

NEWS

Association for Healthcare Philanthropy

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Philanthropic Giving for Health Care Slows in 2006 in both U.S. and Canada, According to Association for Healthcare Philanthropy's Annual "Report on Giving"

WASHINGTON, D.C., (October 22, 2007) – Grateful patients and other U.S. donors increased their charitable contributions to health care facilities and organizations in 2006, but the 11.5 percent increase to \$7.9 billion was substantially lower than the 16 percent rate of increase to \$7 billion reached in 2005, according to a new "Report on Giving" issued today by The Association for Healthcare Philanthropy (AHP).

"Philanthropic dollars are being eroded and the health care system is being stressed by a 'perfect storm' of problems for nonprofits," warned William C. McGinly, Ph.D., CAE, president and chief executive officer of AHP. "These problems range from new proposed health coverage of uninsured and illegal immigrants, and razor thin financial margins, to unnecessary HIPAA/Privacy Act rules that impede access to generous groups of donors, and attempts in Congress to challenge and change the tax-exempt status of nonprofit health care providers," McGinly said.

In the U.S., contributions from individuals represented 60 percent of all contributions, about the same as the year-earlier level, while the portion contributed by U.S. businesses, including corporate foundations, increased to 20.4 percent in 2006, up from 18.2 percent in 2005. Non-corporate foundations represented 12 percent of funds raised in 2006, down by 0.7 percent from the earlier year. Other giving sources, including hospital auxiliaries, public agencies, and civic groups, were responsible for 8.1 percent of the 2006 total, down from almost 10 percent in 2005.

In Canada, the report showed that Canadian contributions were up only 3.3 percent to \$1.23 billion in 2006, compared to an increase of 11 percent to \$1.2 billion in 2005. Individual givers provided 52 percent of funds raised in Canada, down from almost 61 percent in 2005. Canadian businesses, including corporate foundations, supplied 25.4 percent of the 2006 total, compared to 25.6 percent in 2005. Canadian foundations, other than corporate, contributed 9.7 percent in 2006, compared to 3.5 percent in 2005. The "other sources" category of givers in Canada accounted for approximately 13 percent of the 2006 total. It was about 10 percent of the total in 2005.

In assessing the state of philanthropic giving for health care, AHP Board Chair Laura Rehrmann, FAHP, said, "Even though the Nation faces an uncertain economy, domestic terrorist threats, and increased deficit funding on the wars in Iraq and Afghanistan, Americans continue to dig deep into their wallets to fund essential health care services, state-of-the-art medical technology, and access to the best medical personnel to deliver the most comprehensive care possible."

AHP Canada Regional Director Linda Saunders, CFRE, added, “Although not increasing as much as in past years, Canadian charitable health care contributions are still being donated at a level which will make a difference in people’s lives every day. The report bears this out in the fact that over half of the funds raised in Canada were from individual givers.”

According to AHP CEO McGinly, many association members are turning to a new program, the AHP Performance Benchmarking Service, “to prepare for future challenges and to better achieve the most efficient return on each dollar donated.” The AHP benchmarking program uses data collected from participating institutions to help them grow philanthropy programs, improve financial planning, and evaluate human resources.

Almost 300 institutions participated in the survey for the 2006 AHP Report on Giving, which is intended to show national trends in the U.S. and Canada and relate these trends, where applicable, to the changing health care environment. A summary of the report is posted at www.ahp.org. The complete report is available by contacting Kathy Renzetti at (703) 532-6243 or via e-mail at Kathy@ahp.org.

The Association for Healthcare Philanthropy (AHP), established in 1967, is a not-for-profit organiza



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