

NEWS

Association for Healthcare Philanthropy

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Hire More Fundraising Rain-Makers During Recession, New AHP Study Concludes

Major Gifts & Planned Giving Held Their Own as Downturn Took Hold

WASHINGTON, D.C., (May 14, 2009) As the recession's grip tightened on nonprofit hospitals and health care systems in the U.S. and Canada, high performing philanthropic fundraisers in charge of major gifts and planned giving programs were often their most effective and efficient rain-makers, according to the Association for Healthcare Philanthropy (AHP).

These and other important findings come from the latest series of reports from the AHP Performance Benchmarking Service for fiscal year 2007, which takes in the early months of the current recession. The AHP's annual surveys examine the performance of organizations, such as hospital-affiliated foundations, that raise funds for nonprofit health care facilities.

"Health care executives and boards should think twice before downsizing their fundraising staff and mix of fundraising activities to cope with the recession," said AHP President and CEO William McGinly. "The data confirm that such cost-cutting would be penny-wise but dollar-foolish, because hospital services and daily operations need philanthropic support. Rising joblessness is challenging nonprofit hospitals and health care systems to find the wherewithal to deal with growing numbers of uninsured patients while they cope with inadequate reimbursements and accelerating expenses."

One bright spot came from major gifts given by individual contributors, which averaged \$55,000 per gift. The highest performing fundraising organizations put stronger, longer-term emphasis on cultivating major gifts, investing on average three times more than other surveyed organizations but earning five times more in high-dollar gifts.

"Developing major gifts and planned giving is the type of fundraising that calls upon the skills of the most seasoned professionals," said AHP Board Chair Lisa Hillman, senior vice president and chief development officer for the Anne Arundel Health System based in Annapolis, Md. "It takes experienced and talented major gift and planned giving officers to build crucial relationships with donors that result in significant support for the institutions they represent."

The National Bureau of Economic Research has deduced that the recession began in December of 2007. That year's AHP Performance Benchmarking Service data confirm that a difficult transition was underway. Compared to earlier years, fewer donated dollars were coming from government, businesses and foundations, while the cost-to-raise-a-dollar was rising and return-on-investment was drifting downward for annual giving and special events.

Despite this trend, the benchmarking survey clearly showed that highest returns from annual gifts and special events were earned by fundraisers who invested the most in staff and resources devoted to these programs. “Annual giving and special events remain worthwhile sources of contributions from new and repeat donors,” McGinly said. “While not achieving the highest ROI, they provide the base in order to succeed with major gift and planned giving solicitation.”

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. They represent more than 2,200 health care facilities in the U.S. and Canada. In 2003, AHP launched its Performance Benchmarking Service, which establishes standard metrics and industry best practices for fundraising success. Forty-six U.S. and Canadian nonprofit hospitals and multi-facility health care systems took part in the 2007 benchmarking program.

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