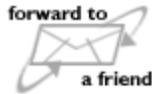




First Things First



October 2, 2018
www.fundraisingcounsel.com



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

The 2017 Tax Law's Impact on Giving: What Economists Don't Get

Since December 2017, the nonprofit sector has been buzzing with speculation about how the increase in the standard deduction, resulting in a decrease in the number of people who itemize their taxes from 30% of the population down to 10%, will impact charitable giving. The prediction by economists is that people who do not itemize their tax return will not make charitable contributions. In fact, some are estimating this could cause a decline of as much as 5%, or \$20 billion, in 2018 contributions. Economists have developed complex formulas that predict this decline. I believe they are wrong.

How can I disagree with someone with a Ph.D. in economics when it comes to money? Over 30 years of professional fundraising experience and a degree in psychology lead me to the conclusion that economists' mathematical formulas completely discount what really drives giving.

Doing The Math

For starters, let's look at the math. According to one study, approximately 96% of American households planned to give to charities in 2017. Yet, according to the Internal Revenue Service, only 30% of Americans itemize their deductions. There is a clear disconnect in the logic. If only 30% of Americans are receiving the tax deduction for giving by itemizing, and the tax deduction is the driver of giving, then the other 66% should not be giving, and yet they do.

[Next, let's look at this tax deduction issue itself...](#)

Counting on Boards: *Measuring True Success*

You may have heard the phrase, ***What gets measured, gets done.***

For trivia buffs it's often attributed to Peter Drucker, or Lord Kelvin, but most probably the Renaissance astronomer Rhaticus originated it, translated as 'If you can measure it, you can manage it.'



There are many metrics in fundraising today:

- Annual giving folks track renewals, upgrades, lybunts, sybunts, new donors and the efficacy of snail mail, email, social media and online giving.
- Major gift officers are measured by visits, contacts, proposals and dollars raised.
- Planned giving staff members monitor fulfillment rates for expectancies while being asked to achieve goals for the number of new commitments and the dollars they represent.
- And, of course, development programs have an overall goal. For many that is an aggregate of goals for annual, major and planned giving.

However, one of the most important resources is...

A dark-themed advertisement with white text. The main headline reads "Successful Campaigns Require Planning ARE YOU READY?". Below this is a white rounded rectangle containing the text "Take Our CAMPAIGN READINESS Assessment". At the bottom, the Alexander Haas logo is visible, with the tagline "TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES". The background features a blurred image of a stethoscope.

Listen and *Learn*....



Insights for Board Enhancements

Mary Wieler, President of the **Museum Trustee Association** joins Alexander Haas President and CEO, David King to talk museum board enhancement and education. They discuss state and local laws regarding endowments, what board members need to know specifically about museums to better serve the board, how to understand economic cycles that impact donations and more.

Download our guide to [**Overcoming Objections**](#) for additional fundraising help.

[Click below for podcast.](#)



Are You Listening to Our Podcast?



NonprofitNews.com thinks you should! The website's **Donorbox Blog** lists our podcast **Futures in Fundraising** #4 on a list of **8 Podcasts for Nonprofit Founders (in 2018)**.

Catch a new episode of Futures in Fundraising each month on Tuesdays at 10:00 am (EST) on Facebook Live.

To download this show and catch up on others, find us on iTunes.

[Listen to all our podcasts here...](#)



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Alexander Haas gets hired because organizations connect with our consultants.

David King, President & CEO

Alexander Haas
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We'd Like You to Know....

Transforming Institutions

Welcome Returning Client Partner



Cure Childhood Cancer in Atlanta is a returning Client Partner. We are proud to work once again with this organization and help them fulfill their mission.

[Our Metro Atlanta Client Partners](#)

Our Transformational Services

You're just a jump away from learning about all the fundraising aids Alexander Haas has in its vault of Transformational Services.

[Jump!](#)



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