



March 17, 2022

The Honorable James Lankford
United State Senate
316 Hart Senate Office Building
Washington, DC 20510

Dear Senator Lankford:

The undersigned faith-based organizations write to thank you for your long-term leadership to add a universal charitable deduction (UCD) for non-itemizers to the tax code and for your work to enact the Universal Giving Pandemic Response and Recovery Act (S. 618). We are deeply grateful to you and the bill's other lead sponsors—Senators Coons, Lee, Shaheen, Tim Scott, Klobuchar, Collins, and Cortez Masto—as well as to the other cosponsors who sit on the Finance Committee, Senators Stabenow, Hassan, and Brown.

Thank you as well for your vital roles in enacting a temporary UCD in the March 2020 CARES Act—and later extending it through 2021 and doubling it for joint filers. Your diligent leadership ensured this vital lifeline for the work of faith-based and other charities was available to millions of generous Americans of all faiths.

The charitable deduction works. As one vivid example, the charitable deduction's benefits and incentives may be the only reasonable explanation why approximately 10 percent of annual giving occurs during just the last three days (0.8 percent) of each year.¹

Similarly, after Congress enacted the \$300 UCD in 2020, the Fundraising Effectiveness Project (FEP) reported that year-to-year annual donations of less than \$250 increased from the previous year's levels by 15.3 percent.² Flipping the normal pattern for giving during a crisis, this was nearly 1.5 times greater than the increase (10.4 percent) that year in large donations (\$1,000 or more). As FEP Chair Jon Biedermann stated, "One factor that may have helped the increase in smaller gifts was the universal charitable deduction."³

Further, as compared with 2019, there was a 28 percent increase in \$300 donations on the final day of 2020.⁴ This is the exact amount of the universal charitable deduction for 2020.

For these and many other reasons, we believe Chairman Wyden is spot on when he explains, "The charitable deduction is a lifeline, not a loophole."⁵

¹ Digital Giving Index, Network for Good, https://beta.networkforgood.com/wp-content/uploads/digitalgivingindex_2015-1.png (covering 2015 giving).

² "Fundraising Effectiveness Project: Giving Increases Significantly in 2020, Even as Donor Retention Rates Shrink," Association of Fundraising Professionals (AFP), Mar. 15, 2021, <https://afpglobal.org/fundraising-effectiveness-project-giving-increases-significantly-2020-even-donor-retention-rates>.

³ *Id.*

⁴ *Id.*

⁵ "The charitable deduction is a lifeline, not a loophole," Blog Post, U.S. Senator Ron Wyden, April 18, 2016, <https://www.wyden.senate.gov/news/blog/post/ron-the-charitable-deduction-is-a-lifeline-not-a-loophole>.

Congregations and other faith-based organizations around the country got the word out in 2020 and 2021 about the temporary UCD. They wanted to ensure non-itemizing givers received the UCD's benefit. But ministry leaders also know the deduction helps increase giving by generous individuals. Giving by individuals is the financial lifeblood of many faith-based charities.

Today, religious giving is subject to multiple negative pressures Congress can help counter by restoring an expanded and extended UCD. One such pressure is the percentage of American households giving to charity, which has declined precipitously over the past two decades.⁶

Further, Giving USA data for 2018 through 2020 (the most recent published data) show annual religious giving has failed to keep pace with inflation. While inflation increased by 5.5 percent in 2018 through 2020,⁷ religious giving increased by less than 3 percent.⁸

Adding to the financial impact of these negative trends, congregations and organizations of every faith across America have remained on the front lines caring for the needs of individuals and communities hurt by the pandemic. Through virtual and (where and when possible) in-person connections, congregations and other faith-based charities are serving the escalating physical, emotional/relational, and spiritual needs of the most vulnerable members of our communities.

Unfortunately, the charities caring for our nation's most vulnerable often are the most vulnerable themselves to economic downturns and crises. Many fail to fully recover or even survive.

Restoring an expanded and extended UCD as soon as possible in 2022 will help these smaller congregations and faith-based ministries weather the pandemic's impact while also combating negative long-term trends for religious giving. Moreover, granting lower- and middle-income taxpayers the same sort of generous tax incentive granted to higher-income taxpayers will help increase and democratize giving to all of America's diverse ministries and other charities.

Thank you again for your and your Senate colleagues' dedicated leadership to enact an expanded and extended universal charitable deduction for non-itemizers. Please do not hesitate to contact me (bwalsh@faithandgiving.org) with questions or to help connect with other signers.

Respectfully yours,

Brian W. Walsh, Executive Director
Faith & Giving, Washington, D.C.

⁶ "Latest Data Shows New Low in Share of Americans Who Donated to Charity," Lilly Family School of Philanthropy, Indiana University, July 27, 2021, <https://philanthropy.iupui.edu/news-events/news-item/latest-data-shows-new-low-in-share-of-americans-who-donated-to-charity.html?id=363>.

⁷ See "Inflation, consumer prices for the United States," Federal Reserve Economic Data (FRED), St. Louis Fed, <https://fred.stlouisfed.org/series/FPCPITOTLZGUSA>.

⁸ See "Giving USA 2018," Press Release, Giving USA Foundation, June 12, 2018 (reporting religious giving of \$127.4 billion in 2017) <https://givingusa.org/giving-usa-2018-americans-gave-410-02-billion-to-charity-in-2017-crossing-the-400-billion-mark-for-the-first-time/>; "Giving USA: Giving Grew in a Tumultuous Year but Not for All," Chronicle of Philanthropy, June 15, 2021, <https://www.philanthropy.com/article/giving-grew-in-a-tumultuous-year-but-not-for-all-whats-ahead-in-2021> (reporting religious giving of \$131.1 billion in 2020, a decrease of 0.2 percent in inflation-adjusted dollars over 2019).

National Faith-Based Signers

Accord Network
Agudath Israel of America
The American Association of Christian Schools
American Leprosy Missions
Association of Christian Schools International (ACSI)
Bread for the World
Catholic Charities USA
CCCU - Council for Christian Colleges & Universities
Center for Public Justice
Children's AIDS Fund International
Christian Alliance for Orphans
Christian Connections for International Health
Citygate Network
Compassion First
Cross International
Dignity Freedom Network
Disabled Children's Fund
ECFA (Evangelical Council for Financial Accountability)
Ethics and Religious Liberty Commission
Faith & Giving
Jewish Federations of North America
Kumveka
Langham Partnership USA
Lifewater International
Living Water International
Lutheran Services in America
Mennonite Central Committee
National Christian Foundation
Operation One
PastorServe
Plant With Purpose
Sojourners
Union of Orthodox Jewish Congregations of America
Volunteers of America
World Hope International
World Relief
World Vision US

Regional, State, and Local Faith-Based Signers

Baltimore Jewish Council (Maryland)
Church Hill Activities and Tutoring (CHAT) (Richmond, Virginia)
CitiHope International (Delhi, New York)
Great Falls Rescue Mission (Montana)
Jewish Family & Children's Services, San Francisco Bay Area (California)
The Jewish Federation in the Heart of New Jersey (South River)
Jewish Federation of Greater Toledo (Ohio)
Jewish Federation of Southern New Jersey (Cherry Hill)
Jewish Federations of New Jersey (Scotch Plains)
MAP International (Brunswick, Georgia)
Morningstar Mission Ministries (Joliet, Illinois)
Mount Olive Baptist Church (Washington, D.C.)
Shirley's House of Hope (Marshfield, Wisconsin)
Third Lens Ministries (Atlanta, Georgia)
Youngstown Area Jewish Federation (Ohio)