July 26, 2013

The Honorable Michael Bennet
458 Russell Senate Office Building
Washington DC 20510

Dear Senator Bennet,

Following our July 12 letter asking you to retain the charitable deduction, we asked nonprofits to explain how the charitable deduction benefits the work of their organizations and people they serve. In their responses, we encouraged them to address the criteria outlined in the “blank slate” letter from the Chairman and Ranking Member. Over two weeks, we received 47 responses throughout the state. Here are some examples:

“The charitable deduction is critical to the work of our organization. United Way raises funds for other nonprofits in the community. Archuleta County is one of the most economically depressed regions in Colorado, and nonprofit organizations provide essential services and resources to those people most in need. They are also a significant portion of the local economy, providing employment and generating local business sales. Employees of nonprofits further contribute to the economy through their own property, income and sales tax expenditures. Though the full-time resident population is around 10,000, many people own second homes and vacation here. Many of those people give generously to United Way and to other nonprofit organizations, and leverage their investment in our community with the charitable deduction benefit. I know that the charitable deduction benefit is important or crucial to most of our donors because they tell me so. If you remove this deduction, United Way and many of our nonprofits will likely close our doors, resulting in a further exodus of skilled employees and a further reduced property and sales tax base.” Lisa Jenson, United Way of Southwest Colorado, Pagosa Springs

“Our organization survives on numerous smaller donations made by people impacted by scleroderma. Like many smaller nonprofits that are not big enough to get the attention of the media or wealthy philanthropists, our organization relies on donations from those middle class Americans that have a connection to the disease. To take away the deduction for these donations would hurt those donors financially and significantly impact our Foundation’s ability to continue to advance our mission. The private sector is stepping in more and more as federal, state, and local budgets are tightened to take on many important projects that may have a significant impact on our future with respect to health, education, environment, etc. To take away the charitable deduction would significantly impact non-profit organizations financial ability to help improve our future. Urban Institute statistics show that nonprofits made up 5% of the economy and 10% of wages and salaries in 2010. Eliminating the charitable deduction would have a serious negative impact on our struggling economy.” Cyndy Besselinvre, Scleroderma Foundation-Rocky Mountain Chapter, Denver

“We serve over 6,000 sixth grade students a year, providing a life-changing week of hands-on residential STEM studies in the Colorado Mountains. Without the work of our Foundation, this 55 year old program WILL close. The tax deduction is a HUGE incentive for our donors and we would lose over 2/3 of our donations without it. Without this program, kids will not have the education and exposure to the sciences at this crucial time in their lives and would miss out on this capstone piece of their sixth grade year.” Shannon Hancock, Outdoor Lab Foundation, Lakewood

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“Charitable deduction benefits the Wray Rehabilitation and Activities Center and the people we serve by helping grow the economy. These deductions are beneficial to us by providing funding that enables us to create and maintain jobs, grow the entity and improve the health of our community. Without these charitable deductions our 501(c)(3) would see a drastic reduction in donations to the facility and thus hurt operations to the point that many of our widespread, well-used, programs would cease to exist. Employees would have to be cut and operations would slow. Last year alone, nearly $26,000 came in utilizing the charitable deduction. These donations make up nearly 6% of our operating budget. Without such donations our fees for services would have to increase and I can assurely tell you that our program utilization would drop. Charitable deduction benefits as provided in the past are crucial to this nonprofit.” Kara Hoover, Wray Rehabilitation and Activities Center, Wray

“The mission of the Friends of Dinosaur Ridge is to preserve and educate the public about the paleontology and geology of Dinosaur Ridge. Charitable contributions to the Friends of Dinosaur Ridge help grow the local, state and national economy by attracting visitors from around the world to this unique spot. These visitors in turn fund our operations and provide direct income (car rentals, food and lodging) to the local economy and taxes from these expenditures support local governments. One of the objectives that we are trying very hard to implement is to "get children outdoors." Dinosaur Ridge provides a unique opportunity to get urban children outside for a day and experience the outdoors that they may never see in other ways. Without charitable contributions, we could not fund free admission and bus stipends to support this initiative.” Sam Bartlett, The Friends of Dinosaur Ridge, Morrison

“As a 501(c)(3), Sand Creek Regional Greenway Partnership allows for tax credits for donations to our organization…Many of our individual donors are small donors, who (we assume) take the tax credit and thus spread the benefit of the charitable contribution across income levels. We promote alternative energy (bicyclists and walkers on a safe off-road route linked with the whole metro area); anti-obesity and health (exercise and recreation); and environmental education for at-risk teens from our neighborhoods.” Katherine Kramer, Sand Creek Regional Greenway Partnership, Commerce City

“Being able to receive charitable deductible donations allow us to provide more services at either a free or reduced cost to low-income and at-risk families. And given the fact that the early childhood services we provide have an average return of $7 for each $1 spent in future savings to society, this is clear evidence of 1) growing the economy in that as adults the children we serve will achieve higher incomes; 2) make the tax code fairer in that contributions to our nonprofit serve those who could not afford these preventative services on their own; and 3) effectively promote important policy objectives of increasing school readiness and preventing child abuse. Tami Havener, Steamboat Springs Discovery Learning Center, Steamboat Springs

“In the World of Autism, it is estimated here in Colorado that only 15% of the population living with Autism are accessing services. The reason is because this affliction is tremendously cost prohibitive. The average family struggles just to have the diagnosis done which costs over $2,000 alone and treatment can run upwards of $70,000 a year! Charitable deductions help to encourage our community to make monetary donations to our organization to continue to provide services to those families living with Autism. Without these needed partnerships our mission to expand access to services to families living with Autism makes our task almost impossible. We are diligent in growing these partnerships so that we can ensure all our underserved children in
all rural areas of our state have access to critical services needed by families living with Autism.”

**Jesse Ogas, Firefly Autism, Denver**

“The Community Foundation Serving Greeley and Weld County relies on the gifts of donors to be able to make grants that primarily support Weld County nonprofits. Our donors are able to claim a charitable deduction for these gifts. In 2012 we received $1,681,840 in donations. Most of our donations are placed in an investment pool that spins off 3% of the trailing average of the funds for grant-making purposes. Our grants in 2012 were $883,585. That has a significant impact on programs such as homelessness, domestic violence, food/hunger issues, education, health, and education (including scholarships) throughout Weld County. As the majority of our grant-making is to nonprofits, we feel that what we do to build the capacity of these nonprofits grows the economy, both in the number of jobs that are in the nonprofit sector, the number of people in our communities that they serve, and the amount of money put back into Weld County through services these nonprofits provide.”

**Judy Knapp, Community Foundation Serving Greeley and Weld County, Greeley**

“Our food bank is 100% donor-based. The charitable deduction allows our donors to get a credit back through tax-deductions; thereby allowing them to support a volunteer-based organization that feeds thousands of families each year. This helps to grow the economy by placing hard earned dollars back into the pockets of donors that may not otherwise support our food bank. It makes the tax code fairer as deductions are already granted to corporations, businesses and other entities that donate to nonprofits. The donor-based deduction levels the field for the small individual or family that may not otherwise have a deduction. The deductions allowed effectively promote incentives to give to organizations that may or may not have government grants and/or funds afforded them. It may be the organization’s sole support and survival. That support through donor based deductions allows for the promotion of other policy objectives in feeding the poor and needy, while not needlessly focusing on the energy to obtain finances. The incentive to give is enhanced through the tax-deduction allowed. Some donors have specifically stated that they could not give without having a tax deduction. Their support is vital to our work as an organization. We cannot survive without that support.”

**Rev. David L. Clifton, David Clifton Ministries Inc., Wheat Ridge**

Our charity uses donations to help pay expenses to house people in our shelter and transitional houses with rental and utility assistance. If we don’t receive these donations then we cannot help the less fortunate people. Due to the economy some people lose their jobs, their houses and have to revert to living in their cars with the children. We also depend on government grants and foundation money but if people cannot deduct their charitable contributions then there is no reason to donate the money. The US government will have to step up their funding for Rental assistance, Section 8 and other programs…”

**Karleen Reed, Almost Home, Brighton**

We ask you to support the valuable community services of nonprofits throughout the state by advocating for retention of this charitable giving incentive.

Sincerely,

Renny Fagan,
President and CEO