

# NEWS

## Association for Healthcare Philanthropy

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## Two New Reports Confirm Number of Fundraisers and Staff Retention Are Key to Raising More Dollars, AHP Says

**WASHINGTON, D.C.**, (January 27, 2014) – As the United States and Canada emerge from the recession years, in-depth analysis by the Association for Healthcare Philanthropy (AHP) shows that investing in fundraising personnel provides the biggest impact to health care organizations in terms of generating donated dollars for nonprofit hospitals, systems and health care organizations. These and other findings were contained in two reports published by AHP based on its detailed Performance Benchmarking Service survey and its annual Report on Giving of fundraising activities in both countries.

“This comes as no surprise,” said William C. McGinly, Ph.D., president and chief executive officer of AHP. “Having the right number of fundraising professionals focused on the right programs makes a huge difference in how much an organization can raise,” McGinly added, “These two new reports provide in-depth statistical analysis that strengthens the importance of retaining key staff even in tough economic times.”

“Philanthropic contributions can make an extraordinary difference in the health of our communities. Philanthropy is an investment strategy and key to that investment is highly skilled fundraising professionals who know how to inspire a culture of philanthropy from the top down in their health care organizations.” said William S. Littlejohn, chair, AHP Board of Directors. “Having the right people is by far the best return on investment,” Littlejohn added.

Previous benchmarking reports had continually pointed to a handful of factors that impacted total dollars raised including the fundraising expense budget, fundraising staff size, fundraising staff tenure and compensation, a focus on major gifts and the size of the health care organization (as measured by net patient service revenue, gross revenue or bed size). The two latest reports, *Optimal Investment Levels in Health Care Fundraising for Chief Development Officers* and *Characteristics for Sustaining High Performance*, confirmed these results but also highlighted the importance of the fundraising team.

In depth regression analysis showed investing in the following areas maximizes fundraising revenue:

- Number of Direct FTE professionals –This individual factor has a ripple effect. Increasing FTEs increases market penetration, which builds stronger donor relationships leading to larger average gift sizes, all of which increase fundraising revenue, efficiency (CTRD) and effectiveness (ROI).
- For U.S. organizations, optimal staffing levels are identified at 7 or more.

- For Canadian organizations, greater success is tied to levels of 5 or more.
- Major Gift Programming – Well-established major gifts programming increases average gift sizes tremendously. High performing organizations know the importance of investments in people and programs including sophisticated research programs, major gift initiatives (including well-managed campaigns), planned giving, corporate sponsorships, grant writing, and identification of opportunities for major funding from partners such as foundations, and local, state, and federal government agencies.
- Professional Salaries and Benefits Budgets – More staff obviously calls for larger budgets for salaries. However, both qualitative and quantitative data analyzed for this report illustrate the linkages between professional tenure and compensation.
- For U.S. organizations, optimal professional salary budgeting is identified at \$800,000 or more (e.g., for a staff of 7, average salary and benefits would be valued at \$114,285).
- For Canadian organizations, this number is \$500,000 (e.g., for a staff of 5, average salary and benefits would be \$100,000).
- Employee Retention – More staff, focused on major gift activity, means that donor relationships are more genuinely cultivated and sustained. Qualitative findings point to better results when professionals have been on staff for five or more years.
- High Average Gift Sizes – Naturally, higher average gift sizes mean a higher yield in bottom-line fundraising revenue. Larger gifts are directly tied to net production revenues, but they also can be considered a ripple effect of employing and retaining an optimal number of professional staff.
- For U.S. organizations, higher success levels are linked with average gift sizes of \$535 or more.
- For Canadian organizations, bottom- line returns grow for organizations that secured gifts of \$650 or more.

AHP surveys its members annually. The large sample (335 surveys) of the AHP Report on Giving combined with the more in-depth smaller subset (45 surveys) of the Performance Benchmarking Service provided significant data in order for AHP to produce these two reports. The reports were sent to AHP members and are posted on the AHP website at [www.ahp.org](http://www.ahp.org).

The Association for Healthcare Philanthropy, established in 1967, is the leading authority for standards, knowledge and leadership in health care development. As the world's largest association for health care fundraising professionals, AHP represents nearly 5,000 members who raise more than \$9 billion each year for community health services.

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