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Founding Chair

Brian O'Connell (1930-2011)
Founding President and
President Emeritus

Dan Cardinali
President and CEO
Independent Sector
1602 L Street NW, Suite 900
Washington, DC 20036

January 26, 2017

The President
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

On behalf of more than 500 of the nation's top charitable nonprofits, foundations, and corporate giving programs, I congratulate you on your successful inauguration. Leaders from across the charitable sector look forward to working with your administration on the most critical issues facing our country today.

As you prepare for your upcoming State of the Union Address, I want to provide some context about our sector and its contributions to the U.S. economy and way of life. We have been fortunate to share much of this same background in conversations with both Ado Machida and Daniel Murphy of the Office of National Engagement.

The charitable (or "third") sector of our economy is a diverse community of organizations and individuals, including foundations, charitable nonprofits, social enterprises, issue advocates, and individual volunteers. Every day, sector organizations provide economic opportunities and critical services to the most vulnerable among us, help communities solve problems, and strengthen our civil society.

The sector is also a critical building block of our economy. Nearly 1 in 10 workers in the United States is employed by a nonprofit organization, making our sector larger than the finance and real estate industries combined. It pays nearly \$532 billion annually in wages that support families and communities in every corner of this nation. Beyond sheer payroll, the sector provides huge economic lift through the volunteer efforts of everyday Americans: 62.6 million volunteers and 7.9 billion hours of service in 2015 alone. That is the equivalent of 4 million full-time jobs valued at approximately \$184 billion.

As you lay out your vision for strengthening and uniting this great nation, the charitable sector offers at least two unique assets:

First, we are a barometer. From big cities to coal mining towns, our sector touches nearly every corner of the nation. We know the communities we work in, perhaps better than anyone. For any leader seeking to understand the diversity of perspectives, experiences, challenges, and potential that define America, the charitable sector offers a valuable window into our communities and the role they will play in making America great again.

Secondly, we are a beacon. Our “on the ground” presence in every corner of the nation has resulted in unparalleled trust and goodwill among the public. Last year, we partnered with a team of bipartisan polling firms—TargetPoint Consulting (R) and Greenberg Quinlan Rosner Research (D)—to conduct a national quantitative survey to understand how voters view the charitable sector, its interaction with government, and tax policies that impact charitable giving. The research highlights that Americans across party lines believe the charitable sector should be entrusted to help government address the economic and social challenges facing our nation:

- 78% of voters, when provided background information on the sector, support a bigger role for the charitable sector in working with the federal government to produce more effective and efficient solutions to problems.
- 74% of voters trust charities with their checkbooks over the federal government.

These are among the most important assets we have as a sector, and we continue to work hard to build and steward them. We also stand ready, in partnership with your administration and the Congress, to apply those strengths to meeting the most pressing challenges now facing our nation.

Within hours of your election last November, approximately 1,000 nonprofit leaders assembled in Washington, DC, for an annual convening hosted by Independent Sector. They came from all corners of the sector, representing philanthropy, the arts, social services, the environment, and faith-based organizations, to name just a few. Together we identified several ways in which the whole of our community can commit to working with the federal government in service to the nation. Here are three ways that felt most important to us.

- We will be a bridge. Our sector has a long history of connecting Americans across divides and creating safe spaces for hard, but necessary, conversations.

As you seek to unite the nation, we are ready to work with you to connect diverse voices and perspectives across the nation and across the public, private, and nonprofit sectors.

- We will share what we are learning. Like change-makers in government and industry, our sector places a deep and growing importance on using evidence to improve organizational efficacy and increase mission impact. We are anxious to share with you what we continue to learn from the data, and to explore the ways in which, together, we can make the power of data more widely accessible to all who work to improve lives and the natural world.
- We will listen to and learn about the ways in which your administration plans to advance the cause of equity and inclusion in all communities. And we commit to creatively exploring with you how our considerable resources, talents, and networks can be used to leverage, improve, and to extend those efforts to achieve meaningful change.

The nonprofit sector stands ready to work with your administration in promoting opportunity, empowerment and prosperity for all Americans. But any successful partnership is built on reciprocity, and we therefore request two important commitments from our federal partners:

- Bring us to the table and use our talent. You understand better than most that voters distrust Washington. Everyday Americans want to know that voices from their own communities are considered in the federal policymaking process. With that in mind, we have two suggestions for your consideration. First, at your earliest opportunity, make it clear to the American public how you will regularly access the expertise of the sector, be it through an established or new office, a cabinet liaison, or some other means. Second, use the sector as a sounding board when crafting your upcoming State of the Union Address and reference in that speech how you aim to use the sector and its expertise as a means of healing divisions and bringing important perspective into the federal policy-making process.
- Seek first to understand. There is no doubt but that leaders across the public, private, and charitable sectors will face difficult trade-offs and decisions ahead as we build the economy and improve the lives of all Americans. Many of those decisions will have significant consequences for communities. We ask that before such decisions are made, you engage the sector to gain a comprehensive understanding of how those decisions will impact communities and the most vulnerable among us. While we may not always be in a position to support a

given policy position, we can help to ensure that you are working with a complete understanding of the full implications of envisioned policy initiatives.

Again, on behalf of the 1,000 sector leaders who came together in November to consider how we can best work with your new administration, thank you for your thoughtful attention to the points we have raised in this letter. We are eager to continue this conversation with the right leaders within your administration.

With kindest regards,

A handwritten signature in black ink, appearing to read "Dan Cardinali". The signature is fluid and cursive, with a prominent initial "D" and a long, sweeping underline.

Dan Cardinali

cc: Ado Machida