



Testimony of

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Before the

**Committee on Ways and Means
U.S. House of Representatives**

on

Tax Reform and Charitable Contributions

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Chairman Camp, Ranking Member Levin, Members of the Committee, Committee staff – good morning! Thank you for the opportunity to speak to you today at this important hearing. My name is Vinsen Faris. I am the Executive Director of Meals-on-Wheels of Johnson and Ellis Counties, in North Central Texas. I also have the privilege of serving as Board Chair of the Meals On Wheels Association of America. The Meals On Wheels Association of America is the oldest and largest national organization comprised of and representing local, community-based Senior Nutrition Programs – programs just like mine across the nation – and is dedicated to ending senior hunger in America. While it is a bold and ambitious goal, the vision of Meals on Wheels is to end senior hunger by the year 2020.

Often in Washington, there is a lot of talk about the numbers – line items and budgets and so on. Here is a number that can do a lot of good – three hundred billion dollars. That is the amount of money Americans generously donate to charities annually. This is a number that is important to our association, as well as to the Meals on Wheels programs in your home states and Districts. According to our January 2013 membership survey, over 90% of Meals on Wheels programs rely on individual donations from American citizens. As we recognize the incredible task ahead of you to reduce the federal budget deficit and reform the tax code so that it is more effective and efficient, we should not be contemplating options that would reduce, cap or limit charitable donations. On the contrary, the Committee should be seeking ways that will encourage more Americans to increase their philanthropic giving to valuable and impactful causes.

Meals on Wheels programs across our country serve in excess of one million meals every day to a vulnerable population of seniors in need of good nutrition. These programs are among those

charities that seek to address major societal issues – like senior hunger – and reach out to help those Americans who have no other place to turn. And, these programs rely significantly on small charitable contributions – on average \$200 – from ordinary citizens who are likely to itemize their returns and take the deduction in order to support their desire to provide good nutrition to seniors in need.

Meals on Wheels programs are perhaps one of the very best examples of successful public-private partnerships because of their ability to leverage multiple funding sources to provide a solid return on investment. Nationally, only about 30 percent of total spending for Meals on Wheels programs comes from federal sources, with a significant number of programs receiving no government funding at all. This means that these programs must raise about 70 percent of their budgets from non-federal sources. Critical donations received from average citizens are used to supplement other sources of funding to enable these programs to produce and deliver meals needed to meet the growing demand for services from an aging society that is increasingly at risk of hunger.

Emerging research indicates that dollars invested in Meals on Wheels programs are linked to reduced healthcare expenditures. Consider the wealth of scientific evidence that shows that good nutrition helps older adults to remain healthy and independent in their communities. Then consider the fact that the cost of feeding a senior for one year through Meals on Wheels is roughly equal to the cost of just one day in the hospital or six days in a nursing home.

Take Emily for example, one of our over 2,800 clients we serve in Johnson and Ellis Counties, whose story is similar to the thousands of seniors in your states and Districts who gather at senior centers or other locations for congregate meals or who receive home-delivered meals. Emily is 88, a retired nurse, who worked for 40 years in Johnson County, raised her family there, and brings in about \$700 a month in Social Security benefits. She suffers from advanced osteoporosis and is physically unable to leave her home to go to a grocery store to purchase food or cook or prepare meals for herself. Now, she relies on a Meal on Wheels volunteer to bring her a nourishing hot meal every day. This, along with a caring smile, is her only direct daily contact with another person.

Like most Meals on Wheels clients, the nutritious meals she receives help her to maintain her independence, to live in her own home – which she prefers – and to reduce the risks she faces for disability and more costly medical care through Medicare or Medicaid. According to the 2011 Older Americans Act participants’ survey, 92% of Meals on Wheels recipients reported that the meals enabled them to continue living at home, and 87% said that eating the meals improved their health. For Emily, Meals on Wheels offers a lifeline that is a much preferred, economical and common sense alternative to other long-term care options. And I hope Members of the Committee will recognize it as such, as well.

Keeping seniors in their homes and out of hospitals and nursing homes is critical to controlling healthcare costs and reducing our national debt. According to a Brown University study released in December, states that spend more on home-delivered meals for seniors see reductions in nursing home populations.

Yet, despite being proven and effective, Meals on Wheels programs are threatened. They are currently facing a quadruple whammy due to:

- 1) the increased demand and need for services as a result of the growth of the senior population and skyrocketing numbers of seniors who face the threat of hunger;
- 2) state and local budget cuts, coupled with the threat of sequestration and flat federal funding;
- 3) higher costs for food and transportation, which are essential components to Meals on Wheels programs; and
- 4) fewer and smaller private donations due to the slow economy.

And, now we are facing proposals that would have the effect of limiting or reducing charitable giving. These proposals would only compound the reduction in donations non-profits have seen since the onset of the recession. A survey by the United Way of America claims an estimated 30 percent of taxpayers that use the deduction would scale back on giving if the benefit was reduced or eliminated.

According to our member survey conducted last month, charitable donations from individuals pay for tens of millions of meals each year that are produced and delivered to seniors at risk of hunger. Undertaking a course of action that would undermine charitable giving would have severe, counterproductive and unintended consequences on our society. The greatest impact of all will be on those seniors hidden behind closed doors.

We at Meals on Wheels believe that in the debate over charitable deductions, future revisions to the tax code should encourage more Americans to increase their philanthropic giving. This way, the Committee can help to ensure the long-term viability and prosperity of charitable organizations like Meals on Wheels that through strong public-private partnerships can efficiently and effectively help to meet many of the social, health and nutritional needs facing our vulnerable senior citizens – needs that the government might otherwise have to address. Meals on Wheels organizations have an extremely high return on investment because the work we undertake every day helps to avoid more costly alternatives. More donations to charities like ours will ensure that more seniors in need will be helped. More people joining together in philanthropic efforts will also help build a greater community spirit, a spirit of a partnership with our federal government enabling everyone to do more for people who need help. It seems to me to be one of the moral obligations that are due to our vulnerable citizens, especially our seniors who have been our teachers and our farmers, our policemen and our firefighters, our veterans and our leaders. And it is the legacy that you and others in this Congress will be leaving to our society as you decide on approaches that make the most sense for our country and our citizens.

Seniors like Emily all across America will be impacted should any negative changes in the charitable gift deduction go into effect. For us at Meals on Wheels, this debate is not about the intricate details of the tax code. Rather, it is about the seniors we serve every day. It is about the direct impact these decisions would have on the 8.3 million seniors facing the threat of hunger in this country. It is about the doors our volunteers knock on and the neighbors they nourish. It is about the hope our programs deliver to those who otherwise have little. Please help us to

continue to reach out and help those in need, and to involve others as well, by maintaining the charitable tax deduction and finding ways that will encourage more Americans to increase their philanthropic giving.

Again, let me offer my sincere thanks to this Committee, and in particular to you, Mr. Chairman, for your longstanding support of Meals on Wheels programs and for your leadership in holding this hearing in recognition of the work that nonprofit organizations undertake for our country. I thank you for your attention and for the opportunity to address the Committee.