

Welcome to SVA's Nonprofit Update. I'm Kirsten Houghton, a principal at SVA and the head of our Nonprofit Services Group. Recently we hosted an educational session where our discussion revolved around the Tax Cuts and Jobs Act of 2017. We focused on how the Act will affect taxpayers who contribute to nonprofit organizations and the industry itself.

Under the Act, many people who typically itemize their charitable deductions will find it is no longer beneficial to do so. The Act significantly raises the standard deduction, to \$24,000 for married couples filing jointly, thus reducing the incentive to itemize. It is believed that the number of people that can benefit from itemizing deductions, including charitable contributions, will fall from approximately 30% of taxpayers in 2017 to just 6% in 2018.

Other trends expected to impact the nonprofit sector include a loss of jobs estimated to affect between 220,000 to 264,000 workers.

There is also the potential for significant reductions in overall charitable giving. It is estimated that charitable contributions nationwide will fall by approximately \$13 billion each year.

Fortunately, it's not all doom and gloom. Our panelists discussed the strategies each is developing to address the effects of the new tax law and how each will effectively communicate their mission and successes to engage their donor base and find new donors.

For further information about this topic go to [SVAaccountants.com/nonprofitupdate](http://SVAaccountants.com/nonprofitupdate).