

First Things First

forward to a friend September 20, 2018 www.fundraisingcounsel.com



from the standing-desk of **David H. King** | President & CEO

## The 2017 Tax Law's Impact on Giving: What Economists Don't Get

Since December 2017, the nonprofit sector has been buzzing with speculation about how the increase in the standard deduction, resulting in a decrease in the number of people who itemize their taxes from 30% of the population down to 10%, will impact

charitable giving. The prediction by economists is that people who do not itemize their tax return will not make charitable contributions. In fact, some are estimating this could cause a decline of as much as 5%, or \$20 billion, in 2018 contributions. Economists have developed complex formulas that predict this decline. I believe they are wrong.

How can I disagree with someone with a Ph.D. in economics when it comes to money? Over 30 years of professional fundraising experience and a degree in psychology lead me to the conclusion that economists' mathematical formulas completely discount what really drives giving.

#### **Doing The Math**

For starters, let's look at the math. According to one study, approximately 96% of American households planned to give to charities in 2017. Yet, according to the Internal Revenue Service, only 30% of Americans itemize their deductions. There is a clear disconnect in the logic. If only 30% of Americans are receiving the tax deduction for giving by itemizing, and the tax deduction is the driver of giving, then the other 66% should not be giving, and yet they do.

Next, let's look at this tax deduction issue itself...

Nag, Nag, Nag



We admit it, we nag. As fundraising consultants that's part of our job! And when it comes the most important duty of a major gift officer, we can't nag enough. To be effective you have to step away from the keyboard, **get out of the office and visit prospects**. We aren't ashamed to mention this over-and-over again.

Having face-to-face visits with major-gift prospects tend to be a major weakness we find in floundering fundraising programs. It is also one of the easiest to correct.

And thanks to technology, face-to-face can be addressed by also sitting in front of your keyboard.

Let Shuff explain...

# Did you download our new guide? A Guide to Selecting Fundraising Counsel

The decision to engage outside counsel is an important step for your organization.

Inside our guide you will find information on the 6 crucial steps to selecting counsel.

Get to Guide

#### Listen and Learn....



#### **Insights for Board Enhancements**

Mary Wieler, President of the Museum Trustee Association joins Alexander Haas President and CEO, David King to talk museum board enhancement and education. They discuss state and local laws regarding endowments, what board members need to know specifically about museums to better serve the board, how to understand economic cycles that impact donations and more.

Download our guide to **Overcoming Objections** for additional fundraising help.

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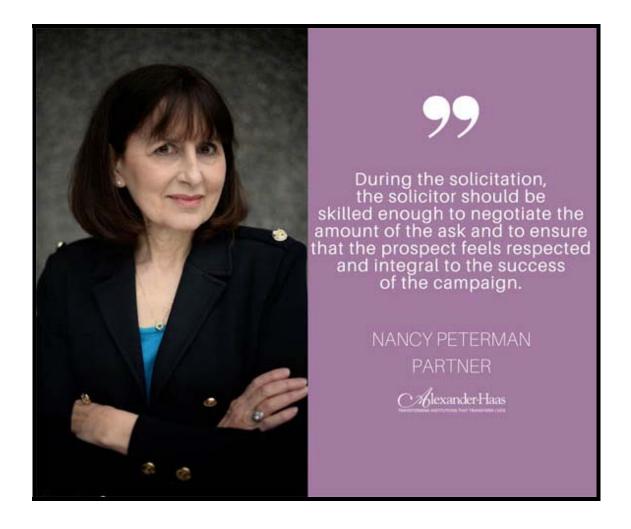


**NonprofitNews.com** thinks you should! The website's **Donorbox Blog** lists our podcast **Futures in Fundraising** #4 on a list of **8 Podcasts for Nonprofit Founders (in 2018)**.

Catch a new episode of Futures in Fundraising each month on Tuesdays at 10:00 am (EST) on Facebook Live.

To download this show and catch up on others, find us on iTunes.

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### Welcome Returning Client



**Highlands Biological Foundation** in Highlands, NC is a returning Client Partner. We have been retained to provide Strategic Planning.

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#### Transforming Institutions

We are proud of our long history of providing fundraising consulting services to performing arts organizations.

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**Alexander Haas** serves a cross section of performing arts organizations throughout the country. We specialize (and delight in) what makes you distinctive. As an arts institution, you have different needs at different times. We can help you create real results.

Read all about them!



Piedmont Place 3520 Piedmont Road NE Suite 300 Atlanta GA 30305-1512 (404) 832-9200 info@fundraisingcounsel.com









This email was sent to: gingerchakalall@me.com

This email was sent by: Alexander Haas Piedmont Place, 3520 Piedmont Road, N.E., Ste. 450 Atlanta, GA 30305

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