



The Charitable Sector: COVID-19 Relief and Economic Stimulus Package

America's charities request \$60 billion infusion of support to help the most vulnerable

The COVID-19 (Coronavirus) pandemic facing the country is having a profound impact on the economy and has greatly expanded the need for charitable organizations to provide additional services in an unprecedented manner. At the same time, the economic downturn will undoubtedly result in a contraction in contributions and other sources of revenue which are the lifeblood of many charitable organizations. America's charities are frontline responders providing food, shelter, medical services and other critical services to those in need in their communities. At this crucial time when the American people and governments will depend even more on charitable nonprofits, contributions are likely to decrease as happened following the 2008 recession.

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Without dramatic and immediate financial and programmatic backstop from government, America's charitable nonprofits and the people we serve face a precipitous decline in mission services at a time when our efforts are needed like never before by the most vulnerable in our communities.

America's charitable nonprofits need an immediate infusion of \$60 billion in capital to maintain operations, expand scope to address increasing demands, and stabilize losses from closures throughout the country. Below are specific recommendations for assistance to help the nonprofit sector stay engaged serving the American people

- As 10% of U.S.GDP, we employ 12 million workers. We need to retain them.
- Nonprofits are on the frontlines serving people, especially those in need. We need business continuity relief.
- Give nonprofit payroll tax credit relief as this is the most significant tax we pay.
- Provide an "above-the-line" or universal charitable deduction for contributions through the end of 2021.

America's charitable nonprofits are significant employers

America's charities employ over 12 million people, with payrolls exceeding those of most other U.S. industries, including construction, transportation, and finance. The largest expenditures for most of America's charitable organizations are personnel costs. Unfortunately, in multiple disaster relief laws in the past, Congress has approved employment-related tax credits that fail to recognize that we are significant employers.

Policy Solution: As is done in the Families First Coronavirus Response Act (H.R. 6201), any additional employment-focused relief or stimulus legislation must expressly apply to employment at tax-exempt organizations by making tax credits and deductions applicable not just to income taxes, but to the taxes nonprofits pay, such as payroll taxes. Further, Congress should also ensure that relief and stimulus legislation designed to assist for-profit businesses in the areas of unemployment insurance, employee retention, and risk insurance must also address the unique challenges and realities that nonprofits face.

America's charitable nonprofits need business continuity relief

Millions of jobs in America's charitable sector are at risk unless a reliable source of cash can be provided to assure continued operations. And in many cases the scope of operations will need to expand to accommodate increased demand for vital services. The survival of many of America's charities is jeopardized by unprecedented revenue losses from closed programming and services offered, as well as anticipated shortfalls in fundraising. America's charitable nonprofits, which are so essential to a healthy economy, need a reliable source of cash over the next several weeks and months to ensure we can continue to serve our communities.

Policy Solution: America's charitable nonprofits request \$60 billion in emergency stimulus funding aimed at helping adversely affected national and local organizations. These funds can be distributed quickly through multiple funding streams, including, but not limited, to expansion of the Economic Injury Disaster Loan program for nonprofit employers, emergency grants to nonprofits operating under grants from federal, state, local, or other pass-through entities, and other to ensure the continued flow of charitable donations.

Policy Solution: To incentivize all Americans to support the vital work of America's charities, we call on Congress to enact an "above-the-line" or universal charitable deduction for contributions through the end of 2021. Further, to help those who step forward to help America's charitable organizations immediately assist the most vulnerable, Congress should permit taxpayers to

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donate today – at the height of the pandemic – and claim the benefit from these deductions on 2019 tax returns.

America's charitable nonprofit employees must be protected

The workers in America's charities are on the frontlines of the coronavirus response. Our workers are the backbone of the food banks, shelters, domestic violence services, houses of worship, early care and education centers, after-school facilities, and more that are being called on to feed, house, and care for people whose lives have been disrupted by closures, job loss, and sickness.

Policy Solution: Every charity in America, regardless of size, that provides paid family and medical leave should receive a tax credit the organization can use. We applaud the HR 6201 approach to provide a *payroll tax credit* to all employers of a certain size (including charities and other nonprofits) providing emergency paid family leave and sick time pay for care related to the coronavirus. Congress should provide payroll tax credits to all charities, regardless of size, that provide such paid family leave and sick time pay as a result of the coronavirus.

America's Charitable Nonprofits Are in Every Community Ready to Serve

Everywhere in America charitable organizations are already in place serving the needs of residents. Every dollar granted, donated, or earned goes back into the community immediately to address clear and present problems. Charities are our economy's shock absorber when crisis hits.

Signing Organizations

Accord Network	Citygate Network
Adult & Teen Challenge USA	City Year
Agudath Israel of America	Collective Liberty
Alliance for Strong Families and Communities	Communities In Schools National Office
American Alliance of Museums	Community Action Partnership
American Cancer Society Cancer Action Network	Compassion International
American Heart Association	Council for Advancement and Support of Education (CASE)
American Indian College Fund	Council for Christian Colleges & Universities (CCCU)
American Library Association	Council on Foundations
American Lung Association	Council on International Educational Exchange (CIEE)
American Public Health Association	Dance/USA
American Red Cross	Disabled Children's Fund
Americans for the Arts	Encore.org
Appalachian Trail Conservancy	Evangelical Council for Financial Accountability (ECFA)
ASAE	Exponent Philanthropy
Association on American Indian Affairs	Faith & Giving Coalition
Association of Art Museum Directors	General Conference of Seventh-day Adventists
Bethany Christian Services	Girl Scouts of the USA
Big Brothers Big Sisters of America	Girls Inc.
Boys & Girls Clubs of America	Goodwill Industries International, Inc.
Catholic Charities USA	Habitat for Humanity International
Catholic Medical Mission Board	Independent Sector
Center for Public Justice	Institute of International Education
Christian Alliance for Orphans (CAFO)	
Christian Connections for International Health	
Church World Service	

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InterAction	National Trust for Historic Preservation
Islamic Relief USA	Native Ways Federation
Jewish Community Centers (JCC) Association of North America	NatureBridge
Jewish Federations of North America Leadership 18	North American Division of Seventh-day Adventists
League of American Orchestras	OPERA America
The Leukemia & Lymphoma Society	Playworks
Lutheran Services in America	Prevent Child Abuse America
March of Dimes	RESOLVE
Meals on Wheels America	Teach For America
Mental Health America	The Salvation Army National Headquarters
MENTOR: The National Mentoring Partnership	Save Our Shores
Muscular Dystrophy Association	Special Olympics International
National Association of Evangelicals	The Corps Network
National Coalition Against Domestic Violence	United Philanthropy Forum
National Council of Nonprofits	United Way Worldwide
National Council on Aging	Union of Orthodox Jewish Congregations of America
National Health Council	Union for Reform Judaism
National Human Services Assembly	Volunteers of America
National Indian Child Welfare League	World Relief
National Kidney Foundation	Year Up
National Multiple Sclerosis Society	YMCA of the USA
National Network to End Domestic Violence (NNEDV)	YWCA USA

