

**United States House of Representatives
Committee on Ways and Means
Hearing on Tax Reform and Charitable Contributions**

**Testimony of Bill Kitson
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Cleveland, Ohio**

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Chairman Camp, Ranking Member Levin, Members of the Ways and Means Committee,

Thank you for providing me with the opportunity to testify today on behalf of the 450,000 Greater Cleveland residents who benefit from United Way of Greater Cleveland's work.

In my almost 25 years with United Way, I have witnessed the important role the nonprofit sector plays in communities throughout our great nation. Our work relies on the generosity of donors and volunteers. And without question, the charitable deduction is an effective and important incentive to stimulate support for thousands of health and human services. For example:

- The charitable community is the single largest supporter of United Way 2-1-1 which covers 90 percent of the State of Ohio.
 - Our Cleveland United Way 2-1-1 provides coverage for seven counties or 1.9 million people and answered 252,000 calls for help last year, a 33 percent increase in the last five years.
- As you know, many Americans today can't afford their prescriptions. Our Med-Refer program found \$2.5 million of prescription benefits for people in need in the past five years.

Without question, a cut in the charitable tax deduction will result in a loss of support from donors to the nonprofit sector and would

devastate our ability to continue to provide these services. And the responsibility could fall on government.

The New York Times reported last year nearly 60 percent of Cleveland's poor, once concentrated in its urban core, now live in its suburbs. 40 percent of United Way's 2-1-1 calls come from the suburbs and the number one request is for food. Nationwide, 55 percent of the poor population in metropolitan areas is now in the suburbs. The charitable community is coming to the aid of the nation's "new poor."

- The Cleveland Foodbank has doubled its food distribution in the past five years.
- The Earned Income Tax Credit initiative in Cuyahoga County provided free tax preparation for some 10,000 families and individuals and returned \$13 million to our community to help poor working families out of poverty.
- And United Way partnered with the Siemer Family Foundation and the Cleveland Foundation to aid young people who so unfairly suffer when family finances jeopardize housing security.

Not preserving the charitable deduction creates a disincentive for giving to charity, and millions of poor Americans will pay the price. Without the generous support of America, nonprofits will be forced to abandon their work. We will lose our ability to provide food and shelter, graduate kids and help families become financially stable. This would also limit health care services for our most vulnerable populations.

While I'm here representing United Way, I would also like to speak on behalf of my alma mater, Hartwick College in Upstate New York, where I serve on the Board of Trustees. Independent colleges in New York State graduate more students than their public peers. Those future leaders benefitted from the

scholarships given by generous donors. The charitable tax deduction is critical to the future of our country.

I stand upon the 125-year history of the United Way system, with thousands of large and small nonprofit partners, to advocate for the charitable deduction. While the generosity of Americans is not solely based on tax incentives, it is part of the equation for many. On behalf of the millions of Americans who rely on the kindness and strength of the philanthropic community, please preserve the charitable tax deduction.

Thank you!