What the Affluent Think about Healthcare Philanthropy

Bentz Whaley Flessner's 11th Annual Healthcare Survey
October 2011
Introduction

- The FY2010 AHP Report on Giving estimates that U.S. nonprofit hospitals and healthcare organizations raised eight percent more than in 2009. Overall, this giving is still lower than in 2007 and 2008, despite what appears to be a slowly recovering economy.

- The stock market continues to rise and fall, creating even more uncertainty for donors considering large gifts. Hospitals are also facing increasing pressures to prove their value and commitment to both their patients and the community.

- In addition to the unstable economy, many are still uncertain as to how healthcare legislation will impact their costs and patient care. Keeping abreast of new policies and their impact will be crucial as we look ahead to new frontiers with our fundraising programs and patient outreach.

- Our 2011 Annual Healthcare Survey is designed to keep you informed of trends and attitudes toward giving to healthcare so that you may evaluate and fine tune your programs to reflect these changing and challenging times.
Objective, Methodology, and Design

Our Objective

- For the past 11 years, Bentz Whaley Flessner has conducted research to gauge the perceptions and opinions of affluent Americans toward making gifts to hospitals and healthcare organizations.*

- Our goal in collecting and sharing this data with you is to help inform you of current attitudes toward giving so that you can build stronger, more sustainable development programs for your healthcare organization.

Methodology and Design

- An “affluent household” is defined as having a household income greater than $200,000.

- The electronic survey is distributed annually during late July or August.

- The online survey is open for approximately one week after delivery of the email invitation.

*Note: Includes community hospitals, academic medical centers/research centers, children’s hospitals, and long-term care facilities.
2011 Demographics

Giving

- Of the 88% of survey respondents that contribute to charities, 47% support hospitals and healthcare organizations*

Gender

- 49% male; 51% female

Age

- 3% under age 30
- 21% age 30–44
- 45% age 45–59
- 31% age 60 or older

Family

- 81% have children
- 30% have grandchildren

*Note: Includes community hospitals, academic medical centers/research centers, children’s hospitals, and long-term care facilities.
2011 Demographics: Comparison to 2010

Giving

- Overall, those who said they contribute to charities as well as those who say they support hospitals and healthcare organizations* both dropped 1% from 2010.

Gender

- Male respondents increased by 2% from 2010; likewise, female respondents decreased by the same amount.

Age

- Those under age 45 decreased by 12% from 2010; likewise, those 45 and older increased by the same amount.

Family

- Those who have children and grandchildren each increased 7% from 2010, perhaps due to the overall higher age of respondents in 2011.

*Note: Includes community hospitals, academic medical centers/research centers, children’s hospitals, and long-term care facilities.
The majority (89%) of the survey respondents contribute to charities. Affluent donors provide their largest gifts to the following types of organizations.

To which type of organization do you make the largest gifts?

- Human Services: 12% (2011), 12% (2010), 11% (2009)
- Environment/Animals: 10% (2011), 11% (2010), 10% (2009)
- Public-society Benefit: 7% (2011), 8% (2010), 8% (2009)
- Arts/Culture/Humanities: 5% (2011), 6% (2010), 8% (2009)
- Hospitals: 3% (2011), 4% (2010), 4% (2009)
- International Affairs: 1% (2011), 1% (2010), 1% (2009)

*Note: Includes health-related research facilities, disease-specific organizations for research or patient/family support, mental health services and research, and health policy centers.
Although only 3% of affluent donors made their largest gifts to hospitals, 24% supported hospitals at some level during the last year.

*Note: Includes health-related research facilities, disease-specific organizations for research or patient/family support, mental health services and research, and health policy centers.
An Inside Look at Support to Hospitals
Children’s hospitals remain the top priority among affluent donors; overall however, the percentage of people who support them has stayed stagnant, while the percentage of those who support academic medical centers and community hospitals has risen.

Which types of hospitals do you support?

- **Children’s Hospitals**: 54% (2011), 54% (2010), 56% (2009)
- **Academic Medical Centers**: 52% (2011), 50% (2010), 47% (2009)
- **Community Hospitals**: 33% (2011), 37% (2010), 40% (2009)
- **Long-term Care Facilities**: 13% (2011), 17% (2010), 13% (2009)

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In two of the last three years, women have supported children’s hospitals and long-term care facilities more than men. In 2011, support of community hospitals was the only area in which women lagged behind men.
For the past three years, importance and value to community has been rated as the top motivator for giving, while physician recommendation continues to be rated as the lowest motivator.

What motivates you to contribute to a hospital?

- Importance / Value to Community: 61% (2011), 62% (2010), 60% (2009)
- Recent Personal or Family Experience: 50% (2011), 50% (2010), 47% (2009)
- Reputation / Image of Hospital: 38% (2011), 44% (2010), 44% (2009)
- Request from Friend: 19% (2011), 20% (2010), 17% (2009)
This year, 61% of affluent individuals reported that they were not asked to make a gift. However, the percentage of those being asked and subsequently making a donation has increased notably in each of the last three years.

Following your recent personal or family experience with the hospital, which statement best describes you?

- I was asked to make a gift and declined. (2011: 1%, 2010: 4%, 2009: 4%)
- I was asked to make a gift and as a result, I made a donation. (2011: 39%, 2010: 31%, 2009: 23%)
- I gave a gift without being asked.* (2011: 48%, 2010: 44%, 2009: 17%)
- I was not asked to make a gift, nor did I make a donation.* (2011: 15%, 2010: 17%, 2009: 17%)

*Donors not asked to make a gift.
Note: Totals may not equal 100% due to rounding

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Although direct mail remains the main source of a gift request, the percentage of affluent donors receiving a personal visit, either in the hospital or after discharge, has risen in each of the past three years.

During or shortly after your recent (within the past 12 months) personal or family experience with the hospital, how were you asked to give?
In 2011, 15% of affluent individuals not currently making gifts to hospitals indicated that a “donor benefits” program would motivate them to give to their hospital. This is a 5% decline from both 2009 and 2010.

If your hospital had a special program that recognizes and gives special consideration to patients if they are contributors, would that motivate you to give?

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Some affluent donors to hospitals expect to be recognized during a hospital visit. The number of those expecting recognition fell 2% from 2010 to 2011.

As a donor, do you expect to be recognized and receive special consideration as a patient?

- 2009: 74% Yes, 9% No, 17% Don't Know
- 2010: 70% Yes, 9% No, 21% Don't Know
- 2011: 72% Yes, 9% No, 19% Don't Know
Who Impacts a Donor’s Giving?
Among both donors and non-donors to hospitals, spouses or partners and family members most strongly influence giving decisions.

How influential are the following people in your decision to make a gift?

- **Organization Representatives**
  - Donors, Not to Hospitals: 29%
  - Donors to Hospitals: 47%
- **Financial Advisors**
  - Donors, Not to Hospitals: 18%
  - Donors to Hospitals: 37%
- **Peers**
  - Donors, Not to Hospitals: 30%
  - Donors to Hospitals: 47%
- **Other Family Members**
  - Donors, Not to Hospitals: 47%
  - Donors to Hospitals: 61%
- **Spouse or Partner**
  - Donors, Not to Hospitals: 88%
  - Donors to Hospitals: 88%
Spouses and partners also yield the most influence regarding gift size.

How influential are the following people in determining the size of your charitable gifts?

Overall, non-donors to hospitals are less influenced by anyone outside the family than are donors to hospitals.
The majority of respondents (59%) who indicated that they are donors to hospitals are influenced by someone within the organization; those with the most impact tend to be medical and nursing staff.

Who, within a hospital, would most influence your giving decisions?

<table>
<thead>
<tr>
<th>Role</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical/Nursing Staff</td>
<td>23%</td>
<td>19%</td>
<td>16%</td>
</tr>
<tr>
<td>Board/Volunteer</td>
<td>16%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>CEO/President</td>
<td>11%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Chief Development Officer</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Other Development Officer</td>
<td>6%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>No One</td>
<td>38%</td>
<td>36%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Note: Donors to hospitals.
Medical and nursing staff play a significant role in influencing giving decisions across all hospital types. Hospital leadership also plays a significant role at long-term care facilities.

<table>
<thead>
<tr>
<th>Type of Hospital</th>
<th>Medical/Nursing Staff</th>
<th>CEO/President</th>
<th>Board / Volunteer</th>
<th>CDO</th>
<th>Other Dev. Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Hospitals</td>
<td>20%</td>
<td>14%</td>
<td>17%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Academic Medical Centers/Research Centers</td>
<td>20%</td>
<td>13%</td>
<td>13%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Children's Hospitals</td>
<td>23%</td>
<td>8%</td>
<td>9%</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Long-term Care Facilities</td>
<td>21%</td>
<td>21%</td>
<td>14%</td>
<td>7%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Note: Totals will not equal 100 as those not choosing one of the above were omitted from this table.
The majority of responding hospital donors (61%) continue to relay that a representative’s knowledge about the organization continues to be the most motivating quality when considering a gift.

What are the personal qualities of your hospital’s representatives that motivate you to give?

- Knowledge about the hospital: 61% (69% in 2010, 59% in 2011)
- Longevity of our relationship: 29% (29% in 2010, 31% in 2011)
- Knowledge about me and my circumstances: 18% (15% in 2009, 28% in 2010, 28% in 2011)
- Expertise with setting up gift plans: 13% (15% in 2009, 18% in 2010, 18% in 2011)

Note: Donors to hospitals.

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Creating and Strengthening the Case for Support
Nearly half of all respondents report that the primary reason they do not support hospitals is because it is covered by health insurance.

I do not support hospitals because:

- I pay for my healthcare through health insurance.
- Other organizations need my money more.
- Hospitals are businesses and do not need my gift.
- I do not think my hospital needs my money.
- I receive my healthcare at a for-profit hospital.
- I have never been asked to make a gift.
- Government, not charity should do more for hospitals.
- Hospitals will not need my support because of recent healthcare legislation.

*Note: New choice for the 2010 survey.
Perceived Importance of Revenue Sources

How important are the following sources of revenue to your community hospital?

Bonds/Loans
- Donors to hospitals: 27% Very important, 36% Somewhat important, 8% Not important, 29% I don't know
- Donors, not to hospitals: 15% Very important, 31% Somewhat important, 10% Not important, 44% I don't know

Government Medicare or Medicaid
- Donors to hospitals: 52% Very important, 27% Somewhat important, 6% Not important, 15% I don't know
- Donors, not to hospitals: 42% Very important, 28% Somewhat important, 6% Not important, 24% I don't know

Managed Care Contracts
- Donors to hospitals: 39% Very important, 38% Somewhat important, 4% Not important, 19% I don't know
- Donors, not to hospitals: 36% Very important, 31% Somewhat important, 5% Not important, 28% I don't know

Investment Income
- Donors to hospitals: 34% Very important, 37% Somewhat important, 7% Not important, 22% I don't know
- Donors, not to hospitals: 19% Very important, 34% Somewhat important, 8% Not important, 38% I don't know
Perceived Importance of Revenue Sources

How important are the following sources of revenue to your community hospital?

Respondents from both groups perceive that private healthcare insurance is the most important source of hospital revenue.

More than half of both groups also believe that government-sponsored healthcare insurance will be either very important or somewhat important.

*Note: New choice for the 2010 survey.*
The Importance of Charitable Giving

Donors to hospitals have a clearer understanding of the impact and importance of philanthropy, with 81% viewing it as a very important or somewhat important source of revenue compared to 56% among non-donors to hospitals. Despite this, 16% of donors and 36% of prospective donors are still uncertain about philanthropy’s importance to their hospital’s revenue.

How important are the following sources of revenue to your community hospital?

![Bar chart showing the importance of philanthropy/charitable giving to donors to hospitals and donors, not to hospitals.]

- Donors to hospitals:
  - Very important: 46%
  - Somewhat important: 35%
  - Not important: 4%
  - I don’t know: 16%

- Donors, not to hospitals:
  - Very important: 19%
  - Somewhat important: 37%
  - Not important: 8%
  - I don’t know: 36%
A strongly communicated case for support as well as a grateful patient program may be effective means to reaching and educating prospective donors.

What might motivate you to give to hospitals?

- I need to understand why my support is needed: 39% (2011), 42% (2010), 45% (2009)
- A family or personal experience: 28% (2011), 27% (2010), 29% (2009)
- Nothing could motivate me to give: 26% (2011), 25% (2010), 26% (2009)
- If asked, I might give: 17% (2011), 14% (2010), 12% (2009)
- A new, exciting program: 10% (2011), 10% (2010), 8% (2009)
- A change in hospital leadership: 3% (2011), 2% (2010), 2% (2009)

Note: Donors, not to hospitals

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Factors to Consider for Your Program
How often did your community hospital seek a gift from you over the past year?

As in previous years, nearly half of respondents reported that they were not solicited for a gift.

- Those who were solicited tended to receive one to three appeals per year.

The number of asks differs by donor type.

- Individuals who support hospitals report being asked much more frequently than those not currently supporting hospitals.
- 64% of individuals not supporting hospitals were never asked for a gift, a significant gap compared to the 25% of donors who reported no ask.
While the vast majority of respondents age 45 and older have an estate plan, only 23% report that nonprofit organizations are included.
While education and religion are most frequently included in estate plans, hospitals have historically placed in the bottom tier. 

What types of charities are included in your plans?

*Note: Includes health-related research facilities, disease-specific organizations for research or patient/family support, mental health services and research, and health policy centers.
Current giving priorities don’t always align with estate plans.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Largest Gifts to:</th>
<th>Currently Give to:</th>
<th>Estate Plans include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>16%</td>
<td>50%</td>
<td>55%</td>
</tr>
<tr>
<td>Religion</td>
<td>28%</td>
<td>55%</td>
<td>35%</td>
</tr>
<tr>
<td>Arts/Culture/Humanities</td>
<td>6%</td>
<td>44%</td>
<td>30%</td>
</tr>
<tr>
<td>Human Services</td>
<td>9%</td>
<td>59%</td>
<td>27%</td>
</tr>
<tr>
<td>Healthcare Causes</td>
<td>19%</td>
<td>58%</td>
<td>26%</td>
</tr>
<tr>
<td>Environment/Animals</td>
<td>11%</td>
<td>41%</td>
<td>27%</td>
</tr>
<tr>
<td>Hospitals</td>
<td>3%</td>
<td>23%</td>
<td>14%</td>
</tr>
<tr>
<td>Public-society Benefit</td>
<td>7%</td>
<td>41%</td>
<td>17%</td>
</tr>
<tr>
<td>International Affairs</td>
<td>1%</td>
<td>14%</td>
<td>6%</td>
</tr>
</tbody>
</table>

While 23% of affluent donors 45 and older currently support hospitals, only 14% have included hospitals in their estate plans.
The percentage of respondents indicating that the current economy will have an impact on their giving is the lowest it has been in the past three years.

Is the economic environment changing how much you give to charitable organizations?

- **No**:
  - 2011: 57%
  - 2010: 57%
  - 2009: 60%

- **Yes**:
  - 2011: 62%
  - 2010: 43%
  - 2009: 40%
Of the 38% who indicated that the economy is impacting their giving in 2011 and the 43% who answered similarly in 2010, 85% said they are giving less.

If the economic environment is changing how much you give to charitable organizations, how has the economy impacted your giving?

2011
- 85% I am giving more
- 15% I am giving less

2010
- 85% I am giving more
- 15% I am giving less

Note: New question for the 2010 survey.
This year, we again asked respondents if recent healthcare legislation would affect their giving. Although the slight majority indicate that it will not affect their giving, many are still uncertain.

Will recent healthcare legislation change how much you give to charitable organizations?

Note: New question for the 2010 survey.
Of the 12% who anticipated that the legislation would impact their giving, the majority projected that their giving would decline. Compared to last year, however, the group of those stating that they would give less decreased by 12%.

If recent healthcare legislation will change how much you give to charitable organizations, how will it impact your giving?

2011
- 75% I will give more
- 25% I will give less

2010
- 87% I will give more
- 13% I will give less

Note: New question for the 2010 survey.
Priorities for 2012:

- Evaluate
- Cultivate
- Educate
- Ask
Evaluate: The economy is impacting prospects and donors in varying degrees.

- Maintain open communication with your prospects to understand how they are being affected by the economy.
- Continue soliciting donors who have been well cultivated and are ready for an ask.
- Discuss the timing of a potential ask with volunteers, leadership, and even the prospects themselves.
Cultivate: Everyday, new potential donors walk in your doors.

- Make your follow-up with top prospects timely; start your gift conversations with them while the impact of your institution is still a vivid memory.
- Methodically acquire and evaluate new prospect data.
- Seize the opportunity to cultivate interest through a comprehensive grateful patient program.
#3 Educate: Donors told us that they are strongly motivated to give because of the perceived value of the hospital or medical center to the community.

- Focus efforts on demonstrating to donors the important role that philanthropy plays at your hospital or medical center.
- Show the impact on the community.
- Clarify the impact of healthcare legislation.
Ask: The most important take-away from this survey is the limited number of affluent individuals who were actually asked to make a gift.

- Make this the year when you train your medical staff about the importance of philanthropy.

- Close any gaps in your grateful patient program so that you always know who is in the hospital.

- Strengthen your case for support in order to build a broader understanding of the impact your organization has on the community and the world.
About Us

Bentz Whaley Flessner is a fundraising consulting firm that builds robust partnerships with hospitals, academic medical centers, children’s hospitals, and other healthcare systems seeking stable growth during these seasons of change and recovery.

While we serve healthcare organizations throughout North America, our greatest asset is our ability to adjust an experienced approach to suit the particular climate and needs of your development program.

William D. Tippie                      Mark J. Marshall             Laurel Price Jones