



Statement for the Record by United Philanthropy Forum

1020 19th Street NW, Suite 360
Washington, DC 20036

Submitted to

**Committee on Finance
United States Senate**

**Re: Examining Charitable Giving and Trends in the Nonprofit Sector
March 17, 2022**

On behalf of United Philanthropy Forum (the Forum), a membership organization of over 90 regional and national philanthropy-serving organizations or PSOs, we thank you for your support shown to the philanthropic and charitable sector during the COVID-19 pandemic. As the largest and most diverse network in American philanthropy, United Philanthropy Forum holds a unique position in the social sector to help increase philanthropy's impact in communities across the country. Our members, who represent more than 7,000 foundations and other funders, work to make philanthropy better. Through our members and their networks, we reach almost every state and district, promoting a courageous philanthropic sector that catalyzes a just and equitable society where all can participate and prosper.

We appreciate the opportunity to highlight the value of the nonprofit sector and our recommendations on policies that encourages charitable giving.

Extraordinary Response of Philanthropy Associations and Networks to COVID-19

As we mark the two-year anniversary of the COVID-19 pandemic, it seems an appropriate moment to share how philanthropy-serving organizations (PSOs)—the regional and national philanthropy associations and networks that comprise the [United Philanthropy Forum network](#)—have responded to the crisis. In short, the response has been extraordinary.

Over the past two years, regional and national PSOs have acted in truly astounding ways to ensure that philanthropy was being as effective and impactful as possible in helping our communities tackle a global health pandemic, demonstrating a powerful level of nimbleness, adaptability and flexibility. PSOs quickly engaged in new public-private partnerships, led and managed new collaborative funds, advocated for philanthropy and nonprofits in COVID-19 legislation, provided a strong voice of accountability to push philanthropy to respond to the pandemic in the most equitable ways possible and much more.

A new Forum report, [The COVID-19 Crucible](#), details PSOs' response to the pandemic and offers lessons for the field to inform how we respond to future crises. The Forum uses "PSO" as something of a catch-all term to describe a diverse and dynamic group of philanthropy associations and networks that bring funders together with a focus on a geographic region, funding issue, identity/population group or philanthropic practice. The report offers many examples of PSOs' COVID-19 response efforts; here's a sampling:

- ABFE held funder briefings on COVID-19 relief for Black businesses and focused its annual conference, which shifted to virtual, on a range of critical challenges facing Black communities amid the pandemic, including redlining, the racial wealth divide, and ensuring relief efforts reach Black communities.

A network for the common good

- Minnesota Council on Foundations moved quickly to establish the Minnesota Disaster Recovery Fund, partnering with the Saint Paul & Minnesota Foundation to raise and distribute more than \$11 million to more than 1,700 nonprofit organizations and more than 3,000 small businesses.
- Philanthropy Northwest, in partnership with the state of Washington and major food banks in the state, established the WA Food Fund to respond to the growing food crisis as a result of COVID-19. The fund raised more than \$14 million from 60 philanthropic institutions and 9,000 individual donors.
- Philanthropy Ohio partnered with the Ohio Department of Education to establish the Collaborative Fund for Educating Remotely and Transforming Schools. The fund supported projects to help schools in the state improve remote education practices and in particular address inequitable circumstances related to remote education during the COVID-19 crisis.

The list goes on and on and on. The report identifies some key learnings that have implications for the broader philanthropy sector. Many of the learnings relate to trends that were already happening pre-COVID but were greatly accelerated during the pandemic: PSOs have become more transformative and less transactional; PSOs are placing a more central focus on racial equity and on holding the field accountable on equity issues; PSOs are displaying new kinds of bold leadership in partnerships with government and the private sector; PSOs have a renewed focus on networks, as the pandemic was a case study in the power of networks in responding to a crisis—and the need to build those networks in advance. Philanthropic leaders are grateful for the partnership of government, nonprofit, and business partners over the past two years.

Need for Charitable Giving Will Continue Beyond Pandemic

The Forum urges Congress to **immediately reinstate and expand the temporary universal charitable giving deduction** that expired at the end of 2021. This charitable deduction to non-itemizers at \$300 for individual and \$600 for couples filing jointly along with the suspension of adjusted gross income (AGI) limitations for cash gifts and increase in limitation for corporate gifts were all valuable to incentivizing giving behaviors.

Longer-term, the Forum supports the bipartisan Universal Giving Pandemic Response and Recovery Act (S.618). If enacted, this legislation will further incentivize all taxpayers to give to charity – regardless of their income or whether they itemize – helping to spur even more giving as communities continue to fight and recover from COVID-19 and its economic effects.

The charitable deduction is good tax policy – it encourages individuals to give away more of their income, devoting it to their community's needs rather than their own. A simple calculation shows that those in need receive \$2.50 in benefit for every \$1 of tax benefit. This is an impressive return on investment.

This legislation will democratize giving by further incentivizing all American taxpayers—regardless of their income—to give to charity, thereby ensuring that our country retains a strong and independent civil society. Additionally, it will provide needed resources for charitable and faith-based organizations to continue providing vital services to families, workers, and communities, especially those critically impacted by the ongoing pandemic.

The Forum is also proud to join the chorus of 60 national charities which support the bipartisan **Legacy IRA Act (S. 243)**. The Legacy IRA Act will encourage more charitable giving by enabling seniors to make contributions from their individual retirement accounts (IRA) to charities through life-income plans. Seniors are a key demographic as they typically make up more than 40 percent of the donor base for charities. This is an expansion of the existing Charitable IRA Rollover provision, which is the fastest growing area of philanthropy. The Legacy IRA Act would expand this giving incentive to more middle-income seniors. A modified version of the Legacy IRA Act was passed by the House of Representatives on



March 29, 2022 as part of the “Securing a Strong Retirement Act” (SECURE Act 2.0), and we urge the Senate Finance Committee to include S. 243 in its version of this retirement package.

The Forum joins with many others in the nonprofit community in urging Congress to immediately reinstate the temporary universal charitable deduction, pass the Legacy IRA Act, and pass the Universal Giving Pandemic Response and Recovery Act. We stand ready to be of help should you have additional questions about these requests. Please feel free to contact Matthew L. Evans, Senior Policy Director, at United Philanthropy Forum at matthew@unitedphilforum.org.