



COUNCIL *on* FOUNDATIONS

Council on Foundations • 2121 Crystal Drive, Suite 700, Arlington, Va. 22202 • T: 703-879-0600 F: 703-879-0800 • www.cof.org

December 13, 2012

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20515

The Honorable John Boehner
Speaker
United States House of Representatives
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, DC 20510

Dear Leader Reid, Speaker Boehner, Senator McConnell, and Representative Pelosi,

On behalf of the Council on Foundations (the “Council”), whose more than 1,700 members serve millions of our least fortunate neighbors in virtually every community across America, I am writing to affirm the strong commitment of the Council and the philanthropic community to do our part to help address the grave fiscal challenges confronting our nation.

In particular, the Council recognizes that in an era of fiscal austerity, the philanthropic sector will be called upon to meet the needs of some of our most vulnerable communities and neighbors that otherwise would have to bear the brunt of painful cuts in government programs. The Council and its members are committed to meet that challenge. Last year, foundations donated \$41.67 billion to help meet the needs of the communities they serve, and our members very much hope to increase that sum substantially over the coming years.

Indeed, foundations have a proven record of increased giving—over the past 20 years, the amount donated annually by foundations has more than quintupled. In addition, our members are committed to help mitigate the impact of federal spending cuts not only by committing their own resources, but by identifying ways in which to do more with less. Philanthropy has a proven record of applying resources in highly innovative ways to achieve solutions to intractable problems, and the Council’s members have realized disproportionate results by leveraging their own resources to implement those innovations on a large scale. We pledge to continue doing so in the coming era of fiscal austerity.

The Council also recognizes a reality that leaders of both parties have acknowledged—that, in addition to spending cuts, revenue increases will be part of the solution to our fiscal challenges. We further recognize that there are a range of policy options through which more revenues can be generated,

including increases in federal tax rates and limitations on various tax benefits available to upper-income individuals.

Among these various options, the Council wishes to express our particular concern about any initiative that would further limit the charitable deduction. Among hard choices and difficult options, it is in our view the least desirable for several reasons. Already, reinstatement of the “Pease” itemized deduction limitation, together with other current law limitations specifically relating to charitable giving, will impede the incentive for philanthropic giving. Further limiting the charitable deduction, through a deduction cap or otherwise, would result in a loss of billions of dollars each year in contributions that would otherwise serve the critical needs of our communities. Moreover, any limit on the charitable deduction would be borne not by those individuals with the most resources, but by those with the least—the struggling members of our communities who rely on philanthropy to help themselves and their families meet the challenges of daily living.

On behalf of the Council and its members, I pledge our commitment to do our part in confronting our nation’s fiscal challenges by stepping up to help meet the needs that will arise as a consequence of inevitable government cutbacks. Yet the philanthropic sector cannot do its part if the resources available to invest in our communities are substantially reduced as a result of limiting the charitable deduction.

Thank you for your leadership in addressing our country’s fiscal issues. For the nation’s sake, it is imperative that you succeed. The Council strongly supports your efforts and looks forward to working with you to meet these challenges.

Very truly yours,

A handwritten signature in black ink, appearing to read "Vikki N. Spruill". The signature is fluid and cursive, with the first name "Vikki" being particularly prominent.

Vikki N. Spruill
President and Chief Executive Officer

cc: The Honorable Max Baucus, Chairman, Committee on Finance, United States Senate
The Honorable Orrin Hatch, Ranking Member, Committee on Finance, United States Senate
The Honorable Dave Camp, Chairman, Committee on Ways and Means, U.S. House of Representatives
The Honorable Sander Levin, Ranking Member, Committee on Ways and Means, U.S. House of Representatives