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## COMMENTARY

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# Giving locally affects communities and the giver

BY HEATHER ILIFF

Your mailbox is probably full of charitable solicitations, and, if you are like me, you probably don't even open many of them. Large national direct-mail organizations often sell their lists to others, and you make one donation to a cause you like, and lo and behold, you are inundated by dozens of others. Sometimes that can give us compassion fatigue or just make us feel annoyed by the waste of paper and postage and turned off to giving. One easy solution to this problem is to get to know local nonprofits in your community and keep your donations close to home. You will feel appreciated and included — and be able to see the results of your gift in action.

Maryland estimates show that about 260,000 Marylanders who previously itemized their tax deductions will no longer be able to itemize their charitable contributions. Wealthier donors are not affected by the change as they will be itemizing their

deductions as they always have.

New data from Giving USA shows that this regressive change to the charitable incentives has already had an impact on individual giving nationwide. In 2018, the first year the new tax law took effect, individual giving decreased by 11% — a 3.4% decline when adjusted for inflation. Contrasting that to an increase in individual giving of 5.7% the prior year, this is a troubling sign.

Some charities in Maryland are already starting to feel the pinch. Individual giving from low and midlevel donors decreased at the Maryland Food Bank and Paul's Place last year. At the Maryland Food Bank, fortunately, some larger donations helped make up the losses. However, the changes were more painful for Paul's Place, a nonprofit that relies significantly on middle-income donors. Paul's Place is already having to cut its budget and reduce its ability to provide services that the community needs. This underscores the impor-

tance of local donors looking to organizations right here in Maryland.

Another troubling sign is that some donors are being advised to only give every other year to maximize their deductions in a given year. This creates new challenges for charities to stay close to their donors who are having to adjust their giving patterns due to the new law. Smaller organizations may have difficulty managing the seesaw effect on their budgets, as many organizations have little in reserves.

We are concerned that the decline in giving in 2018 is just the tip of the iceberg. Many donors were not aware of the changes to the standard deduction, or changes to the amounts of their refunds, until April when they filed their taxes. We will be listening closely to our nonprofit members this year and see how giving pans out in 2019. While we know that the tax deduction is not the primary reason people give, we also know that incentives have an effect in any economic system, and charitable giving is

no different.

We ask all Marylanders to please seek out and support the local organizations in your communities and make a priority of giving locally this year. Ask your neighbors and friends what boards they sit on, or attend a charity picnic, tournament or gala this year. You can look up organizations on Guidestar.org and find vetted groups through the Standards for Excellence. There are also other ways to give to vetted Maryland charities, for example, by giving to your local Community Foundation, the United Way or Maryland Charity Campaign.

Smaller Maryland-based organizations may not have quite as slick direct mail campaigns as some national causes you get in your mailbox, but they offer something better: the chance to see and feel their impact directly in the community.

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