RICE UNIVERSITY'S
BAKER INSTITUTE
FOR PUBLIC POLICY

ISSUE BRIEF 03.30.18

Charitable Contributions and the Tax Cuts and Jobs Act of 2017

Joyce Beebe, Ph.D., Fellow, Center for Public Finance

Philanthropy is deeply rooted in the culture and society of the U.S. Most charitable actions are voluntary, self-organized, and provide an avenue for people to express concerns, share resources, and offer solutions. Charitable organizations provide diverse groups and everyday citizens an opportunity to make a difference in their communities outside of interventions or assistance by government or for-profit entities. This issue brief reviews the patterns of charitable contributions in the U.S. and how tax incentives may impact financial-based charitable giving, focusing on the effects of the Tax Cuts and Jobs Act of 2017 (TCJA) on tax-exempt organizations.

HOW PHILANTHROPIC ARE AMERICANS?

Giving Patterns

More than 25 percent of the U.S. adult population volunteers in a given year.[1] The estimated dollar value of volunteer work exceeds $100 billion dollars annually, which far surpasses volunteerism in other developing and developed countries.[2] In 2016, donations in the U.S. totaled $373 billion, 72 percent of which came from individuals, 15 percent from foundations, 8 percent from bequests, and 5 percent from corporations.[3] Although there are no directly comparable global statistics on charitable giving, one recent survey by the Organisation for Economic Co-operation and Development (OECD) shows that from 2013 to 2015, more than 80 percent of global private philanthropic giving by foundations for developmental purposes was provided by U.S. foundations.[4]

Who Receives?

Giving in the U.S is broad-based, as many people give to more than one cause annually. In aggregate, religious organizations are the largest recipients of funding, followed by educational institutions, human services groups (which help meet basic needs), and health or medical-related organizations. Higher income households are more likely to donate to education, arts, and health-related functions, whereas lower income households dedicate a higher percentage of their donations to religious organizations and human services programs.[5]

Who Gives?

Higher income households are generally more likely to give, although the amounts of charitable giving are associated with several economic factors such as financial market returns, GDP growth rate, consumer spending, and the unemployment rate. Specifically, stock market performance in a given year tends to influence charitable giving in the following year; individuals are also more responsive to positive economic improvements than negative economic environments. The resilience of charitable contributions during recessions might be the result of several factors. First, major giving pledges might have been made long

>25%

Americans are philanthropic. More than 25 percent of the U.S. adult population volunteers in a given year, and many people give to more than one cause annually.

Taxpayers generally agree that it is appropriate to allow the deduction of charitable contributions; however, they may disagree on how to structure the tax incentives and on what activities qualify as charitable contributions.

before an economic downturn. Second, the financial resources become more valuable to recipients during a recession, so donors may not significantly reduce giving. Finally, there might be pressure from society or charitable organizations to maintain prior levels of giving.[6]

In aggregate, millennials and Gen Xers are less generous than their predecessors.[7] The reasons for this vary; some suspect it foretells an overall culture change, while others believe it is a transient phenomenon, reflecting the aftermath of the Great Recession. Other analysis further segregated different age cohorts and found that single millennial and Generation X women are as generous as single women in the pre–Baby Boomer generation. On the other hand, single men or married couples in these two age groups give less than their counterparts did 40 years ago.[8]

"ALL THE MONEY IN THE WORLD"

A key policy issue is whether people respond to tax incentives in deciding whether to make charitable contributions. Taxes certainly affect donors' behaviors, even for the ultra-wealthy. Anecdotally, J. Paul Getty, one of the richest living Americans in the 1950s and a great benefactor of art, agreed to pay his kidnapped grandson's ransom only up to the amount that was tax deductible. He lent his son the remaining amount demanded by the abductors at 4 percent interest.[9,10]

In the U.S., individual taxpayers have been able to deduct charitable contributions since 1917.[11] The deductibility of charitable contributions has existed nearly as long as the income tax system itself.[12] Taxpayers generally agree that it is appropriate to allow the deduction of charitable contributions; however, they may disagree on how to structure the tax incentives and on what activities qualify as charitable contributions. Under the current system, only itemizers can deduct charitable contributions on their federal income tax returns. Critics argue that because taxpayers are most likely to use itemized deductions if they have sizable mortgages, such a system magnifies the not well-designed preference created by the mortgage interest deduction. Furthermore, it is questionable whether there should be a connection between home ownership and charitable contributions, from a federal income tax perspective.[13] The tax benefit also increases with marginal tax rates, allowing higher income taxpayers to obtain more benefits. Although high-income taxpayers do donate more in absolute dollar amounts, some observers caution that policies that incentivize one group of donors over another will tilt overall charitable funds toward functions favored by the wealthy.[14]

Donor Response to Tax Incentives

The charitable deduction essentially reduces the cost of charitable giving relative to other consumption, therefore providing an incentive to increase giving. The economics literature has extensively investigated taxpayers' responsiveness to tax incentives. Research shows that until the late 1990s, tax deductions for charitable contributions had been efficient because households were sensitive to the tax incentives; thus, the increased amount of private charitable contributions was more than or equal to the revenue forgone by allowing tax deductions.[15] Over the last two decades, however, although high-income taxpayers are certainly responsive to tax incentives,[16] studies using better data and statistical techniques found mixed results,[17,18] implying that households may not be as sensitive to tax incentives as previously believed. Therefore, forgoing some tax revenue to provide deductions for charitable donations does not stimulate giving to charities.

Policy Relevance

From a policy perspective, taxpayers' responsiveness to the tax deductibility of charitable gifts is an important lever. When the government makes the charitable tax deduction less generous, or more "expensive," taxpayers are going to give less. If taxpayers are sensitive to tax incentives, when the deduction becomes less generous, the increase in tax revenue roughly offsets the reduction in contributions received by charities.[19] Because taxpayers essentially cut their donations by about the same amount of the increase in their tax bills, funds simply shift from the charity to the government. Thus, there is a stronger case for tax subsidies for charitable contributions, as charitable giving decisions are more responsive to tax incentives.

On the other hand, if taxpayers' giving is not so responsive to the change of tax benefits provided by charitable contributions, when government makes the charitable tax deduction less generous, taxpayers are still going to give less. Compared with the previous scenario, the difference is the magnitude of taxpayers' response—the increase in tax revenue from reducing the subsidy would be more than the decrease in private giving. In this case, one can argue that governments should further scale back the tax benefit and use the additional tax revenue to provide direct grants to charities, instead of using tax deductions to incentivize taxpayers.[20]

Desirability

A more subjective issue is what activities should qualify for the charitable tax deduction. In the U.S., the list of qualified exempt organizations for federal income taxes purposes is extensive, including educational organizations, labor unions, parks and civil associations, political organizations, credit unions, religious organizations, and, until 2015, the National Football League's office.[21] These organizations serve diverse functions and fulfill a variety of missions, although some taxpayers argue that the list is too extensive. However, even critics who believe the list is lengthy caution that if the government starts to target certain types of organizations and end their tax-exempt status, it would be hard to justify the selection criteria except in certain extreme cases.

In theory, if a society desires the goods or services that charities provide, and charities do a better job in providing those goods or services than the government or for-profit entities, charitable deductions would be desirable even at the expense of giving up tax revenue that funds the deductions.

One of the most important missions for charities is to supplement government services. Charities may provide services that are substitutes to government services in cases where they provide services that government may otherwise have to provide, or provide services that complement government programs. In certain circumstances, charities may be better positioned than the government to provide some social services. By nature, government actions are top-down and standardized, and government agencies need to maintain consistency and stability. In comparison, services provided by charitable organizations are bottom-up, individualized, and flexible, emphasizing their grassroots nature. Unbounded by regulations, local charities are also more likely to try unconventional approaches and take on more risks.[22]

CHARITABLE CONTRIBUTIONS AFTER THE TCJA

Prior to the Tax Cuts and Jobs Act of 2017 (TCJA) becoming law, proposals on both expanding and curtailing the charitable deduction had been circulated. Supporters for expanding the deduction floated the idea of universal charitable deductions, indicating that shifting the incentives away from the itemized system would allow all taxpayers to enjoy the subsidy, alleviating concerns about distribution of the deduction. A similar proposal involved replacing the current deduction with a credit system that equalizes the tax incentive for all taxpayers. The main drawback for these proposals is the potential cost. Under the pre-TCJA system, using 2016 as a base year, studies found that migrating to the universal deduction would cost $13.1 billion,[23] which would increase the tax expenditure on charitable contributions by about 23 percent.

Supporters who advocate restricting charitable deductions primarily cite the need to reduce the federal deficit. Their proposals include restricting the tax rate at which charitable contributions can be deducted or restricting the deduction amount. The latter proposal essentially sets a ceiling or floor for deductions, such as allowing taxpayers

The economics literature has extensively investigated taxpayers' responsiveness to the tax deductibility of charitable gifts and found mixed results. However, from a policy perspective, this is an important lever.

The most relevant provisions in the TCJA that might negatively impact charitable contributions include doubling the standard deduction for individuals, imposing an endowment earnings tax on certain universities, changing the calculation of unrelated business income tax, and repealing the deduction for college athletic seat license revenue.

to deduct only contributions that exceed 2 percent of their adjusted gross income (AGI), or only allowing deductions up to 2 percent of AGI.[24]

Provisions of the TCJA

The TCJA made several key changes to the charitable contribution landscape, both regarding the rules governing tax-exempt organizations themselves and regarding how the charitable contribution deduction is considered in other parts of the tax code. Researchers estimate that the effects of the TCJA will cut the number of households who previously itemized their charitable contributions by more than half and reduce the overall amount of charitable contributions by approximately 5 percent.[25,26]

For the clauses that are favorable to the charitable contribution deduction, the TCJA increased the annual deduction limit from 50 percent of AGI to 60 percent, while keeping the deduction for contributions of appreciated property at 30 percent of AGI. The latter limits a taxpayer's ability to claim a deduction for the full value of the appreciated property on which no capital gains tax has been paid, but the five-year carry-forward clause remains effective. The bill also eliminates the overall limit on itemized deductions (the "Pease limit").[27] However, although high-income households are the primary beneficiaries of the additional flexibility, and who in turn would be more likely to increase charitable giving, this would be unlikely to fully offset the overall reduction in charitable contributions.

The most relevant provisions in the TCJA that might negatively impact charitable contributions include doubling the standard deduction for individuals, imposing an endowment earnings tax on certain universities, changing the calculation of unrelated business income tax (UBIT), and repealing the deduction for college athletic seat license revenue.

A direct consequence for doubling the standard deduction, together with the effect of a now limited state and local tax (SALT) deduction, is that it reduces the number of taxpayers who itemize deductions. Because non-itemizers will not benefit from deducting their charitable contributions under the current system, households that stop making itemized deductions will no longer get a tax benefit from making charitable contributions. Reducing the individual tax rates would also mean that these charitable contribution deductions, if applicable, are worth less to taxpayers. Taxpayers would therefore be less likely to make charitable contributions, which in turn reduces the resources available for charities. Thus, although doubling the standard deduction is a welcome result in terms of tax code simplification, the potential consequence would be a negative impact on tax-exempt organizations.

In addition, the change to the UBIT calculation method, which first appeared in the 2014 Camp Plan,[28] would raise $3.5 billion in revenue over the next 10 years. Under the pre-TCJA law, tax-exempt organizations did not pay taxes on income from activities that are substantially related to their exempt purposes, but did pay taxes on income stemming from regularly conducted business that is not substantially related to their missions. The TCJA requires that tax-exempt organizations calculate the UBIT separately for each trade or business, disallowing aggregation to offset gains and losses.

Based on the Joint Committee on Taxation's (JCT) estimate, ending deductions of payments for college athletic event seating rights would generate $2 billion in revenue over the next decade, or $200 million per year. The pre-TCJA law allowed an 80 percent deduction of payments for seat licensing to athletic events. In a way, this shifts the burden of providing tax incentives from the federal government to states. Federal lawmakers believe that states would continue to provide these subsidies if they consider the seat license revenue important to their state universities. Not surprisingly, several state universities urged donors to give upfront or multi-year payments before the end of 2017, indicating that ticket sales, proceeds from media rights, and revenue from seating rights generally are the top three revenue streams for their operations.

Finally, the endowment earnings tax is a 1.4 percent excise tax on net investment income for nonprofit private colleges and universities with at least 500 full-time students and assets of at least $500,000 per full-time student. The JCT estimates this tax would raise $1.8 billion over a decade. This highly debated clause,[29,30] as implemented, would apply to 30 to 40 institutions.[31]

State Responses

After the implementation of the TCJA, some taxpayers will partially lose the ability to deduct state and local taxes (SALT) and must pay their SALT with nondeductible dollars. In response to this increased tax liability for residents, states are considering taking actions to bypass the limited SALT deduction by recharacterizing SALT payments as charitable contributions and providing state credits up to the full amount of that contribution. California, New York, and New Jersey either are contemplating this approach or have already initiated legislative proposals that would allow their residents to circumvent the limitation. California's proposal, Senate Bills 227 and 581, encourage tax-deductible contributions to the California Excellence Fund, a state charity that would support public services such as public schools and state parks. In turn, taxpayers would be able to deduct the amount of their charitable contribution on their federal returns.

Tax and legal experts have mixed views about the permissibility of this approach. Some fully believe this workaround would be legitimate, because making charitable contributions to states is certainly allowed. Others suspect the lack of charitable intent would render this method invalid because the tax code specifically says that, to be deductible, charitable contributions to state and local governments need to be made exclusively for public purposes and not for private benefits.[32] The IRS has also indicated that taxpayers cannot claim a deduction for portions of charitable contributions from which they receive a benefit in return.[33] If states do proceed with this approach and the Treasury Department does not publish any technical correction or guidance, legal battles may be down the horizon.

PLANNING TECHNIQUES AND RECENT DEVELOPMENTS

The higher standard deduction substantially reduces the number of itemizers, who would no longer benefit from charitable deductions. This group is more likely to include middle and upper middle-income taxpayers, as the high-income households who continue to use itemized deductions will still get the full charitable deduction.[34] Some taxpayers may be able to manage the loss of deductibility by bunching donations across several years into one year and using itemized deductions only for that year. This strategy is consistent with the design of "donor-advised funds," (DAF) in that DAF allows immediate deductions to taxpayers and phased distribution to charitable organizations.

The donor claims the tax deduction when the assets go into the DAF, but has discretion about when the assets will finally be distributed to the charity. Therefore, the tax benefit for the donors is that they can front-load the contributions and take the entire deduction in a year when their incomes are high, but retain flexibility for the distribution of the donation to a chosen charity. Before distribution, donated funds grow tax-free in DAF, and the donor can monitor or evaluate the charity's stewardship of the funds over time.[35] DAF might be an appropriate vehicle for donation to smaller charities that do not have the ability to handle complicated forms of donation (such as appreciated stocks); however, the administrative fee and investment costs may be high for very small amounts of donations.[36]

Some issues remain open, even after the TCJA. The current tax code treats charitable contributions made by trusts differently from those made by individuals or corporations. This is evidenced by a recent court case involving retailer Hobby Lobby.[37] A federal appeals court found that the amount a trust could claim as a charitable deduction of appreciated real property is limited to the adjusted basis of the property instead of the fair market value, reversing a district court decision. Some view this as the traps for the unwary, while others believe

States are considering taking actions to bypass the limited state and local tax (SALT) deduction by recharacterizing SALT payments as charitable contributions, but tax and legal experts have mixed views about the permissibility of this approach.

The most critical driver for charitable giving should involve causes that people believe in and are passionate about. Although tax deductibility is an important incentive, it is important to remember that recipients of charitable giving always benefit more than the givers.

this result is not surprising, though it reflects an ambiguous part of the tax code whereby similar properties donated by different legal entities could be treated differently.[38]

CONCLUSION

The TCJA's objective is to enhance economic growth and employment. If overall macroeconomic conditions improve and people have more to give, the additional income would mitigate the potential negative impact of the lost charitable deduction.

If charitable contributions drop substantially after the TCJA, the relevant provisions are likely to be revisited in Congress even before the sunset of the other individual provisions in 2025. If this happens, proposals such as the universal deduction or credits with AGI-based limits may surface again. What would undermine the appeal of these proposals would be the looming government deficit. Given the current and projected government deficit levels, both revenue increases and spending cuts are necessary to control the deficit to a manageable level.

Finally, states' actions in response to the TCJA will be important in the coming years. The TCJA's limitation on SALT deductions prompted states to invoke creative measures, including applying charitable contributions as workarounds. Although the deductibility may be justified, this narrows the scope of charitable giving to tax-related reasons.

The U.S. has a strong philanthropic culture, and people do give for reasons other than tax deductions. The most critical driver for charitable giving should involve causes that people believe in and are passionate about. Although tax deductibility is an important incentive, it is important to remember that recipients of charitable giving always benefit more than the givers.

Appendix — What Motivates People to Give?

Because motivations cannot be observed, economists instead observe different amounts of giving and assume people have two motives for giving: altruistic and warm glow.[39] Under the altruistic motive, people give because they derive satisfaction from the charitable services provided to others. Donors value these gifts because their contribution allows charities to provide services—e.g., operate a soup kitchen, facilitate medical research, etc.—and the recipients are better-off. This implies that, as long as the charity gets sufficient resources, donors may not care about the source of the funds. In other words, these donors view their contributions and government grants or tax subsidies as interchangeable. Thus, if the charity receives funds from the government, they may reduce their own contributions.

The warm glow motive, on the other hand, essentially assumes that people give because doing so yields personal satisfaction.[40] Donors are the only ones who experience joy through the act of giving, so they may not change the amount of their donation simply because the charity also gets support from the government. Some economists argue that if charitable giving is purely driven by the warm glow motive, these donations are essentially spending of private goods and should not be subsidized through tax deductions.

One recent study found that these two motives do not have to be mutually exclusive, and that how much people reduce giving may depend on a charity's existing service level. Specifically, people may initially give out of altruism and, as the charities' level of services increase, donors may change how they perceive their own donations, switching to a motive more aligned with warm glow. Therefore, a $100 increase in government subsidy to this charity will reduce the donor's gift by less than $100.[41]

Additionally, donors' reasons for giving may vary across different types of charities. For example, what may motivate people to donate to their alma maters could be different from their motivations to give to churches. During the Great Recession, giving to religious organizations was less affected than giving to other types of entities, which in part could reflect that giving to religious organizations may be driven by different motivations than charitable gifts to other organizations.[42]

ENDNOTES

1. Karl, Zinsmeister, *The Almanac of American Philanthropy* (Washington, D.C.: The Philanthropy Roundtable, 2016), 1128–1129.

2. Johns Hopkins Center for Civil Society Studies, Comparative Data Tables, 2004, Table 3, http://bit.ly/2GBQtMY.

3. Giving USA Foundation, "Giving USA 2017 Report Highlights," http://bit.ly/2I7vxdR.

4. Organisation for Economic Co-operation and Development, "Global Private Philanthropy for Development," Oct. 3, 2017, Figure 1, http://bit.ly/2GeFkCo.

5. See The Center for Philanthropy at Indiana University, "Patterns of Household Charitable Giving by Income Group," 2007, http://bit.ly/2GgJOnT; and Giving USA Foundation, "Giving USA 2017 Report Highlights."

6. John List, "The Market for Charitable Giving," *Journal of Economic Perspectives* 25, no. 2 (Spring 2011): 157–180.

7. Blackbaud Institute, "The Next Generation of American Giving," 2015, http://bit.ly/2pLHsY8. See also http://bit.ly/2GjHJrg.

8. Debra Mesch, et al., "Women Give 2016," The Center for Philanthropy at Indiana University, Nov. 15, 2016, http://bit.ly/2Gl09Ip.

9. Zinsmeister, *The Almanac of American Philanthropy*, 131–134.

10. John Pearson, *All the Money in the World* (New York: HarperCollins Publishers/William Collins, 2017).

11. Deena Ackerman and Gerald Auten, "Tax Expenditures for Noncash Charitable Contributions," *National Tax Journal* 64, no. 2 (June 2011): 651–688.

12. The Sixteenth Amendment to the U.S. Constitution, which gave Congress power to collect income taxes, was adopted in 1913.

13. Richard Thaler, "It's Time to Rethink the Charity Deduction," *New York Times*, Dec. 18, 2010, http://bit.ly/2GhFFjv.

14. The Center for Philanthropy at Indiana University, "Tax Policy and Charitable Giving Results," May 2017, http://bit.ly/2GeH7r7.

15. Joseph Cordes, "Re-thinking The Deduction for Charitable Contributions: Evaluating the Effects of Deficit-Reduction Proposals," *National Tax Journal* 64, no. 4 (December 2011): 1001–1024.

16. David Joulfaian, "Estate Tax and Charitable Bequests by the Wealthy," *National Tax Journal* 53, no. 3 (September 2000): 743–763.

17. See, for example, Jane Gravelle and Molly Sherlock, "An Overview of the Nonprofit and Charitable Sector," Congressional Research Service, Washington, D.C., 2009; Gravelle and Donald Marples, "Charitable Contributions: The Itemized Deduction Cap and Other FY2010 Budget Options," Congressional Research Service, Washington, D.C., 2009; "Options for Changing the Tax Treatment of Charitable Giving," Congressional Budget Office, Washington, D.C., 2011; and Jon Bakija and Bradley Helm, "How Does Charitable Giving Respond to Incentives and Income? New Estimates From Panel Data," *National Tax Journal* 64, no. 2 (June 2011): 615–650.

18. Bakija and Helm, "How Does Charitable Giving Respond to Incentives and Income? New Estimates From Panel Data."

19. This means the price elasticity of giving is close to or exceeds unity.

20. Emmanuel Saez, "The Optimal Treatment of Tax Expenditures," *Journal of Public Economics* 88 (December 2004): 2567–2684, and Cordes, "Re-thinking The Deduction for Charitable Contributions: Evaluating the Effects of Deficit-Reduction Proposals."

21. See Section 501 of the Internal Revenue Code: http://bit.ly/2Gg3a0z.

22. Cordes, "Re-thinking The Deduction for Charitable Contributions: Evaluating the Effects of Deficit-Reduction Proposals," which references James Ferris, "The Role of the Nonprofit Sector in a Self-Governing Society: The View from the United States," *Voluntas* 9, Issue 2 (June 1998): 137–151.

23. The Center for Philanthropy at Indiana University, "Tax Policy and Charitable Giving Results."

24. For a summary of the proposals, see Cordes, "Re-thinking The Deduction for Charitable Contributions: Evaluating the Effects of Deficit-Reduction Proposals," Table 1.

25. Tax Policy Center, "Impact on the Tax Benefit of Charitable Deduction of H.R. 1," Jan. 11, 2018, https://tpc.io/2E2GqLo.

26. Howard Gleckman, "21 Million Taxpayers Will Stop Taking Charitable Deductions Under The New Tax Law," *Forbes*, Jan. 11, 2018, http://bit.ly/2usy7sT.

27. The Pease limit specifies that itemized deductions for high-income taxpayers are reduced by 3 cents for each dollar of income above a specific threshold (3 percent), or may be limited to 80 percent of their itemized deductions, whichever is smaller.

28. U.S. House of Representatives. H.R. 1, The Tax Reform Act of 2014, Ways and Means Committee, Washington, D.C., http://bit.ly/2E2nhJy.

29. See http://bit.ly/2uszqIb.

30. N. Gregory Mankiw, "The Peril of Taxing Elite Higher Education," *New York Times*, Dec. 22, 2017 https://nyti.ms/2uvhxJ3.

31. Andrew Kreighbaum, "Large Endowments Would be Taxed Under Final GOP Plan," *Inside Higher Ed*, Dec. 18, 2017, http://bit.ly/2E2Cdr8.

32. IRC 170(c)(1).

33. Internal Revenue Service, Publication 526: Charitable Contributions, http://bit.ly/2pLw2DC.

34. Richard Rubin, "Charity Funds Take Off as Tax Law Reshapes Giving," *Wall Street Journal*, Feb. 1, 2018, https://on.wsj.com/2GkrIRY.

35. Michael Kitces, "Strategies and Tactics When Using Donor-Advised Funds For Charitable Giving," June 7, 2015, http://bit.ly/2E1JibB.

36. For example, Fidelity allows the minimum donation of $5,000, and the fees totaled 2.53 percent. See http://bit.ly/2GinJWh.

37. Green v. United States, 10th Cir, App., No. 16-6371, 1/12/18.

38. Peter Reilly, "Hobby Lobby Owner Loses Income Tax Deduction," *Forbes*, Jan. 23, 2018, http://bit.ly/2Gi981a.

39. There may be other motives in the economic literature. These are the two most researched or used in modeling motives of charitable contributions.

40. James Andreoni, "Giving With Impure Altruism: Applications to Charity and Ricardian Equivalence," *Journal of Political Economy* 97, no. 6 (December 1989), 1447-1458; Andreoni, "Impure Altruism and Donations to Public Goods: A Theory of 'Warm Glow' Giving," *Economic Journal* 100, no. 401 (June 1990), 464-477.

41. Mark Ottoni-Wilhelm, Lise Vesterlund, and Huan Xie, "Why Do People Give? Testing Pure and Impure Altruism," *American Economic Review* 107, no. 11 (2017): 3617-3633.

42. John List, "The Market for Charitable Giving," *Journal of Economic Perspectives* 25, no. 2 (Spring 2011): 157-180.

AUTHOR

Joyce Beebe, Ph.D., is a fellow in public finance at the Baker Institute. Her research focuses on tax reforms in the U.S. and computable general equilibrium modeling of the effects of tax reforms. Her other research interests include wealth accumulation over a person's lifetime and, generally, how public policies influence decision-making.

center for
PUBLIC FINANCE
Rice University's Baker Institute for Public Policy

Cite as:
Beebe, Joyce. 2018. *Charitable Contributions and the Tax Cuts and Jobs Act of 2017*. Issue brief no. 03.30.18. Rice University's Baker Institute for Public Policy, Houston, Texas.