Keys to Raising More Money for Your Mission

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Faculty Profile:

Betsy Chapin Taylor, FAHP, is principal of Accordant Philanthropy, which fosters the effective engagement of CEOs, board members and physicians in philanthropy. She previously spent 17 years leading fund development efforts in academic, community and religious health systems as Chief Development Officer or Foundation President. She is author of the book Healthcare Philanthropy: Advance Charitable Giving to Your Organization's Mission published by Health Administration Press, editor and co-author of the book Redefining Healthcare Philanthropy from the Association for Healthcare Philanthropy and author of the monograph Boards and Philanthropy: Developing the Next-Curve Revenue Source for Health Care from the American Hospital Association’s Center for Healthcare Governance. Her writing has also appeared in numerous publications for philanthropy and healthcare management. She holds an MBA from University of Georgia and a Masters of Journalism from Columbia University in New York.
Key Learning Objectives

- Explore the financial rationale for positioning healthcare philanthropy as a key revenue resource
- Identify specific, evidence-based tactics to raise more charitable dollars

Agenda

- Why philanthropy?
- The power of leadership
- The power of alignment
- The power of patients
- Other performance levers
A NEXT CURVE CORE REVENUE RESOURCE

Inception

Growth

Maturity

Decline

Innovation

Breakthrough

New Growth

Performance / Value

Time / Effort
Donors contributed $9.2 billion to U.S. nonprofit health care organizations in fiscal 2013, according to the Association for Healthcare Philanthropy Report on Giving.

Development margin in a community hospital according to the 2014 AHP Report on Giving: CTR$ 0.37
ATTENTION FROM RATINGS AGENCIES

“We believe a strong fundraising program, as a complimentary strategy to a hospital’s patient care operations, is an important consideration in our credit assessment and can positively impact bond ratings…”

Contributions…remain an untapped resource for most community hospitals. We do expect, however, that hospitals will begin to turn to fundraising as an important source to fund operations and capital needs. Most hospitals have not developed fundraising capabilities as a core strategy and business strength."

Source: Moody’s Investors Service Special Comment, March 2006

“Moody’s says it considers factors such as annual unrestricted gifts, which can help support operations by supplying a steady stream of revenue. It also looks at restricted gifts earmarked for specific capital initiatives.”

**FUNDRAISING**

A hand-out given in response to a trigger to respond to an immediate need...often with no continued relationship after the contribution.

**PHILANTHROPY**

A gift made as part of a mutually-rewarding partnership that allows people to express their values and to make a meaningful impact on something they care about.

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**COMPETITIVE ADVANTAGE**

- Alignment with strategy
- Clinical service excellence
- Organizational culture
- Key ally engagement
- Meaningful investment
- Business diligence
- Case for support
- Comprehensive program
The symbolic importance of the CEO in setting the tone and priorities cannot be overstated.

“The unique value of the CEO lies not in what he does or says but in the fact that the CEO is the single, highest executive in the organization. In select instances, no one can substitute for the top official to flatter egos, convey gratitude, articulate the vision of the organization and build confidence.”

-Champion for the Cause, Advisory Board Company

“In the nonprofit sector, weak market forces exist...funders’ choices are often influenced by personal relationships or the emotional appeal of the mission rather than by organizational performance.”

Harvard Business Review


“People are growing increasingly intolerant of messages from people they don’t really know...They are increasingly limiting their attention to messages from trusted friends and business colleagues.”

Stanford Social Innovation Review


TOO IMPORTANT TO SQUANDER: BOARD PERFORMANCE ADVANTAGE

OPENING DOORS: GIFT SIZE:

4x 5x

MORE EFFECTIVE  MORE EFFECTIVE

Jachim, Jeanne, “Major Gift Officers: A Valuable Commodity–Are We Using and Evaluating Them Well?”, AHP Journal, Fall 2010
The Advisory Board Company, “Re-envisioning the Alliance”, p.2, 2009

SOCIAL CAPITAL AS ASSET

• Performance linked to “social capital” associated with diverse network of social, civic and business connections.

Harvard University professor Robert Putnam explains “social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them.” Putnam says each person’s network is the embodiment of past success at collaboration, and positive experiences working together provide confidence to collaborate again.

COMFORTABLE ASKING?

59% say NO

Source: 2012 BoardSource Nonprofit Governance Index
p. 17
POWER OF PHYSICIANS

- Strongest connection with grateful patients
- Significant influence on most major donors
- Explain clinical work
- Gravitas of “white coat”

Source: The Advisory Board Company 2007
APPROPRIATE TO ACCESS

- Name
- Addresses
- Other contact information
- Age / Birthdate
- Gender
- Insurance status
- Department of service
  - ("such as cardiology, oncology, or pediatrics")
- Treating physician information
- Dates of service
- Outcome information
  - (ex. “death…or any sub-optimal result of treatment or services”)

THIS IS A TEAM SPORT…
JUST LIKE COMPLIANCE,
QUALITY AND OTHER KEY
ISSUES, THIS DEMANDS
EVERYONE’S
UNDERSTANDING AND
ENGAGEMENT TO BE
TRULY SUCCESSFUL
PROJECT SELECTION AT AN INTERSECTION

STRATEGIC ALIGNMENT

DONOR APPEAL

FUNCTIONAL FITNESS
DRIVE DONOR-CENTERED

- Would this dramatically ENHANCE the outcomes or standard of care?
- Is the project RELATABLE and understandable to the general public?
- Would this project create EXCITEMENT to ignite donor enthusiasm?
- Would this make a positive IMPACT on a significant number of people?
- Will the proposed OUTCOMES be clear and measurable?
- Is there an emotional patient STORY to illustrate the importance?
- Is there a PHYSICIAN CHAMPION to actively explain the clinical benefits?

DRIVING DELIBERATE

- Is the project financially SUSTAINABLE once fully operational?
- Is the project UNIQUE relative to our real or perceived competitors?
- Does the TIMELINE for acquisition/start allow adequate time to campaign?
- Is the AMOUNT achievable and meaningful?
- Does the project meet BUSINESSS DILIGENCE standards go forward?
- Does the organization have the CREDIBILITY to advance this project?
A FEW MORE KEYS TO SUCCESS

[Diagram with a key and dollar sign]

[Diagram with overlapping circles labeled Hospital and Foundation, arrows indicating Brand and Case]
INVESTMENT IS KEY DRIVER

The Association for Healthcare Philanthropy “has analyzed…29 years’ worth of data from AHP’s annual Report on Giving and various benchmarking studies identifying conclusively that the most powerful predictor of fundraising success is a foundation’s total fundraising expense budget. In other words, the more your organization spends, the more your organization will raise.”

• $27.7 billion transferred through estates in 2013
• Average gift is $35,000
• 89% of planned gifts come in the form of bequests
“Our courage must be addressed to the dreams we have abandoned and the dreams we have been afraid to dream, either because they are too breathtaking or because it has been too difficult to imagine how they could possibly be realized inside our existing confinement.”

Dan Pallotta from “Uncharitable”
References

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- Giving USA 2013; September 4, 2013 www.givingusa.com
- Root Cause, “Research Informed Philanthropy” 2013
- Source: Leslie Crutchfield et al, Forces for Good, p. 19
- The Advisory Board Company, “Re-envisioning the Alliance”, p.2, 2009

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