

POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

Season of giving?

This is the time of year when people give the most to charities. We've paid the annual household bills, and now we decide how much we have to spare for others.

There are more than 950,000 charitable organizations registered with the IRS, not to mention churches, which are not usually required to file for tax-exempt status.

Overall, Americans donated \$358 billion to charity in 2014, which is an enormous figure, but still only 2% of our total national income.

Two-thirds of Americans give at least something to charity. Ironically, lower income Americans who donate give a higher percentage of their income to charity than wealthier Americans (see the chart, below right).

My wife and I belong to a group who should be giving a lot to charity: older people with a guaranteed income (pension and Social Security) and paid-off homes and other possessions. We are fortunate to be living in a time of very low inflation.

Since my wife retired eight years ago, we've spent the equivalent of half our income (tapping our savings as necessary) on charitable endeavors, but that figure includes these newspaper columns, which are either a public service or ego gratification, depending on your viewpoint. (Newspapers, which are vital to democracy, have been so hard hit by changing technology you can almost consider buying ads a charitable contribution.)

Our donations to local churches and non-profits have a direct impact on maintaining and improving the quality of life in our town.

Although Pottstown is considered a poor town, there are plenty of residents with substantial incomes (see the chart at right).

More than 1,200 households have incomes of \$100,000 or more. That does not include people who have grown up in Pottstown, or

have otherwise benefited from our town, but live in the suburbs.

For example, three former Pottstown superintendents of schools have retired in the last five years, and each of them has a guaranteed pension exceeding \$130,000 a year (not counting any spouse's pension) and lifetime health benefits.

They could give away half their income and what's left would still far exceed the state's median household income.

And that's just a few people whose pensions are a public record.

There are plenty of others who make the same or even more.

We are constantly talking about revitalization efforts in Pottstown, attracting new businesses and looking for government grants.

But if the affluent people who already live here would invest more of their surplus income in Pottstown, we — and they — would be a lot better off.



Commentary by
Tom Hylton

Pottstown household income	
Total households	9,734
\$100,000 to \$149,999	958
\$150,000 to \$199,999	174
\$200,000 or more	148
Total households above \$100,000 in income	1,248 (13%)

U.S. Census, 2014

Charitable giving	
Income	
\$0 — \$20,000	7.8%
\$20,000 — \$50,000	3.7%
\$50,000 — \$100,000	2.6%
\$100,000 — \$200,000	2.1%
\$200,000 — \$250,000	2%
\$250,000 — \$500,000	2.1%
\$500,000 — \$1,000,000	2.1%
\$100,000,000+	2.8%

IRS, 2011