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Looking into the congressional crystal ball

By MARK J. GOLDEN, FASAE, CAE I 09/20/2012

Given the GSA meeting scandal, ongoing efforts by the White House and Office of Government Ethics to limit interactions with industry, and controversy over the Citizen's United ruling and corporate speech rights, there has been plenty of political posturing and sabre rattling with potential impact on associations. But no one expects a polarized Congress to actually get anything done about it...at least until after the election.



Golden Commentary Marc J. Golden

But after that? I won't even venture a prediction on election outcomes, but regardless of who controls the White House, the Senate and the House, after November all that pent-up energy is certain to erupt in the 113th Congress, if not in the lame duck session that will bring the 112th to a close. Some of it might be aimed directly at associations, but more likely the not-for-profit community will continue to be caught in the crossfire and coping with unintended legislative consequences.

I don't think any of the association issues already in play will be the headline issues for associations in the year ahead. Instead, what the not-for-profit community needs to be paying attention to are the mega-issues sure to dominate the new Congress: deficit reduction and tax reform.

According to the ASAE report "Associations Matter: Associations by the Numbers," membership associations generated \$130 billion in revenue in 2009 and hold an estimated \$245 billion in assets. How could such a target of opportunity fail to attract attention from a revenue-starved and deficit-challenged federal government?

This isn't a new development. In recent years questions about tax-exempt status for 501(c) organizations sporadically arose in Senate and House hearings that didn't lead to action. The questions usually weren't hostile, and oddly enough were often directed at 501(c)(3)s, not 501(c)(6) business interests. The question wasn't why or whether tax exemption for (c)(3)s was reasonable per se, but about relative priorities: within the (c)3 community, which nonprofit deserves a tax exemption more, a soup kitchen or a museum? A healthcare delivery facility or a symphony? Given the severity of the federal budget issue and the political tone and spirit of the times, this could be the year when such purely academic discussions - to date - emerge as real issues of legislative action.

Congress can be pretty knee jerk in its reactions and downright crude in its broad stroke responses. As a community, associations shouldn't be. Of course we need to vigorously protect against socially damaging change, and the threats to associations are very real. But is it responsible to start locked in to a defense of the status quo, as if the prevailing tax-exempt paradigm is so perfect that it dare not be changed in any way? Or is there possibly an opportunity here to actually improve things for the association community?

This is the first "Golden Commentary," a monthly column written by Marc J. Golden, FASAE, CAE, former executive director of the National Court Reporters Association and a past chairman of the ASAE Foundation. Contact him at mjqolden@cox.net.

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