



**OCTOBER 2023**

# **Give and Your Economy Shall Receive**

## Economic Growth From Arizona's Charitable Tax Credit

**Author:** Kamryn Brunner

# Community Steward Fellowship – César Chávez

## About the Fellowship

Arizona's continued economic vibrancy will depend on its ability to maintain a strong sense of community, largely driven by a diverse and impactful philanthropic sector. The fellowship will focus on a number of economic policy topics pertaining to supporting communities in Arizona, including charitable spending, addressing free enterprise incentives for taxpayers and charitable organizations, and ways to better align Arizona taxpayers' dollars with Arizona priorities.

## About the Fellow



**César Chávez** served in the Arizona State Legislature from 2017-2023, providing an integral voice to the legislative process. Throughout his tenure, Chávez focused on bringing commerce and employment to the State of Arizona, taking part in many conversations that have led to the state's economic successes over the years; Intel's expansion and Taiwan Semiconductor Manufacturing Co.'s investment. Doing so he was considered the voice of reason amongst his colleagues, bringing together two divided caucuses to find commonsense and pragmatism within good policy. This led to Arizona's historic \$14 billion budget passed in the 2022 legislative session, in which he helped lead negotiations which resulted in \$1 billion dollars into public education, \$1 billion for water infrastructure, \$25 million for mental health, and \$60 million for the Housing Trust Fund. As Partner of Oracle Strategies, Chávez, intends to continue his career with the same approach. Finding common ground amongst all positions, by compromising on concessions that can be found in agreement. All with the goal of ensuring that the interests Oracle Strategies represents are met, meanwhile upholding valued relationships built over the span of almost two decades.

## About the Author



**Kamryn Brunner** is CSI Arizona's research analyst. In May 2022 she graduated from Grove City College with a B.A. in economics. She has interned for The Western Journal and has worked as a volunteer, page, and legislative aide in the South Dakota state capitol. She has also worked for a grassroots organization in Washington D.C. advocating for parents' rights in education. This background has given her a passion for understanding state governments and providing them with the information needed to serve their state in a beneficial way.

## About Common Sense Institute

**Common Sense Institute** is a non-partisan research organization dedicated to the protection and promotion of Arizona's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Arizonans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Arizonans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the Arizona economy and individual opportunity.

# *Teams & Fellows Statement*

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CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Arizonans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

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American Philanthropic

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Impact AZ

Midwest Food Bank

Phoenix Rescue Mission

## Letter From Our Fellow



I am thrilled to present to you the findings of our recent study on the Arizona Qualified Charitable Organization (QCO) and Arizona Foster Charitable Organization (QFCO) tax credits. This comprehensive analysis sheds light on the remarkable impact these tax credits have on Arizona, its communities, and the individuals who benefit from the support of nonprofits.

Our study underscores the substantial influence of these tax credits in promoting philanthropy and strengthening the charitable sector in the state of Arizona. Here are some key highlights:

**1. Boosting Charitable Giving:** The Arizona QCO and QFCO tax credits have encouraged substantial increases in charitable giving. Individuals and businesses alike have leveraged these incentives to make generous contributions to organizations that support causes they are passionate about.

**2. Community Empowerment:** By directing funds towards organizations that serve our communities, these tax credits play a pivotal role in addressing critical issues such as education, healthcare, social services, and more. The ripple effect of this support extends far beyond the initial donation, benefiting Arizona's most underserved populations.

**3. Nonprofit Sustainability:** Nonprofit organizations in Arizona have experienced tremendous growth and have been able to expand their programs and services, thanks to the consistent financial support received through these tax credits.

**4. Improving Lives:** Most importantly, the study reveals that the ultimate beneficiaries of this charitable giving are the individuals and families who rely on the services provided by nonprofits. From at-risk children to underserved populations, the impact of these tax credits on improving lives is immeasurable.

As you explore the details of this study, you will find compelling data that illustrate the profound effect these tax credits have on the fabric of our communities. The tangible impact on individuals and the collective betterment of society makes a compelling case for the continued support and utilization of the Arizona QCO and QFCO tax credits.

Thank you for your interest in this critical research. We hope this information serves as a catalyst for positive change in Arizona, where the power of giving can truly transform lives. Your ongoing support and dedication to our community make a world of difference.

Sincerely,

A handwritten signature in black ink, appearing to be 'César N. Chávez', written over a light grey background.

Honorable César N. Chávez  
Common Sense Institute Fellow

## Introduction

Non-profits are among the most trusted institutions in the United States. Over 50% of people say they have a high trust that non-profit institutions will do the right thing<sup>i</sup>. Part of this high level of trust is because they can provide direct services to people in need, they have familiarity within communities, and they are able to respond to immediate needs quickly when they arise. Additionally, their status as non-profits and reliance on volunteers and donations creates an aura of confidence. This is even more pronounced for certain organizations, like participants in Arizona's QCO/QFCO program. In fact, CSI estimates that Qualified Charitable Organizations (QCO's) and Qualified Foster Care Organizations (QFCO's) only get about a quarter of their revenues from government sources (versus a third of revenue overall for non-profits generally) - the rest comes from private sources. Because of these organizations' independence and because these programs do not depend on government, charitable non-profits can provide a nimble response and efficient relationship between individuals and charities directly. As a result of Arizona's efforts to encourage the public support of these organizations, the targeted tax credits for QCO's and QFCO's appear to have induced increased giving to QCO's specifically, and Arizona charities generally (beyond just the value of the credits themselves).

Recent revenue shortfalls and expected deficits may require policymakers to seek revenue and spending solutions. For example, earlier in 2023 state policy makers [repealed](#) the Results-Based Funding program and reallocated \$143 million from the Long-Term Water Augmentation Fund to the General Fund. To provide context around this specific program during such future conversations, CSI provides this report.

## Key Findings

- Arizona provides up to \$891 per individual taxpayer in tax credits for contributions to Qualifying Charitable Organizations and Qualifying Foster Care Organizations; over 200,000 Arizona taxpayers today (between 5% and 7% of Arizona taxpayers) use the credit to directly contribute over \$109 million/year to charities.
- According to CSI's review of the research, survey of qualifying organizations, and analysis of patterns of giving, the tax credits attract additional investment in non-profits through reputational effects –CSI estimates qualifying organizations would lose (directly and indirectly) between \$335 million and \$486 million in annual donations but for the QCO/QFCO program.
- State and federal tax data show that credit-ineligible taxpayer giving to Arizona non-profits continued growing even in the period immediately after the QCO/QFCO program was dramatically increased in size. This suggests the program supports new-net giving, rather than supplanting existing charitable donations.
- Based on its review of survey response data and public financial records, CSI estimates that between \$200 and \$292 million in charitable activity is directed to the states rural areas by Qualifying Charitable Organizations and due at least in part to support from the tax credit program.
- The net economic impact of increased charitable activity provided by qualifying non-profits due to the tax credit program and other induced giving is between \$0.7 billion and \$2.5 billion increase in annual state Gross Domestic Product and between 14,000 and 40,000 jobs created or supported annually.

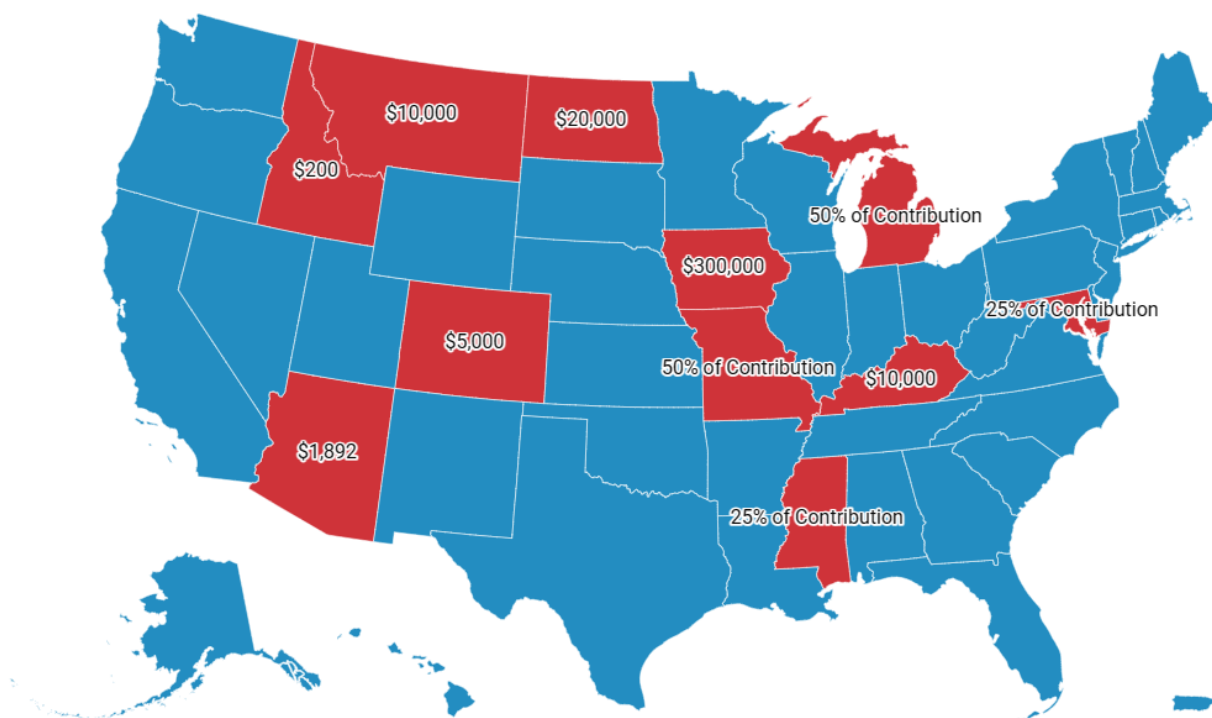
# Background & History

Figure 1

## State Charitable Giving Tax Credits

11 U.S. states have a tax credit to encourage charitable giving.

■ None ■ Charitable Tax Credit



Source: U.S. Census Bureau 2021 boundaries, Tax Notes • Amounts are tax credit caps for couples filing jointly

The tax credits for contributions to Qualifying Charitable Organizations and Qualifying Foster Care Organizations (QCO/QFCO) provides a 100% (“dollar-for-dollar”) income tax credit of up to \$500 for contributions to charitable organizations and a separate \$500 for contributions to foster care organizations (combined limits of approximately \$1,000 for single taxpayers or \$2,000 for joint filers). In order to qualify to receive credit eligible donations, an organization must be a 501(c)(3) non-profit that spends at least 50% of its budget on services that meet immediate basic needs such as cash assistance, food, clothing, shelter, job training and placement, childcare for Arizona residents who receive temporary assistance for needy families (TANF), are low income residents with household income below 150% of the federal poverty level, or are physically disabled. An estimated 136,000 individuals receive TANF cash assistance<sup>ii</sup> and 21% of Arizona residents (1.5 million people) are below 150% of the federal poverty line<sup>iii</sup>.



The tax credit for contributions to Qualifying Charitable Organizations was created in 1998 and intended to incentivize charitable giving. At the time, taxpayers could claim up to \$200 in credits on their state income taxes. In 2013, qualifying foster care charitable organizations were added as eligible QCO's for purposes of receiving credit-allowed donations<sup>iv</sup>; maximum credit-eligible donation amounts at the time were \$400 for single filers (\$800 for joint filers). In 2016, the credit was split into two parts, which effectively doubled the maximum amount taxpayers could donate to qualifying organizations. While a taxpayer's contributions to any one charity were still limited by statutory caps, a taxpayer could effectively now claim two credits by donating to both a QCO and a QFCO<sup>v</sup>. Today, inflation adjustments have increased combined credit capacity to over \$2,000 (joint filing) annually. While the credit is dollar-for-dollar on the taxpayer's return and does not require the taxpayer to itemize, it is not refundable; the taxpayer cannot reduce their income tax liability below zero using the credit.

The original Working Poor Tax Credit (created in 1998) – a predecessor to the modern QCO/

QFCO program - required taxpayers to establish a “base year” for their charitable contributions and then would give a credit for contributions above the amount given in the taxpayer's base year. While this was intended to ensure the credit subsidized only additional giving beyond what a taxpayer might typically or already donate (perhaps using their itemized deductions), in practice this step added additional administrative hurdles for taxpayers attempting to qualify for the credit and potentially excluded any taxpayer that did not itemize their taxes. Today this would represent 90% of all state income taxpayers. To address these problems, the “base year” requirement was removed in 2009; over the following five years, the average number of donors under the credit program jumped 174%.

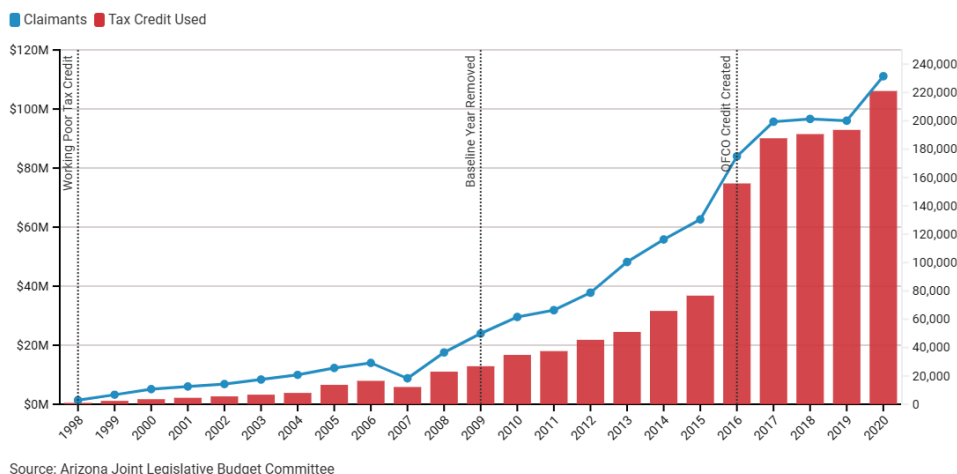
In 2016, when the tax credit was expanded to two separate credits for charitable organizations and foster care organizations and effective contribution limits doubled, corresponding contributions by Arizona taxpayers increased 103%; this suggests that taxpayer interest in the program is high and the credit limits are binding. Arizona donors to these charities appear to respond to changes in the credit program by changing the amount they donate.

Qualified Charitable and Foster Care Organizations provide similar services to government benefit agencies – including cash assistance, job placement, foster care, food, and shelter for low-income individuals and foster children. These organizations report demand is growing in part due to the rising of cost living since the pandemic, particularly for food, transportation and shelter in the Phoenix area. For example, due to the cumulative effects of inflation since the end of 2020, a typical household

**Figure 2**

**Charitable Tax Credit Use and Claimants**

Just in the last 10 years, the charitable tax credit has quadrupled with more people claiming the credit and contributing to Qualifying Charitable Organizations.



would have to spend nearly \$23,769 more every year to buy the same things today as they were three years ago; for low-income households targeted by these programs, that simply is not feasible. The cost of rent for a 2-bedroom apartment has increased by over \$600 since 2020<sup>vi</sup>, and the cost of buying a home is more expensive than ever<sup>vii</sup>.

As of 2023, a total of 1,200 organizations are certified Qualifying Charitable and Foster Care Organizations and between 190,000 and 231,000 taxpayers claimed one or both credits in 2020. As everyday items become more expensive, and the housing market becoming more difficult, the services provided by these organizations for the low-income populations in Arizona are increasingly important; CSI expects as more recent data becomes available, it will show that donor interest has continued to grow since 2020 as a result.

*Qualified Charitable and Foster Care Organizations provide similar services to government benefit agencies – including cash assistance, job placement, foster care, food, and shelter for low-income individuals and foster children.*

According to Philanthropy Roundtables 50-state Index of Charity Regulations, Arizona ranks 8th overall for ease-of-compliance with state and local regulation of non-profits. Arizona has made it relatively easy for non-profits to form and operate. In both paid solicitor regulations and audit requirements, Arizona ranks 1st among the 50 states as charitable organizations do not have to register with the state in order to solicit contributions and Arizona does not require an independent CPA audit. Arizona ranks 7th in overall start up regulations as the state has no top registration fee, does not require registration from charitable organizations, and non-profits do not have to apply for state tax exemption if they are already exempt from Federal income tax<sup>viii</sup>. This flexible regulatory environment cooperates with the state's taxpayer-facing initiatives incentivizing giving (like the QCO/QFCO credit) to support an environment with both lots of choices and lots of giving, consistent with the findings of this study.

## The CSI Nonprofit Survey

To help inform its understanding and analysis of the economic and social impacts of the tax credit program, CSI conducted a survey of Qualifying Charitable and Foster Care Organizations. The survey consisted of 20 questions about the organization's revenue, people served, location of the organization, and how much the organization has received because of the tax credit. From the list of 1,200 total organizations published by the Arizona Department of Revenue, CSI randomly selected 500 non-profits to receive the survey inquiry. Of those, 51 organizations responded to the survey.

Using data in these responses and from other publicly available data sources, including from the Internal Revenue Service and Arizona Department of Revenue, CSI was able to estimate the revenue generated, the population served by and other characteristics of all Qualifying Charitable and Foster Care Organizations in Arizona.

## The Relationship Between Taxpayers, Non-Profits, and Government

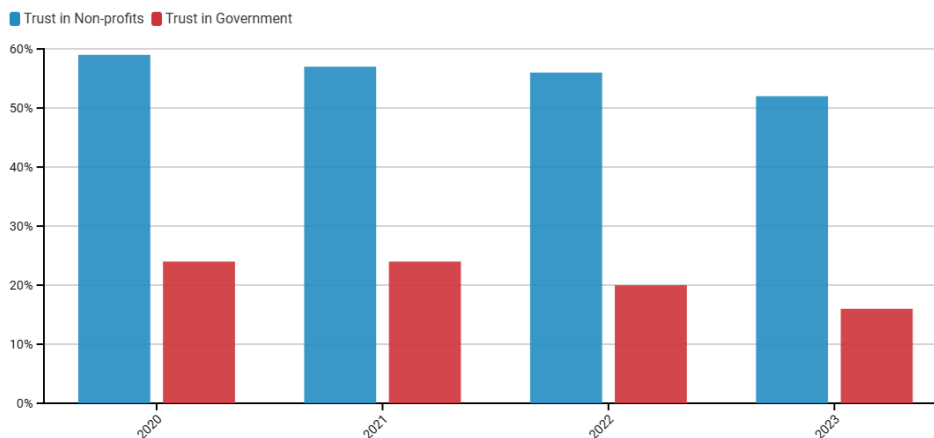
In many ways, non-profit charities and governments are both in the business of providing similar social services to their populations. Governments themselves often rely on non-profit partner to provide the “last mile” of services directly to a needy population, via grants to local charities. According to Urban Institute, one third of charity revenue in the United States comes from government grants<sup>x</sup>. On the front-end - competing for scarce taxpayer dollars directly – there is a documented crowding-out effect that occurs when government taxes (required to fund increased spending, much of which ends up ultimately targeting the same needy populations as local charities and some of which is even passed onto these charities directly as grants) “crowd out” individual donations. One study estimated this effect at up to 38 cents in reduced charitable giving for every dollar in additional taxes.

This effective competition is all-the-more relevant in the context of public trust. In general, recent national survey data has revealed a troubling trend of declining public confidence in traditional institutions<sup>x</sup>. This trend has accelerated since 2020. Non-profits, however, have been consistently rated one of America’s most trustworthy institutions by the public<sup>i</sup>. While trust in all institutions has been falling over the past four years, public trust in government has fallen by a third while trust in non-profits has declined only 12%. Today, over half of Americans have at least “high” trust in American charitable organizations, versus less than 16% for their government.

**Figure 3**

### Public Trust in Non-profits and Government

While trust in all institutions has been falling over the past four years, public trust in government has fallen 33% and trust in non-profits has fallen 12%.



Source: PEW Research Center, Independent Sector

On the other hand, in the absence of a government mandate in the form of taxes (and corresponding social spending), it is possible there would not be enough voluntary giving to provide sufficient support and services for those who need it. This could be particularly true in lower-income jurisdictions with the greatest need.

Considering all of these competing findings, it is clear why programs like Arizona's QCO/QFCO program are particularly valuable; they allow taxpayers some choice in where their state and local income tax dollars ultimately go (their government, or qualifying charities of their choice) based on their personal perception of need and value, while preserving the public's interest in ensuring a certain amount of the state's income is earmarked specifically to the provision of general social services. The taxpayer here is not simply allowed to retain their income to spend as they please; they are required by participation in this program to have substituted every dollar in income tax savings with donations of an equivalent amount to qualifying charities providing services to Arizonans.

An acute example of this disconnect between public perception and their government is homelessness; today nearly 80% of Arizonans believe homelessness is getting worse<sup>xii</sup>. According to state and federal headcount data, the number of homeless people in Arizona has increased 23% since 2020<sup>xiii</sup> while CSI estimates that state and local governments in Arizona have spent at least \$152 million directly on homelessness since the pandemic (and passed another \$640 million or more to other local entities and non-profits). Despite significant financial investment, local governments have been unable to respond to the growing homeless problem in a way consistent with the preferences of the public and taxpayers; Phoenix, for example, had to be compelled by court order to even begin clearing a large homeless encampment in the downtown area from the public rights of way<sup>xiv xv</sup>.

This lack of visible results from increased funding likely contributes to declining public confidence in government. Arizona's QCO/QFCO program allows taxpayers to instead divert resources to groups and organizations that they feel are better able to achieve needed results

## Taxpayer Impact

While our initial inclination may be to assume that a tax credit program's primary value for taxpayers is tax savings, this is not always the case. While it is true that a tax credit provides for a dollar-for-dollar reduction in taxability, in the case of programs like this, to qualify a taxpayer is required to spend just as much (or more) as they would have paid in taxes on other qualifying services (charitable giving, in this case).

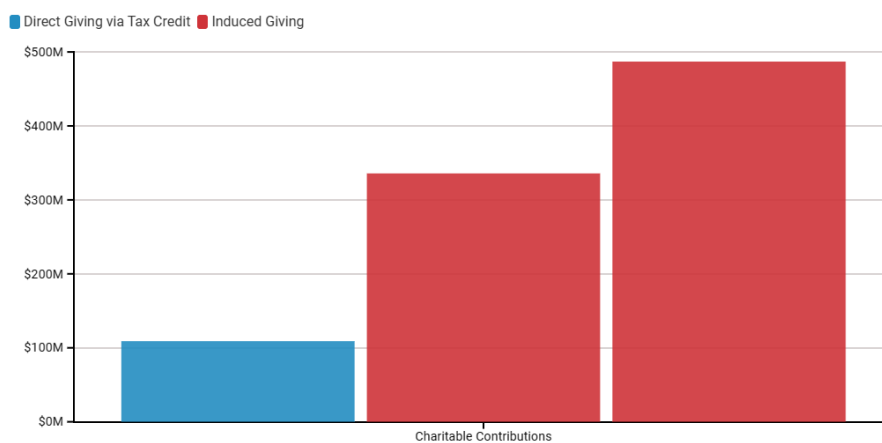
Why, then, do taxpayers choose to participate at all? It must be that they value the targeted good or service exceeds for them the value of the alternative (paying the taxes directly). Again, the intuition here is clear if the credit beneficiary is a good or service being provided directly to the taxpayer (like federal Energy Efficiency tax credits, for example, which reward taxpayers who replace their home air conditioning systems with income tax savings). But in this case, the QCO/QFCO is probably not providing services directly to the donating taxpayer. Instead, it appears that giving taxpayers believe the indirect social benefits provided by the qualifying non-profit are at least as valuable as those that would have been otherwise provided by their state government.

To increase charitable giving in Arizona and to benefit charities that provide necessary services for needy populations, policymakers in 1998 created the Working Poor Tax Credit. Since then, the program has undergone several changes making it easier to use and more valuable for Arizona taxpayers. Today, the tax credit provides a dollar-for-dollar income tax credit up to \$500 for individuals contributing to QCO's and up to another \$500 for individuals contributing to QFCO's. Only between 5% and 7% of Arizona

**Figure 4**

### Impact of QCO/QFCO Tax Credit

The Contributions to Qualifying Charitable and Foster Care Organizations tax credit encourages giving to charitable organizations beyond the amount of the tax credit



Source: JLBC, CSI Calculations • Dollars are in nominal (2023) dollars

taxpayers claimed the tax credit in 2020. While the average tax credit in 2020 for between 200,000 and 230,000 claimants was \$458, individual taxpayers could earn up to a total \$1,000 in tax credits if they contribute to both types of qualifying organizations. For reference, in 2020 the average filer in Arizona had a state individual income tax liability of \$1,752<sup>xvi</sup>.

It may be that the tax credit is an inefficient program because it simply allows taxpayers to claim dollar-for-dollar credits for charitable giving they were already making (and perhaps receiving a lesser tax benefit from via their itemized deductions). If this “cannibalization” theory were correct, and the credit program did not generate any new net-new giving, we might have expected to see itemized deductions for charitable giving fall following the large increase in aggregate credit caps in 2016 (from \$500 to \$1,000 annually).

At the same time, 5-year annual average credit-eligible contributions to QCO/QFCO’s increased from \$26 million to \$91 million during the 5 years after the credit expansion. These results suggest that the QCO/QFCO program complements – rather than substitutes for – other charitable giving, and likely induces a net increase in overall giving rather than a lateral movement of a fixed amount of giving between organizations.

The tax credit also allows taxpayers more control over where their tax dollars go. While Arizona state and local budget issues are political decisions that can be controversial<sup>xvii xviii</sup>, the tax credit for contributions to qualifying charitable organizations and foster care organizations allows taxpayers to be more selective in who receives those donations, and how they are ultimately used, but subject to general statutory criteria. This system of choice and competition introduced market-mechanisms that should increase the efficiency of giving. For example, it is estimated that, on average, as much as 70% of money budgeted for government assistance programs ultimately goes towards administrative costs and other overhead while only about 30% ends up directly benefiting final social service recipients<sup>xix</sup>. This occurs because at each step in the process between a tax dollar and its ultimate beneficiary, there are administrative costs – first when the money is collected by a state or federal government, then by the agency that receives an appropriation, then by the non-profit or local government that receives a grant or transfer, etc. By removing some of the layers of bureaucratic overhead between the taxpayer and the final needy household, the QCO/QFCO program potentially allowed for lower administrative loss-rates on donated monies.

The Arizona legislature also incurred other positive (and potentially unintended) effects, such as having a larger impact for rural areas. 76% of the state’s population live in the state’s urban counties (Maricopa and Pima). However, Maricopa and Pima have the lowest poverty rates out of all Arizona counties<sup>xx</sup>, and the average income in Maricopa County (\$75,001/year) is more than twice that of Navajo County (\$32,545).

*Today, the tax credit provides a dollar-for-dollar income tax credit up to \$500 for individuals contributing to QCO’s and up to another \$500 for individuals contributing to QFCO’s.*

While lawmakers and policymakers can and often do prioritize rural Arizona, it would be natural for their focus to principally be areas where there is the greatest concentration of voters, taxpayers, and economic activity. On the other hand, taxpayers have the flexibility to prioritize different needs, and charities in turn have the flexibility to move activity based on need and demand. For example, while over 80% of charities surveyed report being in Pima and Maricopa counties, 18% of organizations surveyed are located outside of Pima and Maricopa Counties (versus just 24% of the state's overall population). **And fully a third of qualifying QCO/QFCO organizations in Arizona provide substantial services to Arizona's rural population, according to our research<sup>1</sup>.** Suggesting, a substantial share of qualifying organizations located in the state's urban areas are providing services in rural Arizona. Assuming our results are representative of Arizona's QCO/QFCO population as whole this means that between \$200 and \$292 million (an estimated 33% of QCO/QFCO revenue) in charitable activity is directed to the states rural areas via this program.

Academic study also supports the conclusion that tax credit programs like this one provide for a net-increase in charitable giving beyond the value of the credits themselves. For example, a 2016 study of charitable tax credits by Teles found that a similar tax credit program for charitable giving in Iowa resulted in a 125% increase in per capita contributions to community foundations<sup>xxi</sup>. While Iowa's tax credit program is similar to the QCO/QFCO program in that it directly targets charitable non-profits, it is also different in that the state provides a credit on only a portion of giving but with much higher caps; the Arizona program provides a dollar-for-dollar credit but with lower caps. However, the general finding by Gupta and Spreen that increasing caps or limits on state tax credits for giving to non-profits increases the number and amount donated by taxpayers is probably applicable to Arizona<sup>xxii</sup>. Assuming their results translate to our program, the absence of our states QCO/QFCO program would reduce per capita giving to QCO/QFCO's specifically from between \$82 and \$119 to between \$37 and \$53 (a loss of between \$335 million and \$486 million annually in donations to qualifying organizations).

Another study of 46 tax credit programs between 2000 and 2016 at the Price School of Public Policy at the University of Southern California - conducted before Arizona expanded the Contributions to Qualifying Charitable Organizations Tax Credit to Foster Care organizations and increased the credit amount – found that a 100% tax credit like Arizona's could increase the probability of charitable giving by 3.3 percentage points<sup>xxiii</sup>. Given 3.5 million Arizona taxpayers, the QCO/QFCO tax credit could induce as many as 92,500 more Arizona taxpayers to contribute annually than would have otherwise. For context, between 190,000 and 231,000 Arizona taxpayers in total use the QCO/QFCO program, meaning as much as half of them would not give at all but for the existence of the tax credit (according to this study).

The number of qualified non-profits and qualifying contributions by Arizona taxpayers has continued to grow over time, and particularly since the 2016 legislative reforms that significantly expanded the program. That growth has persisted despite the pandemic, rising inflation, and various rounds of tax reform that have lowered Arizonans state and overall income tax liabilities. This is strongly indicative not only that taxpayers and non-profits value the QCO/QFCO designation, but that if anything that value is increasing over time and independently of other tax law changes (like 2017's Tax Cuts & Jobs Act and Arizona's 2022 2.5% flat income tax).

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<sup>1</sup>For our purposes, "substantial" means any organization that provides more than 10% of their services to rural areas in Arizona.

## Economic Impact of the Non-Profit Sector

While it is now clear that Arizona’s charitable giving tax credit programs creates subjective value for individual taxpayers and induces additional charitable giving beyond the programs direct cost, the tax credit provides some impact on the state’s economy – directly, by providing for increased revenue and employment by the non-profit sector, and indirectly through the social benefits these non-profits in turn provide to Arizonans in need. Research and evidence suggest that there are “multiplier effects” associated with economic activity, offset by opportunity costs. In this case, the QCO/QFCO program induced additional charitable giving to qualifying organizations, at the cost of slightly reduced public revenues. Because some of those revenue likely would have ended up going back to the same activities and even organizations through public grantmaking, though, the opportunity cost is likely even lower than the headline value of the credit program itself (approximately \$109 million). Non-profit organizations in turn use resources induced by the tax credits to hire more staff, increase spending, and provide additional social services.

For example, based on its survey response data, CSI estimates that credit-qualifying organizations in Arizona employ between 2,000 and 9,000 people directly and indirectly attributable to money donated by people claiming the QCO/QFCO income tax credit.

**Figure 5**

Category	Amount
Jobs	28,400
GDP	\$1.6B
Direct Output	\$1.12B

Source: REMI Tax-PI • Dollars are in billions of fixed (2012) dollars

To estimate the economic impact of the tax credit to the state’s non-profit or social assistance sector (and broader state economy), CSI used the Regional Economic Models, Inc. (REMI) Tax-PI model. This is a dynamic econometric program that estimates the impact of changes in regional economies using a representative sample of national and state-level macroeconomic data in an input-output model. The North American Industry Classification System (NAICS) defines “social assistance” as a sector that “comprises establishments providing social assistance for individuals. These services do not include residential or accommodation services, except on a short-stay basis.” The sector has its own category pre-defined within the REMI software and is composed of dozens of industries, ranging from “individual and family services” to “vocational rehabilitation services”.

To model the economic impact of the state’s QCO/QFCO tax credit program, we excluded the revenue collected by qualifying non-profits due to the tax credit from the social assistance industry output, and we reduced industry employment by the number of jobs our data suggests non-profits create and maintain only because of credit-eligible donations. Finally, we reduce overall private-sector Arizona employment across all sectors by the number of jobs that CSI estimates are created or support by job and vocational training, housing assistance, and other generalized economic assistance provided to needy low-income Arizonans. Our assumption is that but for this assistance these individuals would not be able to productively participate in the state’s private economy.



The resulting change in GDP, employment, income, and other measures of economic activity form our estimate of aggregate economic impacts of the QCO/QFCO program, or alternatively, the value of the economic activity that would be lost without the program. We use a low (more conservative) and high (more aggressive) estimate of the value of donations generated by the tax credit programs, and the number of jobs created or supported by social service activity to in turn generate high and low estimates of economic value; the mid-point between these two values forms our baseline point estimate. This approach allows us to separately consider the direct, indirect, induced, and dynamic effects of the health care sector on the overall economy.

Direct impacts are initial changes that occur specifically because of the definition of social assistance activities used – for example, the employment, wages, and salaries associated with all Arizona non-profits within the “social assistance” NAICS category. Indirect impacts reflect changes that occur in the supply chain for the directly impacted industries – for example, the suppliers that sell food, clothing, and other necessary supplies to the directly impacted non-profits. Induced impacts reflect changes that occur throughout the economy due to the loss (or gain) of wages and salaries in the directly and indirectly impacted industries – for example, retail spending by Arizona non-profit workers. And finally, dynamic effects are the geographic and compositional changes in the economy in response to the policy shock – like the movement of workers elsewhere when a large local employer closes. As a baseline, the REMI model assumes the Arizona economy employs 4.2 million people and has an annual (real, inflation-adjusted) Gross Domestic Product of \$379.1 billion (in 2022).

**CSI's baseline estimates of the tax credits impact on the combined non-profit sector and overall Arizona economy are:**

- **The creation or support of 28,000 jobs (direct and indirect) for Arizonans,**
- **A \$1.6 billion increase in state GDP**

These impacts persist even after assuming government spending would rise by \$109 million were this program repealed (due to increases in taxes paid).

**Figure 6**

Impact of Arizona's Contributions to Qualifying Charitable and Foster Care Organizations Tax Credit			
Category	Low Estimate	Mid Estimate	High Estimate
Jobs	14,640	28,400	42,280
GDP	\$0.7B	\$1.6B	\$2.5B

Source: REMI Tax-PI • Dollars are in billions of fixed (2012) dollars

To summarize: a \$1,000 tax credit program induces \$109 million in annual credit-eligible donations to 1,200 qualifying organizations; through halo and reputational effects, this induces between \$335 and \$486 million in total (credit-eligible and general) giving that would not have occurred otherwise; and finally, this spending and social-service provision by the non-profits generates \$1.6 billion in new economic activity within Arizona.

## Community Impact

Although the Contributions to Qualifying Charitable Organizations and Foster Care Organizations tax credits are beneficial for individual taxpayers and provides a boost to the state's economy, the intended outcome of the tax credit is to encourage charitable giving and provide a benefit to charitable non-profits<sup>xxiv</sup>. The tax credit continues to serve Arizonans as they believe that non-profits are providing a valuable service made possible with their tax dollars. For example, CSI estimates that Qualifying Charitable and Foster Care Organizations in Arizona **place 3,600 more people into jobs** and find **permanent housing for 4,400 more people** than they would have been able to but for existence of the income tax credit.

Charities and other non-profits provide last-mile services that government is often least able to do. Because these groups rely on local staff and volunteers and direct interactions with the targeted communities, they can provide direct public interaction that government often cannot. On the other hand, the government often tries to act as facilitatory – directing resources to non-governmental organizations via various public programs. This is often because the public shows a strong preference for institutions that are locally operated, and surveys have shown that people see small, local non-profits as more agile, understanding of, and responsive to the communities they serve. This places charities such as Phoenix Rescue Mission and Manzanita Outreach in a unique position to help their communities relative to other alternatives (like government).

Phoenix Rescue Mission, for example, spends 75% or \$18 million of their total expenses on program services according to their 990<sup>xxv</sup>. This includes things such as homeless outreach, food assistance, and vocational development. Their annual report says that they were able to distribute 78,800 boxes of food, help 198 people obtain jobs, and rescue 641 people from chronic homelessness in 2022<sup>xxvi</sup>. Manzanita Outreach, an organization that provides food assistance to people in Yavapai county, was able to serve 13,000 people and distribute 1.7 million pounds of food in 2022<sup>xxvii</sup>. 87% of their expenses go directly toward programs assisting people in Yavapai County<sup>xxviii</sup>. Taxpayers that contributed to these organizations and claimed the tax credit perceive the local non-profit as providing a more transparent and direct window into the tangible benefits their resources provide, versus the often indirect relationship created by government taxes and transfers.

## Community Impact of Arizona's QCO/QFCO's



### \$575 Million+

Dollars spent on QCO/QFCO Supported Assistance



### 10,600+

People placed into jobs



### 185,000+

Children supported by QFCO's

It can be difficult to capture the value created by programs and services beyond the dollars and the numbers, especially for programs at (for example) non-profits and charities, where profit and revenue is not the institutional or social goal. CSI's survey helped address that difficulty and found that the charitable organizations efficiently use tax dollars to benefit needy populations, and in some cases are better suited to serve these populations than government welfare agencies. For example, based on survey answers CSI estimates that qualified charitable organizations on average spend 81% of their revenue directly on assisting needy populations and only an average of 12% of their donations goes towards administrative costs and operations.

## *The Bottom Line*

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Arizona's tax credit for Contributions to Qualifying Charitable and Foster Care Organizations provides a way for taxpayers to allocate money directly to institutions that provide a service they value. As rising inflation affects more and more households in Arizona, making food and necessities difficult to afford, organizations that aid low-income and needy populations are proving ever more valuable to Arizona residents. QCO's and QFCO's in Arizona contribute between \$0.7 and \$2.5 billion to state GDP and add between 14,000 and 40,000 jobs. Beyond this economic benefit, we estimated that the tax credit for contributions to QCO's and QFCO's, through halo and reputational effects, induces between \$335 and \$486 million in total giving that would not have occurred otherwise.

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## Appendix A

The following tables are the participants and responses in CSI's Non-Profit Survey.

Table 1

1. Name of Organization
2. What county of Arizona is your organization located in?
3. How long have you been certified as a QCO or QFCO?
4. How much revenue does your organization collect in a typical year?
5. How much does your organization spend in a typical year?
6. How many employees and compensated staff does your organization have in a typical year?
7. How many volunteers does your organization use in a typical year?
8. In a typical year, how many unique individuals does your organization serve?
9. How much money does your organization spend in a year assisting the needy, low-income families, and foster population in Arizona (that is, spending on specifically QCO/QFCO eligible populations)?
10. Estimate how much revenue your organization receives specifically from taxpayers that are claiming the Charitable Contributions Tax Credit.
11. Do you inform donors of the tax credit available to them before/when they donate to your organization?
12. When did you begin providing charitable services in Arizona?
13. When were you first certified as a QCO/QFCO?
14. Can you comment on whether you have received more donations because of the tax credit, in your experience?
15. Is the population you serve also able to receive comparable assistance from local government run and funded programs?
16. Does your organization predominantly serve a rural (outside Maricopa and Pima County) or urban population? Estimate the share of your services if any provided to rural beneficiaries.
17. Approximately what percentage of the donations or revenue your organization receives goes towards administrative costs and operations?
18. What percentage to other support services (marketing, events, etc.)?
19. Finally, approximately what percentage of your revenues go directly towards providing services to qualifying individuals?
20. Comments, questions, or concerns for Common Sense Institute?

## Appendix B

CSI sent the above survey to 500 randomly selected charitable organizations from the Arizona Department of Revenues 2023 List of Qualifying Charities. Below for transparency is the list of all randomly selected organizations that received the survey; 51 of these organizations ultimately responded and provided data that informed this analysis.

15 Hands & Hearts Inc	Catholic Charities of Holbrook	Hard Hitters for the Kingdom, Inc.	Neighborhood Outreach Access to Health	Seroptimist International of Lake Havasu City
1st Way Pregnancy Center	Catholic Community Services of Southern Arizona	Havasis, Inc.	Neurologic Music Therapy Services of Arizona	Sounds of Autism, Inc.
A Mighty Change of Heart	Center for the Rights of Abused Children	HAVEN Family Resource Center	Never Alone Inc.	SouthEastern Arizona Community Unique Services (SEACUS)
A New Hope for Tucson Foundation	Centers for Habilitation - TCH	Healing Saddles, Inc	New Dimensions in Recovery, Inc.	Southern Arizona AIDS Foundation
	Central Arizona Shelter Services, Inc.	Heart on a String	New Horizon Youth Homes, Inc.	Southern Arizona Justice for Veterans (SAJV)
A Safe Place of Prescott Valley, Inc	Cerebral Palsy Hope Foundation	Hearth Foundation, Inc.	New Horizons Center for People with Special Needs	Southern Arizona Land Trust, Inc.
A Stepping Stone Foundation	Chain Reaction, Inc.	Hearts 2 Help	New Horizons Disability Empowerment Center	Southern Arizona Legal Aid, Inc.
Abaka Developmental Preschool & Childcare Foundation		Helping Hands for Single Moms	New Pathways for Youth, Inc.	Southern Arizona Network for Down Syndrome
	Charity Organization of Bangladeshi Arizonans	Helping Others Together Community Foundation	Nogales Community Development	Southwest Center for HIV/AIDS
Abounding Service	Child & Family Resources, Inc.	Helping Ourselves Pursue Enrichment (HOPE)	North Country HealthCare	
About Care	Child Health and Resilience Mastery, Inc.	HEMP Legacy Foundation	North Phoenix Kiwanis Foundation, Inc.	Southwest Lending Closet
AccessMed FoundationN (formerly Medicare Planning Solutions)	Children's Benefit Foundation, Inc.		Northland Cares	Special Needs Solutions Inc
ACHIEVE Human SerN/Avices, Inc.	Chiricahua Community Health Centers	Herencia Guadalupeana Lab Schools	Northland Family Help Center	Special Olympics Arizona, Incorporated
Administration of Resources and Choices	Choices Pregnancy Centers of Greater Phoenix, Inc.	Highlands Hope Initiatives, LLC	notMYkid, Inc.	Spina Bifida Association of Arizona
Agape Adoption Agency of Arizona, Inc.		Homeless Coalition of Cobre Valley		St. Luke's Home
Agape House of Prescott	Christian Life Outreach	Homeless Engagement and Lift Partnership, Inc.	Old Town Mission	St. Mary's Food Bank
Agua Fria Food & Clothing Bank	Christian Prison Ministries	Homeless ID Project	Olive Branch, New Beginnings, Inc.	St. Nicholas Charities, Inc.

Ajo Community Health Center		Homicide Survivors, Inc.	One by One Foster & Kinship Solutions	St. Vincent de Paul Society of Yuma
Alcoholism & Addiction Assistance Association	Church on the Street	Hoofbeats with Heart	Open Arms Care Center	St. Vincent de Paul Society, St. Andrews Conference
All the King's Horses Children's Ranch	Circle of Page	Hope & A Future, Inc.	Open Arms Outreach	St. Vincent de Paul Society, St. Elizabeth Ann Seton
Allie's Angels Foundation	CityServe Arizona	Hope For Homes Program	Open Hearts	St. Vincent de Paul Society, St. Frances Cabrini Conference
Amanda Hope Rainbow Angels		Hope for Hunger Corporation	Operation Big Serve Inc.	St. Vincent de Paul Society, St. Thomas Parish Conference
American Indian Association of Tucson, Inc.	Cochise County Council for CASA, Inc.	Hope House of Sedona	Operation Enduring Gratitude Foundation	St. Vincent de Paul Thrift Store
Andrea's Closet	Coconino CASA For Kids Inc.	Hope International Food Pantry	Orchard Community Learning Center	STAR - Stand Together And Recover Centers, Inc.
Angel Heart Pajama Project	CODAC Health, Recovery & Wellness, Inc.	Hope Makers Outreach	Org Name	Step One Halfway House
Anthony Bates Foundation	College Bound AZ	Hope of Glory Center, Inc. dba Hope of Glory Ministries	Orphan Grain Train	Step Up to Justice
Apache Junction Reach Out, Inc. dba Superstition Community Food Bank	Colorado River Regional Crisis Shelter	Hope's Crossing	Other Side Ministries	STEP: Student Expedition Program Inc.
	Comfort Shield	Horses Help Foundation		Steps to Recovery Homes
Aris Foundation, Inc.	Community Dental Foundation	House of Refuge Sunnyslope, Inc.	Pamper Our Parents	StreetLightUSA
Arizona Association for Foster and Adoptive Parents	Community Food Bank, Inc. dba Community Food Bank of Southern Arizona	House of Ruth Pregnancy Care Center	Paradise Valley Emergency Food Bank	Stuck Community Acupuncture
Arizona Behavioral Health Corp.	Community Food Pantry of Benson Arizona	Housing Solutions of Northern Arizona	Parkinson's Disease Nutrition	Sun Life Family Health Center
Arizona Brainfood	Community Health Outreach, Inc.		Parkinsons Support Group of Green Valley	
Arizona Community Action Association DBA Wildfire	Community Housing Partnership, Inc.	Hozhoni Foundation, Inc.	Partners for Paiute Neighborhood Center	
Arizona Daily Star Sportsmen's Fund	Community Montessori School of Bisbee, Inc.	Human Services Campus	Pascua Yaqui Tribe Charitable Organization	Teen Challenge of Arizona, Inc.
Arizona DeMolay Foundation Community Initiative	Community Pregnancy Center of Prescott	Hunkapi Programs	Pathway to Work	Teen Lifeline, Inc.
Arizona Dental Foundation	Control Alt Delete, LLC	Improving Chandler Area Neighborhoods (ICAN)	Payson Community Kids, Inc.	
Arizona Disabled Veteran Foundation	Cornerstone Mission Project, Inc.	Inspire, Inc.	Payson Homeless & Homeless Veterans Initiative	Temple Emanu-El Mitzvah Corporation

Arizona Friends of Foster Children Foundation	Cortney's Place	Integrated Community Solutions to Active Violence Events (ICSAVE)	Payson Lions Charitable Foundation	Ten Yad - A Helping Hand
Arizona Housing Coalition	Coyote Taskforce, Inc.	Jacob's Mission Community Center	Payson Senior Center	Tennies for Tots
Arizona Justice for Our Neighbors		Jerry Ambrose Veterans Council of Mohave County, Inc.	Pearce Family Foundation	The 3000 Club dba Feeding Children in America
Arizona Legal Center	Crossroads, Inc.		People Who Care	The Foundation for Service Dog Support
Arizona Legal Women and Youth Services (ALWAYS)	Cultural Cup Food Bank		Peoria Firefighter's Charities	The Gentry Foundation
Arizona Lions Vision & Hearing Foundation of MD 21 (formerly Lions Sight and Hearing Foundation)	Daring Adventures	Jewish Family and Children's Services of Southern Arizona	Phoenix Cancer Support Network	The Haven
Arizona Microcredit Initiative	Dental Hearts	Jewish Free Loan Association	Phoenix Children's Hospital	The Launch Pad Teen Center
Arizona Oncology Foundation	Desert Cancer Foundation of Arizona	Job Path, Inc.	Phoenix Conservatory of Music	The Melonhead Foundation
Arizona Reservation Ministries	Desert Mission, Inc.	Jobs for Arizona's Graduates		The Native American Advancement Foundation (NAAF)
Arizona Sunshine Angels Inc.	Desert Survivors, Inc.	Junior League of Phoenix Foundation	Phoenix Metro Lions Club Foundation, Inc.	The Opportunity Tree
Arizona Training & Evaluation Center, Inc. (AZTEC)	Developmental Enrichment Centers	Justa Center	Phoenix Rescue Mission	The Pace Foundation
	Diabetes Prevention and Aid Fund dba Borderlands Produce Rescue (formerly dba Borderlands Food Bank)	Keli May Foundation, Inc.	Pima Council on Aging	The Rotary Vocational Fund of Arizona, Inc.
Arizona YWCA Metropolitan Phoenix	Diana Gregory Outreach Services Foundation	Kind Defined	Pima County Community Land Trust	The Salvation Army - Apache Junction
Arizonans for Children, Inc.	Direct Center for Independence	Kingman Aid to Abused People	Pinal Mountain Lions Foundation, Inc.	The Salvation Army - Chandler
Arizonans for the Protection of Exploited Children and Adults	Down Syndrome Network	Kingman Mohave Lions Club Foundation		The Salvation Army - Flagstaff
Arizona's Children Association	DSquared Homes for the Homeless	Kivel Campus of Care	Pine Strawberry Food Bank	The Salvation Army - Phoenix Central
ASA Now	Dueker Ranch, Inc.	Kristis Klimbers Foundation	Polara Health	The Salvation Army - Phoenix Citadel
Asociacion Mutua de Orientacion Y Rehabilitacion - Project AMOR	DUET: Partners in Health & Aging	Legacy Connection	Positive Paths	The Salvation Army - Phoenix Maryvale
Aspiring Youth Academy	Eagles Wings of Grace	Lend a Hand Senior Assistance, Inc.	Pregnancy Resource Clinic of Arizona	The Salvation Army - Quartzsite
Assistance League of Phoenix	East Valley Institute of Technology Education Foundation, Inc.	Let's Be Better Humans Project	Prescott Area Shelter Services, Inc.	The Salvation Army - Sierra Vista



Assistance League of Tucson	Eastside Neighbors Volunteer Program	Life Sharing Center dba St. Jude Food Bank	Prescott Meals on Wheels	The Salvation Army - Tempe
Assistance League of Yuma	Ebony House Inc	Lifefridge Resource Center, LLC	Prescott Noon Lions Foundation	The Salvation Army - Tucson
	El Grupo Youth Cycling		Primavera Foundation, Inc.	The Salvation Army - White Mountain/Show Low Outpost
Aster Aging (formerly East Valley Adult Resources)	Elder TLC	Lift Me Up Inc.	Project Aware, Inc.	
Aviva Children's Services	Elite Preschool & Learning Center	Light Ranch Corporation		Therapeutic Ranch for Animals and Kids
AYUDA of Southern Arizona, Inc.		Lion's Camp Tatiyee, Inc.	Project Insight, Inc.	Therapeutic Riding of Tucson
AZ Community Impact Inc	Every Kid Counts, Inc.	Literacy Connects		Think Jesus Fellowship, Inc. dba Think Jesus Project
AZ Heroes to Home-towns Foundation	Eve's Place	Literacy Volunteers of Maricopa County, Inc.	Rainbow Acres	Time Out, Inc.
	Exodus Community Services, Inc.	Living Hope Women's Center	Reach for the Stars	Tooth BUDDS, Inc.
Back to School Clothing Drive	Extended Hands Food Bank	Lorelai's Literary Foundation	Real Hope Inc.	
Barn Yard Equine	Eye Care for Kids Arizona Chapter Inc.	Los Niños Healthcare, Inc.	Real Wishes Foundation	Tu Nidito Children and Family Services
	Faith That Works Tucson, Inc.	Love House Kids Program	Red Rock Biker, Inc.	Tucson Interfaith HIV/AIDS Network
Big Brothers Big Sisters of Central Arizona	Families Fighting Cancer Together	Lutheran Social Services of the Southwest	Regional Center for Border Health, Inc.	Tucson JCC Tax Credit Fund, LLC
Big Brothers Big Sisters of Flagstaff	Family First Pregnancy Care Center & Family Diaper Bank, Inc.	Maggie's Place Inc.	Rehoboth Community Development Corporation	
Big Brothers Big Sisters of Southern Arizona		Make Way for Books	Reigning Grace Ranch	United States Veterans Initiative - Phoenix
Billy's Place	Fans Across America Charitable Foundation	Manes and Miracles	Release the Fear, Inc.	United States Veterans Initiative - Prescott
Black Family and Child Services of Arizona	Feed Our Babies USA	Manzanita Outreach dba Kids Against Hunger - Verde Valley	Resiliency Matters, LLC	Urban AZ Foundation
B'nai B'rith Pantano Gardens, Inc. dba Strauss Manor on Pantano	Fiesta Thrift Store Inc. dba Hidden Treasures Thrift Store		Resurrection Street Ministry, Inc.	U-Turn for Christ - Arizona
Booker T. Washington Child Development Center, Inc.	First Place AZ	Maricopa Colleges Faculty Foundation	Riders Ranch	Valle del Sol
Boost a Foster Family, Inc.	Flagstaff Family Food Center	Maricopa Pantry Inc.	RightCare Foundation	
Boys & Girls Club of Flagstaff		Matthew House AZ Inc.	River Fund, Inc.	Valley View Community Food Bank
Boys & Girls Club of Round Valley	Flagstaff Shelter Services	Matthew's Crossing Food Bank	Ronald McDonald House Charities of Southern Arizona	Valley YMCA Cares

Boys & Girls Club of Sierra Vista	For Our City-Chandler	Mavericks Community Foundation Inc.	Room for Me Ministries	
Boys & Girls Clubs of the Valley	Foundation for Blind Children	Mending Souls	Rooted Community Acupuncture	Verde Valley Caregivers Coalition
Boys to Men Tucson, Inc.	Fountain Hills Community Tax Credit Foundation	Mentoring Tucson's Kids Inc.	Round Valley Cares, Inc.	Verde Valley Habitat for Humanity, Inc.
Bread of Life Mission of Holbrook	Friends of Ohana	MentorKids USA	Ryan House	Verde Valley Sanctuary
Bread of Life Missions, Inc.	Friends of Rim Country GCC, Inc.	Mesa Association of Sports for the Disabled	Sage Foundation for Health	Verde Valley Wheel Fun
Bridges Reentry, Inc.	Friends of the Children - Phoenix	Mesa Community Action Network, Inc.		Verhelst Recovery House
Bridging AZ Furniture Bank	Friends of the Food Bank dba Friends of the Quartzsite Food Bank	Mesa Presbyterian Ministries	Sahuarita Food Bank	Veterans Helping Veterans INC.
Brighter Way Institute	From Gangs to Jobs	Mesa Sunrise Rotary Club Foundation, Inc.	SandRuby Community Fund	VFW Post 549 of Tucson Charities
Buckeye Outreach for Social Services, Inc.	Gabriel's Angels	Military Assistance Mission, Inc.	Santa Cruz Training Programs, Inc.	Vineyard Community Charities
Buckeye Police Foundation	Generation Food Pantry, LLC	Million Dollar Teacher Project	Sedona Area Homeless Alliance	Vision With Wings
Building Beyond Corp.	Girl Scouts of Southern Arizona Social Justice LLC	Mini Miracles	Sedona Community Center	West Valley Community Food Pantry
Camp Not-A-Wheeze Corporation	Glory Days Senior Care	Mobile Meals of Southern Arizona, Inc.	Senior Citizens of Camp Verde, Inc.	Western Arizona Council of Governments (WACOG)
Camp Patrick (Patsy Reeve Foundation Inc.)	Goodwill Industries of Southern Arizona, Inc.	Mother's Grace	Senior Citizens of Patagonia	Wheels for Kids
Camp Wildcat	Goodworks Counseling, Inc.	Mountain View Special Needs, LLC	Sharing Down Syndrome Arizona	White Mountain Coalition Against Homelessness
Campbell's Crew Cares	Grace & Mercy Ministries	Movies Making A Difference Productions Inc.	Shun the Sun Foundation, Inc.	Winged Hope Family Advocacy Foundation
Cancer Support Community Arizona - CSCAZ	Grace Falls Farm Corporation	Moving Vets Ahead	Silver Creek Senior Center	Yarnell Regional Community Center
Candelen, Inc.	Grand Canyon Council, Boy Scouts of America Outreach, LLC	Muslim Outreach and Volunteer Enterprise, Inc. (MOVE)	Silver Spur Therapeutic Riding Center	Yavapai Territorial Gospel Rescue Mission
Candlelighters Childhood Cancer Foundation of Southern Arizona	Grand Canyon Food Pantry, Inc.	NAMI Arizona	Singleton Moms	YES the Arc
Canyon State Academy	Habitat for Humanity Central Arizona	National Council on Alcoholism and Drug Dependence - Greater Phoenix Area	Sister Jose Women's Center	Youngtown Community Fund Inc
Care Net Pregnancy Center of Cochise County, Inc.	Habitat for Humanity Tucson	Native American Connections	Six Strings Acoustic, Inc.	
Caring Ministries, Inc.	Hacienda, Inc.	Native American Outreach Ministries, Inc.	Smiles for Hope, Inc.	

Casa De Los Niños, Inc.	Handi-Dogs, Inc.	Native Americans for Community Action, Inc.	Soldier's Best Friend	YWCA of Southern Arizona
Casa Maria	HandsOn Greater Phoenix	Navajo County Friends of CASA	Sonoran Prevention Works	
Catholic Charities Community Services	Happy Trails School	Nazcare	Soroptimist International of Desert Tucson Inc.	