The Charitable Deduction Works.

- In 2018, Americans contributed $427.71 billion to charity. These charitable dollars are vital to America’s charities, which continue to face tremendous demand for their services.
- 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 going to the donor. This is an impressive return on investment. The policy also helps charitable organizations continue raising the funds they need to achieve their critical missions.

The Alarming Statistics

- 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 16.4 percent over the past 14 years—from 67 percent in 2002 to just 56 percent in 2014.
- 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.
- 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.
- The Giving USA 2019 report found that charitable giving by individuals dropped an inflation-adjusted 3.4 percent in 2018. Nearly every type of recipient organization—from religion to education to human services—saw giving decline or remain flat.
- Additionally, Blackbaud’s 2018 Report on Charitable Giving found as GDP in 2018 grew by 3 percent, charitable giving grew by just 1.5 percent.
- 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.

Universal Charitable Deduction

- Congress should address this problem—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).
- 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) and H.R. 651 (Charitable Giving Tax Deduction Act), introduced by Reps. Henry Cuellar (D-TX) and Chris Smith (R-NJ). Both bills would allow non-itemizing taxpayers to fully deduct their charitable gifts.

We urge you to support the enactment of a universal charitable deduction to encourage all Americans to give more to charity.

Charitable Giving Coalition Hill Working Group Contact: Brian Flahaven, Senior Director for Advocacy, Council for Advancement and Support of Education (CASE), flahaven@case.org, 202-478-5617.

---

3. Overview of the Federal Tax System As In Effect for 2018 Joint Committee on Taxation, Feb. 7, 2018
5. https://www.marketwatch.com/story/americans-donate-$427-7-billion-to-charity-
7. Tax Policy and Charitable Giving, Independent Sector and Indiana University’s Lilly Family School of Philanthropy, May 2017