

## Economic Impact of the One Big Beautiful Bill

Enacted in 2025, H.R. 1 included several provisions that directly undercut charitable giving and nonprofit financial sustainability. According to Indiana University, H.R. 1 will **reduce total annual charitable giving by an [estimated \\$5.69 billion per year](#)**.

H.R. 1 Provision	Who It Affects	Estimated Annual Impact
Universal charitable deduction (\$1,000 single / \$2,000 married) for non-itemizers	Roughly around 90% of taxpayers who take standard deduction	+\$4.39 billion (adds 6-8.7 million new donors)
0.5% floor on itemized charitable deductions	Itemizing households	-\$2.43 billion
35% cap on deduction value for top bracket filers	High-income itemizing households	-\$6.10 billion
1% floor on corporate charitable deductions	U.S. corporations	-\$1.55 billion
<b>Total Impact</b>		<b>-\$5.69 BILLION/YEAR</b>

### What This Means for Communities

- **Major Donors May Pull Back:** The 35% cap on itemized deductions provision impacts donors who account for 57% of all itemized charitable giving. The projected \$6.1 billion annual loss wipes out any gains from the universal deduction enacted by Congress.
- **Corporations Will Likely Give Less:** The new 1% floor on corporate charitable deductions removes the tax incentive for giving for more than 70% of U.S. corporations. Only 28% of companies currently give at or above the 1% threshold.
- **Federal Funding Cuts Compound the Crisis:** The Trump Administration’s cancellation and freezing of federal grants and contracts have devastated nonprofit budgets. The Urban Institute found that [1 in 3 nonprofits experienced government funding disruptions in early 2025](#), causing nonprofits to lose [nearly 30,000 jobs in 2025](#).
- **Communities Are Most Harmed.** Without the resources they need, nonprofits have been forced to cut services, reduce staff, or even close their doors. Ultimately, the people and communities that rely on nonprofit services will be harmed the most.