



LEHIGH VALLEY COMMUNITY FOUNDATION

ADVISOR CONNECTION

February 2025

Legislative Actions That Could Impact Charitable Giving

A new year and a new administration often bring policy changes that impact charitable giving. As we look ahead, a major area of focus is the fate of the **Tax Cuts and Jobs Act (TCJA)** of 2017, which introduced significant tax changes and is set to expire at the end of 2025.



TCJA Affected Charitable Giving

The TCJA lowered individual income tax rates, [reducing the tax savings](#) per dollar donated. It also nearly doubled the standard deduction—set at \$15,000 for individuals and \$30,000 for couples in [2025](#)—dramatically reducing the number of taxpayers who itemize deductions. Since charitable deductions require itemization, fewer taxpayers have been able to claim them, leading to an estimated \$20 billion drop in charitable giving in 2018, the first year the TCJA took effect.

Another major TCJA change was the doubling of the estate tax exemption, which will reach \$13.99 million per person in [2025](#). This has made tax-driven charitable bequests less relevant for many high-net-worth individuals, as fewer estates are subject to taxation. While tax incentives play a role, [research shows](#) that most donors are driven by [personal motivations](#), such as giving back to society, supporting meaningful causes, and religious beliefs. Even with tax benefits, donors ultimately give away wealth, proving financial gain is not the primary driver of philanthropy.

What's Next? Possible Tax Policy Outcomes

While it's too early to predict exactly how tax laws will change, three key possibilities could shape charitable giving:

- **TCJA Extension** – If Congress extends TCJA provisions, current giving patterns will likely continue. The high standard deduction would still limit itemized deductions, and estate tax incentives would primarily benefit ultra-high-net-worth clients.
- **TCJA Expiration** – If provisions expire without replacement, the tax code would revert to pre-TCJA rules. This could increase charitable giving, as more taxpayers would itemize deductions and face higher marginal tax rates. A lower estate tax exemption would also create stronger incentives for charitable bequests and lifetime giving.
- **New Tax Legislation** – Congress may introduce different incentives, such as the [Charitable Act](#), which proposes a universal charitable deduction to encourage giving at all income levels. Supporters emphasize the vital role of the nonprofit sector and argue for expanding incentives to more taxpayers.

Staying Prepared for 2025

Although tax policy remains uncertain, it's clear that changes will influence charitable planning. Now is a good time to stay informed and consider flexible giving strategies that align with clients' philanthropic goals, regardless of tax incentives.

IN THE NEWS



Maureen Wendling Receives Chartered Advisor in Philanthropy® Designation

LVCF's Director of Donor Initiatives, **Maureen Connolley Wendling**, has earned the Chartered Advisor in Philanthropy® (CAP®) designation from The American College of Financial Services.

Maureen helps people integrate philanthropy into their financial, estate, and legacy planning. She specializes in designing strategic giving plans using tools such as donor-advised funds, charitable trusts, and private foundations while leveraging tax-efficient strategies to maximize impact. She focuses on aligning charitable giving with her clients' values and goals, creating meaningful legacies, and collaborating with other professionals to develop comprehensive plans.

LVCF now has three staff members who have achieved the Chartered Advisor in Philanthropy® (CAP®) designation. **Carrie Krug Nedick**, Director of Donor Services, earned her CAP® in 2024, and President and CEO **Erika Riddle Petrozelli** received the designation in 2023. [Learn More...](#)

Want happy clients? Talk about charitable giving.



Over the years, more than a handful of attorneys, CPAs, and financial advisors have shared with the Community Foundation team that their happiest clients seem to be those who've incorporated charitable giving into their estate and financial plans. It's hard to dispute that philanthropy offers both emotional and rational upsides to your clients. Advisors who lean into these benefits stand a strong chance of being viewed by their clients as effective, impactful, and delivering well-rounded services to improve clients' lives and give them peace of mind.

Despite these advantages, many advisors lack confidence in discussing philanthropy with clients. A [survey found](#) that only 5% of advisors felt "very confident" in this area, with 72% not including philanthropy in their initial fact-finding conversation with clients. This gap represents a significant opportunity for advisors to enhance their services and strengthen client relationships through philanthropic discussions.

Keeping clients loyal and engaged with your services is just one of many reasons to talk with clients about charitable giving. A recent [Wall Street Journal article](#) sheds light on the ways charitable giving can have positive effects on both mental and physical health.

The Article "Buy Happiness—by Giving Your Money Away" makes these points:

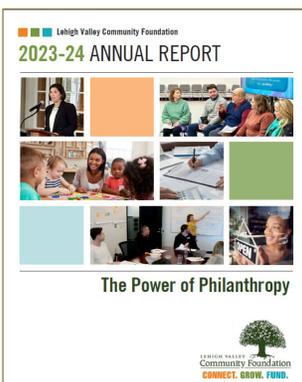
- Donating to charity can lead to improved mood, lower blood pressure, and potentially a longer life.
- The act of giving may trigger a release of serotonin and dopamine, hormones associated with happiness, while reducing cortisol levels.
- Brain scientists and economists have conducted studies supporting these health benefits of charitable acts.
- Research suggests that the positive feelings associated with giving may contribute to these health improvements.

The article implies that engaging in charitable activities could be a way to enhance overall well-being, suggesting that generosity might have tangible benefits beyond just helping others. Of course, not every client will have exactly the same experience with charitable giving. Still, it's critical for advisors to be aware of the unique role charitable giving can play in a client's life.

LVCF is here for you! Please reach out anytime you are working with a client who is charitably-inclined. Our highly-trained, professional staff can help navigate both the tax planning complexities as well as the emotional side of giving to ensure that your clients achieve their financial goals as well as their goals for making a difference.

Take a moment to see all the names, numbers and stories in our [2023-24 Annual Report](#)

We invite you to explore the 2023-24 annual report and discover the stories of impact and innovation that define our work. Share these stories with friends, family, and neighbors, and encourage others to join us in harnessing the power of philanthropy to transform lives and communities.



IN THE NEWS



Kevin Greene Joins Community Foundation Board of Governors

Kevin Greene recently joined the Lehigh Valley Community Foundation's Board of Governors. Kevin is the Principal Strategist at Faces International, a full-service creative and digital marketing agency, based in Allentown, offering integrated corporate growth and business consultancy services. He serves on the Community Foundation's Community Relations Committee.

Kevin is deeply involved in the community and serves on several boards and committees, including the NCC Foundation (Northampton Community College Foundation), Valley Youth House, United Way of the Greater Lehigh Valley, and the Lehigh Valley Chamber of Commerce. For over a decade, he has championed initiatives that support youth and families, reflecting his commitment to fostering equitable opportunities and stronger communities.

"We are thrilled to welcome Kevin Greene to the Board of Governors," noted **Erika Riddle Petrozelli, CPA, CAP®**, President and CEO. "His innovative leadership, dedication to community service, and deep understanding of the Lehigh Valley's needs make him an invaluable addition to our team. Kevin's experience and passion for empowering others align perfectly with our mission to enhance the quality of life in our region through philanthropy."