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AHP Recession Survey of Nonprofit Health Care Officials Finds Almost Half Expect Reduced Giving in 2009, Leading to Cuts in Hospital Construction and Equipment Purchases

WASHINGTON, D.C., (January 5, 2009) – Despite a deepening recession, only eight percent of hospital fundraising executives who expect to raise less money this year than in 2008 said their institutions would have to curtail critical health care services for the poor and underinsured, according to a new survey issued today by the Association for Healthcare Philanthropy (www.ahp.org).

The overwhelming majority of AHP members surveyed said they will continue to provide vital community services, which range from free mammography and cancer screenings for the poor to community clinics, hospice facilities and immunizations for the uninsured.

AHP Board Chair Lisa Hillman, FAHP, said, "Even in challenging economic times, the AHP recession survey shows our members will not cut back on critically needed programs that communities depend on for the well-being of all their citizens." Hillman is senior vice president and chief development officer for the Anne Arundel Health System based in Annapolis, Md.

Instead, budget trimming will come from construction and equipment purchases, according to the first major recession survey of 2009 compiled by the Association for Healthcare Philanthropy (AHP). More than three-quarters of fundraisers for nonprofit hospitals and health care systems say the current recession is negatively affecting their programs, with many predicting reduced donor expectations in 2009 leading to sharp cuts in construction and equipment purchases.

The Association for Healthcare Philanthropy conducted the survey, which had almost 800 member respondents. AHP's members direct philanthropic programs in 2,200 of North America's health care institutions.

Almost half of the survey's respondents have reduced their giving forecasts for funding from grateful donors in 2009, foreseeing average declines in giving of about 17 percent. Forty percent of respondents expect cuts to their operating budgets, with an average reduction of about 12 percent, the AHP recession survey found. Sixty-three percent report they will scale back on special fundraising events such as canceling high-end galas.

"Despite the deepening recession, hospitals and health care systems will continue to exercise skill, planning and patience in order to raise scarcer donations which are designed to serve both the

insured and uninsured," said William McGinly, AHP president and CEO. "Increasing numbers of health care systems, hospitals and foundations affiliated with AHP are beginning to benchmark their fundraising data. This enables them to better evaluate their strategies and convince donors, board members, hospital leaders, elected officials and the public that they are accountable for the gifts they receive and are using those limited funds in the most cost effective and transparent manner."

Members of the Association for Healthcare Philanthropy include fundraising professionals, development staff, public relations professionals, trustees, marketing professionals, administrators, and executives interested in health care fundraising. In 2003, AHP launched its Performance Benchmarking Service, which establishes standard metrics and industry best practices for fundraising success.

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