



Michigan Nonprofit Association

November 7, 2011

The Honorable Dave Camp
United States Representative
Washington, DC 20515

RE: Protect the Charitable Giving Incentive

Dear Representative Camp:

The Michigan Nonprofit Association is honored to be among more than 225 Michigan nonprofit organizations and more than 3,500 nationally that signed onto the attached nonprofit community letter expressing the need for and the importance of the charitable giving incentive for individuals. The signing nonprofits collectively employ millions of Americans and serve tens of millions in our local communities. In this letter to you and your colleagues on the Joint Select Committee on Deficit Reduction, we urge your full support for the giving incentives in federal tax law so that charitable contributions can continue to support vital programs and services throughout Michigan. We specifically ask that the deficit reduction committee include, in any tax reform instructions, a clear, express statement that the charitable giving incentive shall not be weakened.

The challenges before the Joint Select Committee and our Nation are enormous, and the nonprofit community, as always, is ready to serve as an essential partner with government. Nonprofit organizations throughout Michigan and the United States work every day to improve lives, strengthen communities and the economy, and lighten the burdens of government, taxpayers, and society as a whole. Nonprofits employ more than 13 million individuals nationally and contribute more than five percent to the Gross Domestic Product of the United States. In Michigan, the sector employs nearly 440,000 people, generates \$108 billion in economic activity, and annually pays approximately \$16 billion in wages. Also, based on a study we did in conjunction with the Council of Michigan Foundations, the nonprofit sector was the only area in Michigan's economy that grew during the "Great Recession."

We recognize that the Joint Select Committee may adopt cuts and reforms that could further undermine the ability of nonprofits to deliver programs and services in our local communities, or less likely, to expand them to meet the increased needs resulting from the lagging economy and policy choices being made at all levels of government. The attached letter makes clear that under these conditions, nonprofits may not merely be the next place for people in need to turn; we are likely their only place to turn. The charitable giving incentive is a critical tool by which nonprofit organizations are able to secure the resources needed to fill any gaps that are created and to expand to meet the growing needs.

The Michigan Nonprofit Association joins with the more than 3,500 nonprofits nationally in asking you and your colleagues in Congress to "avoid endangering the ability of nonprofits to serve your constituents and our communities by making a clear statement in support of the charitable deduction and in opposition to proposals to reduce or cap the value of deductions for charitable contributions." We also ask you to consider the heartfelt comments from frontline nonprofits about the impact that changes to the charitable giving incentive would have on our communities:

- "Ele's Place, a healing center for grieving children in Lansing and Ann Arbor, Michigan, supports hundreds of grieving families each year who are coping with the death of a parent, sibling or other loved one. Most of our donors are motivated not only by our mission, but by the tax-incentive. We strongly urge you to protect the charitable giving tax incentive. Any changes would have a devastating impact on donations to our organization and our ability to continue serving the grieving children in our communities." *Ele's Place, Lansing, MI*
- "Nonprofits work to keep our communities healthy and depend on the generosity of donors. We must keep charitable tax donations to ensure nonprofits are able to remain viable. If nonprofits are unable to function, what will Congress do to take care of all the needs that nonprofits currently do for low-income families? Additionally, our nonprofit creates revenue for local businesses through local purchases made that are donated to our programs. Without charitable tax incentives those local businesses will lose out as well. If Congress does not protect the Charitable giving tax incentives there will be a ripple effect that will devastate our Nation at a time when we cannot afford to reduce the number of social service programs that meet basic human service needs." *Love Inc. of Manistee, Manistee, MI*
- "We rely on donations to support our effort to eliminate hunger and reduce the impact of poverty in Kent County. Please do make any cuts in this source of income." *Access of West Michigan, Grand Rapids, MI*
- "Do not take away our ability to effectively raise resources and then expect us to fill the social service holes you create with program cuts!" *Casa of Menominee County, MI*
- "Without continued charitable donations, our organization will be unable to continue the work we began almost five years ago, enriching the educational opportunities for disadvantaged middle school girls in the Benton Harbor community. Please do not turn your back on these needy girls." *Benton Harbor Girls Association for Learning & Self-Esteem, Benton Harbor, MI*
- "Please save this charitable giving incentive!!! Our Client Choice Emergency Food Pantry depends on our donors to serve our neighbors in need!!! You have already cut Emergency Food and Shelter Program 43% for Out-Wayne County in Michigan and we have still not received ANY MONEY YET THIS YEAR!" *Redford Interfaith Relief, Redford, MI*
- "I am a newly formed non-profit who strongly believes that making changes to the charitable giving incentive will threaten my organizations ability to serve foster youth & young adults aging out of foster care. These kids have enough going against them, and need programs that can support and sustain them." – Future Focused, MI
- "The Michigan Dyslexia Institute (MDI) offers the most comprehensive set of services expressly designed to serve children and adults with dyslexia in Michigan. Passage of the proposed legislation will almost certainly ensure that MDI will have to close its doors and cease operations. Since its founding in 1982 MDI has completed over 360,000 hours of one-on-one instruction in reading, writing, spelling and comprehension and over 2, 600 hours of math instruction. Financial assistance is provided as resources permit for those unable to pay. To date, MDI has raised over \$1,800,000 to assist

financially disadvantaged families and these funds have come from charitable sources. The proposed legislation will have a devastating impact on children and adults with dyslexia and should be soundly rejected!" *Michigan Dyslexia Institute, Lansing, MI*

As you can see, the employees and volunteers working at nonprofits every day for the common good in communities in our state and across the country are not focused on the nuances, theories, or experiments that Congress may be considering. Rather, they are concerned with how they will meet a growing demand for their services and programs under increasingly difficult economic and public policy challenges. We ask that you send a clear signal to the millions of people served by, working for, and donating to the nonprofit community in Michigan that the charitable giving incentive and the programs it supports must be maintained.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Caldwell". The signature is written in a cursive, somewhat stylized font.

Kyle Caldwell
President and CEO

Attachment