CHARITABLE GIVING COALITION

The Charitable Giving Coalition urges you to support the bipartisan Universal Giving Pandemic Response Act (S. 4032, H.R. 7324) to encourage all Americans to give more to charity during these challenging times.

The Charitable Deduction Works
- Generous Americans have given more than $400 billion annually for the past 10 years.[1] Charitable dollars are essential to maintaining a healthy civil society, vital to both nonprofit charities and local governments that depend on these resources to achieve their critical missions.
- The charitable deduction is **good tax policy** – it encourages individuals to **give away** more of their income and invest it in their communities. Research shows that those in need receive $2.50 in benefit for every $1 of tax benefit. This is an impressive return on investment.

COVID-19 Pandemic and Economic Crisis Has Led to a Decline in Giving
- According to new data from the Fundraising Effectiveness Project (FEP), individual giving declined by 6 percent in the first quarter of 2020 compared to the same period in 2019, including an 11 percent decline in March 2020. FEP also found that the total number of donors declined by 5.3 percent in the first quarter of 2020 compared to 2019.
- Charitable giving levels have yet to recover to the levels seen in 2017, despite strong economic growth in both 2018 and 2019.[2] Combined with the economic fallout of COVID-19, giving is expected to decline even further from that 2017 peak.
- These recent studies confirm the downward trend of Americans making charitable donations. Indiana University's Lilly Family School of Philanthropy has found that the percentage of Americans who give has fallen by 13 percent over the past 16 years—from 66 percent in 2000 to just 53 percent in 2016.[3]

Congress Should Enact the Universal Giving Pandemic Response Act (S. 4032, H.R. 7324)
- Under the current tax code, only 11 percent of Americans who itemize their tax returns are able to fully deduct their charitable contributions.[4] While we are grateful that a temporary universal charitable deduction capped at $300 was enacted in the CARES Act, Congress can and should do more to make giving incentives fair for all taxpayers and to strengthen and expand this incentive. This will help charitable organizations achieve their missions and support their workforces during these challenging times.
- Congress can do this by enacting the bipartisan Universal Giving Pandemic Response Act (S. 4032, H.R. 7324), introduced by Sens. James Lankford (R-OK), Chris Coons (D-DE), Amy Klobuchar (D-MN), Mike Lee (R-UT), Tim Scott (R-SC), and Jeanne Shaheen (D-NH) in the Senate and Reps. Mark Walker (R-NC) and Chris Pappas (D-NH) in the House. The legislation would raise the $300 cap to over $4,000 for individuals/$8,000 for couples.
- Additionally, S. 4032 and H.R. 7324 would extend the availability of this deduction to the 2019 tax year, as well as 2020, and allow all taxpayers (itemizers and non-itemizers) making donations between December 31, 2019 and July 15, 2020 to claim those gifts on their 2019 tax filings.
- S. 4032 and H.R. 7324 will democratize giving by further incentivizing all American taxpayers—regardless of their income—to give to charity, thereby ensuring that our country retains a strong and independent civil society. And it will provide needed resources for charitable and faith-based organizations to continue providing vital services to families, workers, and communities, especially those critically impacted by the novel coronavirus.

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[1] https://www.campbellcompany.com/news/giving-usa-2019-release
[2] http://protectgiving.org/report/charitable-giving-coalition-assessing-giving-usa/
[3] https://scholarworks.iupui.edu/bitstream/handle/1805/21217/vanguard-charitable191022.pdf?sequence=1&isAllowed=y
[4] https://www.jct.gov/publications.html?func=startdown&id=5060