

# Museum Results

Your Monthly Resource for Philanthropic News  
from Alexander Haas

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TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

**First Things First**



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[www.fundraisingcounsel.com](http://www.fundraisingcounsel.com)



from the standing-desk of  
**David H. King** | President & CEO

## **Buckle Up...It Could Be a *Bumpy* Ride**

Here's what we know: The United States has a new set of rules for income taxation.

Here's what we don't know: What do these new rules mean to philanthropic giving?

Individuals and businesses are struggling to figure out what impact, if any, the new tax law has on them. This is especially true for the nonprofit sector.

The new tax bill DOES contain a piece of good news for nonprofits. **Individuals can deduct charitable gifts totaling up to 60% of their income, as compared to 50% under the previous tax law.** However, the bill doubles the standard deduction and places limits on the deduction of mortgage interest, state income taxes and property taxes. Because of these changes, experts estimate that only 5% of 2018 taxpayers will file an itemized tax return - and if you don't itemize your tax return, you aren't allowed to deduct your charitable contributions.

As Patrick Rooney, *Professor of Economics and Philanthropy and Director of the Lilly Family School of Philanthropy at Indiana University*, told *The Chronicle of Philanthropy*, for those who choose not to itemize under the new law, "Their cost of giving goes up dramatically." In the same article, Rooney predicts that charitable giving will decline by \$14-billion in 2018. That is 5% of the roughly \$282-billion U.S. charities received from individuals in 2016. Rooney adds, "**The new laws will absolutely have a negative impact.**"

[Here's what we suggest you do now....](#)

**Tax Reform and Nonprofit Clout**

In the wake of Congressional passage of the tax reform bill, *The Chronicle of Philanthropy* provided a thoughtful perspective in its December 20 Daily Update. [\*\*Nonprofits Regroup for Budget Fights Ahead After Stinging Loss on Tax Bill\*\*](#) analyzes the minimal impact the not-for-profit community seemed to have as it conveyed its concerns about the bill's potential dampening effect on giving.



Early in the debate, the *Chronicle* published an opinion piece that took the not-for-profit community to task for coming off as just one more interest group. A not-so-flattering comparison was drawn with mortgage bankers who proclaim their support for tax reform as long as the mortgage-interest deduction is preserved.

[Suggested reading....](#)

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## You Should Know....

### **PayPal Users' Giving Spike**

People gave \$8.5 billion to nonprofits through PayPal last year, a roughly 16% increase from 2016.

Holiday giving grew more sharply than the annual total did. From November 27 through the end of 2017, donations made through PayPal increased 19% over the same period in 2016, to more than \$1.1-billion.

The last day of the year also saw a big spike in giving, with \$91.8-million donated through PayPal, about 18% more than on December 31, 2016.

Giving on smartphones and tablets also continued its years-long growth: About 21% of contributions through PayPal in the holiday season were made through a mobile device - a 14% increase in the number of mobile gifts over 2016's year-end fundraising period. *The Chronicle of Philanthropy*, 1-11-18

### **Met Visitors Meet Admission Fee**

The **Metropolitan Museum of Art** (NYC) will begin charging out-of-state visitors a mandatory admission fee. The fee will be the same as the current suggested admission price: \$25 for adults, \$17 for seniors, and \$12 for students.

According to the museum, only 17% of adults currently pay the suggested amount, down from 63% in 2004, and the average per-person contribution has fallen to \$9. In 2017, the Met generated roughly 14% of its operating budget from admissions revenue - among the lowest percentage for museums in the city. It estimates that its revised policy will increase admissions revenue as a percentage of its overall budget to between 16% and 1%. *The New York Times*, 1-4-18

## We'd Like You to *Know...*

### Team Member Spotlight: **Mark Belcher**

Don't let Alexander Haas Partner **Mark Belcher**'s seemingly quiet demeanor fool you... he can help invigorate your fundraising program. When Mark served as President of a large hospital foundation, he took an underperforming development operation and transformed it - securing in excess of \$35-million in philanthropic support to the foundation which included the institution's largest ever goal surpassing capital campaign.

In this month's Team Member Spotlight, Mark shares how he keeps track of industry trends and why the number of healthcare organizations in need of fundraising counsel continues to grow.



[Have a listen...](#)

### Face It: Museums are Different Our Transforming Fundraising Services

Alexander Haas serves a cross section of museums throughout the country. We specialize (and delight in) what makes you distinctive. As a museum, you have different needs at different times. We can help you create real results.

[Read all about them.](#)

### Transforming *Institutions*

Welcome New Client Partner



The **Museum of the Southern Jewish Experience**, in New Orleans, has retained the Firm to firm to provide Campaign Counsel and a Leadership Interview Study.

[Take a look at our past and present Museum Client Partners.](#)

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Piedmont Place  
3520 Piedmont Road NE Suite 300  
Atlanta GA 30305-1512  
(404) 832-9200 [info@fundraisingcounsel.com](mailto:info@fundraisingcounsel.com)



This email was sent to: [gingerchakalall@me.com](mailto:gingerchakalall@me.com)

This email was sent by: Alexander Haas  
Piedmont Place, 3520 Piedmont Road, N.E., Ste. 450 Atlanta, GA 30305

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