

NEWS

Association for Healthcare Philanthropy

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2011 Philanthropic Fundraising Keyed to Effective Business Principles: AHP Says

WASHINGTON, D.C., (December 29, 2010) - Because it costs more to raise philanthropic money during a recession, nonprofit hospitals and other institutions who are willing to invest in fundraising personnel and emphasize major gifts and planned giving in their well-rounded programs will weather the current fiscal crisis in America, according to a "State of Philanthropic Health Care Address" released today by William C. McGinly, Ph.D., CAE, president and chief executive officer, Association for Healthcare Philanthropy (AHP).

McGinly's remarks were based on AHP's Performance Benchmarking Service matrix, designed to analyze fundraising experiences of a varied range of foundations whose philanthropic efforts support nonprofit hospitals and health care systems throughout North America.

McGinly said in the current findings three important lessons are evident. The first is that during hard times, it costs more to raise money through philanthropy. "While hardly surprising, this finding gives rise to a proposition that may be counterintuitive. When severe budget-tightening threatens to become a reflexive response in an economic downturn, it is essential to at least maintain, if not raise, levels of investment in the human and financial resources of fundraising programs," McGinly said.

A second lesson is that when times are tough size can matter, at least in the short term. Larger institutions with higher revenues were better able to sustain efficient and effective fundraising during the recession and its immediate aftermath.

The benchmarking survey showed that high performing foundations clustered among health care organizations with relatively large populations and with net operating revenues significantly greater than others in the survey, whose fundraising outcomes were less profitable.

"It will be interesting to see whether this advantage continues," McGinly noted. "Foundations that support health care organizations that have lower operating revenues and cover smaller populations may well bounce back as the economy improves, but they will need to have sufficient staff and resources available to take advantage of an upturn."

The final lesson from benchmarking data was that fundraising programs that maintained their concentration on achieving major gifts and planned giving commitments were by far among the highest performers. Many of these programs also saw significant upticks in raising money through special events and by encouraging donations from physicians, physician groups and other hospital staff.

The AHP benchmarking survey covered fiscal year 2009 and included data from foundations and development offices of 66 hospitals and health care systems in the United States and Canada. Established in 1967, AHP is a not-for-profit organization whose more than 4,500 members direct philanthropic programs in 2,000 of North America's not-for-profit health care providers.