



Protecting America's Strong Tradition of Giving

April 12, 2016

The Honorable John Thune
U.S. Senate
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Ron Wyden
U.S. Senate
221 Dirksen Senate Office Building
Washington, DC 20510

Dear Senators Thune and Wyden:

On behalf of the Charitable Giving Coalition, a diverse group representing public charities, private and community foundations and their grantees, as well as nonprofit organizations and the associations and umbrella groups that serve their needs, we would like to thank you for publicly recognizing the value of the charitable deduction in your Sense of the Senate language contained in the Charities Helping Americans Regularly Throughout the Year (CHARITY) Act (S.2750) that expresses the importance of not diminishing the full scope and value of the charitable deduction during the upcoming tax reform efforts. This Sense of the Senate acknowledges that the charitable deduction is different than other itemized deductions in that it encourages individuals to give away a portion of their income to those in need, and the CHARITY Act signifies Congress' strong support of our vibrant charitable sector.

The charitable deduction rewards a selfless act and ensures a greater amount of charitable donations to charities to fund their philanthropic missions that provide innumerable benefits throughout our communities. A calculation of the deduction suggests that those in need receive \$2.50 of benefit for every \$1 of tax benefit going to the donor. In 2014, Americans gave over \$358 billion (the highest total ever recorded over the past 60 years) to support charitable causes according to *Giving USA*, much of which is claimed as a charitable tax deduction.

Furthermore, nonprofit organizations that rely on charitable gifts to provide valuable services to communities have a powerful impact on the American economy. These organizations generate \$1.1 trillion every year in the form of jobs and services. One in 10 U.S. workers is employed by the nonprofit sector, which provides 13.7 million jobs. Employees of nonprofit

organizations received roughly nine percent of wages paid in the U.S., and the nonprofit sector paid \$587.7 billion in wages and benefits.

Limiting the value of the charitable deduction would inhibit the ability of charities to serve individuals and communities across the country. As charities struggle to raise additional funds to meet increased demands for their services, we ought to encourage Americans to be more generous, not send a signal that giving is less important.

We again thank you for your support of the charitable sector and the invaluable deduction that spurs giving. We look forward to working with you and your staff on this important issue as tax reform continues to take shape.

Sincerely,

Association of Fundraising Professionals, Chair
Agudath Israel of America
Alliance for Charitable Reform
Alliance for Strong Families and Communities
American Alliance of Museums
American Institute for Cancer Research
American Jewish Committee
American Red Cross
American Society of Association Executives
Americans for the Arts
Americans for the Arts Action Fund
Association of Art Museum Directors
Association of Christian Schools International
Association of Direct Response Fundraising Counsel
Children's Hospital Association
Community Foundation Public Awareness Initiative
Council for Advancement and Support of Education
Council for American Private Education
Council for Christian Colleges & Universities
Council on Foundations
Dance/USA
DMA Nonprofit Federation
Dunham+Company
Evangelical Council for Financial Accountability
The Field Museum
Forum of Regional Associations of Grantmakers
Girl Scouts of the USA
The Giving Institute
Goodwill Industries International
Independent Sector

Jewish Federations of North America
Leadership 18
LeadingAge
League of American Orchestras
National Association of Independent Schools
National Christian Foundation
National Council for Behavioral Health
OPERA America
Partnership for Philanthropic Planning
Philanthropy Ohio
The Philanthropy Roundtable
Saint Louis Zoo
The Salvation Army National Headquarters
Theatre Communications Group
United Way Worldwide
YMCA of the USA
Volunteers of America