Preserve 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 Red Cross, Goodwill, the YMCA, Habitat for Humanity, the Boys and Girls Clubs, Catholic Charities, and the American Cancer Society 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