granted
- **13%** Recurring Grants
- **10 Average # of Grants per Account**

Asset Types Contributed:
- **80%** Contributed
- **20%** Cash
A shared approach to philanthropy can be a powerful way for families to knit the generations closer while learning more about each other’s values and charitable interests. While you may already make charitable giving decisions jointly with your partner, there could be much to gain by expanding your family decision circle across generations and geography.

In the past, family philanthropy might have called for establishing a formal family foundation. Now, families can utilize T. Rowe Price Charitable’s giving accounts as a simple, cost-effective tool to maximize their collective charitable impact and establish a charitable legacy that spans generations.
Three strategies for effective family philanthropy

1. **Decide on your charitable purpose**
   
   With some introspection by you and your family members, answer the question, “Why are we giving?”
   
   - Understanding what matters to you and your family members is the first step toward being more intentional about giving. Start by asking family members to tell stories about personal experiences that have helped shape their charitable passions.
   - Gather those responses and together write a family giving purpose statement based on your discussion about family values and philanthropic goals.
   - Generate ideas by searching for charities that reflect your family values and passions.
   
   T. Rowe Price Charitable provides access to Candid® GuideStar search, which includes program descriptions, financial information, and supplementary information on millions of charities.

2. **Turn your purpose into a giving strategy**
   
   Once your family has agreed on its charitable purpose, it is time to decide how you’ll make an impact.
   
   Remember, you are now moving from reactional giving to intentional giving. So, some structural decisions are in order. Ask yourself these questions:
   
   - Who will make giving decisions? What are the roles in our family philanthropy?
   - What is our budget? What are the tax implications?
   - When should we give? Should we give modest amounts annually? Or periodic transformational gifts?
   - Can we deepen our involvement? Volunteer our time? Contribute expertise on a board?
   - How can we evaluate our impact?
   
   A T. Rowe Price Charitable giving account records your philanthropic activity, making it easy to track against your goals and schedule your grant recommendations. Account access can be shared with family too.

3. **Transform your purpose into a legacy**
   
   You’ve now engineered a family giving tradition. As your children grow and your family’s philanthropy evolves, it’s important to clearly articulate your aspirations for continuing the tradition when you are no longer leading.
   
   - Compose a clear plan for succession to foster continuation of your philanthropic purpose. Share it with the family to prompt the next generation to consider how the purpose can evolve and fulfill their aspirations.
   - Think through your own legacy goals and what skills your children should develop to prepare them to carry the legacy forward, honoring your and their giving passions.
   
   T. Rowe Price Charitable provides flexible options for legacy giving: You can name successors to take over your giving account, split your giving account between successors establishing new accounts in their name, or distribute grants to charitable organizations either annually or in a lump-sum payment.

Explore our smarter giving resources.
Visit trowepricecharitable.org/resources.
TRUST-BASED PHILANTHROPY

Helping Communities Lead.

The positive intentions that drive charitable giving can be compromised by a power imbalance created between donors and the communities they support.

“This construct often ignores the expertise found within the nonprofit or broader community,” says Shaady Salehi, director of the Trust-Based Philanthropy Project (trustbasedphilanthropy.org), an initiative working to address this imbalance. “And donors’ insistence that nonprofits provide frequent reporting and performance metrics to ‘prove’ their impact perpetuates mistrust while also distracting organizations from their mission-critical work.”

Trust-based philanthropy works to rewrite this narrative by operating on the belief that donor-nonprofit relationships are stronger when they are built on a foundation of trust. The approach recognizes the systemic inequity that gives too much control to donors over nonprofits and works to rebalance it.
Trust-based philanthropy is about the redistribution of power in favor of more equitable management of the nonprofit sector. It helps nonprofits to stay focused on their core missions through unrestricted funding and more transparency in reporting and relationships. While Salehi’s organization is focused particularly on rebalancing the foundation-grantee relationship, its principles are also applicable to individual donors.

How donors can incorporate trust-based philanthropy practices

Many individual donors ask that their dollars be restricted to a certain part of a nonprofit’s work. “But that approach to giving can starve the organization of necessary funds for day-to-day needs, such as office rent and support staff who may not be working directly on that funded project,” Salehi says. “Not only is that challenging for nonprofits, but it also prevents donors from seeing the big picture and understanding on a deeper level what these organizations are all about.”

“The best type of philanthropy comes when the donor creates or maintains an authentic relationship with the group they’re giving to,” says Dr. John Brothers, president of the T. Rowe Price Foundation. “That’s why so many people give to their schools or places of worship—they’ve already formed deep relationships with the organizations.”

How the pandemic changed philanthropy

The coronavirus pandemic provided momentum to the value of trust-based giving. Salehi says donors suddenly realized the communities and groups they wanted to help had the best knowledge on what assistance was needed as circumstances shifted rapidly. As one indication of the growing change in approach, more than 700 foundations signed a pledge to remove restrictions from their grants and loosen reporting requirements.

“Many donors moved out of the way once they realized they didn’t understand what was happening on the ground,” says Salehi. “It was a wake-up call for donors. There was a realization of the importance of trusting the leadership of people in the communities who were closest to those issues.”

As an individual donor, “you likely have a lot of skill sets,” says Dr. Brothers. “Remember that nonprofits need head, hand, and heart. For an individual, that means sharing your knowledge base, connections, and skill sets—all of which can help you develop deep relationships with these organizations over time.”

Key practices of trust-based philanthropy

According to the Trust-Based Philanthropy Project, there are six key practices that put trust-based values into action:

1. **Give unrestricted, multiyear funding.**
   This gives nonprofits the flexibility to assess and determine where charitable dollars are most needed and allows for innovation, emergent action, and sustainability.

2. **Simplify and streamline paperwork.**
   Nonprofits spend an inordinate amount of time on donor-imposed paperwork. Streamlined approaches free up staff time and pave the way for deeper relationships and mutual accountability.

3. **Solicit and act on feedback.**
   A donor’s work will be inherently more successful if it is informed by the expertise and lived experience of nonprofit partners.

4. **Do the homework.**
   Trust-based philanthropy makes it the donor’s responsibility to get to know prospective nonprofits, saving them time in the early stages of the vetting process.

5. **Be transparent and responsive.**
   Open communication helps build relationships rooted in trust and mutual accountability. When donors model transparency, it signals to grantees that they can show up more fully.

6. **Offer support beyond the check.**
   Responsive, adaptive, nonmonetary support bolsters leadership, capacity, and organizational health.
**Investments in T. Rowe Price Mutual Funds**  
As of March 31, 2021

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**Other Assets and Liabilities, Net**

| Pool Type                      | $106,077,807                  | $95,244,401          | $101,155,015               | $53,233,119                   | $72,260,410                 | $37,890,460              | $899,521                             | $2,702,335                             | $10,825,834                             | $479,560,421              |

**NET ASSETS Unrestricted**

| $72,228,058                              | $37,730,469                          | $892,368                                | 2,699,930                             | 10,769,726                              | 449,005                              | 105,906,585                        | 95,023,073                        | 100,742,139                          | 53,119,068                          | 72,260,410                          | 37,890,460                          | 899,521                                | 2,702,335                             | 10,825,834                              | 479,560,421                        |

**Changes in Net Assets**  
Fiscal Year Ended March 31, 2021

| Donor Contributions† | $13,990,603                  | $19,734,854          | $36,453,394               | $7,826,495                   | $21,995,630                 | $6,547,968              | $65,196                             | $861,302                             | $3,944,900                             | $(1,434,191)                          | $110,572,556                        |
| Grants               | (13,661,068)                 | (15,075,766)         | (25,516,743)              | (8,296,296)                 | (13,917,031)               | (4,990,867)              | (149,965)                          | (257,574)                             | (3,022,069)                             | (8,887,880)                          | 115,247,169                        |
| Expenses             | Management and general | 102,418              | 66,274                   | 155,324                    | 57,530                    | 27,627                  | 30,602                             | 35                                  | 331                              | 2,515                              | 494,114                             | 936,770                             | (12,132)                              | (12,132)                             | (683,557)                            | (683,557)                             | $33,442,131                        | $18,636,240                          | $9,745,443                          | $33,170,105                          | $15,763,355                          | $416,795                             | $1,556,918                             | $5,854,996                             | $412,574                             | 146,429,661                        |

**Net Transfers Between Pools**

| (2,930,225)                  | 500,591                    | 4,045,510               | (1,641,703)                | (1,693,963)                | 239,065                   | (309,034)                          | 325,436                             | 1,464,323                             | 19                             |

**CHANGE IN NET ASSETS**  
During Fiscal 2021

| $33,442,131                        | $18,636,240                          | $9,745,443                          | $33,170,105                          | $15,763,355                          | $416,795                             | $1,556,918                             | $5,854,996                             | $412,574                             | 146,429,661                        |

**†** Contributions received in the form of marketable securities are recognized at fair value on the date of receipt and held in the program account pending disposition. Upon sale of the securities, actual proceeds are deposited into the donor-recommended investment pool, and any gain/loss realized on the sale is recognized in the program account.
Thank you for making the good go further.

For more information about T. Rowe Price Charitable, for answers to your questions, or to open an account, please contact us using the information below.

trowepricecharitable.org

1-800-690-0438
Our service associates are available Monday through Friday, 8 a.m. to 8 p.m. ET.

questions@trowepricecharitable.org
You can expect a reply within one to two business days after your inquiry.

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