

NEWS

Association for Healthcare Philanthropy

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Growth Rate of U.S. Giving for Health Care Falls more than 50 Percent in 2007 But Rises Almost Threefold in Canada, According to Association for Healthcare Philanthropy's Annual "Report on Giving"

WASHINGTON, D.C., (October 28, 2008) – Perhaps signaling donors' fears of a weakening U.S. economy last year, the growth of philanthropic giving for health care in the United States fell by more than half in 2007 from 2006, while the Canadian rate of growth in donations to health care nearly tripled, according to a new Report on Giving issued today by the Association for Healthcare Philanthropy (AHP).

"Hospitals and health care systems in both countries are relying more and more on philanthropy to fill in the gap that exists between the costs of providing high-quality care to patients and reimbursements from public, government and private sources" said William C. McGinly, Ph.D., CAE, president and CEO of the AHP.

Although grateful patients and other U.S. donors made \$8.35 billion in charitable contributions to health care facilities and organizations in 2007, the 5.6 percent increase in the U.S. rate of giving was less than half the 11.5 percent increase in 2006, when donations totaled \$7.9 billion, AHP's Report on Giving determined. Meanwhile, AHP said Canadian contributions were up 9 percent to \$1.34 billion in 2007, compared to an increase of only 3.3 percent to \$1.23 billion in 2006.

In the U.S., donations from individuals represented 61 percent of all contributions, about the same as 2006, while the portion contributed by U.S. businesses, including corporate foundations, fell to 18.1 percent in 2007 from 20.4 percent in 2006. Non-corporate foundations represented 13.2 percent of funds raised in 2007, up from 12 percent in 2006. Other U.S. giving sources, including hospital auxiliaries, public agencies, and civic groups, fell to 7.5 percent in 2007, compared to 8.1 percent in 2006.

In Canada, the AHP report showed individual givers in 2007 provided 60 percent of funds raised, up from 52 percent in 2006. Canadian businesses, including corporate foundations, supplied about 25 percent of the 2007 total, the same as the previous year. Canadian foundations, other than corporate, contributed 6.7 percent in 2007, down from 9.7 percent in 2006.

A continuing slow down in overall philanthropic giving this year and next year is predicted in the AHP-sponsored study released in September, Economic Cycles and Charitable Giving, by John Volpe, Ph.D., collegiate professor at the University of Maryland University College. The study

looks at projected overall philanthropic contributions, given forecasts of weak economic growth for the remainder of 2008 and through 2009, even if the economy avoids recession. Volpe concludes that a slowing of the growth in Gross Domestic Product (GDP) and disposable personal income, as well as uncertainty over the recovery of the housing and stock markets, are likely to contribute to weakness in charitable giving through 2009.

The AHP's Report on Giving also found that funds raised in the U.S. to support health care institutions in 2007 were largely used to support construction and renovation of facilities, followed by the purchase of equipment. During the same period, however, 48 percent of Canadian funds raised went for equipment purchases, three times the amount going to construction and renovation.

“In these troubled economic times, raising the philanthropic dollars that hospitals and health care systems need to serve their communities takes skill, planning and patience,” said McGinly. “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.”

Remarking on the state of U.S. philanthropic giving for health care, AHP Board Chair Lisa Hillman, FAHP, said, “Even in challenging economic times, the AHP Report on Giving shows that Americans continue to cherish those institutions in their communities which are the most critical for the well-being of all citizens – namely, their hospitals.”

AHP Canada Regional Director Linda Saunders, CFRE, added, “With the increases in 2007 giving, we see that more Canadians are donating at elevated levels which makes a decided difference in people's lives every day. The report bears this out in the fact that 60 percent of the funds raised in Canada were from individual givers.”

For more information, contact AHP at (703) 532-6243 or via e-mail at ahp@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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