The Charitable Giving Coalition urges you to support the enactment of a universal charitable deduction to encourage all Americans to give more to charity.

The Charitable Deduction Works

- The United States is the gold standard in charitable giving - the nation with the most robust philanthropic sector in the world. Generous Americans have donated over $400 billion annually for the past 10 years.\(^1\) Charitable dollars are vital to maintaining a healthy civil society, vital to both nonprofit charities and local governments that depend on these resources.
- The charitable deduction is unique and good tax policy – it encourages individuals to give away more of their income and invest it in their communities. Simple arithmetic shows that those in need receive $2.50 in benefit for every $1 of tax benefit. This is an impressive return on investment. The policy also helps charitable organizations continue raising the funds they need to achieve their critical missions.

Retraction in American Giving: An Alarming Trend

- At a time when the U.S. economy is growing at a healthy rate, charitable giving should also be at least keeping pace. Instead, GivingUSA found that charitable giving by individuals dropped an inflation-adjusted 3.4 percent in 2018.\(^2\) According to the study, nearly every type of recipient organization – from religion to education to human services – saw giving decline or stay flat in 2018.
- Additionally, fewer Americans are 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.\(^3\)
- The Fundraising Effectiveness Project (FEP) found that the total number of donors dropped by 4.5 percent between 2017 and 2018. Additionally, the number of taxpayers who itemize their tax returns is expected to decrease from roughly 30 percent of taxpayers to about 11 percent.\(^4\)
- The FEP study also found that while total giving of gifts of $1,000 or more increased by 2.6 percent in 2018, gifts in the $250 - $999 range dropped by 4 percent, and gifts of under $250 dropped by 4.4 percent.\(^5\)
- The latest numbers released by the IRS show that as of May 2019, charitable contribution itemized deductions fell by $54 billion as compared to May 2018.\(^6\)

A Universal Charitable Deduction Fosters a New Chapter of 21st Century Giving in America

- Congress can address the decline in giving—and grow charitable giving at the same time—by enacting a universal charitable deduction. Such a proposal would allow non-itemizing taxpayers a deduction for their charitable gifts and increase charitable giving by an estimated $12.2 billion (4.3 percent).\(^7\)
- A universal charitable deduction will democratize giving by incentivizing all American taxpayers—regardless of income—to give to charity, thereby ensuring that our country retains a strong and independent civil society.
- Current universal charitable deduction bills include H.R. 1260, introduced by Ways and Means Rep. Danny Davis (D-IL), H.R. 651 (Charitable Giving Tax Deduction Act), introduced by Reps. Henry Cuellar (D-TX) and Chris Smith (R-NJ), and H.R. 5293 (Universal Charitable Giving Act), introduced by Rep. Mark Walker (R-NC). These bills would allow non-itemizing taxpayers to deduct their charitable gifts.

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\(^3\) [https://scholarworks.iupui.edu/bitstream/handle/1805/21217/vanguard-charitable191022.pdf?sequence=1&isAllowed=y](https://scholarworks.iupui.edu/bitstream/handle/1805/21217/vanguard-charitable191022.pdf?sequence=1&isAllowed=y)
\(^4\) [Overview of the Federal Tax System As In Effect for 2018 Joint Committee on Taxation, Feb. 7, 2018](https://www.jct.gov/publications.html?func=startdown&id=5060)
\(^5\) [https://afpglobal.org/giving-slightly-2018-only-due-larger-gifts](https://afpglobal.org/giving-slightly-2018-only-due-larger-gifts)