Let the charities take care of the poor! (And also of a lot of other stuff.)

By <u>Steve Thorngate</u> June 4, 2013

If you've been here long, you won't be shocked to hear that I'm not impressed by a lot of what American conservatives have to say about domestic poverty. (Though I do appreciate the basic political courage it takes for an elected official to even use the word.)

Yet there is at least one idea from the right that I'm more or less on board with: we should be very careful about cutting the tax deduction for charitable contributions. I believe in the charitable deduction for at least two reasons. First, because private charities are sometimes better at fighting poverty than the government is. Second, because higher taxes sometimes mean less voluntary giving to help the poor.

But the key word here is "sometimes." <u>I've written before</u> about how little interest I have in purely theoretical debates about private vs. public aid. Lots of Americans seem to think the government is categorically inept at doing good; I think that's ridiculous. As for the opposite argument, it comes up mostly as a straw man—I know a lot of liberals, and none of them thinks that government help is *always* the best option—but for what it's worth, that would be ridiculous, too. The question needs to be particular: what's the best way to get *this* good thing done? Answers will vary.

As for people who give less when Uncle Sam takes more, there's certainly evidence that this happens. But, as I also argued in the piece linked to above, that doesn't make it a zero-sum game—<u>overall, higher taxes don't mean comparably lower</u> giving (pdf).

More importantly: as a recent report from <u>Giving USA</u> found, <u>most of the money we</u> <u>give to charity doesn't go toward helping the poor</u> at all. So assuming the goal is to actually do something about poverty, the suggestion that lower taxes = more giving = [just as good + more freedom!] is pretty much a nonstarter.

Also: the biggest recipients of American generosity? That would be churches and other religious organizations, which alone take in almost a third of our giving. Of course, most church budgets aren't exactly dominated by anti-poverty initiatives.