

AHP in the News  
U.S. Healthcare Philanthropy Slowed in 2007  
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WASHINGTON - The growth of philanthropic giving for healthcare in the United States fell by more than half from 2006 to 2007, while the Canadian rate of growth in donations nearly tripled, according to the Association for Healthcare Philanthropy.

"Hospitals and healthcare 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, president and CEO of the AHP. The AHP's new Report on Giving notes that while U.S. donors made \$8.35 billion in charitable contributions to healthcare 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.

Meanwhile, the 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 United States., 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 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.

Another AHP-sponsored study predicts a continuing slowdown in overall philanthropic giving this year and next. The study, Economic Cycles and Charitable Giving, was conducted by John Volpe of the University of Maryland.

Volpe examined projected overall philanthropic contributions, given forecasts of weak economic growth for the remainder of 2008 and through 2009, even if the economy avoids recession. He concluded that a slowing of the growth in Gross Domestic Product

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 United States to support healthcare institutions in 2007 were largely used for construction and renovation of facilities, followed by the purchase of equipment. During the same period, however, 48 percent of Canadian funds raised went to equipment purchases - three times the amount going to construction and renovation.

"Increasing numbers of healthcare systems, hospitals and foundations are beginning to benchmark their fundraising data," said McGinly. "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."

The Association for Healthcare Philanthropy, established in 1967, is a not-for-profit organization whose members direct philanthropic programs in North American not-for-profit healthcare providers.