Opinion: Tax rule change could pull rug from under charities

By Ruth Blank

For a region still struggling with some of the worst economic conditions on record — a region that, even before the economy tanked, lagged the rest of the nation in philanthropic giving — proposals by the Obama administration and the so-called supercommittee to decrease the deductibility of charitable gifts are a very bad idea. They could severely damage our communities and set a dangerous precedent.

A recently completed multi-county study of philanthropic giving and attitudes in the region, the Greater Sacramento Generosity Project, highlighted the challenges local nonprofits face.

The project found that in El Dorado, Placer, Sacramento and Yolo counties only 62 percent of households had made a charitable contribution the prior year (compared to the national average of 66 percent). Worse, the average amount reported given locally was about $700 less, 38 percent below the national average.

These results mirror findings of a study called "How Americans Give" conducted by the Chronicle of Philanthropy several years ago. Using aggregate data from itemized returns, this study found that on average Americans reported contributing 7.12 percent of their after-tax income to nonprofits. In this region (Amador, El Dorado, Placer, Sacramento and Yolo counties), it was 6.85 percent. And the average amount per household given locally to nonprofits was about $1,100 (32 percent) less per household: $2,431 vs. $3,563 nationally.

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