

AHP in the News

Landmark Philanthropic Fundraising Studies Find Multiple Activities, Long-Term Donor Relationships, Are Keys to Success, AHP Performance Benchmarking Service Says

SmartBrief

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WASHINGTON, April 7, 2008 /PRNewswire-USNewswire/ -- A landmark new series of studies on philanthropic practices has found that today's most effective fundraisers use a variety of well-rounded programs and activities to raise money, shattering the myth that big ticket galas, golf tourneys and telethons are the only way to attract donors. The most successful fundraising programs have a sustained emphasis on building relationships and cultivating and maintaining major gift donors.

These are findings from The Association for Healthcare Philanthropy's (AHP) initial series of studies based on initial results of its Performance Benchmarking Service, which for the first time allows participating nonprofit hospitals and health care systems to systematically compare and contrast their fundraising efforts. Data were gathered from 31 U.S. and Canadian organizations. "To meet the serious challenges placing financial strains on nonprofit health care systems, it is critical that philanthropic fundraisers adopt modern business practices such as benchmarking," said William McGinly, Ph.D, CAE, president and chief executive officer of AHP, whose members direct philanthropic programs in 2,200 of North America's not-for-profit health care providers. "Effective and efficient fundraising is more important than ever. Americans are facing a recessionary economy in 2008 and nonprofits are facing heightened scrutiny by government agencies to justify their tax-exempt status," McGinly noted. "Meanwhile, the gap continues to grow between the costs hospitals must expend to treat the uninsured and under-insured and the level of reimbursement they can recover from public and private sources."

The benchmarking studies underscore the importance of a hospital or health care system's fundraising arm or foundation as a profit center worthy of appropriate resources that yield high net returns and balanced efficiency. Among the chief findings from the data: -- A wide assortment of fundraising programs, such as annual giving, special events, public support, major gifts and planned giving, yields higher charitable revenue. Conversely, when foundations emphasize only one or two programs, revenues are comparably lower. -- It takes time for investments in new fundraising programs to pay off. The lower and even negative returns reported for individual fundraising programs are largely a result of fresh upfront investment in staff, materials and relationship-building activity that will yield higher returns and lower costs after three to five years. -- Major gifts and planned giving programs are at the core of successful fundraising programs. Hospitals and systems that have invested time and resources in major gifts from individuals, corporations and foundations, and through planned giving, yield higher overall returns than those who do not. -- High performers have a balanced approach to the full scope of fundraising programs. Strong focus and investment in high return/lower cost programming, paired with moderate focus on expensive but important programs that

attract new donors, is part of the wisdom of this balancing act. -- Uncontrollable factors, such as geography, demographics and the size or structure of the health care facility, do not impact overall returns to the extent many previously believed. -- High performers stand out from the crowd based on their emphasis on high return fundraising programs. Data also paint a picture of leanness among high performing foundations that employ fewer professionals, while giving them greater responsibilities.

About the AHP Benchmarking Service

The AHP Performance Benchmarking Service is designed to improve corporate compliance and transparency for fundraising efforts and to ensure that dollars donated by grateful patients, their families and members of the community, are accounted for and spent effectively. Basic financial and program data are transformed into useful information that enables hospital CEOs and boards of directors to integrate philanthropy into their overall strategic planning for their health care organizations. "The forward-looking hospitals and systems and their dedicated staffs who played a part in these initial studies invested a great deal of time and resources to demonstrate the value of benchmarking as a vital and exciting management tool," McGinly said. Using benchmarking data, participating nonprofit hospitals, clinics and health care systems can compare their fundraising efforts with those of other facilities across the country. They can exchange and adopt the best ideas to encourage philanthropy and avoid pitfalls. Systematic data-gathering techniques and standard definitions eliminate "apples-vs.-oranges" problems that can arise when gauging one system's practices against another's.

AHP benchmarking participants are located in Alabama, Arizona, California, Florida, Georgia, Illinois, Maryland, Minnesota, Nebraska, New Jersey, New York, Oklahoma, Pennsylvania, Tennessee, Virginia, Washington, Wisconsin and the Canadian provinces of Ontario and Saskatchewan. The Association for Healthcare Philanthropy, established in 1967, is a not-for-profit organization whose 4,600+ members direct philanthropic programs in 2,200 of North America's not-for-profit health care providers. AHP members provide essential services such as wellness programs; mobile health vans; mammography screenings; hearing and eye exams; and other health care services. AHP is comprised of professionals in the fields of fundraising, development, public relations and marketing, as well as trustees, administrators, and executives interested in health care fundraising. For a copy of the AHP Performance Benchmarking Service studies, a list of participating members, or to learn more about the program, visit the AHP Web site at <http://www.ahp.org>.