Did the 2018 Tax Law Changes Discourage Charitable Giving?

Charitable giving by individuals dropped in 2018 for the first time in five years—the very first tax year following passage of the Tax Cut & Jobs Act of 2017.

At a time when the U.S. economy is growing at a healthy rate, charitable giving by individuals dropped by an inflation-adjusted 3.4 percent in 2018.

The Tax Cuts and Jobs Act (TCJA) that went into effect in 2018 has triggered a series of alarms across the country on the future of charitable giving. By reducing specific incentives to make tax-deductible charitable contributions, many taxpayers are no longer motivated to give as much as they used to, if at all.

This decline in charitable giving negatively impacts nonprofits because donations are the backbone of this sector. Unfortunately, the beneficiaries of these programs suffer the most, particularly families and individuals, who depend on community-based nonprofit organizations. That means fewer meals served, fewer individuals housed, fewer arts education opportunities, and fewer services provided by charities across the country.

The Arts Action Fund is a proud member of the Charitable Giving Coalition, which has brought thousands of major nonprofit organizations together, from the Red Cross and the United Way to religious charities. Together, we have voiced concerns about alarming trends in charitable giving. First, fewer Americans are making charitable contributions. Second, far fewer Americans can itemize their tax returns, which means they are no longer being rewarded with a tax deduction for charitable gifts. The coalition actively lobbies Congress to reinstate tax deduction incentives for every taxpayer to give to charity.

Maine Arts & Culture Support the Economy and its Veterans

In honor of Veteran’s Day on November 11th, Americans for the Arts released a full-page color ad in the Kennebec Journal, in Augusta, MN. The ad recognized the arts leadership of the Maine Congressional delegation and featured information on the economic impact of the arts. The ad also highlighted programs across the state serving active military, veterans, and their families.

According to the U.S. Bureau of Economic Analysis, Maine’s arts and culture sector is a $1.5 billion industry, accounting for 2.6% of the state’s economy, as well as 16,618 jobs.

You can view the ad at ArtsActionFund.org/MaineAd and also download our fact sheet on ‘Why the Arts Matter’ in Maine (or your own state) at ArtsActionFund.org/StateFactsheets.
Dear <<First Name>>,

We are so grateful to Blick Art Materials (owner of Blick and Utrecht stores nationwide) for partnering with the Arts Action Fund for the last six years during National Arts & Humanities Month in October. Blick has recruited more than 60,000 new members to the Arts Action Fund movement. Check out this year’s social media promotional poster. We look forward to partnering with Blick and other retail art stores next year.

On October 10th, Americans for the Arts, in conjunction with the Congressional Arts Caucus and the Congressional Humanities Caucus, held a briefing to give congressional staffers a legislative update on the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH).

As we close out 2019, I want to urge all Arts Action Fund members to contribute to our Year-End fundraising campaign to raise $30,000 by December 31st. We will use these funds to build our grassroots and political efforts next year as we ramp up our efforts for ArtsVote 2020. We’ll be mobilizing our grassroots constituents to weigh in on the most important legislative agendas impacting the arts and arts education in our nation’s capital and in state and local legislatures across the country. We need your support to build our political clout to recruit a million Arts Action Fund members and to raise $100,000 in PAC dollars this election cycle to support as many pro-arts congressional and presidential candidates as possible.

Return the attached envelope, or visit ArtsActionFund.org/PAC2019, to make your Year-End gift to support our ArtsVote 2020 efforts.

[Signature]

Arts Action Fund President and CEO Robert L. Lynch presenting arts advocacy awards at the National Arts Awards gala in NYC.

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**2019 ArtsVote Legislative & Political Timeline**

See the full timeline at ArtsActionFund.org/Timeline

**POLITICAL ACTION**
Americans for the Arts and the Arts Action Fund were awarded the Lobbying Strategy Innovation Award in recognition of their lobbying innovations for our #SAVEtheNEA campaign.

**LEGISLATIVE ACTION**
Congress responded to our advocacy calls, emails, and visits to save the NEA and NEH and took it a step further by increasing their FY’19 annual budgets by $2 million each, despite President Trump’s attempt to terminate them.

**GRASSROOTS ACTION**
Arts Action Fund’s Nina Oztuneli joins Congresswoman Chellie Pingree, co-chair of the Congressional Arts Caucus, in advocating for the arts in Portland, Maine. Congresswoman Pingree’s advocacy for increased federal funding for arts and culture helps secure millions of dollars for nonprofit organizations to better serve their communities in Maine and across the country.

**LEGISLATIVE ACTION**
Americans for the Arts/Arts Action Fund President and CEO Robert L. Lynch testified along with Retired Marine Veteran Chris Stowe before the House Interior Appropriations Subcommittee on Tuesday, February 26, 2019. They urged the subcommittee to increase NEA funding to no less than $167.5 million for FY’20 and focused their testimony on the NEA’s Creative Forces program, which is managed by Americans for the Arts at 11 military hospitals and centers across the country.

**GRASSROOTS ACTION**
The Arts Action Fund releases “Why the Arts Matter” Fact Sheets for all 50 states for advocates around the country to use. Download your state’s fact sheet at ArtsActionFund.org/StateFactsheets.

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**SUPPORT THE ARTS**
Join the Arts Action Fund today! Be part of the movement to ensure healthy arts funding and arts education for all Americans.
State and Local Update

Create NYC Action Plan
The New York City Department of Cultural Affairs recently released their Create NYC 2019 Action Plan, which includes a record $212 million in funding for the city’s arts agency. Further, the Action Plan streamlines the scores of recommendations into five objectives with 25 strategies for implementation. The Action Fund congratulates the Department of Cultural Affairs for producing this detailed guide which other cities can use to grow their own arts and cultural industry.

View more at CreateNYC.cityofnewyork.us.

Impact of 2019 State Elections
With the completion of the 2019 elections, we turn our attention to the 2020 Presidential and other federal elections. While no single election can predict the future, the results of the 2019 elections can offer a window into the mind of the electorate. For example, Virginia’s entire legislature was up for election in November. Republicans had held a slim 20-19 majority in the Senate and 51-49 in the House. Now after the 2019 election, Democrats control both houses for the first time in over three decades, picking up two seats in the Senate (21-19) and six seats in the House (55-45). Democratic wins were driven again by turn out in suburban and exurban areas, as seen with democratic gubernatorial surprise wins in Kentucky and Louisina.
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Please return the enclosed envelope to make your Year-End gift.