

July 21, 2021

The Honorable Joseph Biden  
President of the United States  
The White House  
Washington, DC 20500

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin McCarthy  
House Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Chuck Schumer  
Senate Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Mitch McConnell  
Senate Minority Leader  
U.S. Senate  
Washington, DC 20510

**RE: 2021 COVID Relief and Charitable Nonprofits**

Dear Mr. President, Speaker Pelosi, and Leaders Schumer, McCarthy, and McConnell:

As the nation recovers from the effects of the COVID-19 pandemic, the nonprofit sector will play a critical role in rebuilding the economy, restoring livelihoods, and strengthening communities. The undersigned charitable nonprofit organizations take this opportunity to identify the unique challenges charitable organizations continue to face and seek your support for urgently needed relief that will enable charitable organizations to contribute to our nation's relief, recovery, and rebuilding.

Charitable nonprofits have risen to the crises our nation is enduring. They have stretched beyond all reasonable measures and continue to advance their missions despite unfathomable challenges. Most charitable organizations did not shut down or sit out the pandemic. During the height of the pandemic, demand for services sky-rocketed. Many nonprofits were innovative and shifted their service models to virtual platforms and partnered with others in their community to help meet basic needs. Most recently, nonprofits have stepped up to support vaccine distribution and awareness by setting up clinics, employee incentives, and community support like transportation and childcare while people get vaccinated.

Given our unique role of providing pandemic relief and economic recovery, we ask that Congress and the Administration enact a package of relief solutions tailored to the actual needs and realities of these organizations that, like you, are devoted to serving the public good. Specifically, we urge you to prioritize the following measures that will support nonprofit jobs and provide the resources needed for nonprofits to meet community recovery needs.

**Nonprofit Jobs**

Prior to the pandemic, charitable nonprofits employed more than 12 million people, making them the third largest industry in the country – larger than the construction, financial services, and manufacturing industries. As of June 2021, nearly 700,000 nonprofit jobs have been lost due to the pandemic, creating undue challenges particularly for women and communities of color disproportionately pushed out of the workforce due to no fault of their own as a result of the pandemic. **The sector needs a major infusion of resources to enable organizations to bring back staff and hire additional employees so they can deliver essential services for millions of residents.**

## Charitable Nonprofit Policy Priorities

July 21, 2020

Page 2 of 3

**We ask that Congress pass the “Work Opportunities and Resources to Keep Nonprofit Organizations Well Act,” or WORK NOW Act (S. 740/H.R. 1987),** which would infuse \$50 billion into the nonprofit community across the country to get people back to work and make sure nonprofits are able to meet the needs of the populations they serve.

Further, the Employee Retention Tax Credit (ERTC) was extremely helpful, particularly to large nonprofits employing more than 500 employees as they were not initially eligible for the Paycheck Protection Program. **We ask that Congress extend the ERTC beyond 2021 and modify nonprofit eligibility beyond the current “gross receipts” test** to reflect the increased costs charitable organizations experienced as they struggled to maintain or expand services to meet local needs throughout the health and economic crisis.

It is also important to note that policymakers and nonprofit leaders have been forced to craft responses to this crisis without adequate information about the state of the nonprofit workforce. While industries like goat farming or limousine service have had access to official quarterly workforce data, the nonprofit sector is required to purchase this information or wait years for it. **We urge you to direct the Bureau of Labor Statistics to provide quarterly data on nonprofit employment and wages.** This data will guide more effective policy and enable improved decision making by nonprofits nationwide.

### Nonprofit Resources

Nonprofit revenues are likely to decline sharply in 2021 as individuals are less able to make charitable donations. Without immediate relief from Congress and the Administration, charitable organizations will not have the capacity or resources to provide the breadth of services upon which communities rely.

The CARES Act established a limited, yet important above-the-line deduction that encourages all taxpayers to donate to the work of charitable organizations. In extending this provision as part of the year-end COVID relief law, Congress acknowledged that tax policy will continue to be an important incentive to help every American support pandemic relief and recovery. **Greater incentives for charitable giving are needed** as nonprofits respond to the health and economic crises and will be critical in the future as nonprofits play an essential role in recovery efforts. Further, tax reforms must recognize that imposing new limits to existing giving incentives would have the unintended consequence of undermining the charitable sector upon which governments rely and would result in increased costs for governments if they had to replace nonprofit services. **We urge Congress and the Administration to significantly increase the cap on the deduction, extend it at least through 2022, and preserve the itemized charitable contribution deduction, all to ensure that nonprofits can serve their communities.**

Nonprofits have benefited from both emergency relief grants and state/local funds. **We call on Congress to appropriate funds for emergency grant programs that enable nonprofits to advance their missions of serving communities.** We also stand with the U.S. Conference of Mayors, National League of Cities, and National Association of Counties in adamantly **opposing any proposal that would repurpose ARPA’s Coronavirus State and Local Fiscal Recovery Funds,** which were originally authorized for nonprofits among other entities, and which remain urgently needed.

As nonprofits struggled to switch their services to virtual platforms, the pandemic put a spotlight on the inadequate access to broadband and digital skills which made it difficult for them to reach everyone in their communities. Distance learning, telemedicine, and spiritual services require accessible and reliable internet services. **We support a \$100 billion federal investment to guarantee all citizens access to affordable high-speed broadband. We also support the buildout of broadband infrastructure that prioritizes the “last mile” hardest-to-serve communities** as well as funding for the **Emergency Connectivity Fund,** for closing the homework gap, and for enhancing digital literacy.

## **Charitable Nonprofit Policy Priorities**

July 21, 2020

Page 3 of 3

We appreciate the relief enacted in previous measures as many of the people and communities we serve would have suffered even more during the pandemic and economic crisis if you had not acted. In particular, we are grateful that Congress included charitable nonprofits in the Families First Act, the CARES Act, the year-end COVID relief law, and the American Rescue Plan. As we continue to partner with the government to help defeat the virus and accelerate economic growth, we urge you to consider specific, dedicated policy solutions that will enable nonprofits to help rebuild our communities.

The charitable nonprofit sector is the backbone of our communities. We continue to face unprecedented challenges as we assist you and the American people in providing pandemic relief and economic recovery. We ask you to come together in prioritizing the proposals identified here in legislation you enact this year. We stand ready to assist in advocating for additional relief and in building our country back together.

Sincerely,

**Afterschool Alliance**

**Agudath Israel of America**

**Alliance for Strong Families and Communities  
& Council on Accreditation**

**Alzheimer's Research and Prevention Foundation**

**American Alliance of Museums**

**American Cancer Society Cancer Action Network**

**American Heart Association**

**American Institute for Conservation (AIC)**

**American Lung Association**

**Americans for the Arts**

**Americans for the Arts Action Fund**

**Association of Art Museum Directors**

**Association of Fundraising Professionals**

**Association of Zoos and Aquariums**

**Boys & Girls Clubs of America**

**Catholic Charities USA**

**CenterLink: The Community of LGBT Centers**

**Communities In Schools**

**Council for Advancement and Support of  
Education**

**Council on Foundations**

**Dance/USA**

**Girl Scouts of the USA**

**Girls Inc.**

**Goodwill Industries International, Inc.**

**Habitat for Humanity International**

**Independent Sector**

**JDRF**

**Jewish Federations of North America**

**KABOOM!**

**Leadership 18**

**League of American Orchestras**

**Lupus Foundation of America**

**Lutheran Services in America**

**Meals on Wheels America**

**Mental Health America**

**National Association of Free and Charitable  
Clinics**

**National Community Action Partnership**

**National Council of Nonprofits**

**National Health Council**

**National Indian Child Welfare Association**

**National Youth Advocate Program, Inc.**

**Network of Jewish Human Service Agencies**

**Nonprofit Finance Fund**

**Nonprofit Leadership Alliance**

**OPERA America**

**Performing Arts Alliance**

**The Arc of the United States**

**The Nonprofit Alliance**

**Theatre Communications Group**

**United Philanthropy Forum**

**United Way Worldwide**

**Volunteers of America**

**Welcoming America**

**YMCA of the USA**

**YWCA USA**