

NEWS

Association for Healthcare Philanthropy

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Charitable Giving for U.S. Health Care Rises a Tepid \$241 Million in 2008, While Canadian Charitable Giving Plunges 13 Percent, Association for Healthcare Philanthropy Reports

WASHINGTON, D.C., (October 26, 2009) — Confirming the full impact of the global recession, philanthropic giving for health care in the United States grew a tepid 2.9 percent — or about \$241 million — to \$8.6 billion in 2008, while similar donations in Canada fell by a dramatic 12.9 percent, to total \$1.07 billion, according to a new Report on Giving issued today by the Association for Healthcare Philanthropy (AHP).

“The poor overall results for health care philanthropy shown by the AHP Report on Giving are a wakeup call for the Obama Administration and Congress,” said William C. McGinly, Ph.D., CAE, president of the AHP. “The hit that wealthy individuals have taken in the total worth of their portfolios and holdings during the recession takes huge assets off the table and out of the giving equation. Compounding this scenario would be the Obama administration and Congress’ attempts to limit the charitable deduction write off, thus dampening wealthy donors’ incentive to give and further reducing charitable contributions to all philanthropic organizations.”

McGinly said, “While technically the recession is or will soon be over, AHP membership feels its impact will continue to impair giving to health care institutions for the near future.”

Grateful patients, businesses, foundations and other U.S. donors made \$8.588 billion in charitable contributions to health care facilities and organizations in 2008, the AHP’s Report on Giving determined. This 2.9 percent increase was about half the growth rate achieved in 2007, when donations totaled \$8.347 billion. Most disturbing was the fact that total pledges for charity fell 6.2 percent in the latest year, while planned gifts secured but not paid fell almost 13 percent.

Accounting for much of last year’s slight advance in giving was the fact that most nonprofit hospitals and health care systems in the U.S. closed their books before the last quarter of 2008, when U.S. gross domestic product plunged more than five percent. Institutions that closed their books on Dec. 31, 2008, actually saw a 0.2 percent dip in annual giving.

Meanwhile, AHP said Canadian contributions declined to \$1.068 billion in 2008, compared to \$1.337 billion in 2007, when annual giving had risen by an impressive nine percent over 2006 levels.

Individual donors were the largest source of contributions in both the U.S. and Canada, and in both countries, one fifth of all individual donors were patients.

In the U.S., more than eight of every 10 donations came from individuals, whose contributions comprised 60 percent of all philanthropic funds raised by nonprofit health care institutions last year. One in 10 donations were made by businesses, including business-sponsored foundations, representing 17.5 percent of all funds raised, down slightly from 2007. Non-corporate foundations accounted for less than three percent of donors but almost 14 percent of revenues. Other U.S. giving sources, including hospital auxiliaries, public agencies, and civic groups, accounted for 8.6 percent of total funds raised in 2008, compared to 7.5 percent in 2007.

“As economic conditions improve, nonprofit hospitals, hospices, clinics and nursing homes that have steadily maintained their fundraising efforts will be the first to benefit,” said AHP Board Chair J. Gregory Pope, FAHP, CFRE, vice president of philanthropy for the Saint Thomas Health Services Foundation in Nashville, Tenn. “These institutions are mainstays of the American health care delivery system and continue to deserve the support of their communities.”

In Canada, the portion of donations made by individual givers dipped almost 10 percent last year to just under 52 percent of the total. Canadian businesses, including corporate foundations, supplied about one-quarter of the 2008 funding, about the same as the previous year. Canadian foundations, other than corporate, contributed 6.3 percent in 2008, also little changed from the year-earlier level. The AHP Report on Giving noted that, “the biggest change was other types, such as hospital auxiliaries, public agencies, civic groups, whose share rose from 7.0 percent to 16.2 percent.”

As in previous years, the AHP Report on Giving found that funds raised in the U.S. for health care institutions in 2008 were largely used to support construction and renovation of facilities, although to a lesser extent than in 2007, followed by the purchase of equipment, general operations and community benefit programs.

During the same period, the largest portion of philanthropic funds raised by Canadian hospitals, 47.2 percent, went for equipment purchases. This was more than twice the amount for construction and renovation, which was the next-largest spending category, followed by research and teaching and general operations.

“Canadian citizens and businesses recognize the importance of philanthropic giving to show their appreciation for the doctors, nurses, and other health care professionals who serve us so well every day,” said Nancy Hewat, FAHP, AHP Canada regional director and executive director of the Grand River Hospital Foundation in Kitchener, Ont. “The challenges we faced last year have encouraged hospitals throughout Canada to redouble their fundraising efforts.”

A copy of the AHP Report on Giving for both the U.S. and Canada is available by contacting Kathy Renzetti at (703) 532-6243 or via e-mail at kathy@ahp.org.

The Association for Healthcare Philanthropy, established in 1967, is a not-for-profit organization whose more than 4,900 members direct philanthropic programs in 2,200 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. In 2003, AHP launched its Performance Benchmarking Service, which establishes standard metrics and industry best practices for fundraising success.

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