

February 14, 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 Republican 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 Republican Leader
U.S. Senate
Washington, DC 20510

RE: Pandemic and Workforce Shortage Relief for Charitable Nonprofits

Dear President Biden, Speaker Pelosi, and Leaders Schumer, McCarthy, and McConnell:

The COVID-19 pandemic – extended and exacerbated by the Delta and Omicron variants of the disease – has ravaged our Nation’s health and economy far beyond anyone’s expectations. For every major natural disaster since Hurricane Katrina, Congress has approved relief packages – and extended additional relief – as the needs of the residents required. At this stage in the pandemic, more assistance is clearly needed, both to continue expired and expiring supports and incentives, and to address emerging challenges. One such new challenge, the nonprofit workforce shortage, demands your immediate attention. The undersigned organizations are united in our call for prompt legislative action to address the hardships of these dual problems charitable organizations are facing – the persistent pandemic and the community adversities caused by staffing shortages at charitable organizations.

Throughout this global crisis, the public and policymakers at all levels have relied on the commitment, compassion, and endurance of charitable nonprofits to provide direct, immediate relief in communities throughout the country. By all accounts, the pandemic continues to disrupt lives and the economy, factors that normally and rightly motivate Congress to enact disaster relief that provides direct funding and tax relief to those most directly affected. Charitable organizations and the people we serve have utilized many forms of relief. While certainly appreciated, most of these policy supports crafted to help nonprofits help others have expired; yet the needs remain great as charitable organizations struggle to provide pandemic relief in the face of continuing health risks, lost revenues, and the lack of available staff.

Further, once the pandemic is defeated and other sectors of the economy return to “normalcy,” the public will still turn to charitable organizations to help them recover through education and healthcare, social services designed to help rebuild lives and careers, and cultural and faith engagements dedicated to restoring hope, inspiration, and trust. Yet, many charitable entities are experiencing [unprecedented workforce shortages](#) that prevent them from addressing the current relief and future recovery functions they are called on to perform. Charitable organizations are also dealing with a drastic decline in volunteers who are unable or hesitant to provide their usual level of support for the missions they care about.

In light of the foregoing, we respectfully call on Congress and the Administration to advance the following policy priorities that will help overcome the unique challenges charitable organizations are facing as they struggle to serve our communities through and out of the worst public-health and economic crises of our lifetimes.

Generating Resources to Meet the Needs of Relief and Recovery

Although the natural disaster that is the pandemic continues to rage, three disaster relief charitable giving incentives were allowed to expire at the end of 2021. Greater incentives for charitable giving are needed more than ever 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. We urge Congress and the Administration to renew the **universal charitable (non-itemizer) deduction** at least through 2022 and significantly increase the cap on the deduction, as proposed in the bipartisan **Universal Giving Pandemic Response and Recovery Act** (S.618/H.R.1704). Similarly, we call on policymakers to extend two additional disaster-relief giving incentives that expired on December 31, 2021 – the provision permitting individuals who itemize to deduct charitable donations up to **100% of their adjusted gross income** and the measure allowing corporations to deduct charitable donations up to **25% of taxable income**.

Addressing Critical Staffing Shortages

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 December 2021, there are 450,000 fewer employees in the nonprofit sector as charitable organizations report significant difficulties retaining staff and filling vacancies. Recent data confirm that four in five (79%) nonprofits identified **salary competition** as a factor preventing them from filling job openings and nearly a quarter (23%) stated that the **inability to find child care** affected recruitment and retention. The impact of the shortages can be seen in virtually every community as nonprofits are forced to restrict needed services, institute waiting lists, or close operations entirely. Because individuals and communities rely so heavily on charitable nonprofits for their wellbeing, the nonprofit workforce shortage impacts everyone.

Several policy solutions are readily available to alleviate this workforce crisis. We call on Congress and the Administration to retroactively restore the **Employee Retention Tax Credit**, as proposed in the bipartisan ERTC Reinstatement Act (H.R. 6161/S. 3625), extend this refundable payroll tax credit through 2022, and modify nonprofit eligibility beyond the current “gross receipts” test and definition of eligible payroll expenses to include child care and education subsidies to reflect the increased costs charitable organizations experienced as they struggle to maintain or expand services to meet local needs throughout the health and economic crisis.

As noted, the problem of attracting and retaining candidates is one of the most significant challenges nonprofit and other employers face in maintaining high-quality, affordable, and available child care. Maintaining quality, safety and enriching environments that nurture children is costly. Yet, providers are reluctant to pass on higher costs to families, because the price of child care already makes this critical service out of reach for too many families. Women – who comprise 66% of the nonprofit workforce – have been disproportionately impacted by the lack of child care, in part due to the outsized caregiving burden they carry for their households and communities. As employers and, in many cases, child care providers, charitable nonprofits are deeply concerned that the lack of child care and equitable wages are impediments to all; as one expert said on a recent Federal Reserve webinar, “There is no recovery of the economy without child care.” Therefore, we urge Congress to provide **robust funding to expand access to high quality child care** that is affordable, dependable, and accessible, and supports livable wages and skill-based training for nonprofit child care professionals.

Any relief package should also include core components of the **Work Opportunities and Resources to Keep Nonprofit Organizations Well Act**, or WORK NOW Act (S. 740/H.R. 1987), which would infuse funds 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, we call on Congress to adopt **essential reforms to the Public Service Loan Forgiveness program** to, among other things, waive

the full-time employment criteria during the pandemic and its immediate aftermath, expand the types of loans that may be forgiven, and overhaul the disqualification rules to reflect the original intent of Congress.

Promoting the Return of Volunteers to Nonprofits

In normal times, charitable organizations can expand their impact by leveraging the commitment of armies of volunteers who are dedicated to the work of nonprofits in their communities. Unfortunately for the organizations and the people they serve, volunteers have not returned to pre-pandemic levels and charitable nonprofits lack the capacity to manage and marshal volunteers in this changing environment. We believe it is essential that Congress and the Administration take action to help alleviate this challenge. First, we seek funding for efforts to strengthen the volunteer force in the United States by investing in **capacity-building grants for volunteer management** – targeted to pandemic-related volunteer shortages – and in the **digital infrastructure to connect potential volunteers** with the most pressing needs in their communities. Also, to provide an incentive and eliminate an unfair tax policy, we seek an increase in the **Volunteer Mileage Rate** for nonprofit volunteer drivers to the business rate (58.5 cents/mile) for 2022 and the elimination of the tax on mileage reimbursements up to the business rate.

We recognize that there are many reasonable and competing proposals for helping all recover from the pandemic. In many cases, policies can affect many sectors of the economy and we stand ready to support programs and proposals that advance the common good. It is important to note that programs and funds that remain operative, such as the State and Local Fiscal Recovery Funds under the American Rescue Plan Act, are vital lifelines to communities that are enabling governments, businesses, and nonprofits to identify and address immediate and long-term needs exacerbated by the pandemic. Most importantly, those funds are critically necessary to enable communities to advance racial justice and equity. In the strongest terms, we stress that funds should be allowed to serve their purposes and resist any suggestion that they be repurposed.

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.

Sincerely,

National Organizations

ACCSES	District of Columbia	Americans for the Arts	District of Columbia
Agudath Israel of America	District of Columbia	Americans for the Arts Action Fund	District of Columbia
American Alliance of Museums	Virginia	Association of Fundraising Professionals	Virginia
American Association for Museum Volunteers	District of Columbia	Association of Jewish Aging Services	District of Columbia
American Association for State and Local History	Tennessee	Association of Public Health Laboratories	Maryland
American Behcet's Disease Association	Michigan	Boys & Girls Clubs of America	Georgia
American Heart Association	Texas	Camp Fire National	Missouri
American Library Association	Illinois	Catholic Charities USA	Virginia
American Lung Association	Illinois	CenterLink: The Community of LGBT Centers	Florida
American Society on Aging	California		

Community Anti-Drug Coalitions of America	Virginia	March of Dimes	Virginia
Council for Advancement and Support of Education	District of Columbia	Meals on Wheels America	Virginia
Council on Foundations	District of Columbia	Mental Health America	Virginia
Dance/USA	District of Columbia	MENTOR	District of Columbia
David Brower Center	California	National Association of Free and Charitable Clinics	Virginia
Easterseals	District of Columbia	National Council of Nonprofits	District of Columbia
Girl Scouts of the USA	District of Columbia	National Council on Aging (NCOA)	Virginia
Girls Inc.	District of Columbia	National Health Council	District of Columbia
Goodwill Industries International, Inc.	Maryland	Native Ways Federation	Minnesota
Greenheart International	Illinois	Network of Jewish Human Service Agencies	District of Columbia
Habitat for Humanity International	Georgia	Nonprofit Finance Fund	New York
Healthy Schools Campaign	Illinois	OPERA America	New York
Hemophilia Federation of America	District of Columbia	OPERA America	New York
Independent Sector	District of Columbia	Social Current	District of Columbia
InterExchange Inc.	New York	Teach For America	New York
JCC Association of North America	New York	The Nonprofit Alliance	District of Columbia
Jewish Federations of North America	Virginia	Union of Orthodox Jewish Congregations of America	New York
KaBOOM!	District of Columbia	United Cerebral Palsy	District of Columbia
Leadership 18	Virginia	United Philanthropy Forum	District of Columbia
League of American Orchestras	New York	United Way Worldwide	Virginia
Lutheran Services in America	District of Columbia	VisionServe Alliance	Missouri
		Volunteers of America	Virginia
		YMCA of the USA	Illinois
		YWCA USA	District of Columbia