

United States House of Representatives  
Committee on Ways and Means, Hearing on Tax Reform and Charitable Contributions  
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Chairman Camp, Ranking Member Levin, Members of the Committee, thank you for the opportunity to testify today on behalf of United Way of Westchester and Putnam and the United Way network in the United States. As you may know, there is a United Way in every one of your districts and each United Way works collaboratively with community leaders, health and human service providers and members of the public to provide a quality education for every child, sufficient income to sustain the needs of every family and what is needed to create a foundation for a healthy life for all.

United Way is seen as a community collaborator as well as an advocate for everyone – from the smallest child to the most senior adult. As the President and CEO of United Way of Westchester and Putnam, New York, located in the lower Hudson Valley of New York State, just a few miles north of New York City, I am extremely familiar with the important role that non-governmental organizations serve in our community as well as the issues that impact their abilities to fulfill their mission work.

The preservation of the charitable deduction is a critically important issue in my community as well as within the sector I represent. United Way of Westchester and Putnam works with thousands of not-for-profit (NFP) organizations within a population of approximately 1.1 million people. In this role, our United Way is a major provider of training for NFP executives and staff members and we host the largest gathering of NFP leaders throughout the region.

To put this in context, in 2010 there were 5,709 registered nonprofit organizations in Westchester County alone, with \$11.7 Billion in assets and \$7.3 Billion in revenue. The economic impact of the Westchester NFP sector in 2010 was estimated to be \$23.5 Billion. More than 100,000 people are employed by NFPs in the two counties in which I work, with many more residents commuting into New York City to work within the large NFP sector there.

In addition to our role as a partner and advocate with a diverse number of NFP organizations that provide health and human services in Westchester and Putnam, our United Way also provides millions of dollars of funding, expertise and gifts in kind to them every year. In addition, we facilitate the coordination and placements of over 18,000 volunteers to help NFPs keep personnel costs down, as well as enhance the level of efficient service given to the community.

Finally, we operate United Way's 2-1-1 helpline for 33% of New York State, connecting the public to the help they need. This often includes referrals to more than 25,000 services that are provided in our region. Just a few days ago, on 2-1-1 day, (on February 11, 2013), Governor Cuomo and other public officials recognized our United Way for our work consistently providing round the clock disaster recovery assistance to more than 1.3 million people during Superstorm Sandy.

In our community, there are huge disparities, including great wealth and significant poverty. Some of the best and worst schools in the nation are within miles of one another. Therefore, it is our imperative to keep those residents who are in a position to give focused on supporting the work that helps those in need.

According to The Grantmakers Forum, individual New York residents donated over \$14.8 billion to charities in 2010. These contributions are 8.9% of the \$181.76 billion that Americans gave to their charitable causes. It should be noted that there is already a charitable cap on wealthy individuals in New York State, so the vast majority of donations come from middle class Americans. Thirty percent (30%) of New Yorkers—at every income level – representing more than 2.8 million New Yorkers, reported making charitable contributions on their federal tax returns, using the itemizer schedule to report and claim their deductions.

As the entity that responds to thousands of donation receipt requests every year around this time of year (as it is tax season), our United Way experiences first-hand how the charitable tax deduction is such an incentive to giving in our area. These are not donors that give large chunks of money beyond the tax cap; instead they are part of a group of people who donate in the range from \$250 - \$1,500 a year through payroll deduction within their workplaces as well as through attendance at fundraising events and online giving.

Although our United Way is fortunate to depend on thousands of skilled volunteers to help us every year, regrettably, we have not found that this always true for the thousands of other charities that operate in our state. A recent independent study on volunteering revealed that New York ranked last compared to all other states for the number of hours that our residents volunteer their time. Therefore, in New York, there isn't even a volunteer workforce alternative to substitute for the huge lack of charitable dollars that would result if our residents lost the ability to deduct their donations.

For example, right now, in the two counties I represent, there are 18,000 children who are hungry (within 21,000 households). This past year, the demand from residents who had NEVER requested food from a pantry has gone up 30%. The local Food Bank and community food pantries receive food to feed our families through various sources, mainly through corporate donations and food drives. However the personnel and other resources that are needed to properly inventory, house, transport and distribute food to those in need, is mainly funded through charitable donations. I cannot fathom how our food safety net would survive, if one of the major incentives to give to those who feed our hungry is taken away.

In conclusion, given our challenged economy, the recent natural disasters in our state, and the extensive state and federal cuts to human services programs, now more than ever there is increased pressure on charities to serve more of New York's families. As I have mentioned today, the charitable deduction is clearly an important reason why our community is supporting so many NFP organizations in our community. I urge you preserve the charitable deduction as it currently stands as it is critically helpful to supporting communities.

Mr. Chairman, and members of this committee, thank you again for conducting this hearing and inviting me to give you some insight in our United Way's experience.