Research Article

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Nonprofit Planning and Impact with Regard to the 2018 Tax Law

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The Tax Cuts and Jobs Act (TCJA) is considered the largest tax overhaul since 1986 and was anticipated to produce declining charitable donations for nonprofits and was expected to create disruption across the nonprofit sector in 2018. This study tests whether small nonprofits (under $250,000 in revenues) or large nonprofits (over $250,000 in revenues) planned differently due to the law and secondly, how they were affected by the law. Utilizing survey data from 50 nonprofits, this research offers qualitative data on both large and small nonprofit organizational awareness as it relates to the rollout of the law.

Keywords: Tax Law, Nonprofits, Surveys, Tax Cuts and Jobs Act, Nonprofit Size

Introduction

With the passage of the Tax Cuts and Jobs Act (TCJA) in 2017, the tax law (Public Law No: 115–97) which was signed by President Trump on December 22, 2017, and took effect in 2018, was expected to have major ramifications for the nonprofit sector. Considered the largest tax overhaul since 1986 (Tax Foundation, 2017), this law was anticipated to produce declining charitable donations for nonprofits and was expected to create disruption across the nonprofit sector. Although there have been minor nonprofit related tax law updates since the TCJA's passage such as the $300 charitable deduction for nonitemizers in 2020 (Chubb, 2020), the TCJA remains a major tax law worthy of study as it relates to the impact of charitable giving to nonprofit organizations.

In 2017, United States charitable giving had grown to the largest number on record, reaching $410.02 billion, with individuals donating $286.65 billion of that total amount (Indiana University Lilly Family School of Philanthropy, 2019). Recently, the number of households donating declined from 68% in 2002 to 55.5% in 2014 prior to the TCJA (Indiana University Lilly Family School of Philanthropy, 2019).

With the passage of this tax law, the number of individuals itemizing their deductions is expected to decrease and therefore reduce the number of those receiving credit for charitable giving. The Tax Policy Center at the Urban Institute and Brookings Institution estimates that the number of households claiming a deduction for charitable contributions will fall from 21% under the prior law to 9% under the new TCJA law (Gale et al., 2018, p. 21). According to Howard Gleckman (2018) of The Tax Policy Center, the law is expected to reduce charitable giving by approximately 5% (Gleckman, 2018, p. 4).

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Further, Rikki Abzug (2019) noted that, "The hurried passage of the bill by Christmas of 2017, meant that by the beginning of 2018, nonprofit leaders, practitioners, and advocates, were scrambling to try to understand the new provisions by which they would have to abide" (Abzug, 2019, pg. 1).

Knowing that this tax law would have implications for nonprofits, this leads to the research question: With the onset of the law, are 501c3 nonprofits with under $250,000 revenues (small nonprofits) less aware than 501c3 nonprofits with over $250,000 revenues (large nonprofits) about the effects of the Tax Cuts and Jobs Act on their anticipated charitable giving?

Since smaller nonprofits would have less resources to follow developments on the tax law or to employ individuals with such knowledge, the hypothesis speculates as to whether these small nonprofits might be less aware. However, results from organizational surveys will test this hypothesis to ultimately determine whether smaller nonprofits do have less awareness.

I collected original empirical data featuring 50 nonprofit organizational surveys across 13 states in America in 2018, during the first year of the law's implementation. Nonprofits were split into two groups: under $250,000 in revenues (termed 'small nonprofits') and over $250,000 in revenues (termed 'large nonprofits'). The organizational surveys featuring qualitative data were completed by 50 nonprofit organizations who were issued a set of fixed questions such as "How has your nonprofit been affected by the Tax Cut and Jobs Act of 2017? If yes, how so?" and "Has your nonprofit planned differently due to the Tax Cuts and Jobs Act of 2017? If yes, how so?" This mix ensures a yes/no answer to the questions but also offers additional qualitative evidence that provides a deeper picture regarding this awareness.

Theoretical Background: Charitable Deductions as a Tax Incentive

Literature Shows People are Motivated by Tax Incentives

Charitable giving by individuals is affected by tax incentives. One study based on interviews with 500 grantors of large charitable trusts found that 27% of all donors are primarily motivated by tax advantages (Cermak et al., 1994). In a survey of charitable giving to medical research foundations, Dawson (1988) showed that income or the motivation to take advantage of tax benefits was a significant predictor of amount given to these foundations. Further, Clotfelter (1985) found that charitable deductions, tax rates, and other items associated with the tax system do affect the size and amount of charitable giving. Smith (1980) noted that economic motivations, including potential tax changes, is likely the most important of all mediators of giving. Auten et al. (2002) found that taxes affect the level of contributions by an individual in multiple ways. Peloza and Steel (2005) recognized that tax deductions for charitable giving end up resulting in a larger amount given to the charity. Specifically, they found that a decrease of $1 in the cost of giving through tax incentives can actually yield greater than $1 in donations by an individual to a nonprofit.

Further, the wealthy alter their charitable giving the most when tax incentives change. Steinberg (1990) noted that wealthy donors are more sensitive to price elasticity over tax law changes, than others. Auten et al. (1992) also found that high income taxpayers are most affected by increases in the tax price of giving and that in response they often decrease their contributions.

In sum, charitable giving by individuals is affected by tax incentives and this is particularly true for wealthy individuals. Therefore, the research question which addresses whether nonprofits are aware of the new tax law's effect on charitable giving is relevant.

Literature Shows Giving Expected to Decrease with Passage of the 2017 Tax Law

There is ample literature that shows expected charitable giving was predicted to decrease with the passage of the 2017 tax law. This tax law, with most tax effects beginning January 1, 2018, was anticipated to have implications for charitable giving to nonprofits since the law was expected to reduce the number of itemizers. Prior to the tax law, approximately 25% of taxpayers itemized deductions on their returns (Rosenberg et al., 2016) and so the charitable deduction changes could affect up to one-quarter of Americans. However, these one-quarter of taxpayers who itemize actually contribute most of the charitable giving. They contribute 82% of all charitable giving (Rosenberg et al., 2016), so a tax law change affecting those 25% of taxpayers has major ramifications.

As mentioned previously, the Tax Policy Center at the Brookings Institution and Urban Institute predicted the number of households claiming a deduction for charitable contributions would fall from 21% to 9% due to the law (Gale et al., 2018, p. 21). Gale et. al. also predicted that the number of households who claim a deduction for charitable contributions will fall from 37 million to 16 million in 2018, which is the first year the tax law is in effect (Gale et al., 2018, p. 21). Gleckman (2018) noted that the share of middle-income households who could claim the charitable deduction would drop from 17% to 5.5%.

A reduction in the number of households claiming a deduction for charitable contributions does not necessarily presume a reduction in charitable giving. However, additional research had predicted that this would be the likely result. Indiana University's Lilly Family School of Philanthropy and the Independent Sector produced the research report *Tax Policy and Charitable Giving Results* in May 2017 which offers an overview of proposed policy changes on charitable contributions and government tax revenue as the TCJA law was taking shape. One of the findings was that the current tax proposals (before TCJA passage) would reduce charitable giving by between $4.9 and $13.1 billion (Indiana University Lilly Family School of Philanthropy and the Independent Sector, 2017).

Another study also found evidence of an anticipated charitable giving decrease. Stallworth and Rosenberg (2017) estimated that charitable giving as a result of the law would decline by between $12 and $20 billion in 2018, or between 4% and 6.5%. Further, they argue that economists generally agree that the tax deduction increases charitable giving (Stallworth & Rosenberg, 2017), so any effort to reduce this tax deduction would have implications for donations by individuals to charities.

During the 1980s, there was a time when non-itemizers were able to deduct donations to charity and this allowed a researcher to determine whether the tax incentive led to increased giving. Duquette (1999) found that while charitable giving by nonitemizers is responsive to tax incentives, it is more responsive for itemizers. The implication from this finding is that these reductions in tax incentives via the TCJA would also face a decline in charitable giving.

A George Washington University study noted that this decline in predicted charitable giving from TCJA would be so great that it would also result in losing 220,000 nonprofit sector jobs (Gates, 2017).

The Philanthropy 2018 & 2019 Outlook recognized that many individuals bumped up their donations in 2017 to beat the upcoming tax changes, which will likely result in a major decline in charitable giving for 2018 (Indiana University Lilly Family School of Philanthropy, 2018).

In addition, the National Council of Nonprofits issued 2018 Tax Law guidance to nonprofit board and staff members that mentioned this anticipated reduction in charitable giving due to the law (National Council of Nonprofits, 2018).

One research team even went so far as to release guidance as to potentially reverse the effects of this anticipated TCJA charitable decline. After Indiana University's Lilly Family School of Philanthropy and the Independent Sector predicted a charitable decline (Indiana University Lilly Family School of Philanthropy and the Independent Sector, 2017), they then analyzed five policy tax proposals that could potentially return levels of charitable giving post TCJA implementation. Their findings included weighing the potential effects of a non-itemizer charitable deduction, a non-itemizer with a modified 1% floor, a non-refundable 25% charitable giving tax credit, and an enhanced non-itemizer charitable deduction (Indiana University Lilly Family School of Philanthropy, 2019).

The literature distinctly anticipates a drop in charitable giving as a result of the TCJA law. However, the literature does not offer a nonprofit organizational awareness of this anticipated drop, and further, does not provide that organizational awareness by size of nonprofit. What is missing from the literature is a perspective on nonprofit organizational awareness of this anticipated charitable giving decline due to the law and further, how nonprofit organizational size may affect this awareness.

Data Collection and Methods: 50 Nonprofits Surveyed

I designed an open-ended survey that was distributed to nonprofit organization leaders with a set of fixed questions resulting in primary data collection. In September and October 2018, these surveys were collected from 50 nonprofit organizations in the United States across 13 states. These surveys explicitly utilized a representation of all four regions (Northeast, Midwest, South, and West). The states surveyed were the following: Minnesota, Texas, Connecticut, West Virginia, Oregon, Florida, Pennsylvania, South Dakota, Michigan, Missouri, Georgia, California, and Utah. These states were selected to ensure a large and small population mix, in addition to, a regional mix.

Charity Navigator has a repository of over 160,000 rated nonprofits in the United States (Charity Navigator, 2021) and this nonprofit organization was utilized for sourcing nonprofits in August–October 2018. Nonprofits were selected from 13 states in Charity Navigator's database and an attempt was made to procure equal numbers of returned surveys from nonprofits in two categories, under $250,000 in revenues and over $250,000 in revenues. 20 surveys were received from nonprofits with under $250,000 in revenues and 30 surveys were received from nonprofits with over $250,000 in revenues. An attempt had been made to procure equal numbers of surveys from both categories, but the 60%/40% split was due to the submission rate of the nonprofit leaders. Likely due to more staff, larger nonprofits submitted surveys at a higher rate.

According to Lee et al. (2012), 71% of public administration articles in the top five public administration journals which utilized primary survey data utilized samples of fewer than 500 cases. They further added that their findings in the public administration literature generally featured small-scale surveys. Initial contacts were made with 334 nonprofits via email with additional email reminders and phone follow-ups as needed in order to obtain the sample size of 50 nonprofits. A total of 49 nonprofits completed the survey in full and one additional nonprofit completed the survey partially.

The return rate from these organizational officials was 15%. In this research design, the surveys were both targeted to organizational officials and also included open-ended questions, so the response rate would differ from a close-ended general population survey which would often beget a higher response rate. In this research design, survey participants were also not forced to respond which can provide a higher response rate, but may distort the responses (Baruch, 1999).

The goal was to obtain completed questionnaires from two nonprofit groups, those reporting under $250,000 in revenues in years 2015, 2016, or 2017, as well as those reporting over $250,000 in revenues over the same time period. The cutoff of $250,000 was utilized as this was approximated to be where a charity would start to ramp up a professional staff. It was estimated that a charity under $250,000 may be all volunteer or operate with minimal personnel only.

Thirty surveys were completed by nonprofits with over $250,000 in revenues. An additional twenty surveys were completed, including one partially completed, from nonprofits with under $250,000 in revenues. A list of the nonprofit organizations can be found in Appendix A.

Surveys were completed in September and October 2018 with fifty nonprofits across the United States. Each nonprofit assigned an organizational representative to fill out the survey. The survey was completed by either an organizational leader or professional at the nonprofit. The names of interviewees are not disclosed, and organizational anonymity was granted if the nonprofit so desired. The nonprofits were asked the following questions for this phase of the research:

- Has your nonprofit planned differently due to the Tax Cuts and Jobs Act of 2017? If yes, how so?
- Has your nonprofit been affected by the Tax Cuts and Jobs Act of 2017? If yes, how so?

The goal for these questions was to learn awareness of the Tax Cuts and Jobs Act of 2017.

Researchers utilize questionnaires as a quantitative data type that obtains primary data and are most useful when the research question calls for a descriptive research design (McNabb, 2008). As evident, these survey questions first asked a yes/no question which is considered a closed question. However, each of the two closed questions, were then followed up with an open–ended question. Open–ended questions allow the interviewee to answer the question however they wish and with as little or as much information as needed (McNabb, 2008). Yin (1994) adds that open–ended questions allow for a researcher to seek facts and obtain an interviewee's opinion about details.

Findings

As mentioned previously, a total of 50 surveys were returned from nonprofits in September and October 2018. This included 20 surveys from nonprofits with under $250,000 in revenues and 30 surveys from nonprofits with over $250,000 in revenues.

Planning Differently

For the under $250,000 in revenues nonprofit category (henceforth, smaller nonprofits), the revenues ranged for reported exact figure responses of $31,539 to $221,269. For the over $250,000 in revenues nonprofit category (henceforth, larger nonprofits), the revenues ranged for reported exact figure responses of $312,486 to $42,301,608.

For the smaller nonprofits, 19 out of 20 answered the survey question: "Has your nonprofit planned differently due to the Tax Cuts and Jobs Act of 2017? If yes, how so?" However, the nonreporting nonprofit did answer the follow-up question: "Has your nonprofit been affected by the Tax Cuts and Jobs Act of 2017? If yes, how so?"

By the time of the surveys in September and October 2018, the law had been in effect roughly 9 to 10 months. Regarding the first question about their smaller nonprofit planning differently due to the TCJA, 18 of the 19 smaller nonprofits reported they had not planned differently. One smaller nonprofit reported they had planned differently. This equates to 5% of the smaller nonprofits planning differently due to the TCJA of 2017.

Dream Catcher Stables Inc., which was the sole nonprofit stating they had planned differently due to the TCJA law, noted, “We continue to encourage donations large and small. For capital reasons we have added a recycling campaign.”

However, there were many reasons as to why almost all of these small nonprofits had not planned differently due to the law.

Some qualitative answers suggested smaller nonprofits were not concerned about the TCJA Law. Health Access Connect, Inc. of Texas, described the following, “I don’t think it will lead to wide shifts in donor interest. It might be more consequential if we were a larger organization or more dependent on large donations from high-net-worth individuals.” Despite the law’s implementation, a small nonprofit in South Dakota said, “Our plan and mission to create a better educational system towards agriculture has not changed” (Confidential South Dakota 002). Another small nonprofit in South Dakota added, “No change to our mission or plans” (Confidential South Dakota 001).

Other small nonprofits were concerned but uncertain or unaware. Minnesota Brownfields in Minnesota reported, “We are small (4 FTE employees) so don’t have the ability to analyze the impact of the change, but we do understand that it could be negative bc of less incentive for charitable contributions.” Hemistar Conservancy in Texas said, “We think the jury is still out with regard to impact on fundraising for our project.”

Another small nonprofit in Pennsylvania answered no to the question of whether they were planning differently due to the law; however, they said, “We have been doing more fundraisers to make up for decreased donations” (Confidential Pennsylvania 001). Since their answers seemed somewhat contradictory, this suggests some ambiguity here as well.

For the larger nonprofits, thirty answered the survey question: “Has your nonprofit planned differently due to the Tax Cuts and Jobs Act of 2017? If yes, how so?” Of those, 5 of the larger nonprofits said yes and 25 said no. This equates to approximately 17% of the larger nonprofits planning differently due to the TCJA of 2017.

Of the large nonprofits who noted they had planned differently, their qualitative information suggested there were many actions they were taking to plan differently. The Minnesota Chorale wrote, “We are carefully monitoring the potential impact this legislation will have, especially if it has a negative impact on donations from individuals.” Connectkids Inc. in Connecticut said that the way they are planning differently is to, “Try to find staff that is long-term and to stretch our funds.” A West Virginia large nonprofit noted that they were planning differently due to the TCJA law but added they were also concerned about a decrease in state funding at the same time, “Because of less government support (mostly state funding) we embarked on an endowment campaign to build some reserves as the state funding will continue to drop off (or so we project)” (Confidential West Virginia 011). Another large West Virginia nonprofit noted that, “We plan on reaching out of our community for help and to achieve greater results in our mission” (Confidential West Virginia 012). Tomorrow’s Rainbow Inc. in Florida, said, “We are asking individual to make long-term donation to address the new tax so that they can receive their deduction.”

As for those large nonprofits who noted they did not plan for the TCJA law, there were many reasons cited. The Montrose Center in Texas said, “We don’t know how to plan, there is such uncertainty.” A large nonprofit in Oregon said, “we will monitor to see how it impacts YE giving” (Confidential Oregon 010). A large nonprofit in Georgia said, “Not yet, because we were not prepared for the huge decrease this year, but we have already started to think about what we will need to do differently next year to convince people to still donate and invest in our services" (Confidential Georgia 011).

To summarize the results of question one, "Has your nonprofit planned differently due to the Tax Cuts and Jobs Act of 2017? If yes, how so?" only 5% of the smaller nonprofits planned differently due to the TCJA of 2017, whereas 17% of the larger nonprofits planned differently. This suggests that there was not much planning associated once the TCJA was passed by either the small or large nonprofits. Less than 1 in 5 large nonprofits from the sample planned at all and only 1 in 20 small nonprofits planned accordingly. Further, there was more planning associated with the large nonprofits, a difference of 12%.

The reasons small nonprofits gave for not planning for the TCJA law included that they were not concerned about the TCJA law, they were uncertain, or they were unaware. The reasons larger nonprofits gave for not planning for the TCJA law included that they were uncertain or had not started planning yet. In other words, there was uncertainty about what the TCJA law would mean for their nonprofits.

The reasons larger nonprofits gave for planning for the TCJA law included that they are monitoring incoming donations to see if there is a negative impact, looking to stretch funds, greater emphasis on community donations, and encouraging charitable deduction tax planning to better align with the law. These larger nonprofits who did decide to plan did so because they expected a financial reduction in charitable giving due to the TCJA law.

Affected by Law

The second question, "Has your nonprofit been affected by the Tax Cuts and Jobs Act of 2017? If yes, how so?" was utilized to provide qualitative information regarding how these nonprofits were affected by the law since the law had now been in effect 9 to 10 months at the time of the surveys. Twenty small nonprofits answered this question with the following responses: 15=no, 1=not yet, 3=uncertain, and 1=yes. So, 75% of small nonprofits did not believe the TCJA had affected them, despite the law being in effect for 9 to 10 months.

The majority of small nonprofits reported no impact, some impact, or uncertainty concerning how their nonprofit had been affected by the Tax Cuts and Jobs Act of 2017. Some small nonprofits reported no impact. A small Texas nonprofit said, "No, except our students are finding more jobs available which allows them to use the experience and training they have gained from our time together" (Confidential Texas 001). Health Access Connect, Inc. in Texas noted, "Not that I know of yet." A Connecticut small nonprofit said, "No it has not since [confidential] has changed names" (Confidential Connecticut 002).

One small Pennsylvania nonprofit alluded to negative impact, but did not explicitly state as such, "...The economy itself reflects on donations. The less people have, the less they can donate" (Confidential Pennsylvania 001).

Another small nonprofit reported uncertainty, "Not sure at this time. Probably not affected to [*sic*] much since we are a smaller organization" (Confidential Connecticut 001).

In sum, the small nonprofits reported no impact, negative impact, or uncertainty concerning how their nonprofit had been affected by the law.

Thirty large nonprofits answered this question with the following responses: 17=no, 5=not yet, 4=uncertain, and 4=yes. So, 57% of large nonprofits, the 17 nonprofits reporting "no," did not believe the TCJA law had affected them.

Large nonprofits reported a range of answers including positive impact, uncertainty, no impact, or negative impact.

There were some large nonprofits reporting positive impact from the TCJA law. One nonprofit who was encouraging early donations and tax planning due to the law said, "We are doing good compare [*sic*] to prior years like 2010–2016" (Confidential Florida 011). Missouri nonprofits noted, "Yes, overall improvement of the economy seems to have impacted generosity" (Confidential Missouri 011), and "We continue to grow staff. Funding sources have increased" (Confidential Missouri 012).

Another nonprofit that reported impact, reported it but in a negative fashion. A large Georgia nonprofit noted, "We cannot say with 100% certainty that the legislation affected us, but it is easy to assume that it did because of the large decrease in individual support we have received so far this year. Because most individuals elected the standard deduction, there was less of an incentive to give to nonprofit organizations like ours."

Other large nonprofits reported uncertainty due to the law. VSA Minnesota reported, "It is too early to know. I think we will have a better idea come about January 15, 2019." Connectkids Inc. of Connecticut said, "Possibly affected but we are a small organization so it is hard to tell right now." Another large Connecticut nonprofit said, "Unsure at this time" (Confidential Connecticut 010). The large West Virginia nonprofits shared, "Not that we know of yet. We work on fiscal year, so are looking towards the end of year giving to tell the tale" (Confidential West Virginia 010), and "We do not know right now. Next year we will have more access to this question" (Confidential West Virginia 011).

A few large nonprofits reported no impact. One large nonprofit reported, "I am not aware of our agency being affected by this act" (Confidential Texas 010). A large Missouri nonprofit noted, "Not yet" (Confidential Missouri 010).

In addition to commenting on how the law had potentially affected the large nonprofits, two nonprofits noted annoyance at who the law benefitted. The Montrose Center in Texas reported, "Not yet, but we expect funding cuts to cover the growing deficit caused by giving the 1% huge tax cuts." A confidential Michigan large nonprofit added, "The Tax Cuts and Jobs Act that the Trump Administration passed does not help the people that we service. We would rather have seen those tax breaks given to the people that actually need the extra money as opposed to the top 1%" (Confidential 010).

In sum, there was more awareness by the large nonprofits (43%) than the small nonprofits (25%) that the law had affected or might affect them. Finally, it is also important to note that some large and small nonprofits are funded with mostly or all government sources rather than individual donations. For instance, one large George nonprofit stated, "Budgets are always set in place for nonprofits that receive federal funding over a year in advance so we are unlikely to know of the impacts of federal legislation until the following year" (Confidential Georgia 010). A small nonprofit said we "work in mental health, so we are not a big receiver of donations in the first place" (Confidential Texas 003).

Discussion

Post-Law: What Happened?

The researchers, such as those at the Tax Policy Center, who predicted the law's potential impact, in addition to, the charitable organizations surveyed, were not privy to the 2018 data when delivering their assessments. However, post-surveys, there is now data on what occurred with regards to charitable giving within the first full year of TCJA implementation during 2018.

The IRS reported that the number of people who itemized in 2017 was 46.2 million and post-law, the number who itemized in 2018 was 16.7 million (Mercado, 2020, pg. 3). Further, the IRS reported 36.8 million charitable contributions on 2017 tax returns (pre-law) but that dropped significantly to 13.9 million for 2018 tax returns (Mercado, 2020, pg. 3).

Giving USA 2019: The Annual Report on Philanthropy for the Year 2018 noted the 2018 estimate for individual donations declined 3.4% when adjusted for inflation from 2017 to $292.09 billion (Giving USA, 2019). This report noted that part of the reason the individual giving decline was not steeper was due to the strong economy having a positive effect on individual giving (Giving USA, 2019).

The 2020 Covid–19 pandemic brought new minor nonprofit related tax legislation such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act which instituted a $300 above the line charitable contribution deduction (Chubb, 2020) which could potentially help buffer some of the effects of this decline in individual giving with regards to the TCJA law.

Regardless, the researchers correctly predicted the trend that there would be a decline of itemizations in 2018 and a decline in 2018 charitable giving.

Implications

According to the Tax Foundation, the TCJA was the "most significant tax code overhaul in over three decades" (Tax Foundation, 2017, pg. 1). Yet, there was not much nonprofit organizational awareness of a major tax law passed 9–10 months earlier that would likely have implications for their donations. Although some nonprofits have other revenue sources, including government funding, donations remain a major source of revenue for many nonprofits. So, the notion that these nonprofits had little awareness of an upcoming revenue decline is telling. There was a disconnect between how these large and small nonprofits had planned for regarding the TCJA versus how the public policy literature had documented likely anticipated outcomes, including that of the Tax Policy Center at the Urban Institute and Brookings Institution and Indiana University Lilly Family School of Philanthropy.

As noted, 5% of the smaller nonprofits reported planning differently due to the TCJA of 2017 and 17% of the larger nonprofits planned differently. So, as the hypothesis offered, the larger nonprofits had more awareness than the small nonprofits. However, the large nonprofits still were largely unaware. This finding might be surprising as one would expect larger nonprofits to have more professional staff to track these updates.

Regarding the second question, 57% of large nonprofits and 75% of small nonprofits did not believe the TCJA had affected them, despite the law being in effect for 9 to 10 months. So again, despite the public policy literature predicting an anticipated affect, the nonprofits, in both large and small categories, were largely stating there was no impact on revenues via donations within the first 9 to 10 months.

When the large nonprofits who did report some type of effect, it ranged from "not yet" or "uncertain" to an explicit "yes." So, there was some uncertainty as to the impact of the law.

Reframing these results, 5% of smaller nonprofits reported planning differently, but yet, 25% of the small nonprofits believed the law had either affected them or might have already affected them within the first 9 to 10 months. This 25% reported effect was only within the first 9 to 10 months of the law's implementation and so that percentage would likely have increased once a full year of donations were collected by the end of 2018.

Like the small nonprofits, there was also a disconnect between what the large nonprofits planned for versus what happened to them with regards to TCJA impact. 17% of larger nonprofits reported planning differently, yet 43% of the large nonprofits believed the law had either affected them or might have already affected them within the first 9 to 10 months. This 43% reported effect in the large nonprofits was only within the first 9 to 10 months of the law's implementation and so that percentage would likely have increased once a full year of donations were collected by the end of 2018.

In sum, although large nonprofits were more aware, they also were not as aware as they needed to be with regards to how TCJA might impact them. One potential solution is for the tax policy researchers, such as the Tax Policy Center, to produce a free video disseminated to nonprofits on how a major tax law could impact them. Another potential solution is for the National Council of Nonprofits to disseminate their findings more widely on how major tax reform can affect nonprofits (National Council of Nonprofits, n.d.). The Council has a document explaining impacts of TCJA and other laws (National Council of Nonprofits, 2018, April 5), and many of the organizations surveyed here could have likely benefited from this information had they been aware of such document. Further, the Council could disseminate this work by partnering with other organizations serving nonprofit leaders such as the National Association of Nonprofit Organizations and Executives which has trained over 17,000 charitable leaders (https://nanoe.org) or the National Association of Nonprofit Professionals (https://www.nanpp.org). Solutions such as these could help rectify the problem of both small and large nonprofits being uninformed about the impacts of this major tax law on their organizations.

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Appendix A. List of Nonprofit Organizations

A list of the nonprofit organizations surveyed, including those selecting anonymity.

Under $250,000 in revenues
Name of Organization, Amount of Revenues, Year of Revenues.

Minnesota
Protect Minnesota, $150,936, 2016
Minnesota Brownfields, $221,269, 2016

Texas
Dream Catcher Stables Inc., $77,547, 2017
Health Access Connect, Inc., $31,359, 2016
Hemistar Conservancy, $195,361, 2016
Confidential Texas 001
Confidential Texas 002
Confidential Texas 003

Connecticut
Confidential Connecticut 001
Confidential Connecticut 002
Florida
Florida Artists Group, Inc., under $50,000, 2017
Confidential Florida 001

Pennsylvania
Love to Langa, under $50,000, 2017
Confidential Pennsylvania 001

South Dakota
Confidential South Dakota 001
Confidential South Dakota 002

Michigan
Friends of the Novi Public Library, under $50,000, 2017
Confidential Michigan 001

Missouri
Vikings USA Boothel, MO, $82,880, 2017
Confidential Missouri 001

Over $250,000 in revenues
Name of Organization, Amount of Revenues, Year of Revenues

Minnesota
VSA Minnesota, $374,066, 2016
Confidential Minnesota 010
Confidential Minnesota 011

Texas
The Montrose Center, $7,767,573, 2016,
Confidential Texas 010
Confidential Texas 011

Connecticut
Connectkids Inc., $312,486, 2016
Confidential Connecticut 010

West Virginia
Confidential West Virginia 010
Confidential West Virginia 011

Oregon
Confidential Oregon 010
Confidential Oregon 011

Florida
Tomorrow's Rainbow Inc., $322,559, 2017
Confidential Florida 010
Confidential Florida 011
Confidential Florida 012

Pennsylvania
Brittany's Hope, $1,402,677, 2016
Camp Orchard Hill, Inc., $1,632,868, 2016,
Confidential Pennsylvania 010
South Dakota
South Dakota Community Foundation, $42,301,608, 2016
Confidential South Dakota 010

Michigan
Junior Achievement of SE Michigan, $1,528,621, 2017
Confidential Michigan 010

Missouri
Confidential Missouri 010
Confidential Missouri 011
Confidential Missouri 012

Georgia
Confidential Georgia 010
Confidential Georgia 011

California
HomeAid America, $758,357, 2016

Utah
YWCA Utah, $6,182,113, 2016