

NEWS **Association for Healthcare Philanthropy**

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Philanthropic Giving to Nonprofit Hospitals and Health Care Systems Held Steady in Fiscal 2012, AHP Reports

WASHINGTON, D.C. (September 17, 2013) – Nonprofit hospitals and health care systems in the U.S. raised more than \$8.9 billion through philanthropy last year, as their development programs successfully maintained giving levels despite a sluggish economy. The Association for Healthcare Philanthropy's (AHP) annual Report on Giving survey, now in its 29th year, showed no decline in total giving in fiscal 2012 compared to 2011 and an increase of more than 7 percent over fundraising revenue in FY 2010.

“Last year's historically slow healing from the recession continued to challenge philanthropic efforts in support of health care institutions,” says William C. McGinly, Ph.D., CAE, president and chief executive officer of AHP. “The most successful fundraisers were those who wisely invested time, talent and resources to cultivate the trust and loyalty of individual and institutional donors.”

The fiscal 2012 AHP Report on Giving survey for the first time incorporated elements of AHP's signature performance benchmarking service. It is designed to facilitate useful comparisons among philanthropy programs of varying sizes and financial footings, from large hospital systems to community hospitals and long-term, hospice and home care facilities. The survey adheres to AHP's standards for reporting fundraising revenue and expenses, as published in the *AHP Standards Manual*.

AHP's survey of U.S. member institutions showed that major gifts, corporate and foundation grants, and annual giving were the largest sources of philanthropy in FY 2012, each representing about one of every five donated dollars. Amounts raised by special events accounted for 14.9% of donations and 9.5 % came from planned giving.

“The survey clearly shows that development programs that were willing and able to devote significant financial and human resources were last year's high-performers,” says William S. Littlejohn, chairman of AHP's board and CEO/senior vice president of Sharp HealthCare Foundation in San Diego.

The AHP Report on Giving examines characteristics of the top 25% health care organizations in terms of total production. Four out of five organizations with fundraising expenses of at least \$2

million were in the top fundraising quartile, as were those who employed seven or more full time direct fundraising staff.

Among these most successful development programs, major gifts comprised almost a third of all donations and annual giving less than one-tenth, while 24.1% of contributions came from corporations and foundations.

Across the entire survey, the most common purpose for contributions used was to pay for construction and renovation projects ó about one of every four dollars ó followed by patient care program support (21%), capital equipment purchases (12.9%) and general operations (10.8%). At both teaching/academic hospitals and children's hospitals, 16 cents per dollar raised went toward medical research, compared to less than six cents per dollar in the survey total.

On average, 4.2% of donations were spent on charitable care; however, children's hospitals (10.3%), tertiary hospitals (5.5%) and community hospitals (4.4%) all devoted proportionally more to charitable care.

The effectiveness and efficiency of fundraising efforts were little changed over the year. For every dollar spent on fundraising programs, median return on investment (ROI), a measure of effectiveness, was \$3.22 in fiscal 2012, only two cents less than in fiscal 2011. As a measure of efficiency, the cost to raise a dollar (CTRD) remained steady, with a median of 31 cents.

Fundraising on behalf of children's hospitals produced median revenue of \$21,341,206 in cash and pledges, with an ROI of \$4.03 and CTRD of 25 cents. For teaching and academic hospitals, median results were \$15,468,342 in cash and pledges, ROI of \$5.31 and CTRD of 19 cents.

The median ROI for both community hospitals and tertiary hospitals was \$2.72, with a CTRD of 37 cents; however, the median funds raised by tertiary hospitals were \$5,372,220 compared to \$1,705,586 for community hospitals.

Quick facts about the AHP Report on Giving are available for free on the AHP website at www.ahp.org/reportongivingus. The complete report is available for a fee, or for free to AHP members who completed the survey.

The Association for Healthcare Philanthropy, established in 1967, is a nonprofit organization whose more than 5,000 members direct philanthropic programs in 2,000 of North America's nonprofit health care providers. Hospitals, health care systems and related facilities for which AHP members raise charitable funds provide essential, comprehensive medical services to their communities, as well as wellness programs, mobile health vans, mammography screenings, hearing and eye exams, and other community-based health care services.

AHP's members include fundraising professionals, development staff, public relations professionals, trustees, marketing professionals, administrators and executives interested in health care fundraising.

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