

NEWS

Association for Healthcare Philanthropy

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Charitable Giving for U.S. Health Care Plunged 11 Percent in 2009, While Canadian Charitable Giving Rose 5.2 Percent, Association for Healthcare Philanthropy Reports

WASHINGTON, D.C., September 27, 2010 – Snapshots of charitable support in 2009 have produced two very different pictures for nonprofit health care institutions in the United States and Canada, according to the Association for Healthcare Philanthropy (AHP). The association's annual *Report on Giving* indicated donations dropped \$944 million in the U.S. last year from 2008 levels, while rising \$56 million in Canada.

Members of AHP direct fundraising programs on behalf of more than 2,000 nonprofit health care facilities. In FY 2009 their efforts yielded \$7.644 billion in the U.S. and \$1.124 billion in Canada, compared to \$8.588 billion and \$1.068 billion the previous year.

“Whether the recession ended in 2009 is for economists to debate, but its ripple effect certainly continued to curtail the ability of donors to give,” said William C. McGinly, Ph.D, CAE, president and chief executive officer of AHP. “It means fundraisers will have to work harder and smarter.”

In the U.S., largest declines were experienced in cash donations, down \$818 million from 2008, and secured pledges, which declined \$97 million over the year. Amounts donated per dollar-spent to raise them also went down, from \$3.51 in 2008 to \$3.19 last year, a 9 percent decline.

“This downward trend is a very serious problem in the U.S.” said Gregory Pope, FAHP, chair of the AHP board and vice president of philanthropy for Saint Thomas Health Services Foundation in Nashville, Tenn. “It comes just as some in Congress want to make it difficult for taxpayers to earn deductions for their donations, and as health care reform puts new pressure on nonprofit hospitals to serve more patients.”

More than four out of five contributors in the U.S. were individuals, and most of them had a direct relationship with the health care facility to which they gave, including patients, employees, physicians and board members. Other major donors were businesses and foundations, who together made about 12 percent of all donors, accounting for 28 percent of the funds raised.

There was little change over the year in the allocation of funds raised. U.S. nonprofit health care facilities devoted much of their donated money to construction and renovations (27.3 percent) and new equipment (18.4 percent). Eighteen percent of donated dollars went to fund charity care and community benefit programs, and 15 percent supported general operations. Other uses to which

donations were put included endowments (6.5%), research and teaching (5.1 percent), hospice and long-term care (4 percent) and other purposes (5.6 percent).

In Canada, FY 2009's increase of 5.2 percent in donations to hospitals and health care systems partially moderated a 13 percent drop in 2008; however, some of this improvement came about because most hospitals ended their 2009 fiscal year in March 2010, which included a high-growth January – March quarter for Canada's economy. The AHP survey showed that giving picked up, but only to the level reached in 2006 and remained \$200 million less than amounts raised in 2007.

“Foundations that support Canadian hospitals are working to improve their productivity.” said Nancy Hewat, FAHP, regional director of AHP for Canada and executive director of the Grand River Hospital Foundation in Kitchener, Ont. “Achieving a better return-on-investment will be especially important for fundraisers who help support academic and community-based hospitals.”

Most of the FY 2009 increase in Canada came from cash contributions, which, at \$869 million, were up \$147 million over 2008's level.

As in the U.S., individuals comprised about four of every five Canadian donors, contributing almost six of every 10 dollars raised. More than 27 percent of individual donors were patients, physicians, board members or other staff of the hospitals to which they gave, while community supporters unaffiliated with the institution accounted for over half of all individual donors.

Businesses in Canada contributed more than one of every four dollars given to health care philanthropy, representing nearly 15 percent of all donors. Foundations made up 3 percent of the donors, and they contributed 5.8 percent of FY 2009's donated funds.

The distribution of philanthropic funds supporting health care facilities in Canada maintained their historical patterns. Equipment purchases accounted for 55.1 percent of the total in FY 2009, followed by construction costs (15.4 percent), research and teaching (10.8 percent), general operations (8.2 percent) and endowments (4.3 percent). Under the Canadian health care system, less than one percent of charity funding goes to community benefit programs.

A copy of the *AHP Report on Giving Fact Sheet* for both the U.S. and Canada is available for free on the AHP website under Publications and Tools at www.ahp.org. The complete report is available for a fee, or for free to AHP members who completed the survey.

The Association for Healthcare Philanthropy, established in 1967, is a not-for-profit organization whose more than 4,700 members direct philanthropic programs in 2,000 of North America's not-for-profit health care providers. AHP's members include fundraising professionals, development staff, public relations professionals, trustees, marketing professionals, administrators, and executives interested in health care fundraising.

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