CURBING CHARITABLE DEDUCTIONS

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By Al Coddington

Question: I heard on PBS that there was interest in the federal government on curbing charitable deductions from income taxes. What effect will this have on our economy?

Answer: PBS reported that some of our federal officials are seriously looking at putting a cap on the amount of deductions an individual or corporation can take for charitable giving. This is about the dumbest thing I’ve ever heard of, so it must be true. Americans give about $300 billion each year to charitable causes. They also provide a massive number of hours of volunteer service.

If the charitable giving deduction was capped, rich people would have to spend more money on themselves. I suppose, at some level of economic insanity, this might make sense. However, this would hurt the people of the United States, rich and poor. Let’s take Marin County for instance.

Across the nation most firefighters are from volunteer fire departments. They are not paid. Their heroism is legendary. Did you know there are volunteer police officers? They’re called police reserves.

The Marin Sheriff’s Department has a volunteer air patrol. The United States Coast Guard and the United States Air Force have unpaid auxiliaries. These volunteers are usually highly educated professional career people. They take their own time to train to the same level of proficiency as the paid guys. They are highly motivated, and brave beyond measure.

If a firefighter squirts water on your burning house, or a Coast Guardsmen pulls you aboard a boat from the chilly San Francisco Bay waters, do you really care if they’re volunteers? Can you tell the difference? Volunteers like these live in Marin and are allowed to deduct their monetary expenses.

When I worked as a business consultant for the SBA, I was stationed one day a week at Marin County Social Services. In my opinion, as a business consultant, County Welfare is understaffed. Every day each caseworker gets a stack of new cases a foot-high. The way they deal with this is they refer their clients to nonprofits that can help them. Organizations like St. Vincent de Paul, The Salvation Army, the Canal Alliance, Ritter Center and The Novato Human Needs Center do the heavy lifting. There are others that specialize in specific issues like AA.
Statistics show that the working poor give disproportionately to charitable organizations. They often comment that it was there for them, when they needed help. It is in the enlightened self interest of the body politic to support this truly American endeavor.

http://www.marinscope.com/novato_advance/opinion/columnists/article_f7aa1798-6f36-11e3-80b8-001a4bcf887a.html
SONOMA COUNTY CHARITIES SAY MORE DONORS IN THE GIVING SPIRIT

December 20, 2013
By Martin Espinoza

As the country crawls its way back from economic troubles, some local charities and nonprofit organizations report that contributions are stabilizing, a reflection of both better times and more focused fundraising strategies.

Even though the traditional charitable gift-giving season was one week shorter this year, thanks to a late Thanksgiving, charity groups say that local residents have in some cases increased their giving. In other cases, a larger pool of donors has made up for smaller individual donations.

“The recession has definitely changed the game,” said Hillary Jarcik, development officer for the Redwood Empire Food Bank. “People are reducing their amounts, but more people are giving. We’re getting more donors, more community buy-in to what we’re doing.”

Jarcik said the food bank’s annual budget — which she said is a reflection of the local community’s need — increased 40 percent during the recession, from $5 million in 2008 to $7 million this year.

One of the ways the food bank meets its year-end goals is through donors who offer challenge grants. On Thursday, Jackson Family Wines offered to match donations dollar for dollar up to $50,000.

At the Boys & Girls Club of Central Sonoma County, the Santa Land program just wrapped up its goal of fulfilling 3,000 gift requests. By midweek, the program had only collected two thirds of those requests.

“There was a week less than we traditionally have between Thanksgiving and Christmas,” said Jason Weiss, co-CEO of the Boys & Girls Club.

Even so, Weiss said the organization, which serves 3,000 kids at 28 club locations across Sonoma County, has had a “good year.” Weiss said that while donors have given generously this year, the need is also greater.

About 80 percent of the kids served by the Boys & Girls Club are from low-income families, he said.

“Our vision is our work is not done until every child who needs or wants it has a Boys & Girls Club. But we need resources to do that,” he said, adding that half of the organization’s $5 million budget comes from private donations and half comes from grant funding.

J Mullineaux, vice president for philanthropic planning for the Community Foundation Sonoma County, said that this year more families are doing “deeper philanthropic planning” and that more professional advisers are including philanthropy in their work with clients.

“Referrals to the Community Foundation from advisors have tripled this year, which we see as a good sign,” Mullineaux said in an email.
Mullineaux said the end of the year is usually a busy time for philanthropy, with about 40 to 50 percent of donations to the foundation received in the last two months of the year.

“Last year, the Community Foundation made grants of $10 million, most of which were donor-directed,” he said, adding that the foundation will likely exceed that amount this year, though it’s still too early to say by how much.

“We’re definitely busier than we were last year at this time,” he said.

The work force reductions that characterized much of the recession since 2009 were a blow to organizations such as the United Way of the Wine Country, which relies on partnerships with local employers for some of its fundraising efforts.

Those who still had jobs and saw some of their co-workers lose theirs ended up giving more, said Mike Kallhoff, the local United Way’s president and CEO. Kallhoff said that through the recession, United Way put greater emphasis on the three areas of community need that would attract the most interest from donors: education, health and income management.

The organization also focused on creating partnerships with other nonprofit groups and local government agencies. For example, the United Way’s Schools of Hope program, an early-grade reading initiative, works in concert with the county-wide Cradle to Career.

Kallhoff said that fundraising for the United Way’s annual budget, which is about $3 million, has recently “stabilized” since its high water mark in 2007. The budget took dips in 2008, 2009 and 2010.

“The pulse of giving right now I would say is up,” Kallhoff said. “More organizations are aligning their work with others and you see more of a collective impact.”

Prior to the recession, the West County Health Centers spent much less time on fundraising efforts than it does now. But state cuts to health programs, including dental services for low-income adults, forced the system of seven community clinics to put a greater emphasis on collecting donations.

The official opening of its clinic in Sebastopol in 2009 also attracted generous donations from higher-income residents in that community.

The group’s executive director, Mary Szecsey, said donations have become a permanent strategy for covering the cost of providing services to those who cannot pay their medical bill, as well as those who pay on the lower end of a sliding scale.

The West County Health Centers recently launched an online donations feature on its website, www.wchealth.org, that has brought an increasing amount of money, Szecsey said.

“We’re really looking forward to 2014,” she said. “I think that our supporters understand what our mission is and want to support health care for everyone and they know that’s what we do.”

http://www.pressdemocrat.com/article/20131220/articles/131229949#page=0
CONGRESSMAN VARGAS COSPONSORS LEGISLATION TO URGE CHARITABLE CONTRIBUTIONS TO VICTIMS OF PHILIPPINE TYPHOON

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Congressman Juan Vargas (CA-51) became a proud original cosponsor of H.R. 3771, the “Philippines Charitable Giving Assistance Act,” introduced by Rep. Eric Swalwell (CA-14). This legislation is aimed at encouraging charitable contributions for the victims of Typhoon Haiyan in the Philippines.

“Typhoon Haiyan mercifully ripped through the Philippines leaving behind staggering death and destruction. These people, many of whom have lost their homes and their loved ones, are in dire need of our help,” stated Rep. Vargas. “I am proud to be an original cosponsor of the Philippines Charitable Giving Assistance Act, which will facilitate and encourage charitable contributions for those suffering from the devastating effects of the typhoon.”

Typhoon Haiyan, one of the strongest storms on record, struck the Philippines on November 8, 2013, causing catastrophic damage. The typhoon, responsible for more than 6,000 deaths in the Philippines alone, brought tremendous winds that smashed buildings, destroyed roads and caused widespread power and water outages.