

The non-itemizer charitable deduction encourages all taxpayers to give more to charity as nonprofits and faith-based organizations continue to support their communities.

The charitable deduction works.

- In 2021, Generous Americans gave almost \$485 billion to charity.
- 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 for every \$1 of foregone tax revenue, at least \$2.50 goes to charitable causes.

Small charitable gifts increased after enactment of temporary non-itemizer deduction

- After enactment of the temporary non-itemizer deduction in the CARES Act, the amount of small gifts, especially those of \$300 and \$600, saw an impressive increase in 2020 and 2021.
- The Fundraising Effectiveness Project (FEP) found a 7.5 percent increase in individual gifts of \$300 in both 2020 and 2021 when compared to 2019 levels.
- FEP data also showed a 28 percent increase in \$300 gifts on December 31, 2020.

Charitable giving is not immune to inflation.

- While gifts of smaller amounts increased in 2020 and 2021, overall giving trends are not keeping pace with inflation.
- According to the 2022 Giving USA report, total giving reached \$484.85 billion in 2021, but when adjusted for inflation, this was a 0.7 percent decrease compared to 2020.
- Furthermore, FEP data shows a decline in small gifts in the first half of 2022 compared to the same time in 2021.

Renewing the non-itemizer deduction will help charities continue to provide vital services

- The temporary non-itemizer charitable deduction expired at the end of 2021, creating uncertainty for Americans and the charities that rely on donations to serve their communities.
- Renewing and expanding the non-itemizer deduction will democratize giving by incentivizing all American taxpayers to give more to charity, ensuring a strong and independent civil society.
- It will provide needed resources to America’s charities, which continue to face increased demand for services and are feeling the effects of inflation.

HOW YOU CAN HELP

Congress should restore and expand the non-itemizer charitable deduction in year-end tax legislation to ensure all taxpayers, not just the estimated 12 percent of taxpayers who itemize, are encouraged to give more to charity.

We encourage you to sponsor the bipartisan, bicameral, Universal Giving Pandemic Response and Recovery Act (S. 618, H.R. 1704) to signal your support for a thriving civil society, supported by all Americans.