



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: New study on confidence in charities
Da: Monday, Sept. 13, 2004

Sen. Chuck Grassley, chairman of the Committee on Finance, made the following comment on a new study from Paul Light of the Brookings Institution on public attitudes toward charities. Under Grassley's direction, the committee is reviewing problems in the non-profit arena and considering wide-ranging reforms to improve charitable governance and accountability to donors.

"It's telling that public confidence in charities hasn't recovered, and that people don't always trust charities to spend their money wisely. That makes sense. While the strong majority of charities appear to be doing a good job, I'm discouraged that the more we dig, the more problems we find – for example, tax-exempt organizations becoming willing partners in tax shelters used by corporations and wealthy individuals to avoid or minimize their taxes; powerful insiders using the assets of charities to line their own pockets instead of to help the needy; and donations and assets going for things like private jets and European vacations. Oversight has been poor. No one's been minding the store, and a lot of hands are in the till. Good, targeted reforms including better transparency will improve the way charities operate and the way people perceive them. Restored public confidence should lead to more donations and continued good works from the nation's non-profits.

"I understand why some charities are afraid of reforms. They don't want bureaucracy and red tape that will make it tougher to do their jobs. But I'm not looking to impose feel-good busy work that won't do any good. The point is to bring accountability from charities to donors, and from charities to taxpayers. The committee is vetting our proposed reforms thoroughly with charities and others to make sure our proposals will bring real results."

The new Brookings Institution study is available here.

<http://www.brookings.edu/views/papers/light/20040913.htm>