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New Coalition of Philanthropists, Major Foundations Launches on Giving Tuesday to Increase Funding to America’s Charities During Pandemic and Beyond

‘Initiative to Accelerate Charitable Giving’ releases set of common-sense reforms to charitable giving laws

WASHINGTON – Today on Giving Tuesday, philanthropists and leaders of major foundations launched the **Initiative to Accelerate Charitable Giving**, a coalition dedicated to promoting common-sense, non-partisan charitable giving reforms that increase and accelerate resources to working charities, while enhancing the efficacy of the philanthropic sector writ large. [Coalition members](#) represent a broad spectrum of interests across philanthropy, and include private foundations such as the Ford Foundation, Hewlett Foundation, and W. K. Kellogg Foundation; philanthropists John Arnold, Kat Taylor, and Melanie Lundquist; and law professors Ray Madoff and Roger Colinvaux, among others.

As the nation wrestles with the health and economic effects of COVID-19—both of which have exacerbated social inequities, from systemic racism to a worsening hunger crisis—the work of charities has never been more important. Yet as the demand for charitable services has significantly increased, charities’ revenues and resources have decreased, leaving them in urgent need of support.

Giving Tuesday marks a day when Americans step up and provide crucial support to charities; this year, the Initiative to Accelerate Charitable Giving is focusing on new strategies to boost giving, including fixing inefficiencies in our charitable giving tax laws. Currently, \$1 trillion sits in private foundations and \$120 billion sits in donor-advised funds (DAFs) – money that could be used to support charities and the millions of people they serve. Today’s tax laws do not sufficiently incentivize these philanthropic vehicles to distribute their funds to charities in a timely fashion, even though donors receive tax benefits upfront – meaning the government is deprived of tax revenue without seeing a return benefit to society. Further, approximately only 10% of Americans receive tax benefits for their charitable giving in the first place.

“If you’re wondering about the disparity between the immense philanthropic wealth in this country and the daily fight most charities have to wage to stay alive, look no further than charitable tax laws,” said **John Arnold, Founder and Co-Chair of Arnold Ventures**. “The rules disincentivize philanthropists from giving with any sense of urgency: foundations and donor-advised funds get immediate tax breaks, and feel no pressure to deliver resources to where they are needed: charities solving this generation’s most pressing problems.”

Initiative to →Accelerate Charitable Giving

“Giving Tuesday reminds us of the essential work that charities do every day in communities across the country,” said **Ray Madoff, Professor of Law**. “As we dig deep to support charities on Giving Tuesday at a time of unprecedented need, it’s important to leverage all available tools, including reforming design flaws in our charitable giving tax laws, which currently provide no assurances that private foundations or donor-advised funds will ever be put to charitable use.”

The coalition released a [statement of principles](#) signed by its members that outlines federal policy proposals that would significantly expand and accelerate the flow of resources to working charities from private foundations, DAFs, and individuals. The Initiative proposes the following common-sense reforms:

1. **For private foundations, close loopholes to better ensure that distributions qualifying for the payout requirement are available for use by working charities; and incentivize greater payout through reforms to the excise tax.**
2. **For DAFs, adopt measures to make sure that DAF accounts are distributed to working charities within a reasonable period of time.**
3. **For individuals, incentivize greater giving by expanding and extending the new non-itemizer charitable deduction in a cost-effective way.**

Darren Walker, President of the Ford Foundation, said, “The Covid-19 pandemic is deepening inequality and putting a monumental strain on nonprofit organizations that serve marginalized communities. Philanthropy needs to act with bold leadership and innovation to help frontline advocacy organizations and movements remain strong and resilient in the days and months ahead.”

Hewlett Foundation President Larry Kramer said, “The Initiative to Accelerate Charitable Giving has developed a thoughtful proposal to update the nation’s tax laws and align incentives so that the whole philanthropic sector can meet its dual purpose of providing aid for dire, immediate needs such as COVID relief – and building and sustaining the ideas, institutions, and movements to address society’s most pressing and complex long-term problems, from racism to climate change.”

Chris Stadler, Chairman of the Board at Global Citizen, said, “As a global advocacy organization, we believe the time to do more—and give more—is right now. Increasing and accelerating giving to charities must be elevated as a top priority as these crucial organizations respond to today’s unprecedented crises, particularly within marginalized communities. The policy reforms proposed by the Initiative to Accelerate Charitable Giving are an important step forward in ensuring the organizations have the resources they need to meet the moment, to drive change and to achieve results.”

A full list of our members is [here](#).

The statement of principles signed by our members is [here](#).

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More information about the Initiative to Accelerate Charitable Giving is available at www.acceleratecharitablegiving.org.

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About the Initiative to Accelerate Charitable Giving

The Initiative to Accelerate Charitable Giving is a broad coalition of philanthropists and leaders of major foundations who are dedicated to promoting common-sense, non-partisan charitable giving reforms that increase and accelerate resources provided to working charities while enhancing the efficacy of the philanthropic sector. For more information, visit www.acceleratecharitablegiving.org.