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Effects of Possible Deduction Cap Remain to Be Seen

by Cory Lasker

As our country faces an increasing budget crisis, Washington is looking for money wherever it can find it. In his 2012 budget proposal, President Obama proposed new limits on itemized deductions for individuals earning more than \$250,000. It is anticipated that the limits will raise \$318 billion for the federal government over 10 years. Despite these savings, many are concerned that the cap will negatively impact charitable donations.

Regardless of whether or not the cap is imposed, the underlying concern is to what extent charitable donations in the U.S. rely on the tax code. In the U.S. there are about 1 million charities and nonprofits employing approximately 12 million full-time employees. It is estimated that their collective budgets add up to \$1 trillion. Some organizations are anticipat-

ing a 10-20 percent reduction in donations if the cap is enacted. Despite this, it is hard to imagine that a tax deduction is the primary reason for giving.

In February, NPR ran a story by Elizabeth Blair that examined this issue. Ms. Blair noted that in 2009, the president made a similar attempt to limit charitable deductions that was unsuccessful. He noted that "some are concerned this will dramatically reduce charitable giving, for example, but statistics show that not's true."

In the 1980s, Ronald Reagan signed a similar charitable deduction cap into law. Nonprofits feared the worst, but overall giving stayed about the same.

It is important to note that not all nonprofits are equal. There are cer-

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Nominations Open for Volunteer Awards

May 2 is the deadline for nominations for the 2011 Governor's Volunteer Awards. Nonprofit organizations in Iowa may submit nominations through the Iowa Nonprofit Resource Center.

The Governor's Volunteer Awards (GVA) program provides Iowa nonprofit and government organizations with an easy, cost-effective way to honor their volunteers with a prestigious state-level recognition award.

Volunteers may be selected for an award in one of four categories: Individual, Group, Disaster Volunteer or Length of Service. Recipients do not need to live in

Iowa, but their service must have benefited Iowans or an Iowa organization.

More information and the nomination form can be found on the Governor's Volunteer Awards website at www.volunteeriowa.org/awards/ or by going to the Nonprofit News section of the Iowa Nonprofit Resource Center's home page at <http://inrc.continuetolearn.uiowa.edu/>

Nonprofit nominations should be sent to Brenda Steinmetz, Iowa Nonprofit Resource Center, 130 Grand Avenue Court, Iowa City, IA 52242. For information, telephone (319) 335-9674 or (866)

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INRC Joins First Hawkeye Caucus Day

The first Hawkeye Caucus Day took place on Tuesday, April 5 at the Iowa statehouse in Des Moines. UI president Sally Mason and representatives from a number of university departments were at the capitol to share information about UI colleges, programs, and organizations. Staff from the Iowa Nonprofit Resource Center and the Institute of Public Affairs were among the participants. The goal of the event was to raise awareness about the far-reaching positive impact the UI has on the state of Iowa and its citizens. Organizers hope to make the caucus an annual event.



Jeff Schott, Program Director of the Institute of Public Affairs, displayed a map showing the communities where he has collaborated with local officials on strategic planning, public management, training, and other issues.

Iowa High School Students Drive Change

Historically, the philanthropic efforts of Iowa high school student governments were limited. If they wanted to raise money, it had to benefit the entire student body. A group of West Marshall High School students in State Center saw the need for change and, with the help of Sen. Steve Soddors, wrote a bill that the Iowa Senate passed in March.

The bill allows student councils to raise money for a stricken classmate

or for other philanthropic causes.

Soddors began working with the students in a government class before this session began. To create a more active learning environment, he proposed that the students learn the process of a bill becoming the law by allowing the students to write some bills that he would propose. As a result, the students now have a stake in the legislative process.

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tain types of charities that will feel more negative impact than others. Arts organizations rely heavily on wealthy donors and may be the group most impacted if the cap is enacted. A survey by Bank of America and the Center for Philanthropy found that 70 percent of wealthy donors give to arts organizations, compared to only 8 percent of the general population.

Despite the best estimates, human behavior is highly unpredictable. If the cap is enacted, only time will tell how donors react.

For more information, see www.npr.org/2011/02/17/133810779/charitable-deduction-limit-bad-for-art-nonprofits and www.bloomberg.com/apps/news?pid=newsarchive&sid=aRLx2HwnWyWs

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500-8980 (toll free) or email brendasteinmetz@uiowa.edu

Each summer, regional award presentation ceremonies are held across the state to recognize hundreds of volunteers for their commitment, service, and time. Honorees may attend the ceremony nearest their home address; nominators and agency coordinators are also invited to help congratulate their volunteers. Details about which ceremony volunteers have been invited to attend will be sent via e-mail and will also be posted at www.volunteeriowa.org/awards

Book Review

Do More Than Give: The Six Practices of Donors Who Change the World

by Leslie R. Crutchfield, John V. Kania and Mark R. Kramer

Reviewed by Cory Lasker

D*o More Than Give* examines how foundation leaders, trustees and individual donors can increase their impact and address the complex challenges facing today's nonprofits. Inspired by the book *Forces for Good*, *Do More Than Give* is about how donors can leverage more than their pocketbooks and become catalytic donors. While it is a book about philanthropy, the authors do not focus on how to give away money. Catalytic philanthropy may start with donations, but it does not end there.

Do More Than Give is based on the six practices of high-impact nonprofits that *Forces for Good* introduced. This book's authors argue that these same practices apply to donors.

Throughout the book, these principles are discussed and examples are given to illustrate how other donors have driven social change by going beyond traditional philanthropy. Traditional philanthropists often are able to give much more money to the benefit of charitable organizations and nonprofits.

Advocating change is the first of the six principles. The authors explain how donors can walk the fine line between advocacy and lobbying. The efforts of Emily Tow Jackson and the Tow Foundation illustrate this point.

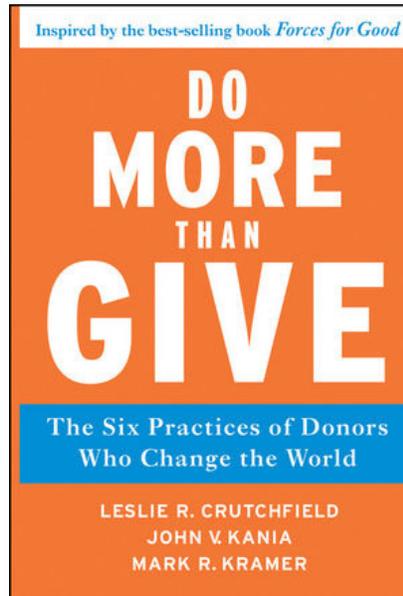
Ms. Jackson used advocacy to help change the ways in which the Connecticut criminal justice system treated juvenile offenders. The next principle is blending profit with purpose. The authors explain that tapping corporate know-how, creating shared value and investing for impact can be

harnessed to drive social and environmental impact.

Forging nonprofit peer networks is another way in which catalytic donors can drive change. Chad Wick, founding member and CEO of KnowledgeWorks, is an excellent example of this. He was frustrated with the educational system in Cincinnati, Ohio. Rather than scattering the foundation's focus, Mr. Wick narrowed it and was able to develop an effective way for hundreds

leading a charitable effort requires the ability to influence those over whom donors have no authority. Catalytic donors are exceedingly influential because they are adaptive leaders.

Finally, catalytic donors learn in order to drive change. The Bill & Melinda Gates Foundation illustrates this principle. The organization carefully examined itself and the problem is confronted in order to provide housing for homeless families in the Pacific Northwest.



of nonprofits in Cincinnati to work together and make a meaningful difference.

Catalytic donors are also able to drive change by empowering those with a stake in the cause. The Chalkboard Project made such an effort as it sought to transform Oregon's K-12 school system. Leading adaptively is another of these key principles. Often

Do More Than Give: The Six Practices of Donors Who Change the World

John Wiley & Sons, 272 pp.
Paper \$29.95 hardcover
ISBN 9780470891445

Training Opportunities

Nonprofit Association of the Midlands (NAMS)

The Nonprofit Association of the Midlands has a full calendar of spring roundtables, workshops and other opportunities at <http://www.nonprofitam.org/>

Linn County Nonprofit Resource Center

2011 Leadership Institute

Day-long sessions offered through October. Each covers an aspect of running a nonprofit organization.

For information, go to www.lcnrc.org or e-mail katie.giorgio@gcrctf.org

About Our Organization

<http://inrc.continuetolearn.uiowa.edu/>

The Larned A. Waterman Iowa Nonprofit Resource Center is a University of Iowa interdisciplinary collaboration created to make more accessible educational and service programs focused on strengthening the operational capacity of Iowa nonprofit organizations.

The INRC works collaboratively with government agencies, nonprofit organizations and educational institutions to impart new knowledge through activities and provide information and training resources to help nonprofit organizations and interested persons throughout Iowa. We seek to build the capacity and develop the effectiveness of community-based organizations and enhance the overall effectiveness of local organizations in building communities. The INRC also introduces students to the nonprofit sector and develops their sense of public and community service.

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Diane DeBok, Program Associate
Brenda Foster, Secretary IV
Cory Lasker, Editor & Research Assistant

Iowa Nonprofit Resource Center

Workshop: **Principles and Practices for Charitable Nonprofit Excellence**

April 26 - Des Moines Area Community College, Oak Room, Bldg. 7, 2006 S. Ankeny Blvd., Ankeny

May 10 - Prairie Lakes Area Education Agency, Twin Lakes Conference Rm, 500 NE 6th St., Pocahontas

Workshops meet 9 a.m. to 4 p.m. No charge. Register with Brenda Steinmetz at 866-500-8980 (toll free) or 319-335-9765 or go to <http://inrc.continuetolearn.uiowa.edu/>

Grant Training Workshops

(These workshops are limited to participants in the economic development project funded by the grant from the Strengthening Communities Fund through the American Recovery and Reinvestment Act.)

April 14, 5:15-9 p.m., Prairie City
Contact: Evie Johnson at evie.johnson@prairiecityiowa.us

April 17, 8:30 a.m. - 12:30 p.m., Donnellson
Contact: info@lcedg.com or telephone 319-463-5599

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