

NEWS

Association for Healthcare Philanthropy

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Post-Recession Charitable Pledges to Hospitals Slow, Jeopardizing Future Fundraising Efforts

WASHINGTON, D.C., (March 6, 2012) – As the United States and Canada emerged from the Great Recession, charitable pledges to nonprofit health care organizations slowed in fiscal year 2010, jeopardizing the ability of health care systems in both countries to generate philanthropic funding necessary to meet their long-term, construction, equipment and patient needs. These and other findings were contained in two reports published by the Association for Healthcare Philanthropy (AHP) based on its detailed Performance Benchmarking Service survey of fundraising activities in both countries - which for the first time examined a full year's post-recession fundraising by U.S. and Canadian health care organizations.

“There was a definite downward drift in securing pledges during the 2010 fiscal year, the period covered by our latest survey,” said William C. McGinly, Ph.D., president and chief executive officer of AHP. “We even saw this trend among high-performing fundraising operations that raised substantial revenues in fiscal year 2010. That’s disturbing because it means organizations will have less in the pipeline for future years, adding to the uncertainty of the recovery,” McGinly added, “We need to keep a watchful eye this year on the level of pledges for major gifts and planned giving.”

“Philanthropic contributions can make an extraordinary difference in the health of our communities, yet the ongoing debate around health care costs, delivery systems and access combined with economic conditions nationwide have slowed decision-making for major donors considering gifts to health care related organizations. Delayed decision-making by donors delays innovation and quality care advancements in our communities,” said Susan J. Doliner, FAHP, CFRE, chair, AHP Board of Directors.

The AHP benchmarking reports defined “high performers” in FY 2010 as those organizations that raised in at least \$5 million in net fundraising revenues. They were in the top 75th percentile of 63 hospitals and health care systems that participated in the survey, which included 50 U.S. facilities and 13 in Canada. Proportionally, Canadian health care fundraisers were more likely than those in the U.S. to be high performers: five out of 13 in Canada compared 11 out of 50 from the U.S.

The survey also indicated that in the wake of the recession, health care philanthropy increased reliance on cash-based fundraising. Besides annual giving and public support programs, there was an uptick in donations coming from an array of special events such as golf tournaments, community runs or walks, fashion shows and dinners, where expenses often can be reduced by using volunteers.

In almost all instances, organizations that devoted more staff and resources to philanthropic tasks did significantly better than those with less to spend on charity programs and fewer professional fundraisers,

especially in securing major gifts, government grants and revenue from special events. High performers tended to support health care systems and academic/teaching hospitals, which were better able to weather the recession than smaller community-based facilities. Yet many of the organizations that did not make it into the high performer category had better outcomes with Internet solicitations, mailings to donors who had given in the past, and gift-club donors.

The AHP Performance Benchmarking Service is now entering its seventh year. It applies comprehensive information-gathering and reporting standards to the philanthropic activities of participating hospitals and health care systems, generating detailed data that fundraisers can use to evaluate their programs, compare them with others, and plan future resource development strategies.

The Association for Healthcare Philanthropy, established in 1967, is the leading authority for standards, knowledge and leadership in health care development. As the world's largest association for health care fundraising professionals, AHP represents nearly 5,000 members who raise more than \$9 billion each year for community health services. AHP members include fundraising professionals, development staff, public relations professionals, trustees, marketing specialists, administrators and executives interested in health care fundraising. The hospitals, health care systems and related facilities for which AHP members raise charitable funds provide essential, comprehensive medical services to their communities, as well as wellness programs, mobile health vans, mammography screenings, hearing and eye exams, and other community-based health care services.

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