



# 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.