NATIONAL CATHOLIC REPORTER
Published on *National Catholic Reporter* (http://www.ncronline.org)

Charitable giving up, but Sandy and tax changes expected to impact year-end donations

Elizabeth Weise Religion News Service | Nov. 29, 2012

The recession continued to affect how much Americans gave to charity last year, and the triple whammy of Superstorm Sandy, a national election and the looming "fiscal cliff" may cut how much we donate in the crucial final month of 2012, experts say.

Charitable giving overall increased by $6 billion in 2011, an increase of almost 4 percent from 2010, according to the 2012 report by the Center on Philanthropy at Indiana University. Individuals gave $217 billion, compared with $209 billion in 2010.

"A little less than two years out from the end of the Great Recession, we're starting to see charitable giving increase modestly each year," said Geoffrey Brown, executive director of the Giving USA Foundation, which publishes the report.

Giving was highest in 2007, at $311 billion, and then fell in 2008 and 2009 and only began to increase in 2010. The 2011 total for all giving, including foundations and corporations, was $298 billion.

Giving for 2012 seems on pace to meet or slightly exceed last year's $217 billion level, Brown said.

"It takes six months to a year for someone who's been unemployed to feel secure enough to open up their wallet and start contributing again," said Sandra Miniutti, chief financial officer at Charity Navigator, a charity watchdog. "People are still somewhat uncertain. I don't think this is going to be a big rebound year."

Doubts about the economy may be tempered by worries over any tax increase or decreases in exemptions for charitable giving. People may be deciding "it's better to make a donation this year," Miniutti said.

Potential donors might have been waiting until after the election because they "didn't have a sense of what tax changes were on the horizon. People now have a better sense of where we might be going with capital gains, tax brackets at the high end and limiting the charitable-giving deduction," said Ellen Israelson, vice president for donor relations at the Jewish Communal Fund in New York City.

Superstorm Sandy could have an effect on giving only because it happened so close to the end of the year, the traditional giving season. Thirty percent of all annual giving happens in December, and 10 percent of annual donations are sent in the last two days of the year with an eye toward tax breaks, Miniutti said.

"We have a lingering stagnation in the economy, people don't have a ton to give, and if they've just given to Hurricane Sandy charities, they may not have as much to give this year," Miniutti said.

The majority (81 percent) of money donated to charity in the United States comes from individuals. Seventy-three percent is from individuals, plus 8 percent from bequests from estates. Foundations give 14 percent and corporations 5 percent.

Giving to religious groups dropped 1.7 percent from 2010, totaling $95.8 billion, the report found. Religion is the largest single category of recipients.

Giving to arts, culture and the humanities is estimated to have increased 4.1 percent from 2010, to $13 billion in contributions. Whether that will increase this year is hard to say yet, Israelson says.

She said a lot of donations are "going to go to disaster relief. And that means less will go to culture, the arts and organizations that don't support basic needs."

[Elizabeth Weise writes for *USA Today*.]

Source URL (retrieved on *2016-05-24 01:34*): http://www.ncronline.org/news/charitable-giving-sandy-and-tax-changes-expected-impact-year-end-donations