

A New Big Idea: Create Jobs and Reduce Poverty by Doubling the Charitable Deduction

By Dan Froomkin

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Even as the United States suffers from a staggering unemployment crisis and vast income inequality, the nation's wealthiest families are sitting on huge piles of unproductive cash.

So with nothing remotely like a second stimulus bill in the cards, the best hope for goosing the economy, creating jobs and providing relief for the needy could lie in a Washington economist's ingenious scheme to get a chunk of that money put into circulation right now, in helpful ways.

Isabel Sawhill, a budget expert at the Brookings Institution, is pushing to temporarily double the tax deduction for charitable giving, a move that would serve as a powerful incentive for the rich to significantly increase -- or at least accelerate -- their contributions to nonprofit organizations.

"We need to get them to spend that money instead of socking it away, and we need to get them to spend it on socially beneficial things," Sawhill told *The Huffington Post*. "This is simply a device to pry that money out of them."

... "It's a great idea if it means more money for the nonprofit sector and if it goes to organizations that are doing good work that is needed at this time," said Niki Jagpal, research and policy director at the National Committee for Responsive Philanthropy. "But the problem with it is that it will leave in place a regressive tax system that rewards the wealthy for their charitable giving more than people who are not as well off. And that's simply unfair."

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