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Donor Sentiment Related to the Charitable Tax Deduction

Introduction

In September of 2024, The Generosity Commission released its final report with nine recommendations based on its three years of commissioned research. One of those recommendations was to, “Increase the availability of the charitable contribution tax deduction.”

Based on that recommendation, Dunham+Company, a member of The Giving Institute and participant in the Generosity Commission, commissioned a national study with its research partner, Campbell Rinker, to look at the attitudes and sentiments of both donors and nondonors related to a universal charitable tax deduction.

As you will see below, Americans are strongly in favor of tax deductibility for their giving, with 78 percent of current donors as well as 59 percent of non-donors supporting this. Interestingly, this cuts across political parties as 80 percent of self-identified Republican and Democrat donors support the universal charitable deduction.

In addition, such a deduction would not only incentivize more giving, according to those surveyed, but also greater participation.

We believe the response from both current donors and non-donors supports adopting a universal charitable tax deduction.

Brenda Asare

Chair, The Giving Institute



Findings

In a recent national survey of donors by generation, one of the areas of focus was the degree to which the charitable tax deduction influences giving. What we found is that the charitable tax deduction is not only a powerful influence on giving, but also on the amount people would give.

Digging into the data, nearly 8 out of 10 donors (78%) indicated they support the idea of allowing taxpayers to reduce their taxable income by deducting charitable contributions. Only 8% outright opposed this. This strength of support cuts across political parties as 80% of both Republican and Democrats support the charitable deduction as well as 77% of Independents. In addition, 72% of those who gave less than \$500 and 83% of those who gave \$500+ in the last year also support the charitable deduction.

Interestingly, a 59% majority of non-donors also support the idea of tax deductibility for their giving, even though they had not given recently. However, non-donors were twice as likely to be unsure about deducting donations (31%) compared to recent donors (15%).

When asked about their current utilization of the charitable tax deduction, 55% of current donors do not itemize their charitable gifts.

But when these non-itemizers were asked what the impact would be if receiving a tax deduction for their charitable donations was a possibility, a majority of donors (51%) said they would likely give more. This was more pronounced among younger generations with 70% of Gen Z and 57% of Millennials saying this.

Among those donors likely to give more, nearly half (48%) said they would increase their giving by up to 50%, another 25% indicated they would increase their giving by 50-100%, and nearly 1 out of 10 (8%) said they could double their giving or more.

Non-donors also had the opportunity to weigh in on whether they would give more if they knew they could deduct those contributions from their taxable income. Nearly half said they would be absolutely likely (15%) or somewhat likely (31%) to do so – more than double the 20% share who said they would be ‘not at all likely’ or ‘somewhat unlikely’ to give. One third (34%) were unsure.

As to how much non-donors might donate if deductions were possible, 57% who were likely to give said they would likely give up to \$500, 16% said they would give \$500-\$1000 annually, and seven percent said they would give over \$1000 annually. One in five of these non-donors reconsidered their prior answer, saying they didn't think they would actually give even if they could lower their taxable income by itemizing their contributions.

Following is how the data breaks down:

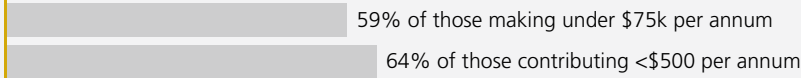
- Donor sentiment about allowing a reduction in taxable income by deducting charitable contributions:

	Gen Z	Mill	Gen X	Boomer
I support this	64%	76%	79%	86%
I oppose this	9%	12%	4%	4%
I'm unsure	27%	13%	17%	10%

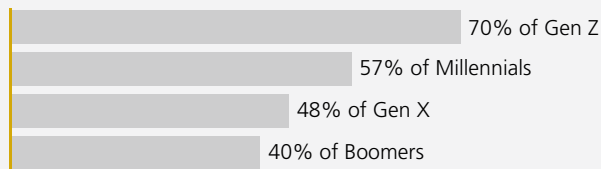
	Dem	Rep	Ind
I support this	80%	80%	77%
I oppose this	7%	6%	8%
I'm unsure	13%	17%	13%

	Gave <\$500	Gave \$500+
I support this	72%	83%
I oppose this	8%	6%
I'm unsure	20%	11%

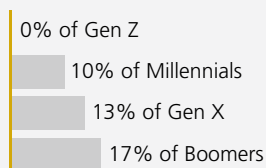
- 55% of donors currently do not itemize charitable giving deductions. This includes:



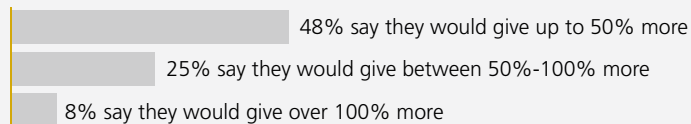
- Of those not itemizing, 51% say they would be somewhat or absolutely likely to give more money to charity if they could deduct those contributions from taxable income. The younger the demographic the more likely to say this:



- Only 11% say they are somewhat unlikely or not at all likely to give more, which breaks out by generation like this:



- Of those who say they would likely increase their giving if a deduction for their gifts was possible:



This breaks out by generation as follows:

	Gen Z	Mill	Gen X	Boomer
Up to 50% more	44%	42%	49%	55%
50%-100% more	31%	36%	21%	13%
Over 100% more	5%	8%	10%	7%

Republicans are much more likely to be donors vs. non-donors (76% vs. 24%). Democrats are equally likely to be donors and non-donors (75% vs. 25%). Independents are also equally likely to be donors vs. non-donors (71% vs. 29%).

Americans who are employed full-time or more at a single job are significantly more likely to be donors than non-donors (80% vs. 20%). Americans who are either unemployed or disabled were slightly more likely to be donors than non-donors (52% donors vs. 48% non-donors, with these two groups combined).

Americans earning \$75K annual household income (representing 45% of respondents) were significantly more likely to be donors than non-donors (83% vs. 17%).

Americans who saw their income increase from last year to this year were significantly more likely to be donors vs. non-donors (81% vs. 19%). Those who saw their incomes decrease by more than five percent had a higher likelihood to be non-donors with 38% saying this.

Respondents who self-identified as Christian were more likely to be donors than non-donors (76% vs. 24%). The same was true for self-identified Catholics (80% vs. 20%). Athiests and agnostics were much less likely to be donors with just 55% saying they gave in the past year.

Methodology

Dunham+Company commissioned Campbell Rinker to conduct this online survey among 1,480 US donors and 550 US non-donors. The study fielded from November 10-25, 2024, with stratified random sampling among generational age groups using a national general population panel provided by Dynata. After cleaning the data and removing invalid records, Campbell Rinker weighted the data to exactly match US Census proportions for Boomers, Gen-X, Millennial and GenZ generations using Pew Research Group definitions. The study has a $\pm 3.3\%$ margin of error at 99% confidence level among donors, and $\pm 5.5\%$ MOE at 99% confidence among non-donors.



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