Testimony for the Record
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House Ways and Means Committee Hearing on Tax Reform and Charitable Deductions
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Mr. Chairman, on behalf of Marymount Manhattan College (MMC), our faculty, and the students and families that we serve, I would like to thank you for the opportunity to submit this testimony for the record regarding the importance of the federal charitable tax deduction to MMC's mission and community.

Marymount Manhattan College was founded in 1936 by the Religious of the Sacred Heart of Mary as a two-year women's college and a New York City extension of Marymount College in Tarrytown, New York. In 1948, the College moved to its present location on 71st Street and became a four-year bachelor degree-granting college; the first class graduated from MMC in 1950. In 1961, MMC was granted an absolute charter as an independent four-year college by the Regents of the University of the State of New York.

Faithful to the vision of its founders, Marymount Manhattan has a long history of reaching out to diverse populations in need of higher education. The mission of the College is to educate a socially and economically diverse student body by fostering intellectual achievement and personal growth and by providing opportunities for career development. Inherent in this mission is the intent to develop an awareness of social, political, cultural and ethical issues, in the belief that this awareness will lead to concern for, participation in, and improvement of society. To accomplish this mission, the College offers a strong program in the arts and sciences for students of all ages, as well as substantial pre-professional preparation. Central to these efforts is the particular attention given to the individual student. Marymount Manhattan College seeks to be a resource and learning center for the metropolitan community. Over the years, Marymount Manhattan's mission as an urban, independent, coeducational nonsectarian liberal arts college has expanded to include a greater variety of students, including men, nontraditional students, and students from a variety of ethnic and geographic backgrounds.

We are very proud of our history and our record of producing graduates who are prepared to meet the demands of our highly diverse, global economy, and like many of our peer institutions in metropolitan locations around the country, we are working very hard to control the ever-escalating costs of providing an outstanding education in one of the most expensive markets in the United States. The federal charitable tax deduction goes a long way toward helping us meet this challenge, and we have seen first-hand how it motivates donors to give generously to nonprofits like MMC.

We strongly support the position, articulated by Independent Sector and many other nonprofit organizations, that the deduction is a critically important incentive that keeps much-needed funding flowing to MMC. I can personally attest that donation levels have already fallen in recent years – at a time when the pressures on our annual budgets are only increasing.
It has been our experience that this incentive motivates people to give and to give more generously than they otherwise would. We are convinced that limiting it – or worst case, ending

it – would significantly and adversely impact nonprofits' budgets at a time when all of us are already struggling to meet increased demand for our programs and services. It would also do away with an important government policy that encourages Americans to be generous with their money for the benefit of others.

According to Independent Sector, more than 80% of those who itemized their tax returns in 2009 claimed the charitable deduction and were responsible for more than 76% of all individual contributions to charitable organizations. Donors have also said it's a vital incentive. According to a 2010 Indiana University survey, as cited in a recent Wall Street Journal article, more than two-thirds of high-net-worth donors said they would decrease their giving if they did not receive a deduction for donations. In fact, experts estimate that limiting the deduction could reduce available funding by as much as $7 billion in 2013. If there were no deduction at all, some experts predict that giving would decrease by as much as $78 billion per year. For comparison, individual charitable giving was about $218 billion last year.

The power of the incentive can also be seen in the timing of charitable giving. Again, according to Independent Sector, more than 22% of online charitable donations are made on Dec. 30 and 31 each year, underscoring the extent to which tax considerations influence behavior. By its own actions, Congress seems to acknowledge this reality, having at times adjusted the deduction to boost giving. For example, after the January 2010 earthquake in Haiti, taxpayers could claim a 2009 deduction for donations to Haiti-relief efforts through March 1, 2010.

As you know, when Congress agreed to a series of tax increases to avoid the "fiscal cliff," it reinstated a Limitation on Itemized Deductions, commonly called the Pease Amendment after the congressman who created it, that was part of the 1986 tax reforms and reduced deductions made by high-income earners. The agreement defines that threshold as those making $300,000 or more for couples and $250,000 for unmarried individuals. I urge you to allow the nonprofit sector and donors to adjust to this limitation on the deduction before contemplating any additional changes that would endanger the ability of nonprofits to serve their communities.

In closing, I would like to emphasize that the deduction helps drive the kind of behavior that we should encourage and reward. Rather than limiting that incentive, I hope that Congress will find a way to expand the giving that allows nonprofits and charitable organizations to improve lives every day.