

July 16, 2012

The Honorable Patrick J. Toomey
United States Senate
502 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Toomey:

We understand that tax reform discussions among Republicans are becoming more pointed. In that regard, we are reminded of the position you took last fall during the Joint Select Committee on Deficit Reduction discussions calling for significant cuts to itemized deductions, including the charitable deduction. It is our understanding that you may be considering advocating for significant cuts to deductions again. As a coalition representing a broad cross-section of nonprofit organizations in Pennsylvania and across the country, we urge you to preserve the charitable deduction, which is a powerful incentive for giving that encourages the donations that allow our organizations to serve individuals, families and communities across Pennsylvania and throughout the country. We request an opportunity to brief you and your staff on the impact a proposed reduction to the charitable deduction would have on those we serve.

The charitable deduction is different than other itemized deductions in that it encourages individuals to give away a portion of their income to those in need. It rewards a selfless act, and it encourages taxpayers to give more funds to charities than they would otherwise have given. Data suggests that those in need receive \$3 of benefit for every \$1 of tax benefit going to the donor.

Moreover, charities bridge the gap caused by state and federal budget constraints. We cannot afford to signal to Americans that private giving is not important because these charities provide critical support to local communities.

Furthermore, nonprofits have a very positive impact on the American economy. In 2009, nonprofits employed 13.5 million individuals, or approximately 10 percent of the country's workforce. Employees of nonprofit organizations received roughly 9 percent of wages paid in the U.S. in 2009, and the nonprofit sector paid \$668 billion in wages and benefits to its employees. A decline in charitable giving would not only hinder charitable services, but also put thousands of jobs at risk.

As charities struggle to meet increased demands for their services and raise additional funds, we ought to encourage Americans to be more generous, not signal that giving is less important. We look forward to working with you and your staff on this issue.

Sincerely,

Arden Theatre Co (Philadelphia, PA)
Association of Fundraising Professionals Central Pennsylvania Chapter
Association of Fundraising Professionals Berks Regional Chapter
Bloomsburg Theatre Ensemble
The Children's Hospital of Philadelphia

Grantmakers of Western Pennsylvania
Harrisburg Symphony Orchestra
Lancaster Symphony Orchestra
Pennsylvania Association of Independent Schools
Pennsylvania Association of Nonprofit Organizations
The People's Light & Theatre Company (Malvern, PA)
Philadelphia Youth Orchestra
The Pittsburgh Ballet
The Pittsburgh Symphony Orchestra
Volunteers of America Delaware Valley
Volunteers of America of Pennsylvania
Westmoreland Symphony Orchestra
The Wilma Theater (Philadelphia, PA)

Alliance for Charitable Reform
Alliance of Nonprofit Mailers
American Association of Museums
American Institute for Cancer Research
American Society of Association Executives
Association of Art Museum Directors
Association of Fundraising Professionals
Council for Advancement and Support of Education
Council on Foundations
Dance/USA
Direct Marketing Association
Direct Marketing Association Nonprofit Federation
DMW Direct
Dunham+Company
Educational Media Foundation
Evangelical Council for Financial Accountability
The Forbes Funds
Independent Sector
JEVS Human Services
Jewish Federations of North America
League of American Orchestras
National Association of Independent Schools
National Catholic Development Conference
National Council of Nonprofits
National Human Services Assembly
OPERA America
The Performing Arts Alliance
The Philanthropy Roundtable
Theatre Communications Group
United Way Worldwide
Volunteers of America Inc.