



For Immediate Release  
October 7, 2011

Contact: Alison Hawkins  
[ahawkins@philanthropyroundtable.org](mailto:ahawkins@philanthropyroundtable.org)  
(202) 822-8333

## **NONPROFIT LEADERS MEET WITH OVER 30 MEMBERS OF CONGRESS TO SUPPORT THE CHARITABLE DEDUCTION**

*Nonprofit Leaders Reiterate the Most Harm Will be to Those Who Use Nonprofit Services*

WASHINGTON, D.C.—Nonprofit leaders from all over the country came to Washington Thursday to speak out against proposals to limit the charitable deduction and met with more than 30 members of Congress, including those on the powerful Finance, Ways and Means and Super Committees.

The diverse group of leaders brought the message that giving is down, the demand for services is rising and government funds are dwindling. They advised lawmakers that the president's proposal to cap the itemized deduction at 28% would reduce charitable giving and ultimately will harm those they serve and who need help the most.

“We want our position to be very clear to Congress,” said Sue Santa, Senior Vice President for Public Policy at The Philanthropy Roundtable. “Reducing the charitable deduction will hurt individuals and community organizations that need private support to survive. We should be finding ways to encourage more giving rather than recycling these same threatening proposals.”

Giving has already been down substantially in recent years, and projections are stagnant. An Indiana University Study reports the President proposal to limit deductions would further decrease giving by \$4 billion each year. That is a significant hit to an already struggling sector. The group speaking out on Capitol Hill included rescue missions, museums, a zoo, theater and art directors, community colleges, the YMCA, the United Way and many others.

The Alliance for Charitable Reform (ACR), which is a project of the Philanthropy Roundtable, organizes with nonprofit leaders to defend against any legislative or regulatory proposal that will interfere with giving.

For more information about the “Fly in/Speak Out: Preserve Giving” day on Capitol Hill or to interview a participant, contact Alison Hawkins at [ahawkins@philanthropyroundtable.org](mailto:ahawkins@philanthropyroundtable.org) or at 202-714-9965.

###



## Alliance for Charitable Reform

---

Philanthropy enriches our nation and shows a diverse commitment to our communities. This rich and unique culture of giving must be protected.

The Alliance for Charitable Reform (ACR) is a project of The Philanthropy Roundtable that works to preserve the rights and principles of private giving by educating legislators and policymakers on the contributions of philanthropy, engagement of others interested in our issues and communicating our message in both Washington, D.C., and the states. We challenge proposals that would diminish charitable giving, limit the broad spectrum of charitable causes to which Americans give, or place unwarranted constraints or regulations on philanthropic organizations.

## Our Mission

---

To promote the rights of donors and private foundations to choose how and where to spend their charitable assets and to defend against any initiative that seeks to use the legislative or political process to weaken that right to choose.

## Our Objectives

---

- Identify ways to preserve and expand America's standing as the most generous and charitable nation by promoting the importance of voluntary, participatory, and active giving.
- Safeguard the freedom of donors and private foundations to carry out their diverse charitable missions, and preserve their distinctive contributions.
- Promote common-sense laws and regulations that encourage charitable giving and impose strict penalties on violators.

To learn more about the Alliance for Charitable Reform or to sign up for our newsletter, please visit [www.acreform.com](http://www.acreform.com) or email our information desk at [info@acreform.com](mailto:info@acreform.com).

---

## Quotes from Nonprofit Leaders

---

- “A federal proposal to limit the charitable deduction for certain Americans as a means to reduce the federal budget deficit is shortsighted. -- **Steve Gunderson**, *chief executive of the Council on Foundations* ([Gazette Extra](#), 5/12/11)
- “Doing anything to disincentivize giving is not a good thing. Especially when needs are high, the government isn’t contributing and the economy hasn’t recovered entirely.” -- **Diana Aviv**, *president, Independent Sector* ([Investment News](#), 4/14/11)
- “Politicians and policymakers should be doing everything they can to support the nonprofit community and its impact on our economy. That means protecting the charitable tax deduction, so we can continue to invest in programs that create jobs, move people into the workforce and out of poverty, and lay the groundwork for future financial security.” -- **Holly Welch Stubbing**, *senior vice president at Foundation for the Carolinas*, and **Bobbi Hapgood**, *executive director at N.C. Network of Grantmakers* ([Charlotte Observer](#), 7/15/11)
- “[Capping itemized deductions] would reduce the incentive for people to give at a time when Congress should be considering ways to increase charitable donations rather than decrease them.” -- **Neal Denton**, *senior vice president, American Red Cross* ([The Hill](#), 3/27/11)
- “The president thus will inhibit giving by making it less attractive to give. And this will impose pain on the recipients.” **Fay Vincent**, *CEO of Columbia Pictures Industries, Inc. and a former commissioner of Major League Baseball* ([Wall Street Journal](#), 9/15/11)
- “We worry a lot [about the deduction proposal] because the amount of government funding is so small. When you start tampering with deductibility, it can become the proverbial slippery slope. The cumulative effect could be devastating.” -- **Ford Bell**, *president and chief executive, American Association of Museums* ([Washington Post](#), 9/19/11)
- “Limiting the itemized deduction would certainly lead to a significant decrease in charitable contributions. If charities have less resources, they’ll be forced to choose between laying off employees or cutting needed services. Nonprofits employ almost 10 percent of the work force nationwide, and in many states nonprofits are the largest employers. In our view, cutting the deduction is like cutting your nose to spite your face.” -- **William C. Daroff**, *vice president for Public Policy, Jewish Federations of North America* ([Chronicle of Philanthropy](#), 9/12/11)
- “..the charitable deduction is not only fair but also an efficient way for the government to spur investment in communities.” -- **Nancy E. Jones**, *president and CEO, Community Foundation of North Texas*; **Tim McKinney**, *president and CEO, United Way of Tarrant County* ([Star Telegram](#), 7/25/11)
- “This goes to the core of who we are as a nation. We have a long tradition of charitable giving, of taking care of our own groups, and this deduction is an embodiment of that spirit.” -- **Steve Taylor**, *president, United Way Worldwide* ([Newsmax](#), 3/28/11)

- “Critics of the charitable deduction understand government, not individuals acting freely, as the better philanthropist. The war on the charitable deduction is about dismantling America’s tradition of voluntary charitable action and philanthropic freedom in favor of a government-run system...” -- **Jeff Cain**, *president, Arthur N. Rupe Foundation and secretary, Lillian S. Wells Foundation* ([Philanthropy Daily](#), 1/7/11)
- “President Obama's proposed tax plan would weaken the role of the local, the personal, and the voluntary. It would penalize those who can give the most, shift dollars from citizens and local private charities to distant government bureaucracies, and prioritize mandatory taxation over voluntary tithing and charitable giving.” -- **Ryan Messmore**, *William E. Simon Fellow in Religion and a Free Society in the Richard and Helen DeVos Center for Religion and Civil Society, The Heritage Foundation* ([Heritage Foundation](#), 4/10/09)
- "If there's an ounce of humanitarian blood in people, you would want to find greater ways to get money to nonprofit institutions to fill those gaps, and if you can do it in a way that generates jobs, it's a win-win." **Norman Ornstein**, a resident scholar at the American Enterprise Institute ([Huffington Post](#))
- “Government might see changes in charitable tax exemptions as a small pot of gold at the end of the nonprofit rainbow, but it is equally possible is that this could also unintentionally be the first step toward ending America’s longstanding tradition of encouraging private organizations to serve the public good.” -- **Peter Goldberg**, *formerly chief executive, Families International* ([Chronicle of Philanthropy](#), 8/15/11)
- “If this was a Republican president, we would have been outraged. We are letting our progressive-leaning bias and perhaps affinity to a historic president get in the way of what’s best for our (sector).” – **Emmett Carson**, *president of the Silicon Valley Community Foundation on the charitable deduction proposal by President Obama to pay for the Jobs Act.* ([San Francisco Business Times](#), 9/11)

## Quotes from Elected Officials

- **Representative Sander Levin (D-MI), Ranking Member of House Ways and Means Committee** "In the case of the charitable deduction, one has to keep in mind that the recipients of the contributions include universities, hospitals, churches and soup kitchens that provide critical services to working families” ([Speech on tax reform](#))
- **House Ways And Means Chairman Charlie Rangel (D-NY)**: "I would never want to adversely affect anything that is charitable or good," (*Stephen Ohlemacher, "Obama's Plan To Hike Taxes Meets Fierce Opposition," The Associated Press, 3/3/09*)
- **Representative Shelley Berkley (D-NV)**: "I'd like to think that people give out of the goodness of their hearts, but that tax deduction helps to loosen up their heartstrings.” Outside the hearing, Berkley said the proposed tax increase was 'the number one issue' on the minds of her constituents over the weekend. Reminded that the provision is intended to raise hundreds of billions of dollars to finance an expansion of health insurance coverage, Obama's top domestic priority, she said: "We can find another way." (*Lori Montgomery, "Obama Officials Defend Budget," The Washington Post, 3/4/09*)
- **Majority Leader Cantor (R-VA)**: “It Doesn’t Make Sense To Impose Taxes On Charitable Contributions When The Charities Are The Ones Out There Helping People. We have also found out through looking at his tax proposals, or at least the reports, that his tax proposals are going to impose taxes on charitable contributions and in fact impact at least 40 percent of tax deductible charitable contributions. I don’t think there are many Americans right now who think that’s a good idea. The question is why would we want to put an impediment in the way of the charities accessing funding when

the charities are the ones out there helping the people in need right now? It doesn't make sense.”  
(*Remarks At The American Action Forum, 9/13/11*)

- **Representative Erik Paulsen (R-MN):** “Ultimately, as our country continues to move forward and fight through this recession, it should be the job of Congress to encourage and inspire charitable giving.”  
([DMA](#))



## **Preserve Charitable Giving**

---

### **Charitable Giving, By the Numbers**

#### **9.2 million American Families in Poverty; Giving to Charity Declined by 20%**

- Now is not the time to lessen the incentive to give. According to the 2010 census, the number of Americans living below poverty level has risen by 2.6% since 2007, generating tremendous demand for charitable services.
- At the same time, charitable giving dropped by about 20% from 2007 to 2009 by donors who use the charitable deduction. (According to the IRS)

#### **\$290 Billion Donated in 2010**

- Despite the decline in giving over previous years, donors still gave \$290 billion in 2010.
- Philanthropy is an independent, innovative investment in improving our communities.
- The charitable deduction is a unique incentive. It encourages individuals to give away a portion of their income without personal gain. This makes it different from other tax incentives.
- Philanthropy uses private resources for the public good. Its independence allows it to affect change in diverse ways.

#### **About a 3:1 Ratio**

- For every one dollar given to charity, the donor's tax benefit is about 30 cents.
- While the donor receives some tax benefit for donations, the biggest benefit goes to the charity and those who are served.
- The President's plan will hit those who rely on charities much more than it will hit the wealthy.

#### **Up to \$5.6 Billion Every Year – the Amount Giving Would Drop if the President's Proposal to Cut the Charitable Deduction Were Enacted**

- In October 2011, the Tax Policy Center estimated that capping the charitable deduction at 28% -- the President's proposal -- would reduce giving by up to \$5.6 billion each year.
- That is more than the annual operating budgets of the American Cancer Society, World Vision, St. Jude Children's Research Hospital, Habitat for Humanity, and the American Heart Association combined.
- This reduction in giving and drastically decreased federal funding due to deep spending cuts, would substantially hinder charitable service programs throughout the country.

**Keep the Charitable Deduction Intact**