

Indiana Association of United Ways



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Thank you for the opportunity to comment on the important issue of the Charitable Deduction.

About Indiana Association of United Ways

Indiana Association of United Ways (IaUW) and our 61 local United Ways work closely with local community- and faith-based organizations that help individuals and their families. Collectively, our members raise and invest approximately \$100 million each year in local communities. Additionally, members leverage additional millions of dollars in cash, in-kind and volunteer contributions.

Why we support the Charitable Deduction

Unlike other deductions, which subsidize personal spending with benefits for the individual taxpayer, the charitable deduction encourages taxpayers to give away income in order to benefit others. Nonprofits depend on Hoosiers' charitable spirit to support programs vital to our communities and the people we serve. As was illustrated in testimony among the panels, individuals will continue to give, but the timing and amount of their contributions correlate directly related to the charitable deduction. Charitable donations are especially critical in light of continued federal, state and local budget cuts that have diminished the capacity of nonprofits and disproportionately affected those least able to help themselves.

Facts about charitable giving in the U.S., and in Indiana, specifically

- About three-fourths, or 73%, of all giving in the U.S. is from individuals (Giving USA).
- More than 80% of the 46 million Americans who itemized their tax returns in 2009 claimed the charitable deduction, and these individuals were responsible for more than 76% of individual contributions to charitable organizations.
- In Indiana, \$2.2 billion dollars was contributed in 2008, with median giving of \$2,451 per individual or 4.5% of income (Source: How America Gives; <http://philanthropy.com/section/How-America-Gives/621/>).
- Indiana nonprofits employ 1 in 11 workers in Indiana, or nearly 250,000 employees. These nonprofits provide 9% of all payroll statewide. (Source: IU Center on Philanthropy, School of Public and Environmental Affairs and IN Business Research Center; <http://www.indiana.edu/~nonprof/>).

We understand that Congress must make difficult choices about the tax code, investments and cuts. On behalf of Indiana's United Ways and our community- and faith-based partners, we ask for careful consideration of the role that nonprofit charities play in our state—as service providers and employers. We encourage members of Congress to preserve the charitable deduction.