



The Charitable Act (S. 317, H.R. 801) encourages all taxpayers to give more to charity as nonprofits and faith-based organizations continue to support their communities.

The charitable deduction works.

- ◆ In 2023, Generous Americans gave \$577 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 \$1.30 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 number of small gifts saw an impressive increase in 2020 and 2021.
- ◆ AFP's 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, including a 28 percent increase in \$300 gifts on Dec. 31, 2020.
- ◆ IRS data shows 47 million households used the non-itemizer deduction for \$18 million in donations in 2021.

Charitable giving is not immune to inflation.

- ◆ While smaller gifts increased in 2020 and 2021, they went down in 2022 and 2023, and overall giving trends are not keeping pace with inflation.
- ◆ According to the 2024 Giving USA report, total giving was \$577 billion in 2023, a 2.1 percent decrease compared to 2022 when adjusted for inflation.
- ◆ Furthermore, FEP data shows a 2.8 percent decline in total giving in 2023 compared to 2022, as well as a 3.4 percent decline in donors.

Restoring 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 charitable deduction for non-itemizers to ensure all taxpayers, not just the estimated 7.5 percent of taxpayers who itemize, are encouraged to give more to charity.

We encourage you to signal your support for a thriving civil society supported by all Americans by co-sponsoring the bipartisan Charitable Act (S. 317, H.R. 801) and supporting the inclusion of a charitable deduction for non-itemizers in tax reform legislation.