



PhilanthropyRoundtable

STRENGTHENING OUR FREE SOCIETY

June 30, 2010

The Honorable David A. Paterson
Governor of New York
State Capitol
Albany, NY 12224

RE: Budget proposal to limit the deduction on charitable contributions

Dear Governor Paterson:

I am writing to you today to express The Philanthropy Roundtable's ("the Roundtable") deep concerns with your budget proposal to limit the deductibility of charitable contributions of thousands of New Yorkers. The Philanthropy Roundtable believes that this proposal would significantly limit the amount of charitable dollars available to worthy New York charities and set a dangerous precedent for other states and the federal government.

By way of background, the Roundtable is a national association of more than 550 individual donors, corporate giving officers, and foundation trustees and staff from across the country. The Roundtable's mission is to foster excellence in philanthropy, to protect philanthropic freedom, to assist donors in achieving their philanthropic intent, and to help donors advance liberty, opportunity, and personal responsibility in America and abroad.

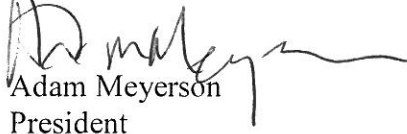
We believe that your proposal will serve as a disincentive for thousands of donors to make charitable donations, meaning fewer charitable resources for New York charities. These charities are already feeling the effects of a down economy. From museums to soup kitchens, many are closing their doors due to sharply-reduced budgets. According to a recent *Giving USA* report, total charitable giving in 2008 experienced its largest decrease since they began tracking donations in 1956.

The proposal to limit the deductibility of charitable donations will only exacerbate this problem. *Giving USA*'s study included an analysis of limiting the charitable deduction, and while the analysis was of a different proposal, *Giving USA* concluded that there was a direct correlation between the charitable deduction and charitable giving. Therefore, we need to be doing everything in our power to encourage – not discourage – Americans to be charitable.

Furthermore, fewer charitable dollars means fewer jobs in the nonprofit sector. According to a report released by the Fiscal Policy Institute (FPI), nonprofit organizations employ nearly 500,000 people in New York City alone – just over 15 percent of the total workforce. The health, human services, and cultural nonprofits, taken together, are the largest private employer in New York City. Your proposal, if enacted into law, could put thousands of these jobs in jeopardy.

I appreciate your attention to this vital matter and, should you or your staff have any questions, please do not hesitate to contact me directly at (202) 822-8333.

Sincerely,



Adam Meyerson
President