

Predicting the **future** of health care philanthropy

Why accountability, leadership, technology and a commitment to donors' needs will be required for successful philanthropy initiatives

The health care industry faces a rapidly evolving landscape, requiring us to harness emerging technologies, implement the latest safety protocols, improve outcomes, ensure patient satisfaction, realize financial efficiencies and experiment with artificial intelligence. Nothing is above scrutiny, and the only constant is change.



As health care philanthropy specialists, we too must subscribe to a forward-thinking mindset. Reprising topics explored during the “Philanthropy 2028” panel discussion at the recent AHP International Conference, this article offers perspectives from recognized industry leaders who envision what is coming down the pipeline and suggest how fundraising professionals can best prepare for the inevitable challenges that lie ahead.

Demonstrating impact

Accountability is more than a buzzword these days. It’s an operating principle. Increasingly, donors demand to know how their giving impacts the organizations they support. Likewise, fundraising leaders are accountable to the hospitals for which they raise funds and the executives to whom they report. Development shops of all sizes continue to struggle with how to demonstrate the powerful impact of philanthropy.

According to Bill Littlejohn,¹ senior



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vice president and chief executive officer of Sharp HealthCare Foundation, which has been recognized by AHP as a high-performing organization, the best way to demonstrate impact is to strategically align organizational and philanthropic goals. Foundations and fund development programs, he suggests, must conduct strategic planning processes in collaboration with institutional leadership, foundation board members and senior staff to develop detailed short- and long-term plans, goals and objectives. These

should include multiyear revenue, expense and funding projections, along with comprehensive cases for support. This approach represents a dramatic departure from the annual or single-focused campaign planning that has dominated health care philanthropy for decades.

The philanthropic component of Sharp HealthCare's Five-Year Operating, Cash and Capital Plan is a nationally recognized best practice. Over the last decade, the Sharp Foundations have provided nearly

\$200 million in cash toward the plan, leveraging more than \$1 billion in investment. Combined, the Foundations fund 10 to 20 percent of Sharp's annual expenditures on capital improvements, patient care programs and ongoing operations. That, said Littlejohn, is the true demonstration of philanthropy's impact. Ultimately, he said, an aligned strategic plan provides the road map for what we do best: tell stories about the transformation of health care through philanthropy.

"We need to be at the forefront of writing our own story," Littlejohn said. "Stories of hospitals adapting to change and empowering their workforce. Stories that demonstrate the

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miracles of modern medical technology. Stories that share how we help families navigate an unfamiliar world. And, above all, stories of inspired giving—giving that transforms lives, institutions and communities."

Defining philanthropy's future leaders

Today's leaders are called on to do more than ever—raise funds, manage staff and budgets, motivate volunteers, collaborate with C-suite colleagues and stay ahead of the technology curve,


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to name a few concerns. But how can foundations effectively groom the leaders of tomorrow? What knowledge, skills and talents will such individuals need to possess?

David Flood,¹ senior vice president/chief development officer at Intermountain Healthcare and president of the Intermountain Foundation in Utah, has gained valuable insights about leadership through his own brand of success. He's taken a fully decentralized group of foundations and created a highly productive centralized team that has produced truly transformational results.

Developing leadership within the rapidly evolving philanthropy space will continue to be a challenge, he said. Leaders will be asked more and more to “pave

the road we are walking on” in the quest for support. He cited a few examples of skills and aptitudes that will be required of future fundraising leaders.

The first involves technology and artificial intelligence. It won't be enough to simply learn how to use the latest and greatest vehicles for engagement and outreach, Flood noted. While today's consumers will tell you they are rightfully concerned about the world knowing their habits and patterns, every day we gravitate to search engines that are much more intuitive and that “seem to know us.” Understanding and embracing technology and its reach responsibly—balancing privacy with aggressive outreach—will continue to be a challenge.

Second, leaders will need to move beyond the “expressive world” we have crafted to a more “analytical presence,” especially with respect to finances. Our financial lexicon has expanded exponentially, thanks to the many experts who have entered our world through a proliferation of strategic third-party funds. At the same time, we must strive to maintain clarity and transparency in our conversations with the external world, especially our donors.

Similarly, we will be increasingly viewed through the lens of issue advocacy, as opposed to simply bridging a need with critical funding. It is imperative that fundraising leaders be viewed as experts—prepared to discuss the programs



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they represent knowledgeably and confidently within a global context. Flood emphasized that in order to maximize impact, effective fundraisers must be able to “more independently express and evangelize needs, nuances and opportunities within the mission, while relating their organization’s impact to larger societal priorities.”

Finally, leaders must be part of an expanding conversation and manage it carefully. Philanthropy, Flood noted, is now a 24/7 business. “Through social media, our friends, neighbors, schools and local politicians, everyone is in the fundraising business,” he said. “Leaders will be required to condition teams to work through

and above the endless chatter that challenges effectiveness to distinguish their mission.”

Keeping pace with technology

Outstanding leaders carefully hone their communications skills, and over the past couple of decades they have learned to embrace technology as a powerful

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Generous citizens contributed \$427.71 billion in 2018, according to the *Giving USA 2019* report. If every dollar given charitably in the United States last year was laid end-to-end, it would encircle Earth more than 1,500 times.

Though cause for celebration, a deeper look might give nonprofit leaders pause. Considering the figure in inflation-adjusted dollars, total giving decreased \$7.4 billion from an all-time high of \$435.11 billion (again, adjusted for inflation.)

“After four years of solid growth, including a record-



breaking 2017, these lackluster results may be what economists consider a ‘reversion to mean’ or course correction,” said Graham-Pelton President and CEO Elizabeth Zeigler. “But there are straggling trends that warrant both focused attention and decisive action. And there are areas of optimistic growth that we can absorb and internalize to influence efforts, no matter the sector or donor we serve.”

Takeaway 1: Economy and policy influenced giving, but not how we expected. Both economic conditions and the policy environment influenced giving, but the Tax Cuts and Jobs Act had less impact than predicted.

Action: Talk to your supporters about how the economic climate affects them, but don’t use policy as an excuse to slow down your asking. Your goal will always remain to give generous people a reason to give.

Takeaway 2: Enterprising nonprofit sectors are witnessing increased attention and enthusiasm. The causes that donors support and the way they consider and transmit their gifts are shifting to reflect social norms and emerging interests.

Action: Ask yourself, “In what ways can we bring global issues closer to our donor’s front door?” Build a strong case that connects your donors to the bigger picture.

Takeaway 3: Donor loyalty should not be taken for granted. Although both the education and religion subsectors have built-in donor pools, that no longer guarantees a culture of philanthropic loyalty among their constituents.

Action: “Religion has long held the top proportion of total giving, with education a distant second, since Giving USA began measuring this data. But the latest report reveals that giving to religion has dipped below 30 percent for the first time ever, and education has witnessed anemic growth,” said Zeigler. “These stalwarts of the community must work harder than ever to connect with their own, reinforcing their relevance and wide reach while engaging in an increasingly sophisticated level of donor development.”

Takeaway 4: The American middle class may be disappearing, but don’t disregard them. This is the first year that giving by individuals has fallen below 70 percent since at least 1954, but this is not a sudden trend, having crept downward since the late 1970s. Itemized giving has

decreased across the board, but the rise in upper-income earners appears to have made up the difference.

Action: Institutions must also invest in sustaining and growing lower- and mid-level giving in order to build a culture of philanthropy and a pipeline of future major donors.

Takeaway 5: Both giving by and to foundations have seen collective gains. Giving by foundations has grown substantially over the last 40 years, at 291 percent. The last 10 years has seen a steady growth in foundation assets. And the best news? Reports show commensurate growth in those foundations’ grantmaking.

Action: At Graham-Pelton, we know that all sources of giving are, at their core, powered by the individual. Even small nonprofits should put in place a foundation fundraising plan, including an exploration of the ways your mission matches funding priorities, assigning a corporate and foundation relationship manager and allocating the appropriate resources to do so.

For Graham-Pelton’s full analysis, visit grahampelton.com/giving-usa-2019.



tool. How we do business today differs greatly from what we did a generation ago. The rapid pace of change promises to only increase, requiring philanthropy leaders to evolve along with it.

Alison Sadler,¹ vice president of philanthropy operations at Sutter Health, has pioneered highly effective technological innovations and kept her organization on the cutting edge. Technology, she noted, has changed how we shop, search for information, connect with friends and consume entertainment. And the technology supporting health care philanthropy is no different. It will continue to transform how we unearth information about our prospects, reach our donors, support our frontline fundraisers and share the impact of our work with the world.

Predicting what lies on the technology horizon over the next 10 years is nearly impossible, but Sadler believes there are five important considerations to bear in mind when thinking about the coming decade.

- **Connect with people.** It's not really about the tools, Sadler said. It's about the people, especially donors and frontline fundraisers. Donors and their needs should be at the center of every conversation, and our decisions about technology should be predicated on our ability to better serve them. At the same time, understanding what our fundraisers need and how technology can help them connect with prospects and donors in new ways will enable us to make informed decisions about adopting new tools. What's more, Sadler said, deciding to innovate means taking risks and confronting the discomfort of challenging work.

"It's easy to groan about the technology and changes to the way we do business," she said, "but it's important that leaders and their teams don't stay in the groan zone too long."

- **Establish a sound infrastructure.** "Invest in the infrastructure of your program now by building tools and staffing that can grow and evolve," Sadler advised. By doing so, you can better manage the cost and impact of new tools and potential staffing integrations and allow ample opportunity for piloting and testing. Plan now for change; don't wait for it and scramble to adjust.
- **Personalize your services.** As part of your strategic planning, consider how your organization intends to interact with patients and donors so your technology platform can be fully leveraged. Sadler cited the examples of providing more virtual care options for patients or patient portals allowing access to physician data and related information. Investing in such technology will enable you to enhance the donor experience on patient-focused platforms.
- **Collaborate with colleagues.** Fundraisers must cultivate relationships with tech professionals, so everyone is on the same page. "A mutual understanding of the current landscape and potential road map will enable more strategic conversations and a better leveraging of resources," Sadler said.
- **Analyze and adjust accordingly.** Using data to predict needs and improve operations enables us to respond more effectively and demonstrate impact more convincingly, Sadler noted.

"Our teams often focus only on what is being measured," she said, "so building metrics for the short-, mid- and long-term horizons will help you keep a watchful eye on the overall health of your program so you can course-correct much more quickly and strategically."

Ensuring donor-centric, relationship-driven philanthropy

Amid all this change and speculation, one aspect of health care philanthropy remains constant: the mandate to keep donors' needs at the center of our work. Susan Dolbert, Ph.D., understands this as well as anyone.¹ As president and chief development officer for the Los Angeles region of Providence Health & Services, the third largest health care system in the nation, she's always striving to better serve her donors' interests in an age of ambiguity.

"When I ask my colleagues, 'What keeps you up at night as you think about our work over the next decade?' the most common response is concern about our ability to continue to build benefactor relationships in the gray world of health care, and health care philanthropy in particular," Dolbert said. "While living within this health care tornado, we still must look ahead and continue to create, sustain and grow trusted, donor-centric philanthropy in this complex and ever-changing environment."

Dolbert enumerated a few critical factors that contribute to a donor-centered approach.

One is identity. As health care changes through acquisitions, consolidations, mergers and systemization, she said, philanthropy, in large part,


remains local. “Our job is to demonstrate the advantages of being part of a larger system or hospital group while retaining and reinforcing the special qualities of the local hospital,” she said. In this respect, transparency is essential. “Our benefactors must have confidence that their gifts are used as intended, and where intended,” Dolbert added.

A second critical factor is the ability to listen. When meeting with supporters, fundraisers need to be mindful of a simple question, according to Dolbert: “Why am I talking?” It’s far more important to listen carefully for what motivates our donors. “Almost always,” Dolbert said, “we can find ways to match the passion of the contributor with the priorities of our hospitals.”

Third, we must personalize

the donor experience. No longer are we always seen as “trusted institutions.” We need to provide ample opportunity for donors to feel good about their giving and to demonstrate the impact of their generosity. That personal stewardship includes connecting benefactors to our caregivers and the work they do. “It is exciting to look ahead to where stewardship can go in the next decade,” Dolbert said. “Technology is allowing us to communicate much more personally, and we can provide benefactors with better information about their gifts and offer them the recognition they want and deserve.”

These invaluable insights into the future of health care enable us to remain proactive and anticipate with some assurance what will inevitably become our industry

best practices. As health care philanthropy professionals, we are on the precipice of opportunity and must step up to meet the approaching challenges long before they arrive. Another sage observer, Abraham Lincoln, captured it best: “The best way to predict your future,” he said, “is to create it.” 

Reference

1 Dolbert, S., Flood, D., Littlejohn, W., Sadler, A. “Philanthropy 2028: What You Need To Know.” Panel discussion, AHP Annual International Conference, San Diego, CA, October 2018.



Debra A. Gill, CFRE, FAHP, MPA, is senior vice president/director, Western Division, for Ghiorso & Sorrenti Inc. and has more than 33 years of experience in the field of philanthropy, the majority of which has been in the health care setting.

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