CHARITIES JOIN NEEDY

December 27, 2013
By Edith Updike

The end of year holiday is the season of giving, when we are infused with the spirit of generosity, empathy for those in need and “good will to all” (not to mention a Dec. 31 tax deadline for deductions).

Unfortunately, this year the peak giving season is shorter than usual. The late Thanksgiving holiday truncated the number of fundraising weekends leading up to Christmas. That’s on top of a challenging macro-economic environment, and it is putting the squeeze on charities. Some local fundraisers have quietly indicated that they are worried about meeting year-end objectives.

“We adopted several families from Harbor Day Care and we allocated money in our charity budget, but members went above and beyond the call of duty,” said Lois Hanson of the County Seat Kiwanis board of directors. “We delivered meals for Thanksgiving and the [Salvation Army] bell ringing is a big thing. We raised just about the same as last year. The weather over the last few weeks didn’t help.”

Of course, with holiday efforts it’s still too early to say for sure—there could be a flurry of donations in the final week. And some organizations say they are on track. Staff Sgt. Kyle Stahlecker, Nassau County coordinator for Toys for Tots, says donations this year are “absolutely on par with last year’s.”

“People in Nassau County are so giving,” he says. “We’re filling up left and right.” Hicks Nurseries, which collects cans of food for LI Cares, says they won’t know for sure until they get a final tally from the charity, but by an eyeball estimate it looks about the same as in past years.

Still, for some organizations, preliminary results are troubling. One fundraiser said the first weekend after Thanksgiving yielded donations that were on one day “slightly less” and on the other “significantly less” than the year before. Another volunteer said charity representatives had mentioned that it seems to be a slow year overall.

The hard times are being felt even by animals. “Adoptions are significantly down because people can’t afford a dog, and surrenders significantly up,” says Bob Sowers, a detective at the SPCA, adding that donations this year have been “a lot less.” “These animals are in desperate need of a home this year.”

Timothy Jaccard, founder of AMT Children of Hope Foundation in Mineola, confirms that AMT has seen a dip in donations, too. “The elections and political arena this year lessened donations,” he says. “A lot of political parties were soliciting for money.”

“It’s down on average compared to the past,” says Bill Moseley, a longtime volunteer fundraiser who sits on the Salvation Army advisory board. “Last year, because of Sandy, people were a little more willing to part with hard-earned dollars, and the season is shortened—retail is feeling it too.”

Nonprofits are working to counteract this trend. AMT held two extra fundraisers: a walkathon in April and a polka-thon in September. The nonprofit is also hosting holiday raffles and Christmas parties. “We raised $5,000 at the Marriott Hotel last night with a raffle,” Jaccard says. He hopes to raise a total of $50,000 for the Children of Hope Foundation through these efforts.
The Salvation Army is likewise seeking creative new opportunities, such as renting its brass musicians—whether a single trumpeter, horn quartet or the full band—for private events. The quartet played Amityville’s Small Business Saturday event this year. Another effort focuses on college and university students.

“The people are more charitable when that happens, when kids sing Christmas carols and what not,” Hanson said.

Absent a rash of such liberality, the budget discussions at charity offices in January may center on making do with less. That might include more energetic recruitment of volunteers for the rest of the year.

“Come January 1, we’re open every day. We’re serving the community all year long,” says Major Philip Wittenberg of the Salvation Army’s Hempstead Citadel Corps. “If a volunteer calls, we can always find a useful service for them to do.”

— Colleen Maidhof contributed to this article

NONPROFITS AND CHARITABLE GIVING ARE KEYS TO MY SUCCESS

November 8, 2013
By Ithaca Mayor Svante Myrick

My story is not one of a self-made man who pulled himself up by his bootstraps. It is a story of caring individuals and communities giving selflessly to raise, motivate and educate a child.

Because of what’s happening in Washington, D.C., I fear that stories like mine will no longer be possible.

My three siblings and I were raised by our single mother and our grandparents in upstate New York. My mother always worked multiple jobs, but we still had a hard time making ends meet. When we ran out of food we used food stamps to buy groceries. When that wasn’t enough, we relied on the support of food banks. When we had no place to live, we stayed in a homeless shelter.

Caring teachers saw what I was capable of becoming. I was fortunate to have the opportunity to attend Cornell University, but struggled to pay for my college education through a combination of three part-time jobs and federal grants. When that wasn’t enough, I applied for scholarships provided by generous donors.

Now, as mayor of Ithaca, New York, I live and work in the county with the lowest unemployment rate in the state. Our nonprofit institutions of higher education – Cornell University, Ithaca College, and Tompkins-Cortland Community College – pump hundreds of millions of dollars into the local economy, provide more than 10,000 jobs, partner with our private industries and help cultivate new business ventures. Each year, through programs supported in large part by private contributions, these institutions educate some 30,000 bright, creative and energetic students who volunteer at our human service agencies, cultural organizations and schools. A large number of those students work, get federal aid and receive scholarships and fellowships funded through charitable giving.

I’ve been the beneficiary of wise, proactive and energetic government programs. But I’m also aware that my life – and the life of our city – is made possible because every-day Americans give generously to charitable programs. Government simply cannot do it all.

Millions of people throughout America depend on a vital infrastructure of highly effective, compassionate organizations that provide jobs, economic development, health care, food, shelter and so much more.

That’s why I am particularly concerned that lawmakers in Washington, D.C. are seriously considering upending the charitable tax deduction as they work to reduce the deficit and reform America’s tax code. Later this month, hundreds of charitable sector leaders and members of the Charitable Giving Coalition, will gather on Capitol Hill to tell lawmakers that limits on the charitable deduction amount to a dangerous game of Jenga. Tampering with this 100-year-old American tradition would set off a cascade of consequences, devastating the nonprofit sector on which millions rely for jobs, support and services. I know firsthand that such a move would be disastrous for the millions of individuals and the thousands of communities that rely on the support of nonprofit programs and services. It would put at risk billions of dollars in private donations for these worthy causes. For every $1 donors get in tax relief for their contributions, the public typically receives $3 of benefit. That’s a better return on investment than most government programs.

Americans of all income levels give to causes they care about – a selfless act at the heart of our country’s belief in helping others and improving our communities.
For those who believe the charitable deduction is a loophole for wealthy donors, I urge them to take a closer look. It is not about the donors. It’s about people like me who are allowed to realize their full potential with the support generous donors provide. And because these donors are closer to the ground, they often understand the needs of a local community better than the state or federal government.

Consider Ithaca’s Family Reading Partnership, an early childhood literacy program whose $520,000 annual budget comes entirely from private individual, business and foundation donors. Because of their voluntary gifts, the Family Reading Partnership has been able to touch the lives of every family with young children in Tompkins County. More than 300,000 free books have been given to families before and at the birth of their children at doctors’ offices, schools and nearly 40 local Bright Red Bookshelf locations. An additional 100,000 books have been distributed through community partners as diverse as Cayuga Medical Center, the Refugee Resettlement Program and WIC. Why jeopardize a child’s early joy in books and reading by threatening charitable giving incentives?

That’s just one example, and there are countless others throughout America’s communities.

Perseverance, determination, and hard work are still the building blocks of success in America. But what makes our country strong is the fact that when families fall we catch them. We give them a fighting chance.

Every day, millions of families like mine are performing heroic feats in making ends meet and finding opportunities to get ahead. But they aren’t doing it on their own. In every community in this country they’re doing it with the assistance of nonprofits and the donors who support them.

Myrick is mayor of Ithaca, N.Y. At 26, is the youngest person ever elected to hold that office.

Tax Reform Threatens the Charitable Deduction
Elizabeth C. Wilder, Executive Director
Grantmakers Forum of New York

The deductibility of charitable gifts encourages millions of New Yorkers every year to give generously to the charities that serve our neediest populations. The charitable deduction is the sole tax deduction which encourages taxpayers to give away money in a way that does not directly benefit themselves. Now this 100-year tradition of deducting charitable donations is at risk as federal lawmakers consider significant tax reform. Grantmakers Forum of New York and the philanthropic sector want to ensure that elected officials understand what is at stake.

As an association of funders throughout New York, Grantmakers Forum encourages philanthropy in many forms, all of which are effected by a taxpayer’s ability to make deductible charitable donations. About one-third of all New York taxpayers, or 2.82 million New Yorkers, use this deduction which is designed to encourage donors to support worthy causes. The donations they made to charities in 2010 amounted to $14.8 billion. An infographic is attached that illustrates New Yorkers’ charity.

People at virtually every income level take advantage of the deduction. About 22 percent of the 2.82 million New Yorkers who itemized their deductions made less than $50,000 a year and together they gave $1.16 billion to charities. About two-thirds had income between $50,000 and $200,000 and they gave $4.96 billion. And for every $1 a donor receives in tax relief, our communities receive up to $3 in benefit from their donation. That’s $18 billion in economic benefit from individuals and families earning less than $200,000 a year.

Limiting the charitable deduction defies logic, particularly when we are still feeling the effects of the recession compounded by budget sequestration. New York’s unemployment rate is hovering at 7.6 percent and there is an increased demand for social services with fewer resources to get the job done. The charitable deduction is an effective way for individuals to invest in their communities, and it works. The nonprofit sector in New York is an economic engine, employing 15% of our workforce - individuals who pay taxes - to spur innovation, aid the most vulnerable, provide relief in a crisis, support education and health, advance cures and scientific breakthroughs, enhance the arts and make investments that fuel economic growth. Eliminating the charitable deduction puts at risk billions of dollars in donations and could spell disaster for New York’s nonprofits, including the nearly 1.25 million people who work for them earning wages of $55.6 billion, and the hundreds of thousands of people who rely on them for help.

In fact, a recent survey from the Nonprofit Finance Fund reveals that 45% of New York charities say they could not meet demands for assistance last year and expect that to increase this year. One in four had less than 30 days’ cash on hand and an annual budget of less than $500,000. These are small organizations delivering vital services in our communities, many receiving little government support. Redirecting dollars from a charitable tax deduction to government spending will not help the 65% of organizations that receive no federal funding, or the 39% that receive no state or local tax dollars. With federal budget cuts to social programs continuing year after year, these charities rely on individual giving to provide services essential to the health and well-being of our communities like food and shelter, preparing our children for success in school and work, helping families become financially stable and strengthening health-care services for our most vulnerable populations.

According to a recent poll conducted by United Way Worldwide, two out of three Americans oppose eliminating this deduction and nearly two-thirds would reduce their contributions by 25 percent or more if the deduction was eliminated. While elected officials express support for the value of charitable giving, proposals on the table represent a real threat to limit or eliminate the incentives that encourage this kind of generosity.

Grantmakers Forum of New York recognizes that tough decisions must be made to tackle the nation’s fiscal challenges. But reducing or eliminating the charitable deduction is not a solution. As the federal government reduces investments in our communities, we should be working together to find ways to encourage more giving, not less. We hope New York’s congressional delegation, including U.S. Senators Kirsten Gillibrand and Charles Schumer who serves on the Senate Finance Committee, and Representative Tom Reed on the House Ways and Means Committee will stand up for the charitable deduction.

Grantmakers Forum of New York
75 College Avenue, Rochester, NY 14607-1009
phone: 585.232.2380 fax: 585.232.8413
e-mail: gfny@grantmakers.org web: www.grantmakers.org
THE CHARITABLE DEDUCTION IN NEW YORK

Individual New York residents donated over $14.8 billion to charities in 2010. These contributions are 8.9% of the $181.76 billion Americans gave to their charitable causes.

Thirty percent (30%) of New Yorkers—at every income level—reported making charitable contributions on their federal tax returns, using the itemizer schedule to report and claim their deductions.

2.82 million New York residents itemized their charitable contributions

Giving by Income Level

- **66%**
  - Had income < $50K
  - Gave $1.16 billion

- **22%**
  - Had income of $50K—$200K
  - Gave $4.96 billion

- **12%**
  - Had income over $200K
  - Gave $8.71 billion

26.9% of the 1,409 New York estate returns filed in 2010 included charitable bequests totaling $1.355 billion.

NY vs. US

HOW NEW YORK STACKS UP

<table>
<thead>
<tr>
<th></th>
<th>INDIVIDUAL GIVING</th>
<th>CHARITABLE ITEMIZERS</th>
<th>AVERAGE GIFT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2010 DATA</strong></td>
<td><strong>$14.84 billion</strong></td>
<td><strong>38.34 million</strong></td>
<td><strong>$5,263</strong></td>
</tr>
<tr>
<td><strong>2.82 million</strong></td>
<td><strong>$181.76 billion</strong></td>
<td><strong>$4,429</strong></td>
<td></td>
</tr>
</tbody>
</table>

$59.4 BILLION

Donated to charity by New York individuals in past 4 years and reported on their tax returns

*Grantmakers Forum of New York is an association of funders, strengthening and promoting philanthropy throughout the state. For more information, visit our website or contact us.*