



## NON-ITEMIZER DEDUCTION WOULD SUBSTANTIALLY BOOST CHARITABLE GIVING

**Tax provision Could Generate \$217 million In Additional Giving to United Ways**

Current proposals for a non-itemizer deduction, which are part of the CARE Act legislation would have a significant positive impact on America and on United Way.

United Way of America Research estimates that the proposed non-itemizer deduction could result in an additional \$217 million in revenue for United Way.

Besides resulting in more resources for United Way to help improve lives in communities across the nation, the non-itemizer deduction would help increase the democratization of philanthropy and social capital in America.

United Way is founded on the principle of the democratization of philanthropy. It is vastly important for every citizen to participate in the philanthropic process, whether through voluntarism or charitable giving, to help strengthen the fabric of communities. Research has shown the greater the participation and social capital in a given community, the healthier and stronger the community.

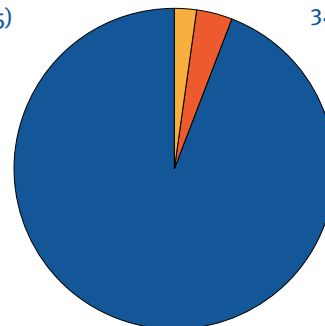
To that end, United Way of America supports the Non-Itemizer Deduction proposed in the CARE Act legislation.

- The vast majority of United Way’s donors give less than \$500 to United Way. Ninety-four percent (94%) of United Way donors give an average gift of \$101 to support needed health and human services in their community.

### Average Gift by Type of Giver

UW Active Community Investor, \$500 - \$1000  
Average Gift \$513  
2.3% of Givers (+0.5)

Leadership & Major \$1000+  
Average Gift \$1,934  
3.8% of Givers (+0.3)



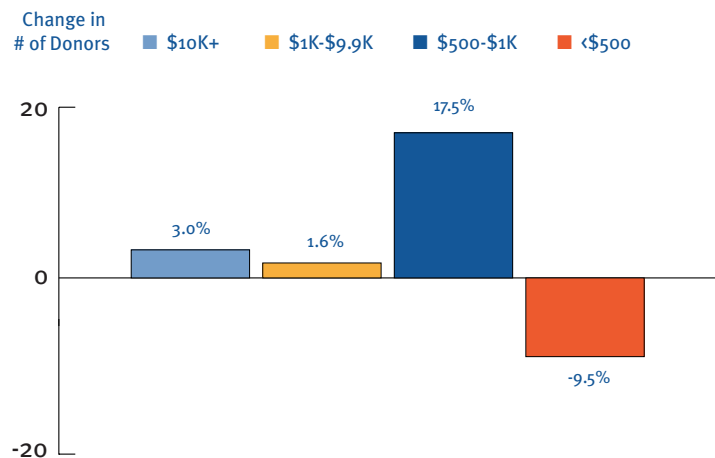
All Other Donors <\$500  
Average Gift: \$101  
93.9% of Givers (-0.9)

- A large percentage of these individuals do not itemize their taxes or get a perceived tax break for their contributions. Forty-one percent (41%) of these United Way donors do not itemize their contributions. Currently, less than 1% of donors indicated they gave to United Way because of the “tax benefit.”
- The rate of itemization is much higher for affluent donors (individuals whose household income is \$100K and above.) The incidence rate of itemization is 92%.



- There is a strong connection between giving and volunteering. Mobilizing a portion of the population that does not currently give to charity to contribute might also stimulate new voluntarism.
- United Way is increasingly experiencing growth in the number of givers who make medium- to significant-sized contributions. (Active Community Investors who give \$500+ to United Way and Leadership and Tocqueville givers who contribute \$1000+ and \$10,000+, respectively.)
- Yet, the one category of declining participation is among donors who give less than \$500 to United Way. Additional tax incentives could encourage greater participation by those employees and individuals who give at the smaller gift end of the scale.

## 1-Year Change in Number of Donors 2002-2003



- Conservative estimates from UWA Research indicate that the proposed non-itemizer deduction could result in an additional \$217 million in annual revenue for United Way. This represents an 8.4% increase in all employee/individual giving and a 26.7% increase for non-itemizers.
- In addition, a non-itemizer deduction might also increase the likelihood that those who do not currently contribute to charity might give for the first time. UWA Research shows that 20% of the population do not currently contribute to charity at all. Estimates above are conservative and do not factor in the possible effects a non-itemizer deduction could have in incentivizing giving from one-fifth of the population that currently do not give to charity at all.