 ENCOURAGE CHARITABLE GIVING TO NEW JERSEY NONPROFITS

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The Honorable Phil Murphy, Governor of the State of New Jersey
The Honorable Sheila Oliver, Lieutenant Governor of the State of New Jersey
The Honorable Members of the New Jersey State Senate and State Assembly

Dear Governor Murphy, Lieutenant Governor Oliver, New Jersey Senators and Assemblypersons:

The New Jersey Center for Nonprofits and the undersigned New Jersey organizations thank you for your ongoing leadership for the people of our state during these challenging times. As you actively seek solutions to make our state more affordable for all, we urge you to consider a crucial step to provide important relief for our state’s charitable nonprofits, for our residents who are turning to them more than ever, and for the generous New Jerseyans at all income levels who donate, so that nonprofits can keep meeting community needs. **Specifically, we ask you to enact a state-level income tax deduction for all New Jersey taxpayers who donate to charities in the state.**

**Strong, thriving nonprofits are vital to a strong recovery.** The vital role of New Jersey’s nonprofits in strengthening our state’s social, economic, and community fabric has never been more apparent than in the last 26 months. Amid the pandemic and economic and social distress, nonprofits have stepped up, providing essential and life-saving care and services, knowledge and education, artistic and spiritual comfort, environmental stewardship, and an outlet for collective action and change.

As employers of nearly 10% of the state’s private workforce, and as significant consumers of goods and services, New Jersey’s 40,000+ charitable nonprofits are vital to the economy. Nonprofits are strong and necessary partners in developing solutions to pressing problems, and nonprofits will be vital to a strong recovery for all New Jerseyans.

**Although the need for nonprofits is greater than ever, important challenges continue to threaten their ability to serve our communities.** Nonprofits have proven time and time again that they are creative, resilient, and effective in improving New Jerseyans’ quality of life. They are often the first, last or only source of help for people in distress, and serve as the glue that holds neighborhoods together. By virtue of their programs and services, they save the government millions of dollars each year.
But nonprofits are still facing significant hurdles in addressing the needs of people that are increasingly relying on them. Rising expenses and the demands for nonprofit programs and services continue to outpace the funds needed to provide those services. Nonprofits are contending with significant labor shortages - more than 20% on average, according to a recent New Jersey Center for Nonprofits survey – and unlike many for-profit employers in other major industries, most nonprofits can’t pass along the increased costs needed to remain sustainable and compete for talented employees.

Charitable giving has not kept pace with skyrocketing demand for services and rising expenses. Nationwide, the 2021 Giving USA report found that when one major donor’s contributions are excluded from the data, individual giving decreased by nearly 0.8 percent in 2020 compared with 2019.

And smaller charities, which are more likely than larger charities to depend on donations for most or all of their budgets, have been hit even harder. According to the Nonprofit Trends and Impacts 2021 report from the Urban Institute, “Forty-two percent of organizations with budgets under $500,000 experienced decreased donations in 2020, compared with 29 percent of organizations with budgets of $500,000 or more.” Nonprofits that said donations were essential to their revenue stream were also more likely to experience decreased donations in 2020.

**A wise investment with a multiplier effect.** A charitable giving tax deduction is one of the few tax incentives explicitly designed to encourage individual generosity to others. While people give generously for many reasons, research shows a clear correlation between tax incentives and charitable giving. When the 2017 federal tax law doubled the standard deduction, this change effectively put itemized deductions, including the charitable contributions deduction, out of reach for all but the very top taxpayers. The New Jersey Office of Legislative Services estimates that a state level charitable giving deduction, available to all taxpayers regardless of federal itemizer status, would generate $16 to $28 in donations for each $1 foregone by the state.

The magnitude of the continuing crisis, combined with the current status of the State surplus create a unique and urgent opportunity to provide this critical relief that would provide essential relief to the charitable community, benefit all New Jerseyans and move us forward together toward a strong recovery for everyone in our state.

Thank you for your leadership and consideration.

Respectfully,
360 Philanthropy Group LLC
ABCD
Advocates for Children of NJ
Allegro School, Inc.
Alliance for Morris County Parks
American Heart Association
ANCHOR HOUSE, INC
The Arc of New Jersey
Armed Forces Heritage Museum (AFHM)
Art House Productions
the art studio of Deptford
ArtPride New Jersey
ASAH...serving the private special education community since 1974
Atlantic City Theatre Company
Bergen Volunteer Medical Initiative
Boys & Girls Clubs of Union County
The Bullock Garden Project, Inc.
Carolyn Dorfman Dance
Chapter XIII A NJ Nonprofit Corporation
ChildrenSong of New Jersey
Clean Ocean Action
Community Action Partnership NJ, Inc.
Community Foundation of New Jersey
Community Hope
Community Lifestyle
Cornerstone Family Programs
Council of New Jersey Grantmakers
Court Appointed Special Advocates (CASA) of New Jersey, Inc.
Creatively, WE release
Displaced Homemakers Network of New Jersey, Inc.
Easterseals New Jersey
Eating For Your Health by Suppers
Edison Greenways Group
Emmanuel Cancer Foundation
EZ Ride
Family Based Services Association of NJ
Family Promise of Bergen County
Family Promise of Warren County
First Friends of New Jersey and New York
Friends of Yad LaKashish/Lifeline for the Old
Good Grief
The Growing Stage - The Children’s Theatre of New Jersey
Grunin Foundation
Historic Organ Restoration Committee, Inc.
Holiday Express Inc.
HomeFront
HUDSON TURKISH AMERICAN CULTURAL ASSOCIATION
Hyacinth AIDS Foundation
IEP Youth Services, Inc.
Investors Bank
Isles, Inc.
The Jersey Access Group
Jewish Federation of Ocean County
Jewish Federations of New Jersey
Kean University Foundation
La Casa de Don Pedro, Inc.
Larry Abrams
LE4 Foundation, Inc.
LeadingAge New Jersey and Delaware
The Leavens Foundation, Inc.
Legacy Philanthropy Group
LGBT Senior Housing & Care Foundation, Inc.
LISC
Meals on Wheels of Mercer County
Medford Arts Center
Monmouth Conservation Foundation
Montclair Early Music 501 (c) 3
Morris County Chamber of Commerce
Morris County Organization for Hispanic Affairs
Multicultural Community Services, Inc.
Music at Bunker Hill
NAMI Middlesex
New Brunswick Tomorrow
New Jersey Association of Mental Health and Addiction Agencies, Inc.
New Jersey Association of Museums
New Jersey Association on Correction
New Jersey Blind Citizens Association, Inc
New Jersey Community Development Corporation
New Jersey Conservation Foundation
New Jersey Highlands Coalition
New Jersey Voluntary Organizations Active in Disaster
New York Academy Educational Services
NewBridge Services
NEXT DIMENSIONS COMMUNITY DEVELOPMENT CORPORATION
Nikko’s Hope Foundation
NJ 211 Partnership
NJ Center for Tourette Syndrome & Associated Disorders
NJ Public Health Association
Non Profit Results of NJ
NonProfitConnect
Northern New Jersey Community Foundation
Norwescap
Operation Chillout Inc.
Operation Grow Inc
Organizations by Design, LLC
Parker Family Health Center
Partners for Health Foundation
Partners for Women and Justice
Passaic County Court Appointed Special Advocates (CASA)
PASSAIC RIVER COALITION
People & Stories / Gente y Cuentos
Pillar College
Possible Planet
Prevention Is Key, Inc
Princeton Community TV
Princeton Einstein Museum of Science
Princeton-Blairstown Center, Inc.
Pro Bono Partnership, Inc.
PRQuickhelp Nonprofit Consulting
Puerto Rican Action Board, Inc.
Pushcart Players
Ridgewood Symphony Orchestra
Special Strides, Inc.
Students 2 Science, Inc.
Support Center
Table To Table Inc
Team Wilderness
The Wei LLC
Transition Professionals
Trenton Area Soup Kitchen
Turner Syndrome Foundation
UCMP (UNITED CHILDREN’S MUSIC PROJECT)
Ukrainian History and Education Center
United Community Corporation
United Way of Delaware
United Way of Gloucester County
United Way of Greater Mercer County
United Way of Greater Newark
United Way of Hudson County
United Way of Hunterdon County
United Way of Northern New Jersey–United for ALICE
United Way of Passaic County
Urban Food Alliance
UWMOC
The Valerie Fund
Vets Chat Inc.
Victoria Foundation
Vision Loss Alliance of New Jersey
Volunteer Lawyers for Justice
Volunteers of America Delaware Valley
Wellspring Center for Prevention
Wheaton Arts and Cultural Center
WomenRising, Inc.
YMCA of Greater Monmouth County
YWCA Northern New Jersey