



THE NONPROFIT  
ASSOCIATION OF  
OREGON

*Good works. Together.*

October 17, 2011

The Honorable Ron Wyden  
United States Senate  
Washington, DC 20510

**RE: Senate Finance Committee Hearing October 18, 2011  
Tax Reform Options: "Incentives for Charitable Giving"**

Dear Senator Wyden:

I am writing on behalf of the Nonprofit Association of Oregon to urge your full support for the charitable giving incentives in federal tax law so that charitable contributions can continue to support vital programs and services provided by nonprofits throughout Oregon. During the upcoming Senate Finance Committee hearing, "Tax Reform Options: Incentives for Charitable Giving," we ask that you publicly recognize the irreplaceable role Oregon nonprofits play in our communities and their contributions to the local economy as employers and job creators, as well as acknowledge that policymakers rely on charities to meet the needs of the constituents that we jointly serve.

Nonprofit organizations throughout Oregon and the United States 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. Here in Oregon, nonprofits employ over 166,000 people. This represents 13% of all private sector jobs in our state. As a share of Oregon's total (public and private) employment, nonprofit jobs make up more than 10%—the same amount as manufacturing.

The Senate Finance Committee hearing on charitable giving incentives is being conducted at a time when virtually all spending, tax, and entitlement policy priorities are under review by the Joint Select Committee on Deficit Reduction. The so-called "supercommittee" could adopt changes that undermine the ability of nonprofits to deliver programs and services in our local communities, much less to expand them to meet the increased needs that will result from the lagging economy and policy choices being made at all levels of government. 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 Nonprofit Association of Oregon is participating in a national grassroots campaign to ask 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. In a short period of time, well more than a thousand charitable nonprofits from throughout the United States from all subsectors of the community—including many from here in Oregon—have signed this joint letter that will be delivered to the supercommittee later. And, these nonprofits are doing much more than adding their signatures to the attached letter; they are also delivering heartfelt comments about the impact that changes to the charitable giving incentive would have on their communities. As you listen to the witnesses during Tuesday's hearing, we ask that you consider the following comments from charities working on the front lines:

*"The work done and jobs created by WR are extremely important to this small, isolated rural economy. Grants, which are a major source of our funding and the money used to create local jobs, generally do not cover the organization's very lean administrative costs; therefore, we depend heavily on tax deductible contributions to supply non-restricted funds that we can use to operate the organization itself and build its capacity. I personally am giving back about \$1,500 this year to support WR, and I can assure you that if that contribution was not tax deductible, it would be reduced because I am part of the "99%" and that deduction is financially meaningful to me. I'm sure it doesn't mean anything to the 1%, but I am not at all confident that the 1% care a great deal about the work most smaller non-profits, which are very important to their local communities, do. I would encourage Federal policy makers to think of the charitable tax deduction as a "match" that encourages middle income Americans to open up their wallets to these organizations." - Myron Kirkpatrick, Wallowa Resources*

*"The charitable deduction incentive is critical to the many large and small donors who have supported our agency in its work with children and families. A reduction to that incentive would be devastating to the thousands of nonprofit agencies serving the most vulnerable populations in America. Moreover, eliminating the deduction is shortsighted: less charitable giving means that fewer people will be served by these nonprofits and in their moment of crisis, those needy populations will turn to the government for assistance. Let the private, cost-effective nonprofit sector do the critical human services work for vulnerable populations." - Lynne Saxton, Youth Villages, ChristieCare of Oregon*

As you can see, the employees and volunteers working at nonprofits every day for the common good in communities in Oregon and across the country are not focused on the nuances, theories, or experiments that the Senate Finance Committee may be considering. Rather, they are concerned with how they will meet 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 people served by, working for, and donating to nonprofit communities in Oregon that the charitable giving incentive and the programs it supports must be maintained.

Sincerely,



Carrie Hoops  
Executive Director