Testimony of Brent Christopher
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Hearing on the Itemized Deduction for Charitable Contributions
Committee on Ways and Means
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Chairman Camp, Ranking Member Levin, and Committee members—including those from Texas: Congressmen Johnson, Brady, Marchant and Doggett—thank you for this opportunity to address the Committee. My name is Brent Christopher, and I serve as president and CEO of Communities Foundation of Texas in Dallas.

When you hear the words "Community Chest," you probably think of the game, Monopoly. That square exists on the Monopoly board because there once were Community Chests all over America, which supported local agencies addressing hunger and health and other social needs. My foundation began in 1953 as the Dallas Community Chest Trust Fund, and we evolved over time into Communities Foundation of Texas. We work like a "philanthropic GPS", helping to steer charitable dollars not only to human service agencies, but also education, the environment, the arts, medical research—the whole range of public needs—across the North Texas region around Dallas-Ft. Worth, and beyond. We have over $800 million in charitable assets, have worked with thousands of donors, and have paid more than $1.2 billion in charitable grants since 1953. Recent examples include:

- $10,000 to Hope's Door in Plano, Texas to help deal with the consequences of domestic abuse;
- Hundreds of thousands of research dollars each year to the Institute of Orthopedic Research and Education in Houston;
- $70,000 to Carter BloodCare in Bedford, Texas, to support its program for promoting blood donation in high school; and
- $1.2 million to Austin Independent School District to support the implementation of its high school education reform efforts.

But I like that our roots come from the old Community Chest, because that's really what a community foundation is.

As my colleague Terry Mazany indicated, each of the over 700 community foundations in America is a 501(c)(3) *public* foundation—a *collection* of charitable donations from many people. Community foundations operate through a mix of donor-advised funds, scholarship funds, funds designated to support particular charities, and discretionary endowments entrusted to us to meet local needs over generations. And, by depending on donations, we are affected by the charitable tax deduction in a direct way that most private foundations are not.

One of the most commonly used tools in the community foundation tool kit is the donor-advised fund. It is a public charity alternative to a private foundation that allows charitable assets to be managed more cost-effectively in a bigger pool, while also allowing donors to remain involved by recommending grants that align with their charitable interests. Last year, donor-advised funds at Communities Foundation of Texas contained a total of $266 million, and they paid out 14 percent of that value in $37 million of grants. These funds are important charitable vehicles and they are being used more frequently by donors. The current IRA charitable rollover provisions that allow people to make tax-free charitable distributions from excess funds in their IRAs should be strengthened by including donor-advised funds as eligible recipients.

Community foundations are a great democratizer of philanthropy. The different types of funds allow people to bring structure and strategy to their charitable giving, regardless of their background.

Our first major gift was in 1955 from a woman named Pearl Anderson. She was the widow of an African-American physician and had grown up in rural Louisiana during the days of segregation. Mrs. Anderson was prohibited from going to school until the age of 12, when an African-American school was finally built a few miles from her home. She would often walk by a plaque that credited the Rosenwald Fund with establishing that school. "Rosenwald" was the great Chicago philanthropist Julius Rosenwald, chairman of Sears, Roebuck, who was inspired by Booker T. Washington to build schools in African-American communities across the rural South.

Pearl Anderson vowed that one day, she would pay back the debt she owed to the people who made it possible for her to get an education.

She brought that dream to the Dallas Community Chest Trust Fund, along with a remainder interest in property that turned out to be worth $350,000. She asked that the money help youth and the poor, without regard to their race or religion. Today, we are still using the Pearl C. Anderson Fund to honor her promise to give back.

While you were working on the fiscal cliff bill back in December, Robert Shiller, the Yale economist, wrote an op-ed piece on the charitable deduction. Instead of a dry, academic rebuff to its significance, he began: "Whatever else we do about the tax code, we need to save the charitable deduction, which has done so much good in our country and springs directly from some of our deepest values."

Most people give from their hearts. But I also know that since 1917, the charitable deduction has been a vital thread in the fabric of charitable giving in America. It may not be the primary motivation, but it definitely affects the size and the timing of charitable gifts. It is not a "loophole" that needs to be closed. It is a multiplier of generosity. It is unique in our tax code—an encouragement to act selflessly by spending our money on the public good instead of ourselves.

We need the full force of that encouragement in this country, now more than ever.