

**United States House of Representatives
Committee on Ways and Means
Hearing on Tax Reform and Charitable Contributions**

**Testimony of William A. Hanbury,
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Metropolitan Washington, DC**

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Chairman Camp, Ranking Member Levin, Members of the Committee, thank you for this opportunity to testify today.

My Name is Bill Hanbury and I'm the CEO of United Way of the National Capital Area, which serves the District of Columbia and the surrounding suburban communities in Maryland and Virginia.

As our region deals with continuing economic and social challenges, United Way NCA is adapting to a whole new set of demands on our resources. Candidly, local United Way nonprofits face overwhelming requests for their services. These nonprofits, and most importantly the citizens they serve, can't wait for government alone to create new jobs, improve health outcomes, strengthen our education system, or bolster social safety nets.

The responsibility to pick-up the social and economic slack must shift to private citizens, philanthropy and nonprofits. That's where the United Way comes into play...as a civic organization convening people and resources to address the most compelling needs. Where others see difficulty, United Way sees the

opportunity to serve. Where others see regional dissimilarities, we see the opportunity for our local donors to collectively contribute solving this region's most pressing needs... homelessness, food sustainability, reduction in teen violence, finding jobs for veterans and our most disadvantaged youth. United Ways', here and across the country, can act as a unifying force capable of connecting these divergent interests together to support the common good.

Almost all of United Way's work is dependent on private-sector donors to drive our programs. Any cap on charitable deductions would financially discourage and reduce our ability to support programs that are changing and saving lives.

Even a 5 or 10 percent reduction in revenues to United Way agencies would have disastrous consequences for programs that are successfully intervening to assure good civic outcomes. I promise you, if charitable deductions are tampered with, the results will be way beyond a 5 to 10 percent reduction in revenue. That means that the terrific work of United Way nonprofits won't be accomplished.

Let me give you three examples, from literally hundreds of area nonprofits, who will be adversely affected by a change in the legislation.

- One of our leading providers of food sustainability, the Capital Area Food Bank, reports that more than 640,000 residents of the Washington region are experiencing, or are at risk of hunger. With over 500,000 people in our area unemployed or under-employed, the hunger crisis is not going away any time soon. Every month, United Way donors contribute over \$100,000 to the Food Bank to help folks who are living paycheck to paycheck, or who have no

paycheck at all. I respectfully suggest \$100,000 dollars is the difference between life and death for some of our most at-risk population. Will government make-up the difference...I sincerely doubt it.

- Another initiative adversely affected by caps on charitable deductions is United Way's *Way to P.E.A.C.E.*, a community-based program bringing together diverse resources to tackle the underlying causes of youth violence. Working with faith- and community-based organizations we offer hope and possibilities to our youth, and the people and organizations that care for them. Through a combination of community awareness efforts, workshops and youth development programs, we afford children and teens a more secure environment at home, in school and in their neighborhood. This program would be at risk of being completely eliminated if we see a significant downturn in donations.
- Another great nonprofit, City Year, received a \$100,000 grant from United Way last year. These dollars make sure students are ready for school, meet key benchmarks along their academic careers, and transition smoothly from middle school to high school. We sponsor a team of City Year Corp Members, who work at Kelly Miller Middle School, supporting teachers in the classroom, providing tutoring services, and holding students to high standards for attendance, good behavior, and course completion in the key subjects of English and Math. But for United Way's financial resources, City Year would be completely unable to run a program in this high-need area of our community.

These are only three telling examples, but with Federal, state, and local governments facing declining revenues, nonprofits in the national capital area increasingly fill the social and economic void.

Donors have demanded new approaches, and the nonprofit sector has responded by breaking down silos, sharing data, and focusing on outcomes. Removing charitable exemptions now would have a chilling effect on this work...at precisely the time when government is increasingly unable to act due to lack of resources and fiscal uncertainty.

Charitable giving provides the private sector the chance to participate in solving the intractable social problems of our times. By maximizing the impact of nonprofits, civic-minded Americans seek a more equitable future for the less fortunate among us.

The problems we face in the Nation's Capital, or anywhere else, will not sit idle while Congress fixes the country's fiscal crisis. I submit to you that policy changes that reduce charitable giving will absolutely fuel the expansion of these problems.

Government should look at the nonprofit community as a partner in solving economic and societal problems. Without us your load becomes heavier than ever before. I hope the federal government will treat us like a "true partner" by keeping the charitable deduction in place and thus encouraging American citizens to support our valued nonprofits.