



# Philanthropic Giving & Volunteerism in Connecticut

By Ron Cretaro, Executive Director, CT Nonprofits

*Editor's note: Ron Cretaro served as co-chair of now-Governor Malloy's Human Services Working Group. The working groups were created in December to assist the transition team with identifying policy priorities in several key areas including healthcare, energy, education and human services, among others. In total the policy working groups submitted more than 150 policy documents to the new administration, all of which will be reviewed and taken under advisement.*

*The following is an excerpt from the Human Services Working Group's recommendations on Philanthropic Giving and Volunteerism. This section was written by Ron Cretaro and provides valuable insights and recommendations on how government, foundations and private philanthropy can partner for the public good.*

## OVERVIEW

It is acknowledged that Connecticut State Government cannot provide all the funding resources to support the nonprofit community, which performs services and activities that relieves responsibility that might otherwise fall to federal, state, or local government. On the other hand, philanthropic giving from foundations, corporations and individuals cannot alone replace state funding. The government, which provides an indirect subsidy to nonprofit organizations through granting tax exemption, receives a direct benefit in return. Nonprofit organizations benefit our communities and society as a whole by providing valuable services – a public good.

The Executive Branch can embrace nonprofit organizations as a partner in developing solutions to intractable problems and ensure that its policies, regulations, and practices embody and reflect a genuine partnership approach. Foundations and private philanthropy have a history of partnering with state government to tackle tough challenges. The new administration can help promote philanthropic giving and volunteerism by Connecticut citizens throughout the year.

According to the *Chronicle of Philanthropy*, donations from wealthy Americans dropped by nearly 35% from 2007 to 2009 as recorded in a study by Bank of America Merrill Lynch and the Center on Philanthropy at Indiana University.<sup>1</sup> Nationally, philanthropic giving has been hit hard by the weak economy. According to Giving USA Foundation, donations in the U.S. fell 3.6% to \$303.75 billion last year, down from \$315 billion in 2008; and in 2008, they were down 2% from 2007.

As asserted by the Connecticut Council of Philanthropy, Connecticut citizens while generous can do a lot better:

### STATE RANKING:

- #1 in average household income (CT \$82,611 – US \$56,996)
- #3 in rate of top wealth holders (number of millionaires per 1,000 people) (2006)
- #2 per capita income (CT \$44,346 – US \$28,838)
- #3 in % of returns with itemized deductions (44.2%)
- #29 in average contribution (CT \$4,089 – US \$4,343) – down from #16
- #29 in average contribution for those with income greater than \$200,000 (CT \$16,538 – US \$17,680) – down from #17
- #35 in amount contributed as a percent of Adjusted Gross Income – down from #33

### POLICY GOALS

- Use government as a catalyst to maximize the partnership between government and the private sector including business and nonprofit sectors
- Help promote greater philanthropic resources and civic engagement
- Infuse the new administration with a spirit of social innovation and the practice of a public-private partnership

- Mobilize citizens, nonprofit organizations, business and government to work more effectively together to solve specific community needs

### PROPOSED ACTION

- Development of a policy statement encouraging a robust public-private partnership at all levels of state government and require each Commissioner to develop an action plan to affect this partnership.
- Issuance of an Executive Order convening a short term task force to explore how government can assist in helping to promote and expand greater philanthropic giving and volunteerism. The Task Force could consist of philanthropic and other nonprofit, business, and government leaders. One of the recommendations could be the development of a philanthropic calendar where at key times during the course of the year the Governor would promulgate statements or public pronouncements about the value of supporting charitable organizations.
- Designate an individual within the Governor's office to oversee State and community outreach efforts to philanthropy and nonprofit organizations.
- At certain times of the year, the Governor may issue declarations or undertake initiatives to remind Connecticut citizens of the contributions that nonprofit organizations and philanthropy make to the well-being of our citizens and State overall. Connecticut, despite maintaining the highest per capita income in the nation, still can improve on its 27th ranking in terms of per capita giving.
- Explore reinstating the Annual Governor's Conference on Volunteerism

<sup>1</sup> The study is available at <http://mediaroom.bankofamerica.com> under their press releases.