

## TALKING POINTS:

### Charitable Giving

- Charitable giving allows Americans to create, fund, and operate institutions that are the fabric of our civil society. It supports nearly every facet of life in our communities: education, research, health services, housing and shelter, job training, arts, culture, environmental protection, historic preservation, civil rights, civic engagement and so much more.
- In 2016, individuals across the country gave an estimated \$282 billion to charity, according to Giving USA.
- These charitable dollars are vital to America's charities, which continue to face tremendous demand for their services

### The Charitable Deduction

- 2017 marks the 100<sup>th</sup> anniversary of the charitable tax deduction. This is a remarkable milestone, and now is not the time to reduce the value of America's long-standing giving tradition.
- The charitable tax deduction is unique and good tax policy because it encourages individuals to give away more of their income, investing it in their communities.

*"Every charitable gift has one thing in common: The donor is always left worse off financially, but society is made better," Orin Hatch (R-UT), Chairman of the Senate Finance Committee*

*"The charitable deduction is a lifeline, not a loophole," Ron Wyden (D-OR), Ranking Member of the Senate Finance Committee*

- A calculation of the charitable deduction suggests that those in need receive \$2.50 in benefit for every \$1 of tax benefit going to the donor. This is an impressive return on investment.
- But, changes to the tax code currently under consideration could severely diminish charitable giving. Studies from highly-regarded think tanks and universities, including Urban-Brookings Tax Policy Center, Tax Foundation, American Enterprise Institute, and Indiana University, find – report after report – that charitable giving will significantly decline if the charitable deduction is limited or constrained.

### Our "Ask"

- Tax reform should take good tax policy and make it better – it should include incentives to encourage more Americans to give more money to charity.
- American voters strongly support incentives for charitable giving.

*A 2016 national survey of voters found that 88% believe Congress should make it easier to deduct charitable contributions from taxes. 79% believe that **all taxpayers** should be able to take advantage of the charitable deduction*

- Congress should therefore enact a “Universal Charitable Deduction” or above-the-line charitable deduction that is available to all taxpayers.<sup>1</sup>
- Regardless of income level, all American taxpayers should receive an incentive to give to charity.
- This tax incentive should not be tied to itemizing deductions – it should be available broadly in order to:
  - Increase giving, in terms of both dollars and donors;
  - Increase fairness by treating all taxpayers’ contributions equally; and
  - Provide modest tax relief to middle- and lower-income taxpayers.
- And, it would not only offset losses to charitable giving caused by tax reform, it would actually increase giving. According to the Indiana University study, if provisions in the unified framework were enacted into law *but* Congress chose to allow all taxpayers to take the charitable deduction, overall giving would increase by \$1.1 billion to \$4.7 billion.

### **About CGP**

- The National Association of Charitable Gift Planners (“CGP”), formerly the Partnership for Philanthropic Planning, is a 501(c)(3) public charity representing over 8,000 members with a network of over 100 local councils throughout the country. CGP members include professionals involved in the charitable gift planning process, including fundraising professionals and administrators, estate planners, financial advisors, consultants, and allied professionals.
- CGP is the leading organization in charitable gift planning and provides standards and guidelines for the profession, advocacy for a positive legal and tax environment for charitable giving, and education in all areas of charitable gift planning.
- CGP also convenes the National Conference on Philanthropic Planning, the largest annual conference in the field, and sustains the CGP Leadership Institute which provides thought leadership to practitioners.

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<sup>1</sup> In October, Rep. Walker (R-NC) introduced [H.R.3988](#), the Universal Charitable Giving Act of 2017, which would create an above-the-line charitable deduction but would cap its value. This legislation is a good first-step toward increasing incentives for charitable giving among those who do not itemize but Congress can and should do more.