

## **Tax Incentives for Volunteering Professionals: A Way to Invest in Our Local Communities**

Michigan professionals donate their skills and thousands of volunteer hours every year to build up their communities through one of the finest organizations in our nation—Habitat for Humanity. To further this effort, tax incentives should be offered to professionals who contribute their time and abilities so those in need may one day have homes of their own.

Later this week, President Jimmy Carter will be in Michigan to draw attention to the work of Habitat for Humanity. Habitat implements charity's best principles. Although it works across national borders, its focus is always local.

Habitat for Humanity connects local people, local churches, and the local community to a family in need of housing. The recipient of the home is not merely given a gift. They too have to contribute both money and sweat equity to change their future. The end result is that a struggling family owns a home of their own which they helped build with their own hands.

As we all know, a home is most people's largest single asset. Home ownership encourages savings and enables one generation to pass its wealth on to another so that subsequent generations do not begin in poverty. Since it began its work in 1976, Habitat for Humanity has built more than 200,000 homes in over 100 countries around the world. I know of no one who would argue that their work is anything less than impressive.

During President Carter's stay in Michigan, Senators Debbie Stabenow and Carl Levin will be joining him in the effort to build homes for people who cannot afford them. While this is certainly an honorable activity, I have some suggestions for extending the work of Habitat far beyond its current capacity and into a stronger future.

Building a Habitat home requires not only many volunteer hours but also people with very specialized skills. Architects, builders, excavators, framers, electricians, plumbers, and a host of others with professional licenses have to be involved to bring about the construction of a safe, new home.

What if we gave tax credits to those with professional construction licenses when they use their skills to build Habitat for Humanity homes? It's inconsistent that a contractor can receive a tax deduction for donating a couch or a kitchen table to furnish the home of a family in need but cannot receive a credit for donating time and skills in the construction of that home.

We need to offer economic incentives that will make it possible for even more people to invest their skills in their own communities. If a contractor earns on average \$25 per hour and donates 10 hours to Habitat, why not let her reduce her tax payment by \$250?

Large government programs are often only able to see the need. There is little chance of a relationship developing between those in need and those providing help. Case load, bureaucratic entanglements, and lack of contact within communities themselves prohibit government programs from assessing and responding beyond financial predicaments. We need to empower local service providers—like Habitat, community development corporations, and neighborhood associations—to make changes at the local level.

Michigan tax dollars comprise just over 1 billion of the U.S. Department of Housing and Urban Development's (HUD) 31.3 billion dollar budget. Is this the most efficient use of our money when more than a million Michigan residents live at or below the poverty level?

Poverty has many forms and many faces. Usually scenarios that result in poverty are more complex than a mere lack of material goods. Those closest to individuals in need are best positioned to address their needs. More importantly, those directly engaged are able to attend to the whole person, not simply the financial hardship.

Michigan has the ability to care for its own through organizations like Habitat for Humanity. Organizations that operate at the local level are more efficient, more effective, and less expensive than any government program. And like all great charities, they connect contributors and recipients in solidarity.

To consider offering tax incentives to licensed professionals who volunteer, Senators Levin and Stabenow would have to do more than rely solely on federal agencies, like HUD. Not only would they have to trust local communities and their ability to care for themselves, but they would also have to be willing to lower the enormous tax burden currently placed on businesses and individuals. However, lowering taxes, empowering local communities, and beginning to de-fund one of our major federal agencies are not the usual approaches of the Democratic Party.

Home ownership is one of the greatest tools for breaking down economic barriers and lifting entire generations out of poverty. Michigan needs a senator who will think seriously about how we might extend the work of wonderful organizations like Habitat for Humanity.

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