

First Things First



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from the remote desk of *John H. Taylor* | Partner

Are Annual Gifts a Thing of the Past?

Earlier this year we talked about the possible impact of the *Tax Cuts and Jobs Act* (TCJA) on charitable giving. The "**bumpy road**" our President & CEO **David King** suggested then, seems

to be even more uncertain now - thanks, in part, to some

accounting world advice.

A likely impact of the increase in the standard deduction to \$12,000 and \$24,000 (single and joint), plus the near elimination of the deduction for state and local taxes, will drop the number of itemizers in the US to something less than 10% (according to some estimates). Meaning fewer individuals will need to make a charitable donation to realize a tax savings. We have argued, however, that it is unlikely this will cause charitable giving to dry up.

People will continue to give because, well, they have a charitable nature! But for many, any reduction of taxable income is a good thing. So, to capitalize on that undercurrent there seems to be a growing sentiment in certain financial sectors that individuals should be encouraged to "bunch" or "bundle" their gifts. Rather than make an annual contribution of a modest amount to their favorite charities, their advice is to wait and make a more substantial gift every three-five years that will cause their donation amount to rise above the new higher standard deduction level.

Read the rest here

Why Giving to Religion Continues to Decline

According to the **Giving USA 2018** report, giving to religious organizations increased 2.9 percent between 2016 and 2017, with an estimated \$127.37 billion in contributions. Inflation-adjusted giving to the religion subsector increased 0.7 percent in 2017.

However, a closer look at the figures reveals that giving to

religious organizations is experiencing the lowest growth rate of all nonprofit subsectors. In all, giving to religion has dropped from 58% in the mid-1980s to 32% in 2017.

A steady growth in all other subsectors is consistently reducing its market share, and religious institutions themselves may be partly



to blame. Were it not for religious groups, we would not have many of our universities, hospitals, hospices, and a number of human service-focused organizations.

Over the centuries, religious institutions did such a good job creating education, mission and ministry programs, and spinning them off into separate institutions, that those nonprofits have become the very competition for the philanthropic support that the Church (particularly in the United States) is encountering today.

Why do these other nonprofit subsectors continue to gain momentum while giving to religion continues to decline? One distinguishing factor is that unlike other nonprofit organizations, congregations, in particular...

often lack...

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Understanding the Repeal of the 80/20 Rule

The recently passed tax legislation disallowing 80% of tax-deductible "gifts" has raised issues when it comes to athletic seating deduction/counting. Athletic departments now require individuals to pay for the privilege of purchasing season tickets. On this edition of *Futures in Fundraising*, **Tom Jennings**, Vice President of University Advancement and President of the **Florida State University Foundation** joins Alexander Haas President and CEO, David King to break down what all this means for colleges and universities.

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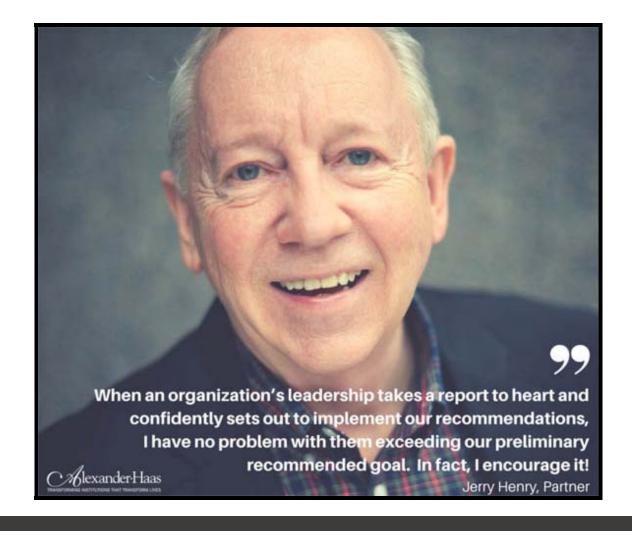


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