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SIGNED BY ANNE V. HIGGINS

Folder Title: YA-80 – Hunger/Homelessness in the U.S.

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Last Updated: 01/21/2025

Contributions To Charities Set Record in '87

Despite Higher Profits, Corporate Giving Slows

By Paul Farhi Washington Post Staff Writer

Despite the stock market crash, tax law changes and Jim and Tammy Bakker, charitable contributions surged to record levels last year, a study to be released today says.

Led by individual contributions, about \$93.68 billion was raised for religious groups, schools, hospitals, research organizations and artistic and cultural endeavors, according to the report, Giving USA, by the American Association of Fund-Raising Counsel Trust for Philanthropy.

But the silver lining also had a dark cloud: Even as they were raking in record profits, U.S. corporations were slowing their largesse for the first time in 17 years.

The results indicate that the era of rapidly rising corporate donations may be over, experts in charitable giving predict.

Corporate donations totaled \$4.5 billion in 1987, the same level as in 1986. That is a marked change from the period between 1974 and 1984, when corporate charity tripled. Moreover, observers said 1987's total actually is less than the level of 1984, 1985 or 1986 after adjusting for inflation, and represents a serious decline as a percentage of pretax profits. Corporate profits rose 18 percent last year.

"We saw such huge increases for so many years that it just couldn't continue forever," said Hayden W. Smith, senior vice president of the Council for Aid to Education.

"We believe the years of extraordinary [corporate] growth have come to an end," added Linda Cardillo-Platzer, senior research associate for the Conference Board, a business-sponsored research organization. "There is far more questioning and scrutiny of contribution budgets throughout companies."

Smith and others said the results reflect structural changes in the economy and society at large. Among the factors:

- Traditionally large donors, such as "Rustbelt" manufacturers in the Midwest and Northeast, have cut back donations because of economic difficulties.
- Increased takeovers in recent years have made managements less willing to support charities. "... Acquiring other companies places enormous demands on business coffers for cash," the report said. "Programs

considered less than essential are then viewed as ripe for cutbacks."

■ The social pressure on companies to contribute may be easing. Kenneth Bertsch, author of "Corporate Giving in the Reagan Years," said federal budget cutbacks in the early 1980s forced charitable groups to seek contributions more aggressively. But because many organizations have been able to supplant government funding with other sources, "there's not as much of a national focus on corporate giving now," Bertsch said.

Philanthropy from all sources in the United States increased 6.5 percent over 1986, nearly twice the inflation rate, and outpaced the increases in personal income, personal spending and the gross national product, all of which grew just under 6 percent.

Donations from individuals accounted for most of the total, \$76.82 billion, or 82 percent, with foundations (\$6.38 billion, 6.8 percent) and bequests (\$5.98 billion, 6.4 percent) the next largest sources. Corporations provided only 4.8 percent of all charitable contributions last year, a slight drop from the 5.1 percent level of 1986.

The report said the key factor driving personal donations was the rise in personal income, which rose 5.9 percent in 1987, almost matching the 6.65 percent jump in individual giving. It also noted that fundraising campaigns have become longer and more ambitious; that the AIDS crisis has generated "an outpouring" of contributions; and that people are responding to campaigns in behalf of educational institutions.

Religious organizations were the major recipients of all donations last year, receiving \$43.61 billion, or 46.5 percent of the total. Other major beneficiaries were health groups (\$13.65 billion, 14.5 percent); education (\$10.55 billion, 11.2 percent); human services (\$9.84 billion, 10.5 percent); and artistic and cultural activities (\$6.41 billion, 6.8 percent).

The increase in contributions overall was called impressive in the report because it came despite the stock market crash in October, the phasing out of the charitable deduction for nonitemizers, and fund-raising scandals involving television evangelists, such as the Bakkers.

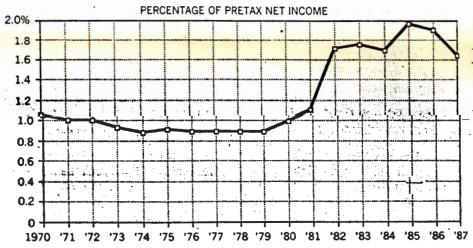
Corporate philanthropy specialists said the outlook for 1988 is unclear because of the unsettled pattern of contributions during the past few years.

CORPORATE CONTRIBUTIONS TO CHARITY

WHILE CORPORATE GIVING OVERALL HAS CLIMBED...

\$5
4
3
2
1
1
0
1970 '71 '72 '73 '74 '75 '76 '77 '78 '79 '80 '81 '82 '83 '84 '85 '86 '8

...GIVING AS A PERCENTAGE OF PROFIT DROPPED LAST YEAR.



RE: Hunger/Homelessness in the United States

THE WHITE HOUSE WASHINGTON

April 4, 1988 (XXXY80)

Dear Mr. Ortega:

On behalf of President Reagan, I would like to thank you for writing to him. The President is always encouraged by the concern of our young people for the less fortunate both at home and abroad.

We are truly blessed here in America because our free enterprise system provides so much abundance that we are able to help those in foreign lands who suffer great poverty, without detriment to the less fortunate in our own country. Likewise, we are able to maintain a strong and efficient defense for our nation, without jeopardizing programs that assist the poor. As families take care of their own, government must encourage the provision of shelter and nourishment for those who cannot provide for themselves. The President believes, however, that we must revise or replace programs, enacted in the name of compassion, that degrade the moral worth of work, encourage family breakups, and promote a bleak dependency.

In addition to the role of government, individual citizens in our nation have the responsibility to provide hope and help to others. In the past few years, we've seen an outpouring of private charity and goodwill. In 1986 alone, individuals, corporations, bequests, and foundations gave more than \$87.2 billion to good causes -- a 77-percent rise since 1980 -- and an estimated 89 million Americans perform volunteer work every year.

Unfortunately, no nation has been able to solve completely the problems of poverty and homelessness, and our country is no exception. But we can be heartened by the steady progress we are making. The U.S. poverty rate dropped for the third year in a row in 1986. The 1.6 percentage point drop over those three years is the largest sustained improvement since 1970. In addition, at the President's urging, Congress approved a tax reform bill in 1986 that, among other achievements, erases Federal income taxes for several million low-income Americans.

Finally, President Reagan has asked the Congress to approve a series of welfare reform ideas designed to help people on public assistance acquire self-esteem and marketable job skills. The Administration continues to work on effective policies to assist the homeless and to address the root causes of homelessness. Steps taken include the creation of the Interagency Council on the Homeless. The Council will report to Congress and the President on further actions needed to find a lasting solution to homelessness in our society.

2

Americans have always reached out to those who are unable to provide adequately for themselves. Indeed, the amount of real Federal aid per person below the poverty line reached an all-time high in 1986 -- and it is still rising. You may be certain that this Administration is doing everything in its power to help the poor meet their immediate needs and to find long-term solutions to the problems they face. I'm enclosing some information that describes the President's pro-growth, anti-poverty policies in more detail. I hope you find it helpful.

There is much you can do in your own community by personally reaching out to even one needy individual of whom you are aware. Your letter shows how much you care, and President Reagan is confident that you can be counted on to do your best to help.

With the President's best wishes,

Sincerely,

Anne Higgins
Special Assistant to the President
and Director of Correspondence

e Hig

(3/30/88)

Mr. Michael A. Ortega Evening Supervisor Correspondence Analysis Section Room 60 Old Executive Office Building Washington, DC 20500

Enclosure: "A Union of Individuals"

AVH/CAD/AVH

3-30-88 by Army

AUH/COO/M

On behalf of President Reagan, I would like to thank you for writing to him. The President is always encouraged by the concern of our young people, for the less fortunate both at home and abroad.

We are truly blessed here in America because our free enterprise system provides so much abundance that we are able to help those in foreign lands who suffer great poverty, without detriment to the less fortunate in our own country. Likewise, we are able to maintain a strong and efficient defense for our nation, without jeopardizing programs that assist the poor. As families take care of their own, government must encourage the provision of shelter and nourishment for those who cannot provide for themselves. The President believes, however, that we must revise or replace programs, enacted in the name of compassion, that degrade the moral worth of work, encourage family breakups, and promote a bleak dependency.

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Encl: "A Union of Individual"

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With the President's best wishes,

THE WHITE HOUSE WASHINGTON

AVHY80

March 31, 1988

On behalf of President Reagan, I would like to thank you for writing to him. The President is always encouraged by the concern of our young people for the less fortunate both at home and abroad.

We are truly blessed here in America because our free enterprise system provides so much abundance that we are able to help those in foreign lands who suffer great poverty, without detriment to the less fortunate in our own country. Likewise, we are able to maintain a strong and efficient defense for our nation, without jeopardizing programs that assist the poor. As families take care of their own, government must encourage the provision of shelter and nourishment for those who cannot provide for themselves. The President believes, however, that we must revise or replace programs, enacted in the name of compassion, that degrade the moral worth of work, encourage family breakups, and promote a bleak dependency.

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There is much you can do in your own community by personally reaching out to even one needy individual of whom you are aware. Your letter shows how much you care, and President Reagan is confident that you can be counted on to do your best to help.

With the President's best wishes,

THE WHITE HOUSE

WASHINGTON

January 4, 1988 (XXXY80)

Dear Mr. Ortega:

On behalf of President Reagan, I would like to thank you for writing to him. The President is always encouraged by the concern of our young people for the less fortunate both at home and abroad.

We are truly blessed here in America because our free enterprise system provides so much abundance that we are able to help those in foreign lands who suffer great poverty, without detriment to the less fortunate in our own country. Likewise, we are able to maintain a strong and efficient defense for our nation, without jeopardizing programs that assist the poor. As families take care of their own, government must encourage the provision of shelter and nourishment for those who cannot provide for themselves. The President believes, however, that we must revise or replace programs, enacted in the name of compassion, that degrade the moral worth of work, encourage family breakups, and promote a bleak dependency.

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Unfortunately, no nation has been able to solve completely the problems of poverty and homelessness, and our country is no exception. But we can be heartened by the steady progress we are making. The U.S. poverty rate dropped for the third year in a row in 1986. The 1.6 percentage point drop over the last three years is the largest sustained improvement since 1970. In addition, the President has asked the Congress to approve a series of welfare reform ideas designed to help people on public assistance acquire self-esteem and marketable job skills. The Administration continues to work on effective policies to assist the homeless and to address the root causes of homelessness. Most recently, President Reagan signed into law the Stewart B. McKinney Homeless Assistance Act, which establishes a temporary program for emergency assistance in food and shelter.

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Americans have always reached out to those who are unable to provide adequately for themselves. You may be certain that this Administration has their interests in mind and is doing everything in its power to help them meet their immediate needs and to find long-term solutions to the problems they face.

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With the President's best wishes,

Sincerely,

Anne Higgins
Special Assistant to the President and Director of Correspondence

(1/4/88)

Mr. Michael A. Ortega Evening Supervisor Correspondence Analysis Section Room 60 Old Executive Office Building Washington, DC 20500

AVH/CAD/AVH

AVHY80.871229 (new.)

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Unfortunately, no nation has been able to solve completely the problems of poverty and homelessness, and our country is no exception. But we can be heartened by the steady progress we are making. The U.S. poverty rate dropped for the third year in a row in 1986. The 1.6 percentage point drop over the last three years is the largest sustained improvement since 1970. In addition, the President has asked the Congress to approve a series of welfare reform ideas designed to help people on public assistance acquire self-esteem and marketable job skills. The Administration continues to work on effective policies to assist the homeless and to address the root causes of homelessness. Most recently, President Reagan signed into law the Stewart B. McKinney Homeless Assistance Act, which establishes a temporary program for emergency assistance in food and shelter.

Americans have always reached out to those who are unable to provide adequately for themselves. You may be certain that this Administration has the interests of these Americans in mind and is doing everything in its power to help them meet their immediate needs and to find long-term solutions to the problems they face.

There is much you can do in your own community by personally reaching out to even one needy individual of whom you are

aware. Your letter shows how much you care, and President Reagan is confident that you can be counted on to do your best to help.

With the President's best wishes,

THE WHITE HOUSE WASHINGTON

September 3, 1987 (AVHY80)

Dear Mr. Ortega:

On behalf of President Reagan, I would like to thank you for writing to him. The President is always encouraged by the concern of our young people for the less fortunate both at home and abroad.

We are truly blessed here in America because our free enterprise system makes so many good things possible. It provides so much abundance that we are able to help those in foreign lands who suffer great poverty, without detriment to the less fortunate in our own country. Likewise, we are able through efficient programs to maintain a strong defense for our nation, without jeopardizing programs that assist the poor. As families take care of their own, government must encourage the provision of shelter and nourishment for those who cannot provide for themselves. The President believes, however, that we must revise or replace programs, enacted in the name of compassion, that degrade the moral worth of work, encourage family breakups, and drive individuals into lives of bleak dependency.

In addition to the role of government, individual citizens in our nation have the responsibility to provide hope and help to others. In the past few years, we've seen an outpouring of private charity and goodwill. Last year alone, individuals, corporations, bequests and foundations gave more than \$87.2 billion to good causes -- a 9 percent rise over 1985 -- and an estimated 89 million Americans perform volunteer work every year.

Unfortunately, no nation has been able to solve completely the problems of poverty and homelessness, and our country is no exception. But we can be heartened by the steady progress we are making toward easing the plight of those in need. The U.S. Census Bureau has reported that the national poverty rate dropped for the third year in a row in 1986. The 1.6 percentage point drop over the last three years is the largest sustained improvement since 1970. In addition, median family income rose in 1986 -- the fourth straight year of increase. The President has asked the Congress to approve a series of welfare reform ideas designed to help people on public assistance acquire selfesteem and marketable job skills. In addition, the Administration continues to work on effective policies to assist the homeless and to address the root causes of homelessness. Most recently, President Reagan signed into law the Stewart B. McKinney Homeless Assistance Act, which establishes a temporary program for emergency assistance in food and shelter.

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With the President's best wishes,

Sincerely,

Anne Higgins Special Assistant to the President and Director of Correspondence

9/3/87

Mr. Michael A. Ortega Evening Supervisor Correspondence Analysis Section Room 60 Old Executive Office Building Washington, DC 20500