

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

**Testimony of Tory Irgang, Executive Director,
United Way of Southern Chautauqua County, Jamestown, NY**

February 14, 2013

Chairman Camp, Ranking Member Levin, Members of the Committee, thank you for providing me with the opportunity to testify at today's hearing on behalf of the United Way of Southern Chautauqua County and the United Way network in the US.

Our United Way is located in the southwestern corner of New York State and has a service area of approximately 72,000 residents. Ours is a traditional community where United Way has an impeccable reputation as the charity of choice. In 2012, we invested just over a million dollars into community based programs that impact 31,000 lives. However, we do not just say we impact lives, we have the evidence to show how that's actually leading to better tomorrows for many. Here are a few examples:

- We are proud that students participating in school-based mentoring at Jamestown High School are remaining in the same match for an average of 30 months, versus the national average of only 9 months. In 2011, 80% of graduating students who had been in a mentoring match pursued post secondary education or job training upon high school graduation.
- During the last school year, teenage moms enrolled in a combination education and parenting program boasted 100% graduation rate, had zero repeat pregnancies, and their children had received all recommended immunizations.
- The number of older adults receiving home delivered meals in 2012 increased by more than 10%. This \$4 per day remedy kept more people in their homes and saved us thousands in Medicaid expenses associated with facility-based care.
- Families filing their taxes through our Volunteer Income Tax Assistance Program received \$330,000 in a combination of earned income and child care tax credits. Nearly 50% of those who filed with

us intended to use these refunds to purchase a home or car, or establish a savings account.

These programs are administered by community-based organizations that remain nimble. What I mean by that is they can respond to emerging needs quickly and adjust their services as demand shifts. Our United Way is at the heart of this, annually utilizing a team of 40 individual volunteers to compile and monitor program outcomes and make recommendations that lead to efficiency and improvement. What is behind this system of investment, review, and improvement in our community? It is charitable giving.

Our 2012 Campaign raised just over \$1.3 million. Approximately 17% or \$221,000 came directly from individual donations of \$1,000 or more. Yes, these gifts came from the hearts of good people who care about the community. But it would be foolish to believe that these donors were not also motivated by the tax benefits they received. The Chronicle of Philanthropy reports \$21.9 million in charitable giving annually in Chautauqua County. With a median household income of only \$41,000, I believe we need all of the incentives available to encourage this high level of charitable contribution to continue. For lower wage earners, the itemized deduction is a modest incentive. For the highest wage earners, those with the greatest capacity to give, the ability to itemize is a huge incentive. Without this incentive, the United Way of Southern Chautauqua County stands to lose a significant portion of its campaign revenue. This would devastate the 44 programs that receive funding currently. And these are exactly the types of programs community members and donors want to support – those that keep their administration simple and low cost, those that adapt to a changing landscape, those with whom they have a personal connection.

Just to give a face to the type of programming that changes lives and benefits from United Way support, I would like to conclude by telling you the story of Len and Armando. Len serves a mentor to Armando and has for over 4 years. They meet for lunch at school once a week. Over the time they have been in a mentoring match, Armando has moved to 3 different schools. Each time Len, his mentor, has been there to help him deal with the transition. Len keeps Armando focused on his school work, even when other things seem more important. Most of all, Len listens to Armando in a way a friend or a parent just cannot. On the other hand, Len has found the relationship beneficial too. His mentee, Armando, has helped him become

more accepting and patient with others, including his own children. Len's visits with Armando are the bright spot in his week and he can see that the time he's invested is already paying dividends.

There are thousands of stories like this one from Southern Chautauqua County. What they all share in common is that they wouldn't be possible without the generosity of caring individuals. Protecting the charitable deduction is a critical piece to ensuring that this generosity continues in communities like mine.

Thank you.