

What the Affluent Think About Giving to Healthcare



Introduction



FOR THE PAST 21 YEARS, BWF has conducted influential research to gauge the perceptions and opinions of affluent Americans toward making philanthropic decisions and contributions to hospitals and healthcare organizations, which includes community hospitals, academic medical centers and research centers, children's hospitals, and long-term care facilities.

BWF designed this ongoing study to serve as an essential tool for healthcare fundraisers. By collecting, analyzing, and sharing this data, fundraising programs at healthcare institutions can be better informed of current attitudes toward giving in order to build stronger, more sustainable development programs.

INTRODUCTION

The philanthropic year of 2020 was significant in a number of ways. While the country was challenged by the pandemic, political leadership changed, the economy reflected the challenges of both, and social justice and DEI issues were pushed to the forefront, philanthropy was resilient, especially in the healthcare sector.

- ▢ Charitable giving grew by 7.6% during the first nine months of 2020 compared to the same period in 2019.
- ▢ Healthcare is the third top cause among Ultra High Net Worth (UHNW) donors, with 61% of those individuals indicating they give to healthcare.
- ▢ Healthcare organizations received at least 13 gifts of \$50 million or more in 2020, with an average gift size of \$100M.

The momentum continues, and there is reason for great optimism for the future of philanthropy.

- ▢ A new report from Giving Tuesday's Data Commons research team indicates that giving will likely return to pre-pandemic patterns this year.
- ▢ Reports from the Lilly Family School of Philanthropy (March 2021) suggest philanthropy will increase over the next two years.
- ▢ The same report is forecasting strong economic growth in 2021 as the country increases vaccination rates and pandemic restrictions lighten.
- ▢ The report forecasts a 4.1% increase in total giving in 2021, and a 5.7% increase in 2022.
- ▢ Individual and household giving is forecasted to increase by 6% in 2021 and 3.9% in 2022.
- ▢ Foundation giving is forecasted to take a slight step back after the high point of giving in 2020 and will reduce by 1% in 2021, but then increase again by 8.8% in 2022.

Sources: Fundraising Effectiveness Project's 2020 Third Quarter Report, Giving USA 2020, Wealth-X UHNW Giving Trends 2019, Chronicle of Philanthropy

Methodology

The 2021 Healthcare Survey is our latest contribution to the field, a report on the trends and insights that are shaping the industry and impacting the work of fundraisers in healthcare.

Questions were added to the 2021 Healthcare Survey to reflect the extraordinary circumstances of 2020. The results show how the pandemic has, and hasn't, impacted charitable giving to healthcare. We hope this information provides you and your teams with the knowledge and insights to enhance your understanding of the current donor landscape.

An "affluent household" is defined as having a household income greater than \$150,000. A majority (61%) of respondents self-reported their net worth as over \$500,000.

The survey was distributed in March 2021.



Key Findings

This past year, almost one-third of respondents (32%) reported their gifts were made primarily to unrestricted funds.

The next most frequently made contributions were to capital funds (27% of their primary giving), followed by pandemic-related funds, endowment, and other types of gifts.



Survey respondents reported an interest in healthcare institutions providing better access to care. When asked **what types of services healthcare institutions should provide on their own or in partnership with other organizations**, respondents indicated that housing services, mental health services, food support, and substance abuse services were of great interest.

The pandemic has seemingly spurred additional giving by the younger demographic, with 91 percent of those aged 18-49 reporting the pandemic increased their charitable giving. The majority of those 50 and older (61%) reported that their giving remained the same, while one-third reported decreased giving.

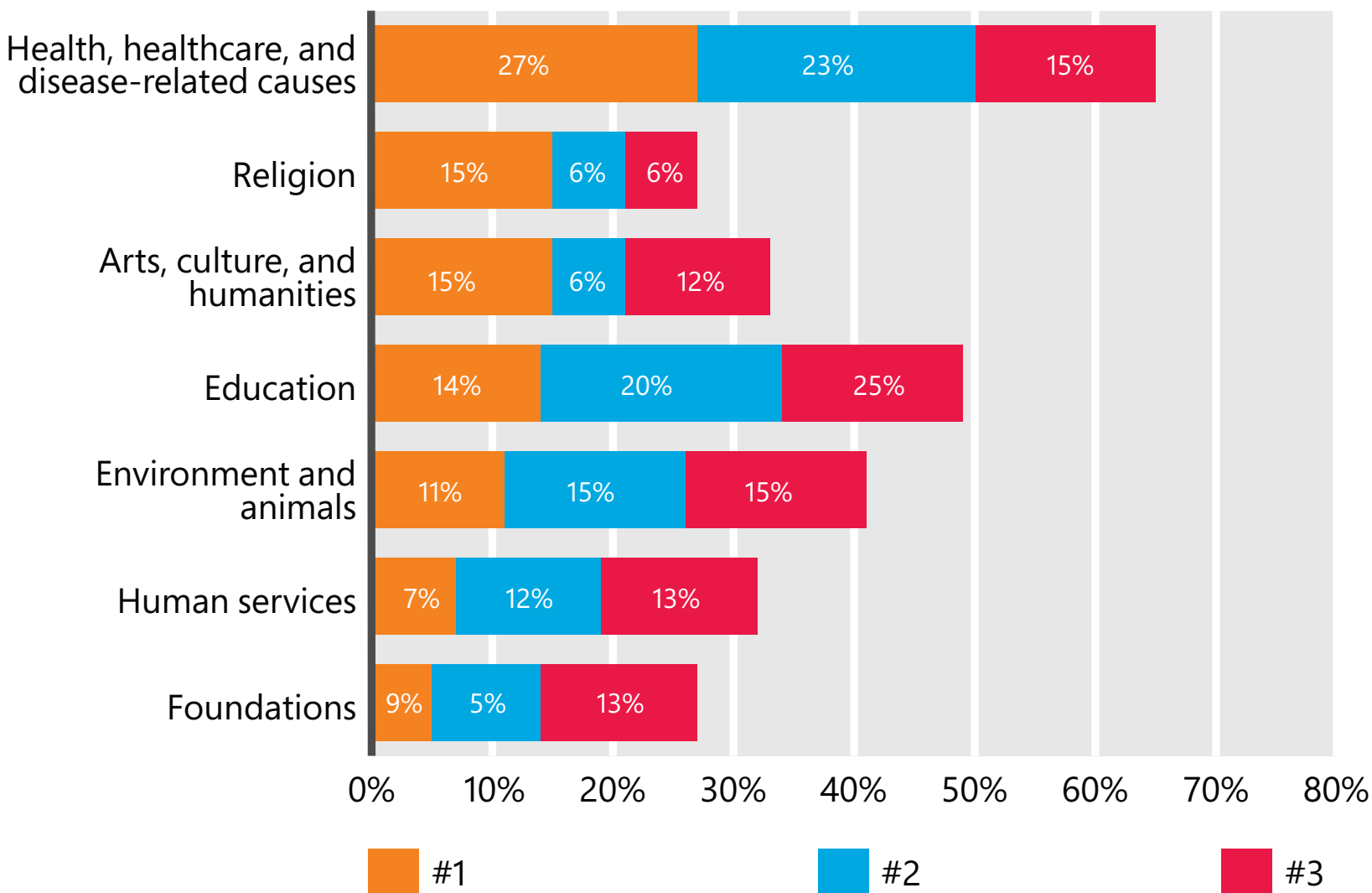
The pandemic forced a shift in the very nature of healthcare delivery. While many doctors' offices closed to patient visits, the use of telemedicine—the remote diagnosis and treatment of patients by means of telecommunications technology—increased. **According to survey respondents, telemedicine has had a net positive impact on their connection and giving to their primary healthcare institution.**

No matter their proclivity toward event attendance prior to the pandemic, during the pandemic almost half (44%) reported attending virtual fundraising events; one-third said they had attended in-person events. **Following the pandemic, 34 percent reported they were unsure if they will be interested in attending fundraising events.** An equal number (18%) reported they would attend only in-person events as would attend only virtual events. Approximately one-third (31%) reported they would likely attend a mix of both.

When asked who had the greatest influence on their decision to make a charitable gift, respondents indicated their spouse/partner had the greatest influence. This has been a consistent finding across previous surveys.

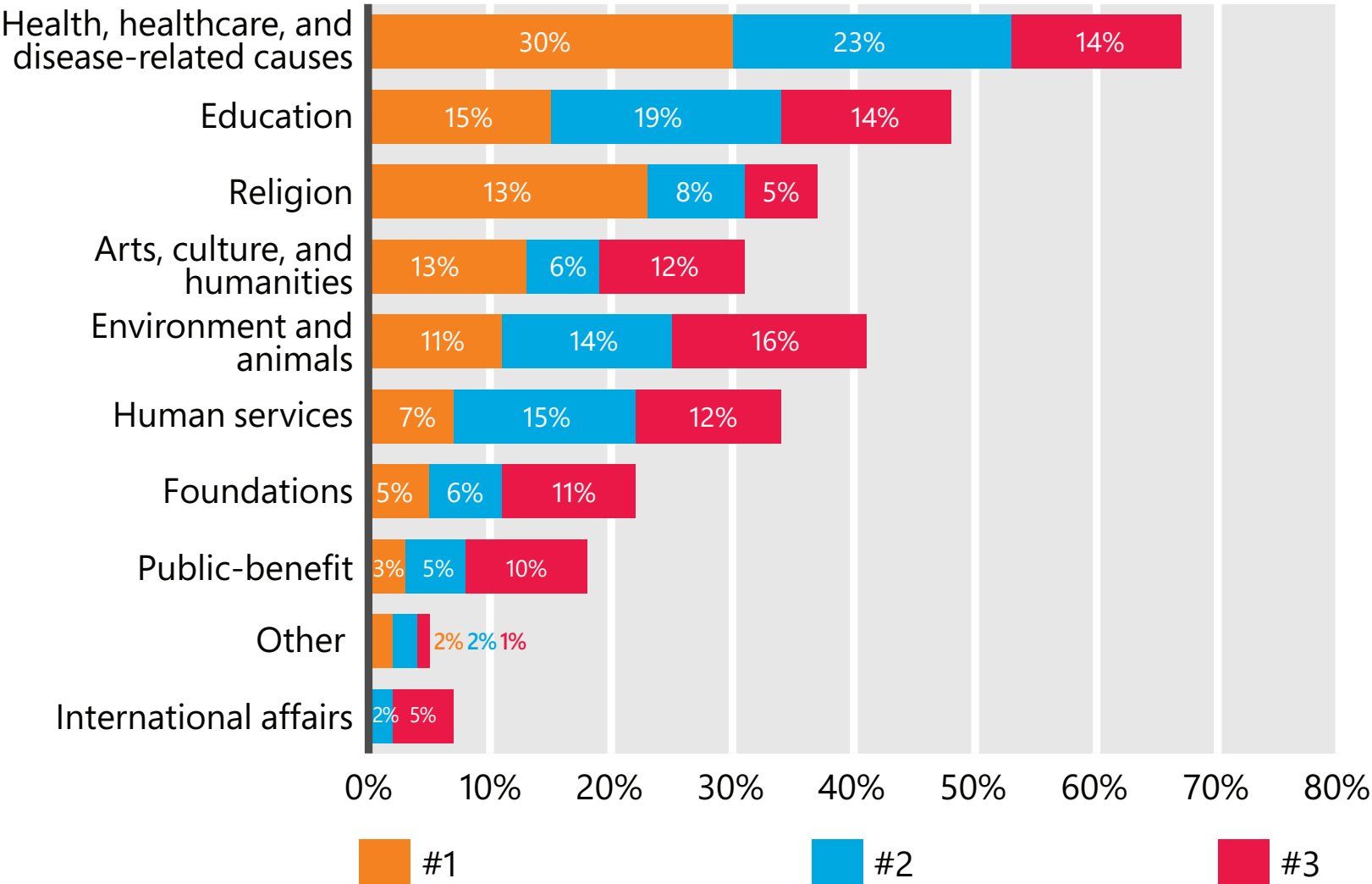
Healthcare as a Priority

Donors to healthcare tend to be philanthropic in general and supportive of other types of nonprofits as well. Across their lifetime giving, survey respondents ranked education and the environment/animals as the types of organizations they support most frequently after healthcare.



HEALTHCARE AS A PRIORITY

Despite the many challenges of 2020, respondents reported they remained fairly consistent in their philanthropy last year, continuing to support education and environment/animals most frequently after healthcare.



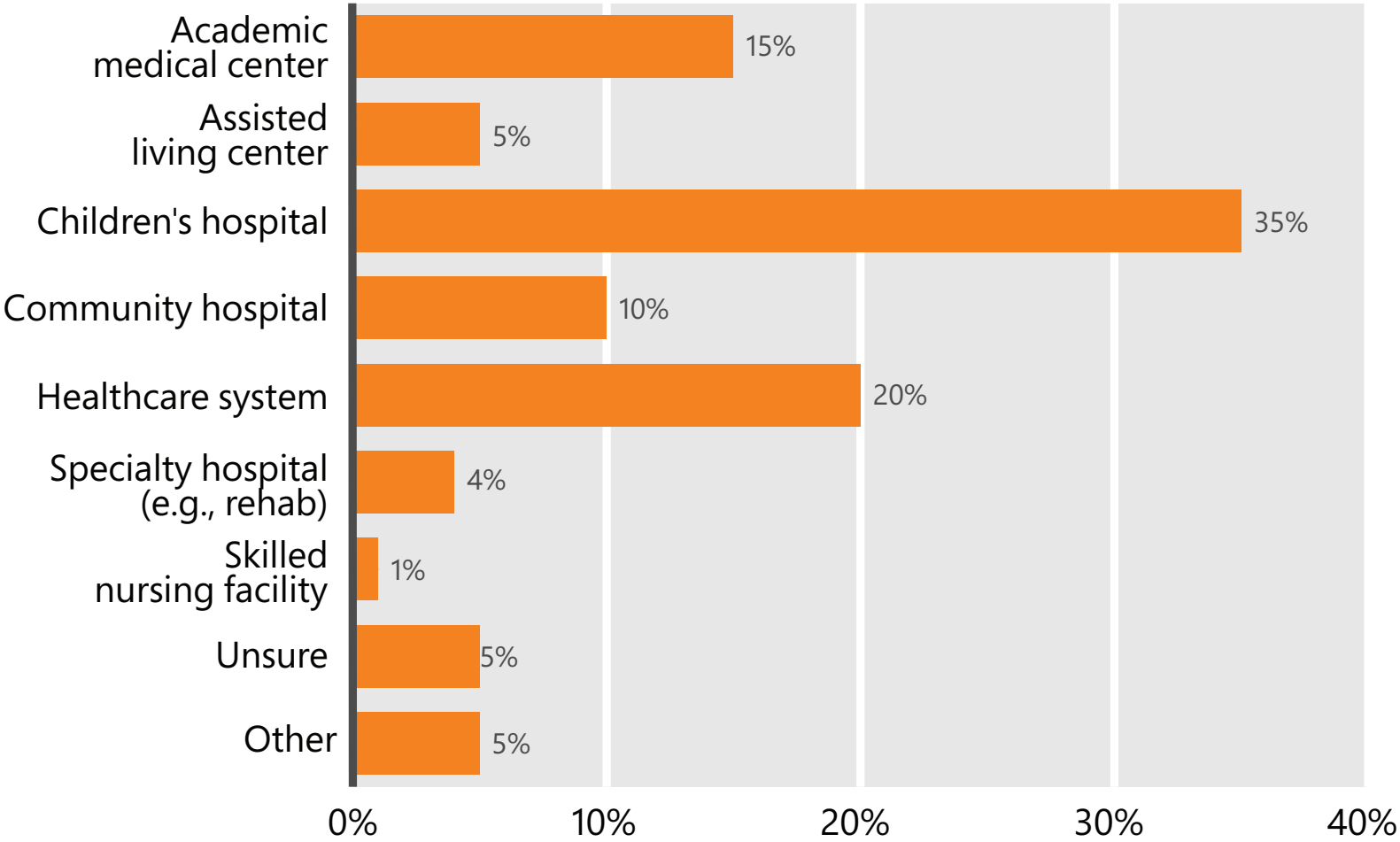
OF NOTE

It is important to recognize and acknowledge that healthcare donors have multiple charitable interests. From time to time, institutions should ask their donors if their institution ranks among donors' top three priorities. If it is not in the top three, the institution should ask why it ranks lower and what might be done to achieve a higher priority.

HEALTHCARE AS A PRIORITY

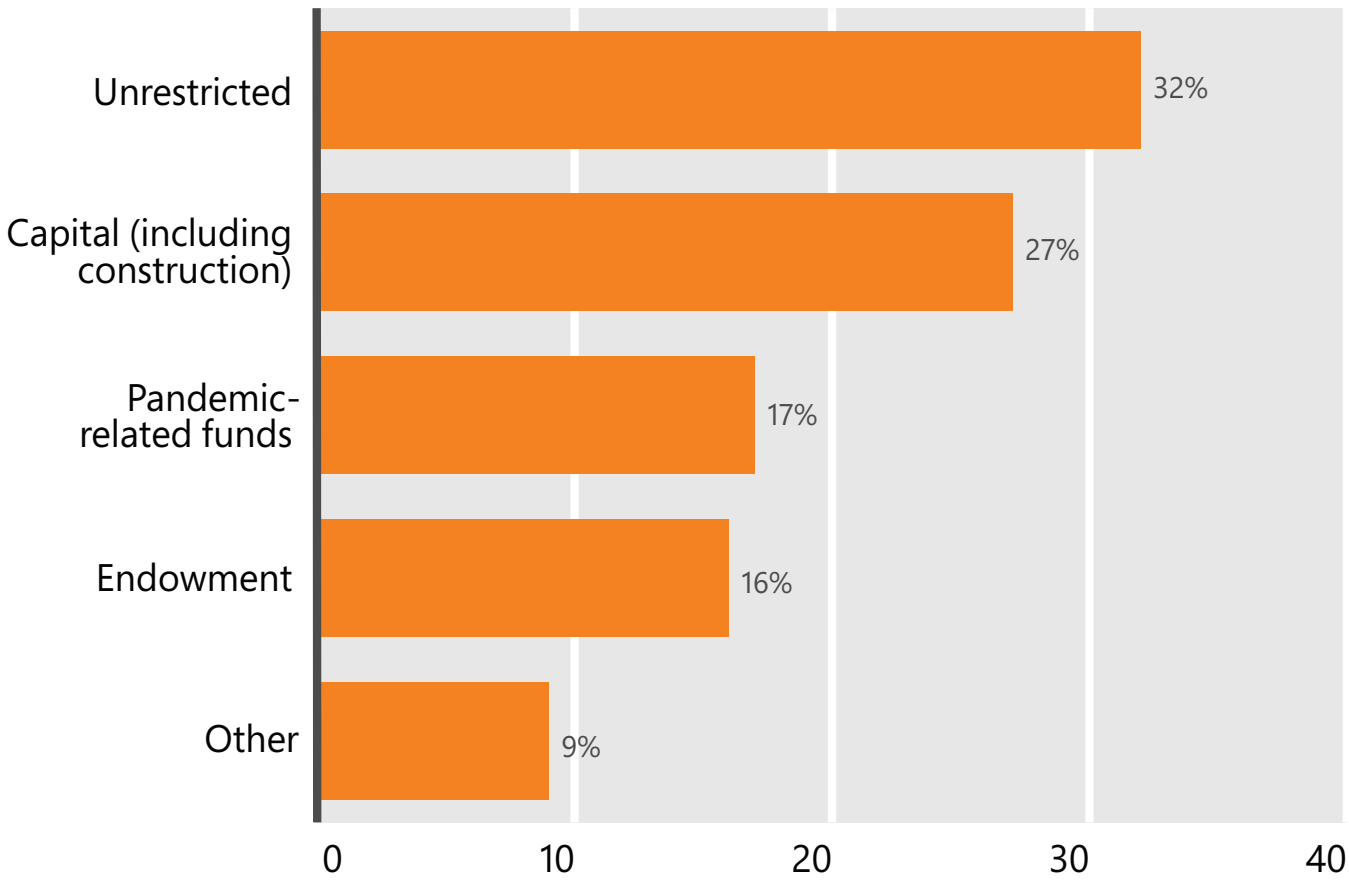
Within healthcare, survey respondents most frequently support children’s hospitals, followed by healthcare systems and academic medical centers.

While children’s hospitals also garnered the most support of respondents in the previous survey, it is interesting to note that academic medical centers and healthcare systems now garner more support than in last year’s survey.



HEALTHCARE AS A PRIORITY

This past year, almost one-third of respondents (32%) reported their gifts were made primarily to unrestricted funds. The next most frequently made contributions were to capital funds (27% of their primary giving), followed by pandemic-related funds, endowment, and other types of gifts. “Other” gifts included cash, gifts-in-kind, payroll deduction, and volunteer time.



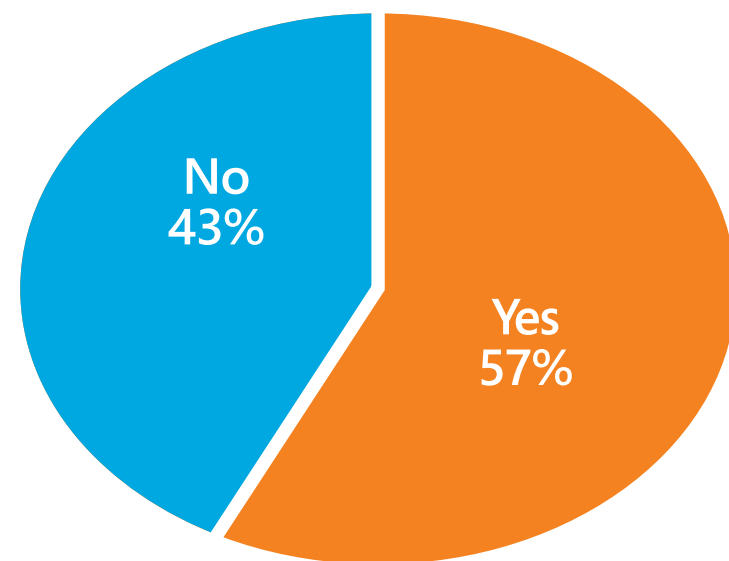
Separate from the survey, in recent conversations with top donors of one healthcare institution, supporters frequently noted they were focused less on the type of gift and more on where their investment would have the greatest impact on the institution they care so much about. They indicated that they generally trusted the organization to let them know what kind of funding would be most impactful to meet institutional priorities.

OF NOTE

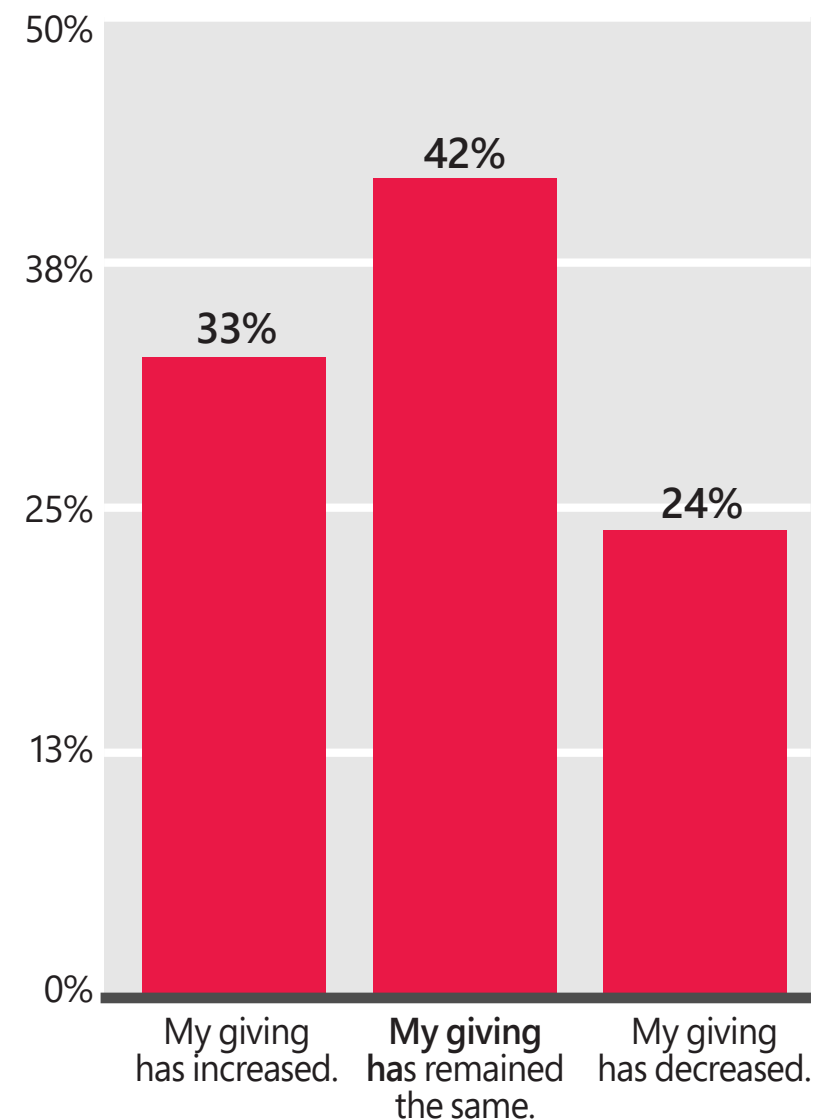
As fundraisers, we need to consistently engage with donors and prospects, sharing information about the opportunities for philanthropic giving to have the most significant impact on our healthcare institutions.

The Impact of COVID-19 on Giving

The majority of respondents (57%) reported giving to a COVID-19 relief effort.



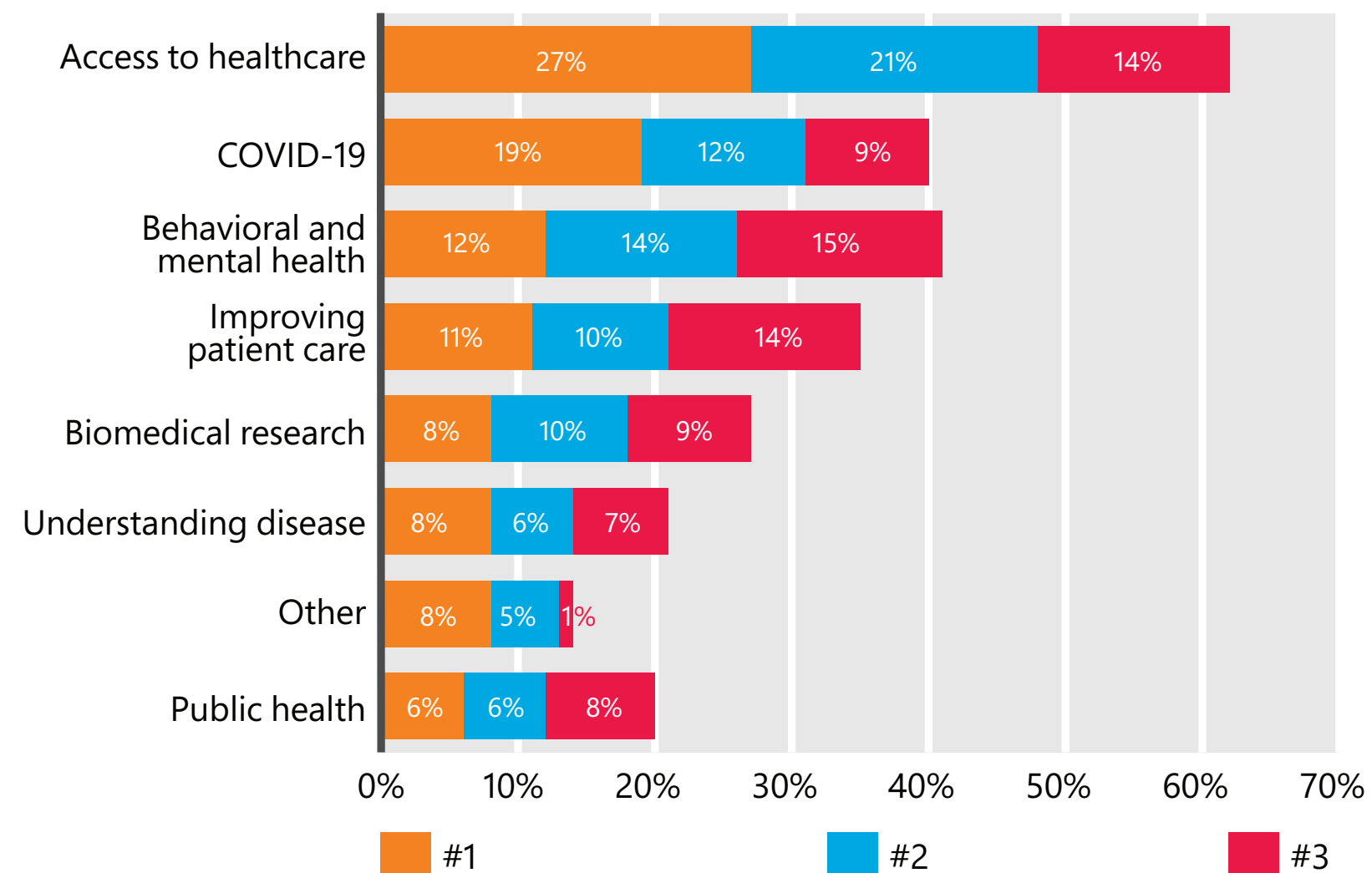
This can be an indication of the strength of donor relations to respond positively to meet emerging needs and the trust these donors have in their healthcare institutions to respond to a crisis.



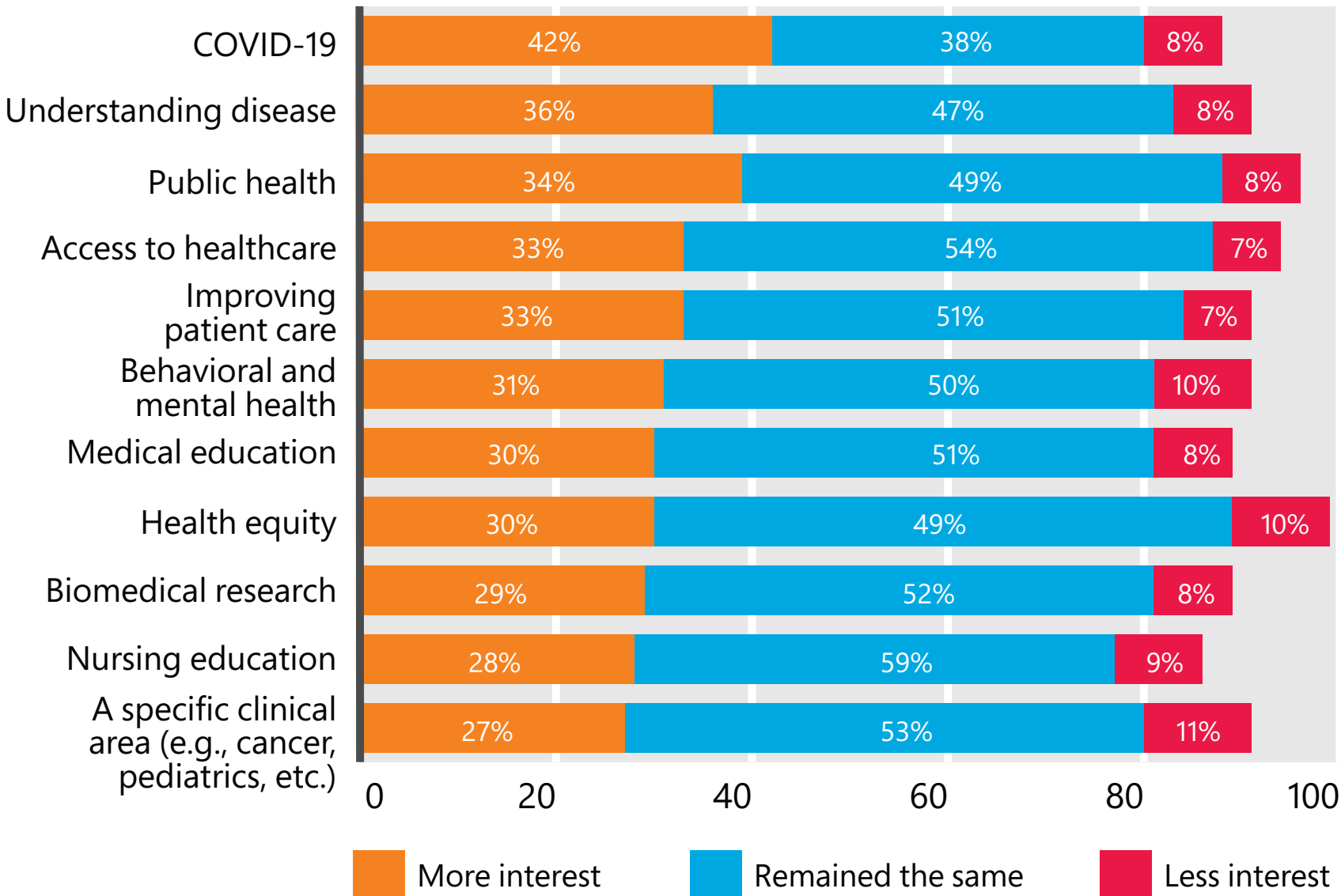
The pandemic provided new opportunities for support but that did not mean donors necessarily had the means to provide additional support. Only one-third (33%) indicated that the pandemic resulted in an increase in their charitable giving, while almost half (42%) replied it had not impacted their giving. Perhaps reflecting the economic impact of the pandemic on some, almost a quarter (24%) stated it had, in fact, reduced their giving.

THE IMPACT OF COVID-19 ON GIVING

The pandemic has put a spotlight on access to care. The highest ranked priority that respondents noted they supported last year was access to healthcare, ranking it higher even than COVID-19.



THE IMPACT OF COVID-19 ON GIVING

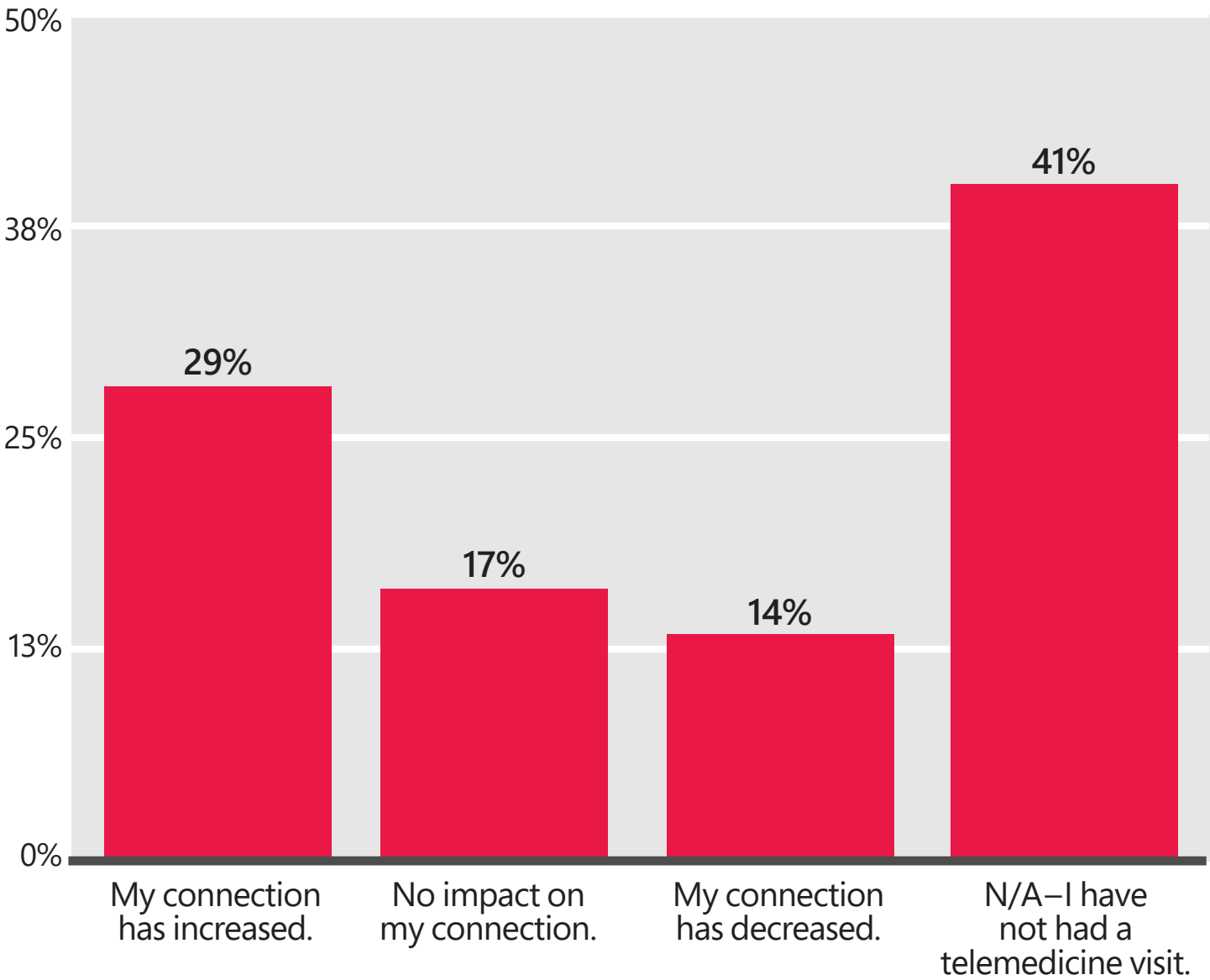


With the exception of giving to support COVID-19 relief efforts, roughly half of respondents indicated that the pandemic did not change their interest in the philanthropic priorities within healthcare. When the pandemic did have an impact on their giving, respondents indicated an increased interest in understanding disease and public health. The greatest loss of interest, though not necessarily significant, was in support of a specific clinical area (e.g., cancer, pediatrics, etc.).

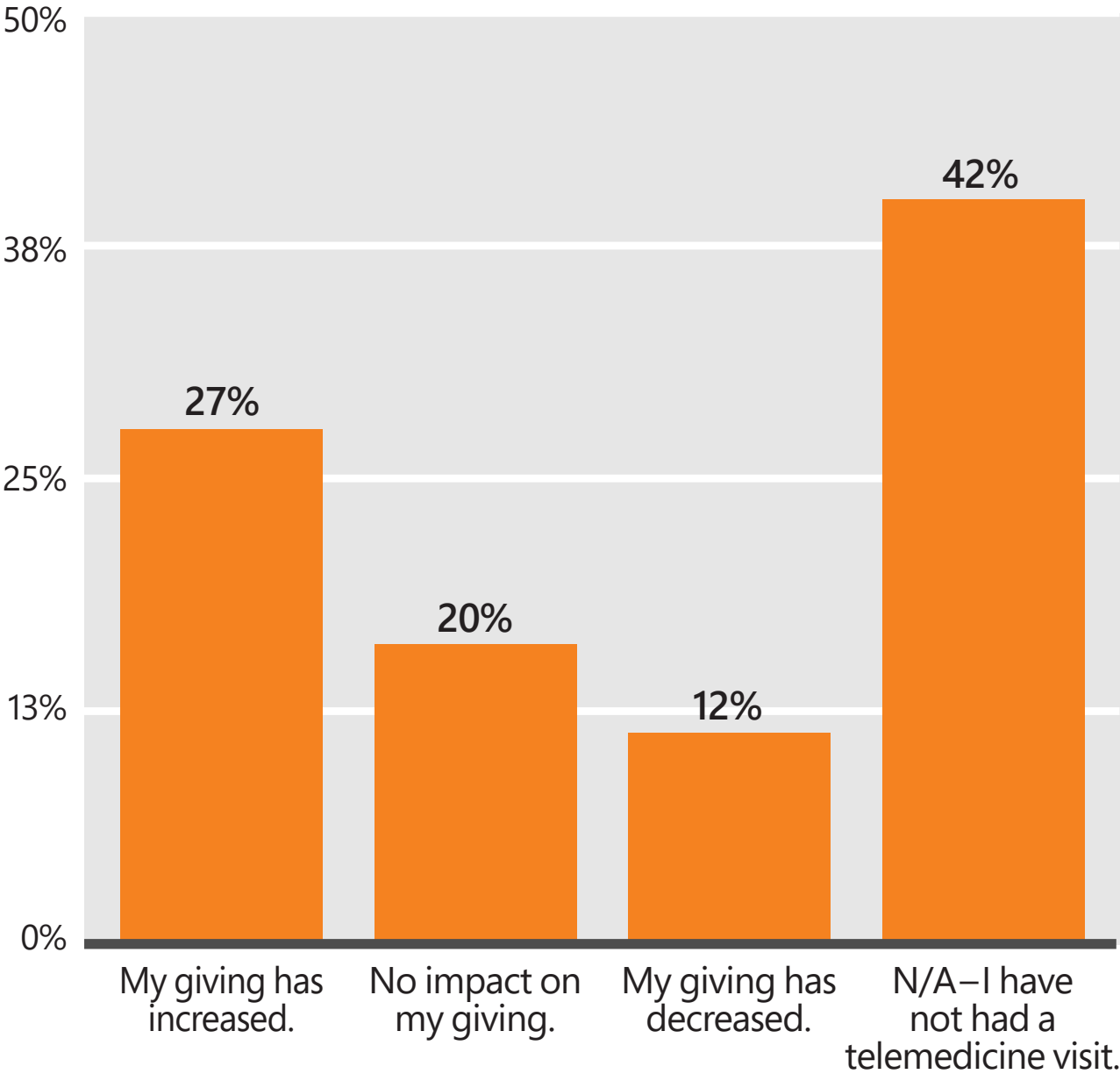
THE IMPACT OF COVID-19 ON GIVING

The pandemic forced a shift in the very nature of healthcare delivery. While many doctors’ offices closed to patient visits, the use of telemedicine—the remote diagnosis and treatment of patients by means of telecommunications technology—increased. According to survey respondents, telemedicine has had a net positive impact on their connection and giving to their primary healthcare institution.

Though most respondents (41%) indicated they had not had a telemedicine visit, those who had indicated they felt their sense of connection to their healthcare institution had increased. Additionally, more said it had had no impact (17%) than said it had negatively impacted their sense of connection (14%).



THE IMPACT OF COVID-19 ON GIVING



With that, those who had had a telemedicine visit in the past year reported their giving had increased. The smallest segment, 12 percent, reported their giving decreased because of their experience with telemedicine.

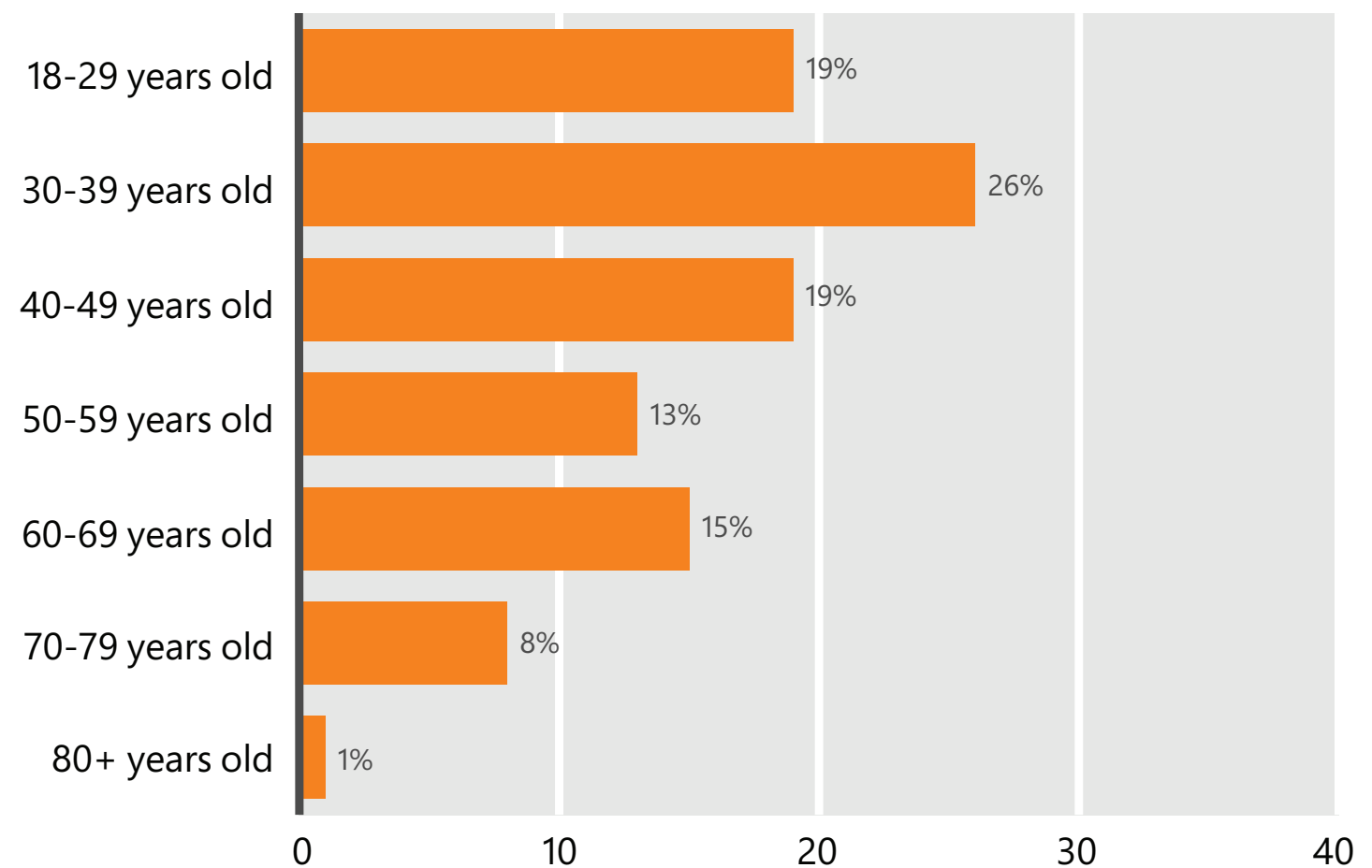
OF NOTE

While the lasting impact on the delivery of healthcare remains to be seen, the use of telemedicine may very well continue for some types of care. For now, donors report that it increases their sense of connection and, if it has an impact on giving, it increases their giving. We would be well advised, as possible, to monitor how donors access their care at our institutions and if telemedicine continues to be a net positive.

The Impact of COVID-19 on Giving by Age

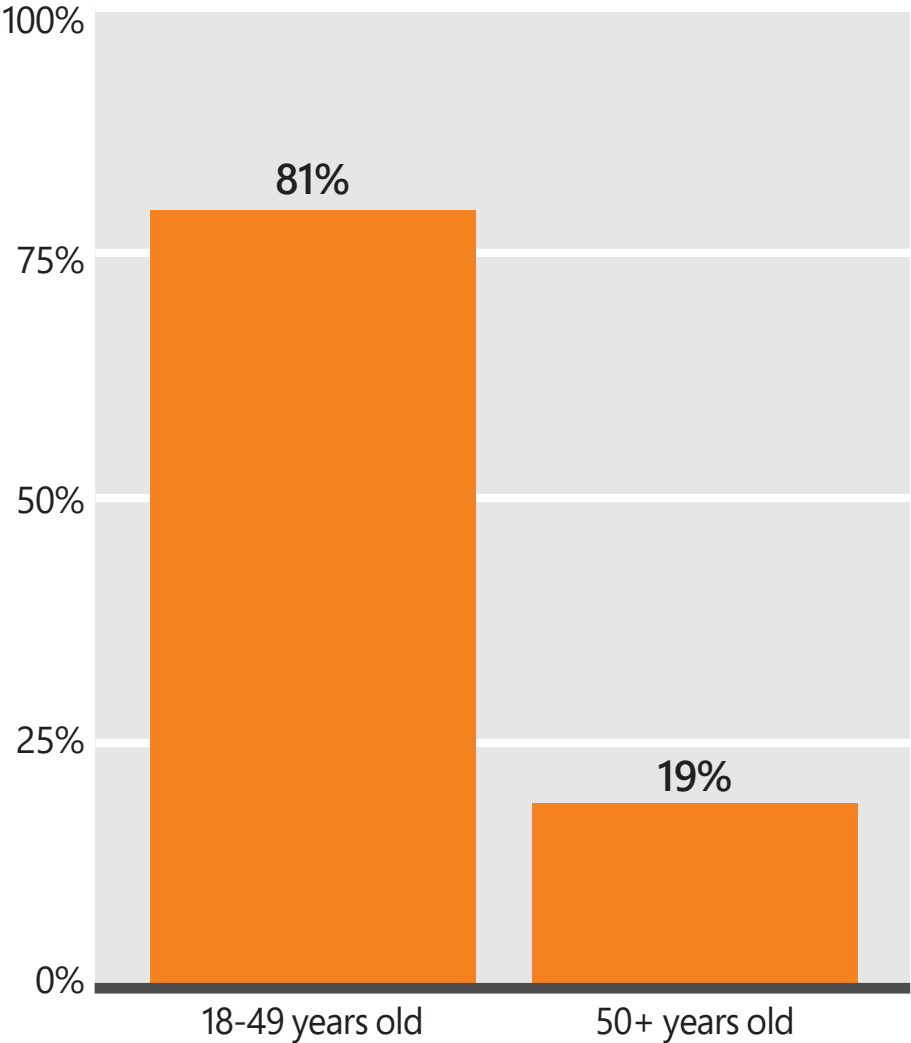


Respondents to the survey reflected a fairly typical distribution by age of the American population.



THE IMPACT OF COVID-19 ON GIVING BY AGE

Though they represent 64 percent of survey respondents, 81 percent of those aged 18-49 reported making a donation to any COVID-19 relief effort.

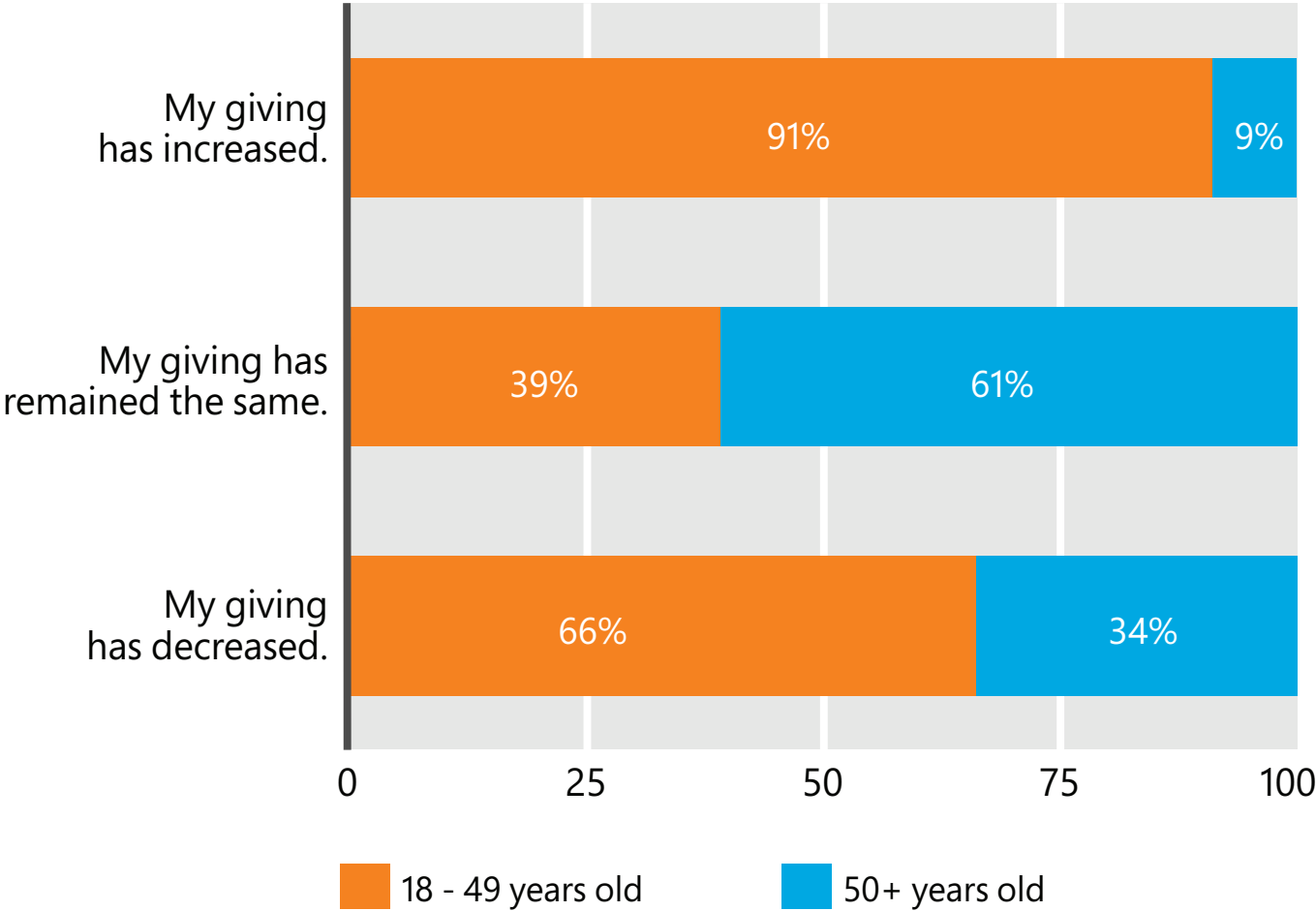


OF NOTE

Given that these age groups may have different expectations in stewardship and donor relations, it will be important to segment COVID donors, especially those who may be first-time donors, by age in order to provide the most appropriate stewardship. Relevant stewardship will likely increase donor retention.

THE IMPACT OF COVID-19 ON GIVING BY AGE

The pandemic has also seemingly spurred additional giving by the younger demographic, with 91 percent of those aged 18-49 reporting the pandemic increased their charitable giving. The majority of those 50 and older (61%) reported that their giving remained the same, while one-third reported decreased giving.



OF NOTE

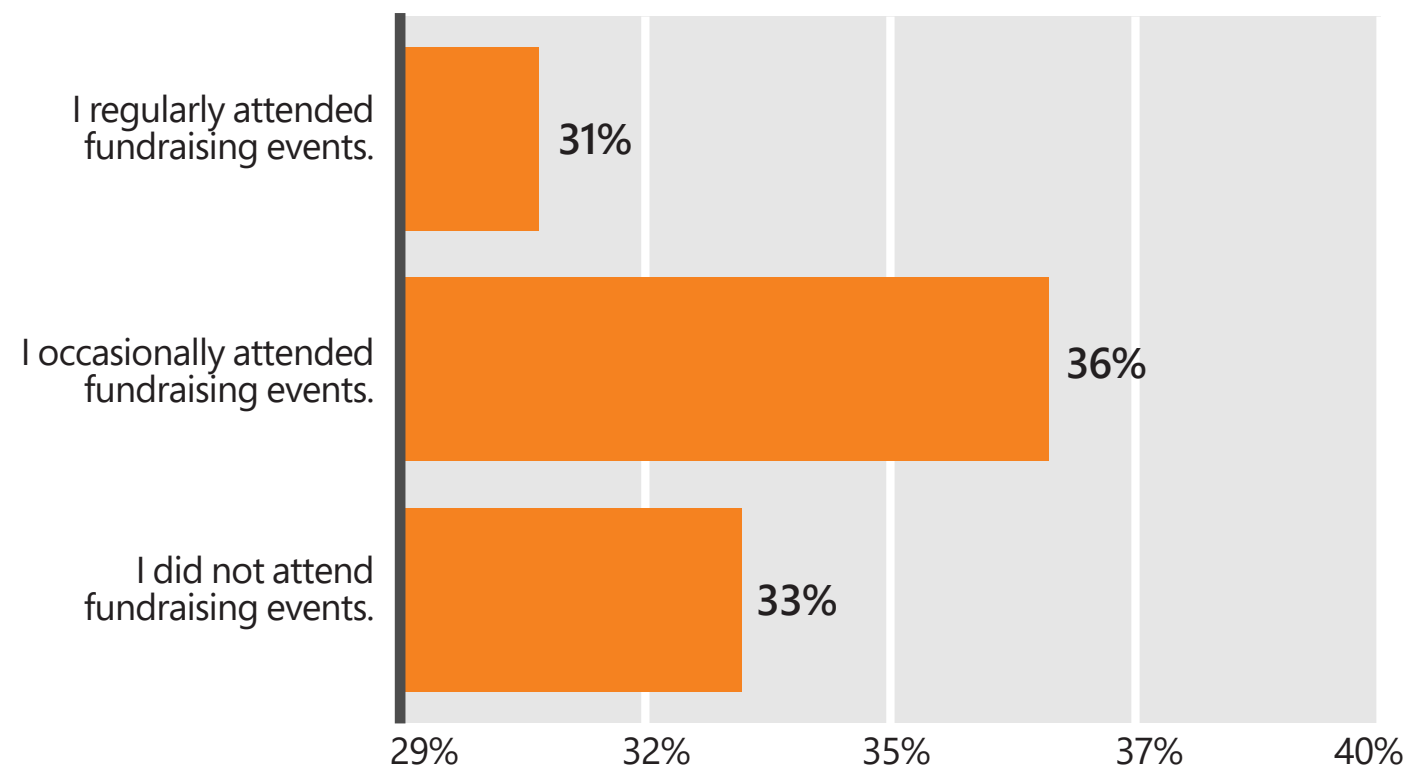
Though younger donors typically have less capacity for current gifts than donors 50 or older, the potential of lifetime giving by the younger demographic is significant and reinforces the importance of personalized and targeted stewardship. At the same time, institutions should proceed with donors 50 years and older with a note of caution that their giving may decrease in the short, if not also, the long term.

The Impact of COVID-19 on Fundraising Events

Of all the fundraising channels used by healthcare institutions, in-person fundraising events were the most impacted by the pandemic.

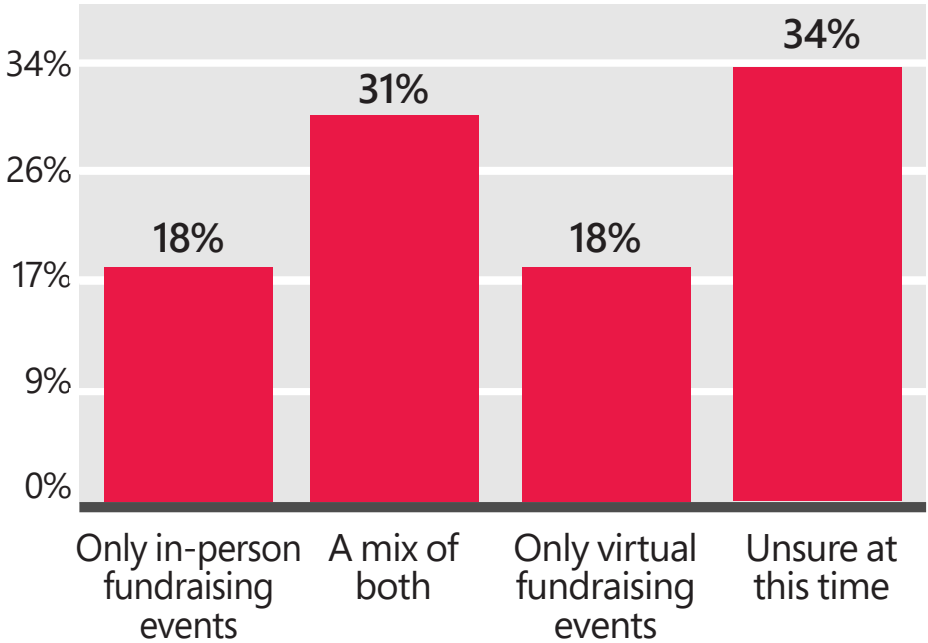
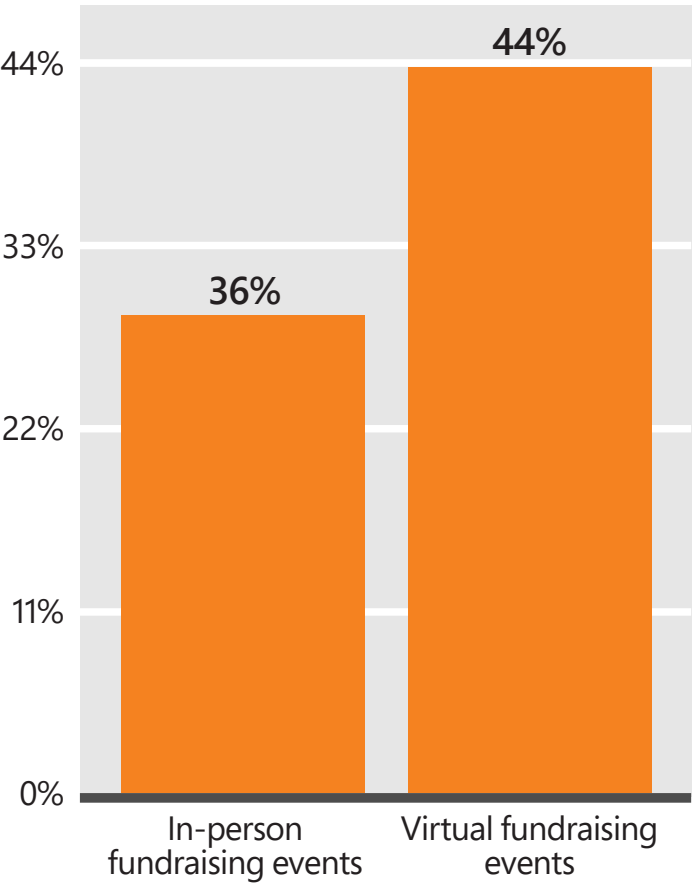
Organizations either had to cancel their galas, races, or auctions or try to adapt them to online versions. Though many organizations found success with creativity and ingenuity, uncertainty remains both for healthcare institutions in planning future events as well as for donors who would attend them.

Prior to the pandemic, respondents were fairly evenly distributed as to whether they regularly attended any fundraising event, occasionally attended events, or did not attend events in general.



THE IMPACT OF COVID-19 ON FUNDRAISING EVENTS

No matter their proclivity toward event attendance prior to the pandemic, during the pandemic almost half (44%) reported attending virtual fundraising events; one-third said they had attended in-person events.



Following the pandemic, 34 percent reported they were unsure if they will be interested in attending fundraising events. An equal number (18%) reported they would attend only in-person events as would attend only virtual events. Approximately one-third (31%) reported they would likely attend a mix of both.

OF NOTE

Given the uncertainty around in-person and virtual events, institutions should proceed with caution before investing the time and resources in planning and hosting in-person events. It is likely that events will take a longer time to return to their pre-pandemic state than other fundraising channels.

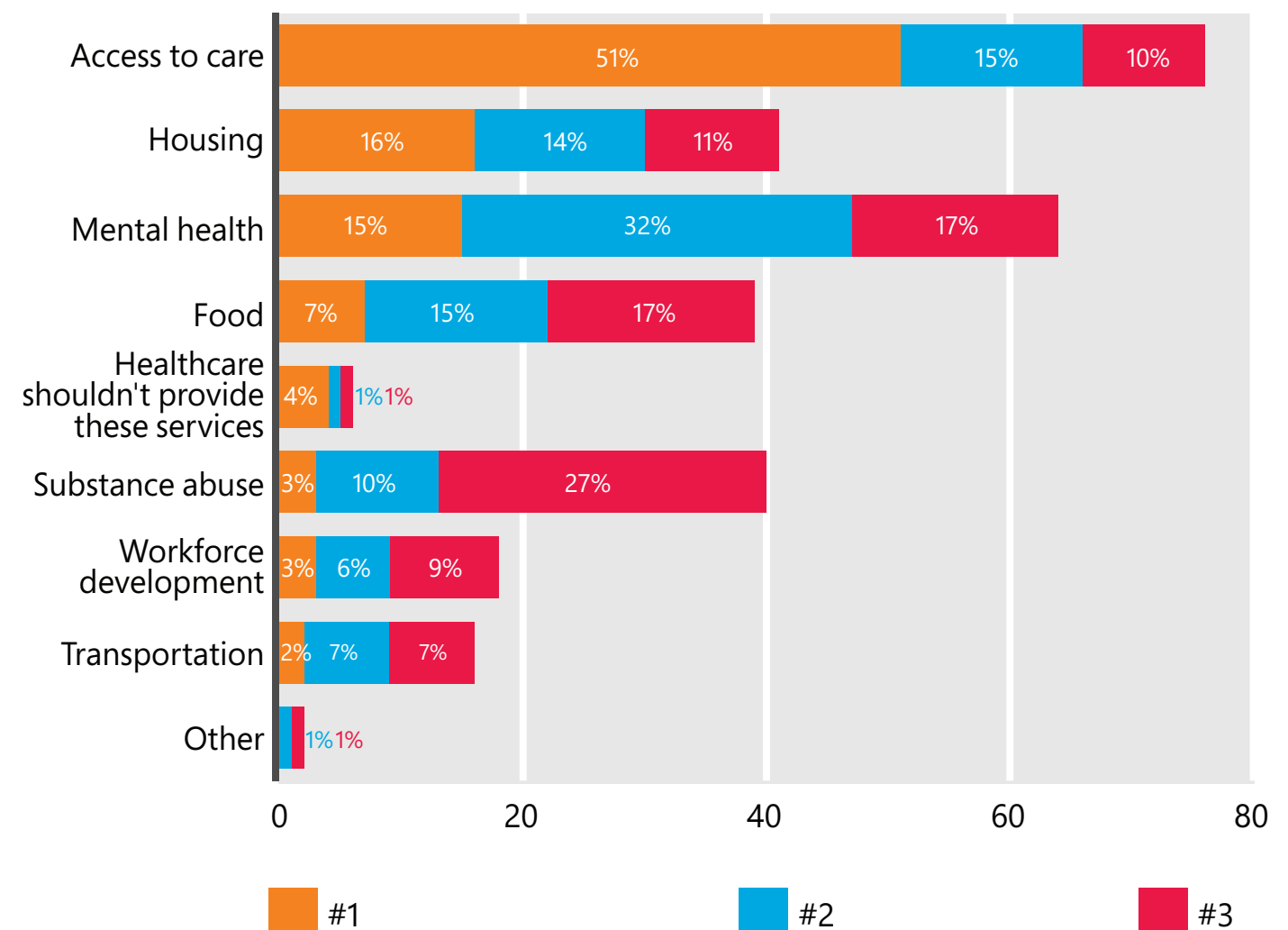
Giving to Health Equity

Many healthcare institutions are considering their role in supporting access to healthcare as well as services that impact health outcomes. As noted earlier, during this past year, interest in supporting access to care was significant.

Survey respondents reported an interest in healthcare institutions providing better access to care. When asked what types of services healthcare institutions should provide on their own or in partnership with other organizations, respondents indicated that housing services, mental health services, food support, and substance abuse services were of great interest.

OF NOTE

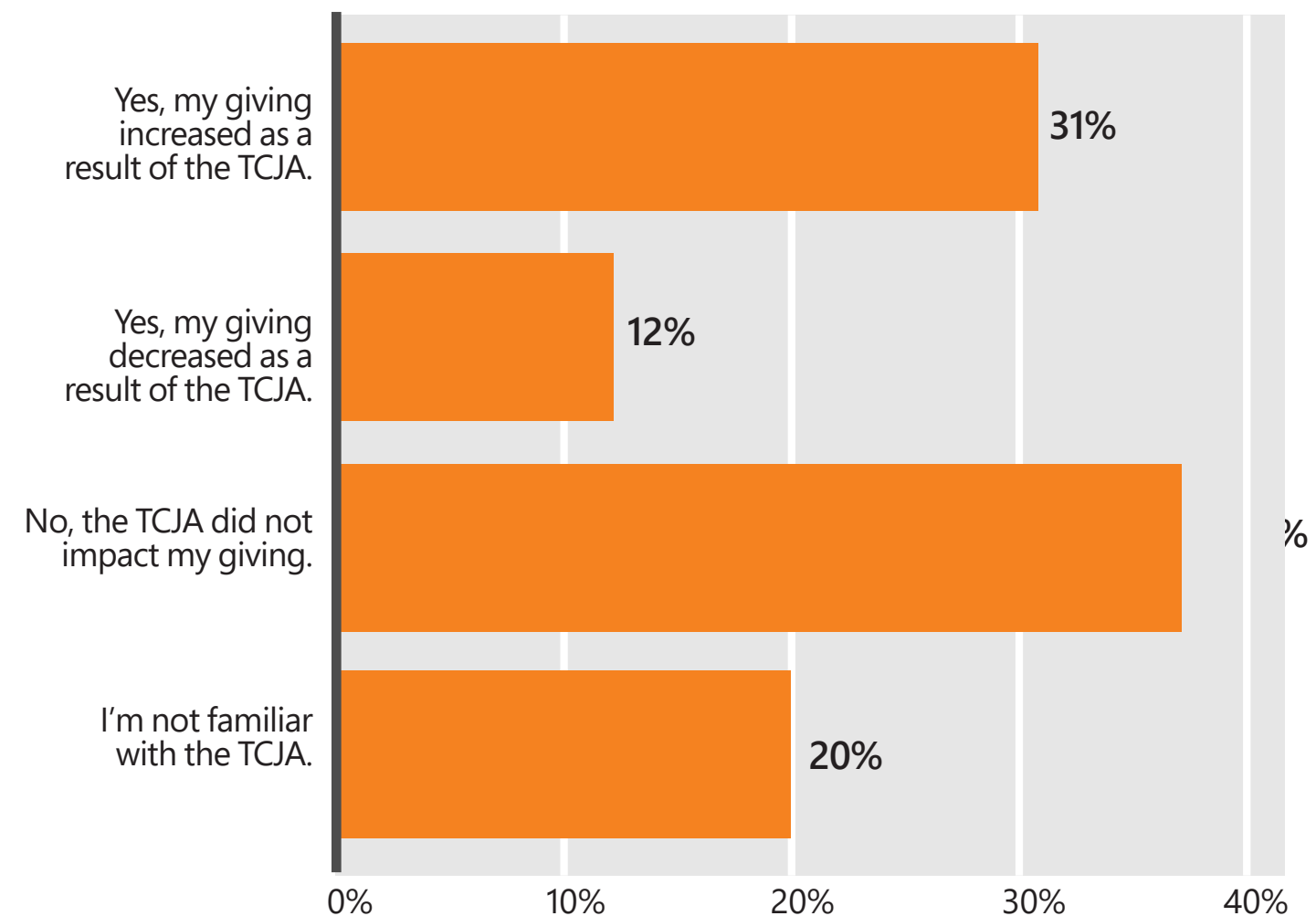
These interests represent possible opportunities for healthcare institutions to build first-time partnerships to engage donors and prospects in new ways.



The Tax Cut and Jobs Act (TCJA)

The Tax Cut and Jobs Act (TJCA), passed in 2018, cut individual income tax rates, doubled the standard deduction, eliminated personal exemptions, and capped state and local itemized deductions. At the time, there was concern about its impact on charitable giving.

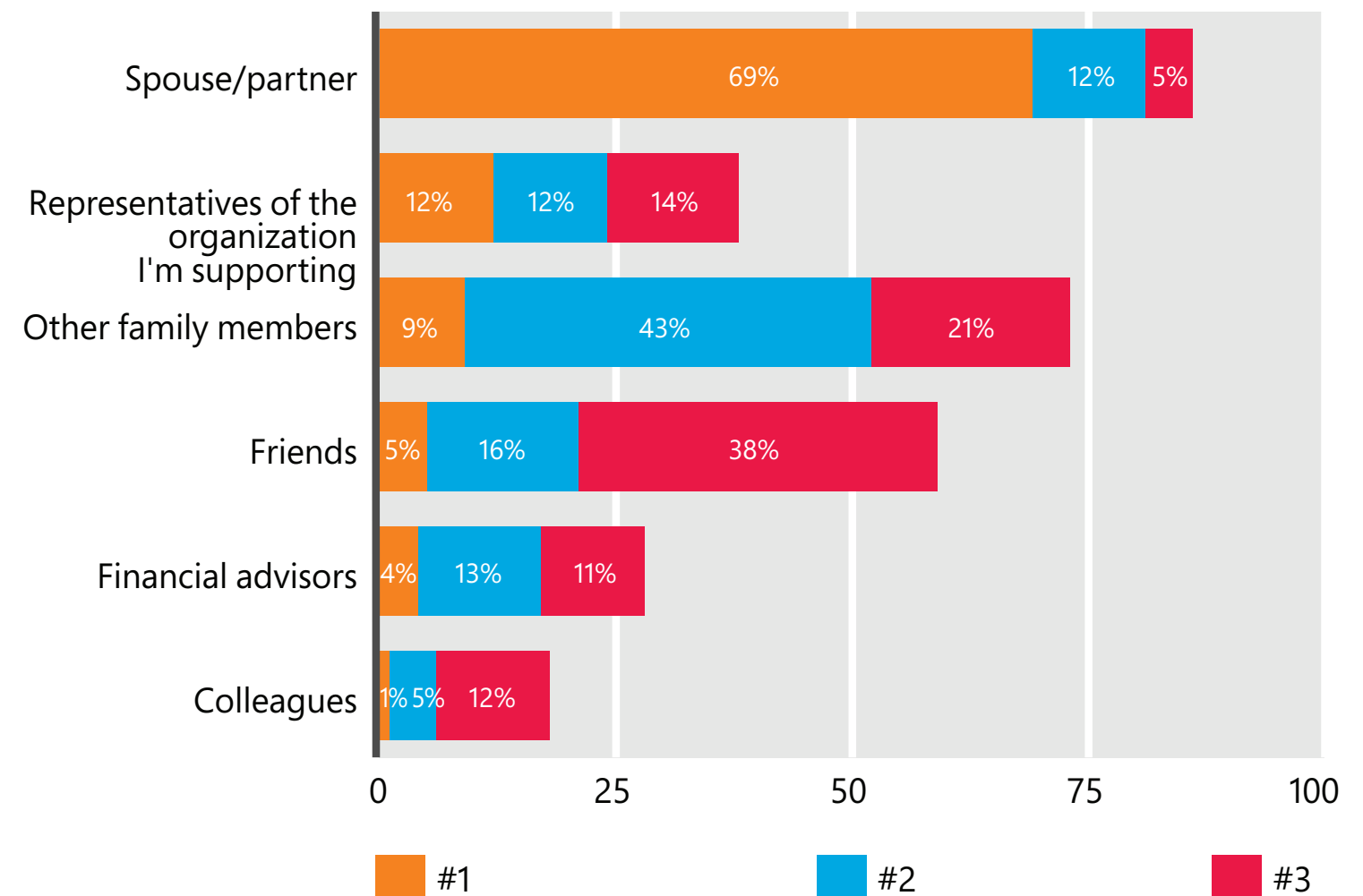
If survey respondents indicated the TCJA had an impact on their giving, they reported that their giving had increased as a result of the legislation. Almost one-third, 31 percent, reported higher giving. However, more (37% of respondents) reported that it had no impact on their giving, and some, 12 percent, reported their giving decreased as a result of the TCJA. A fair number of respondents, 20 percent, reported not being familiar with the TJCA.



Influences on Giving

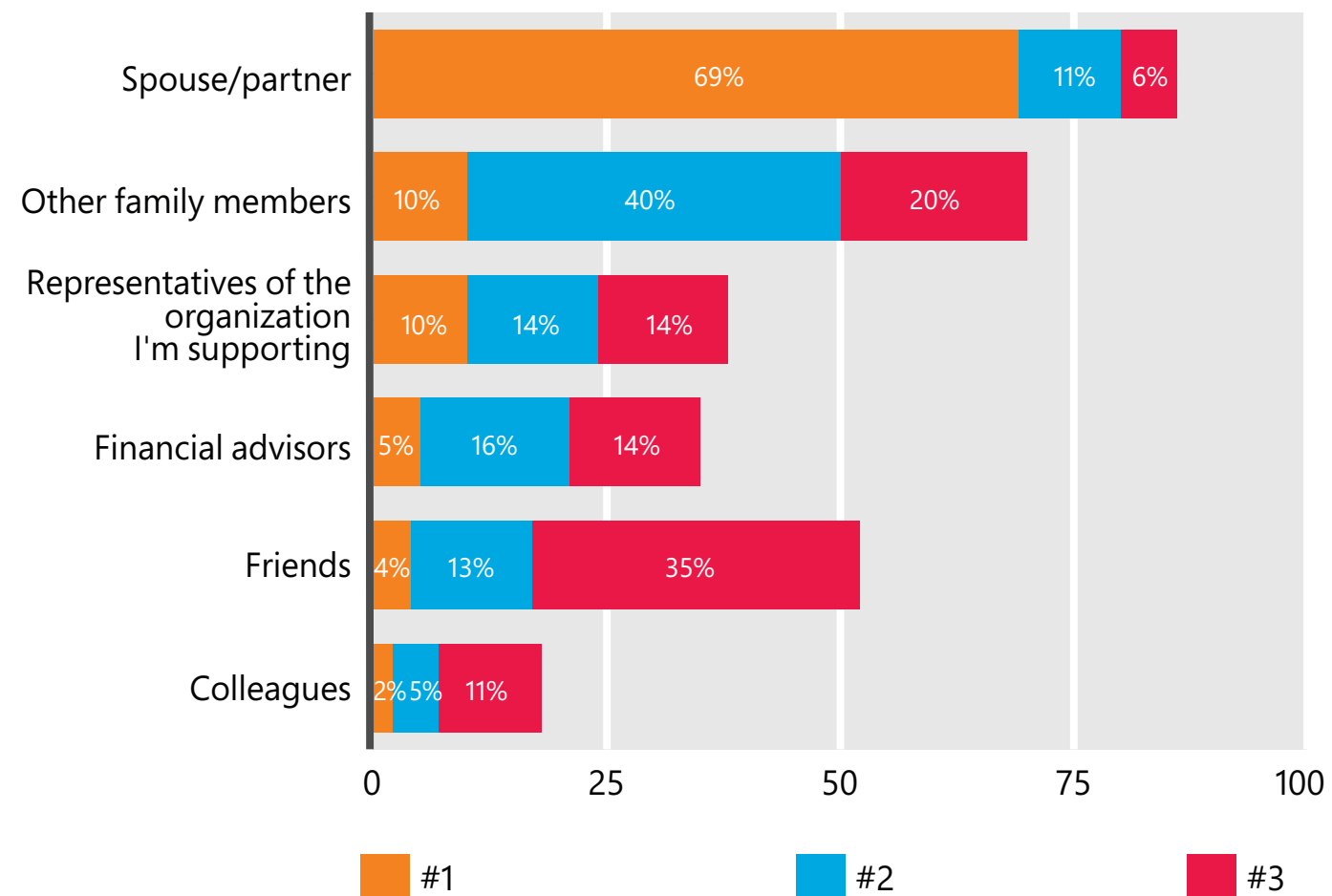
When asked who had the greatest influence on their decision to make a charitable gift, respondents indicated their spouse/partner had the greatest influence. This has been a consistent finding across previous surveys.

Though the 2019 survey reported that a representative of the organization was the second-most important influence on a donor's charitable gift decision, this year's survey returned to prior findings in identifying other family members and friends as top influencers.



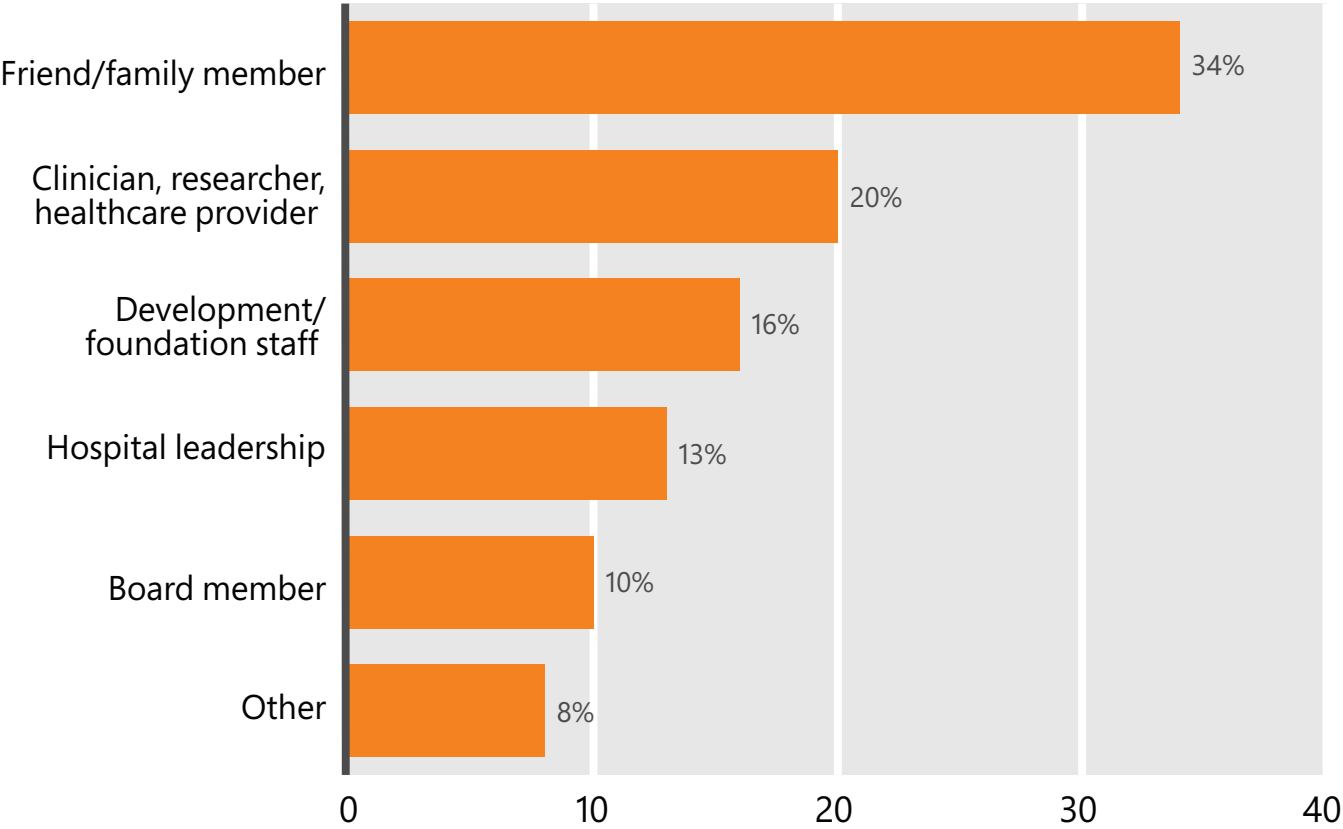
INFLUENCES ON GIVING

When considering how much to give, spouses/partners remain the strongest influencers, which is consistent with prior surveys. Other family members continue to play important roles.



INFLUENCES ON GIVING

When asked who at the organization has the greatest impact on the decision to make a donation to the healthcare institution, family members and friends still rank highest.

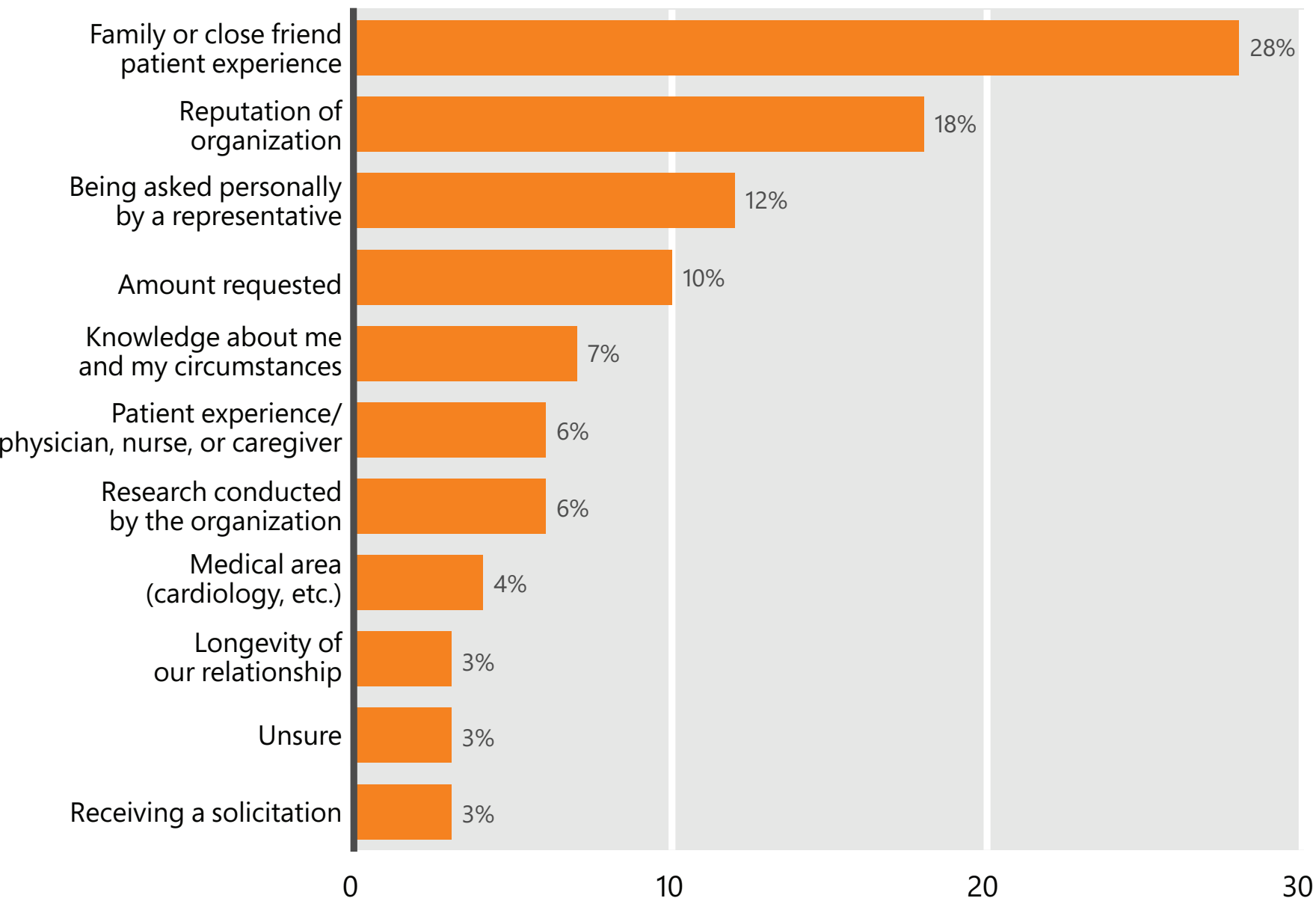


OF NOTE

Institutions would be wise to offer prospects and donors the opportunity to include spouses and partners, other family members, and even friends in conversations about philanthropic contributions.

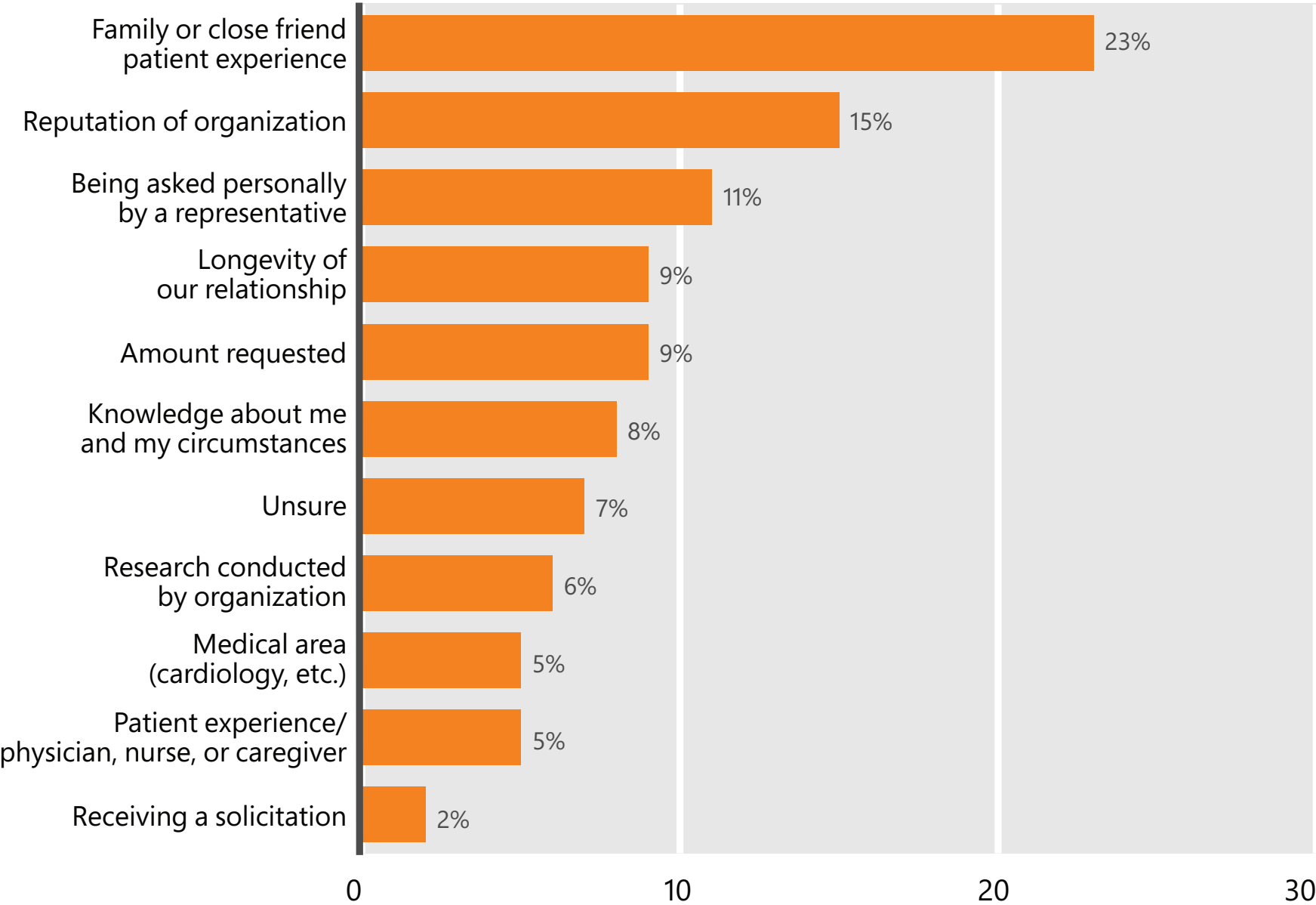
INFLUENCES ON GIVING

The finding regarding donor influencers is further reinforced by the reported motivations for making a first gift to a healthcare institution. Respondents shared that the patient experience of a family member or close friend was the top motivator. The reputation of the organization was second-most important, followed by being asked personally by a representative of the organization.



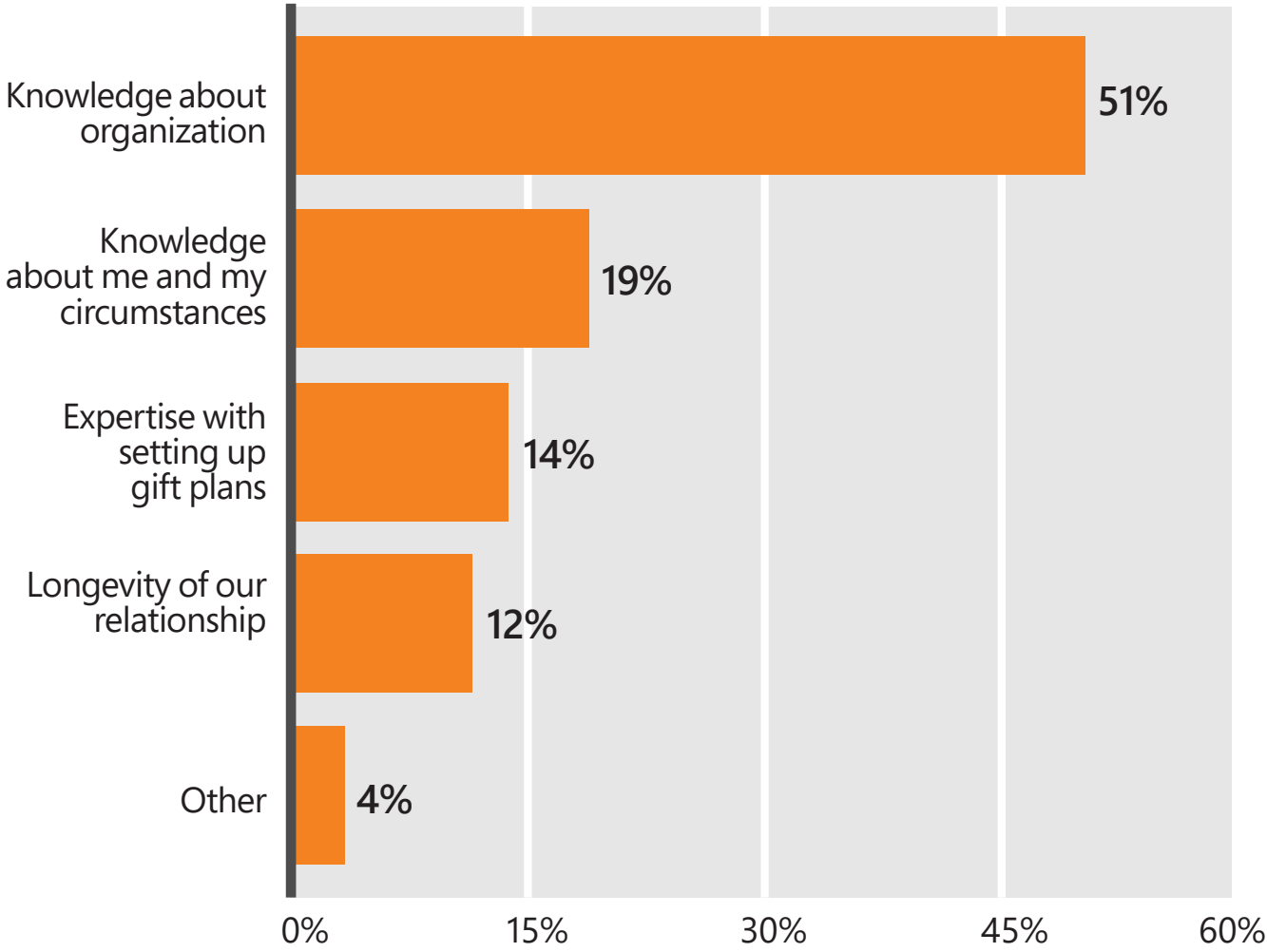
INFLUENCES ON GIVING

The top three motivations behind making a first gift to a healthcare organization are the same top three motivators behind respondents increasing their giving.



INFLUENCES ON GIVING

When working with a representative of an organization, the most important quality to respondents was their knowledge of the organization followed by their knowledge of the donor’s circumstances.



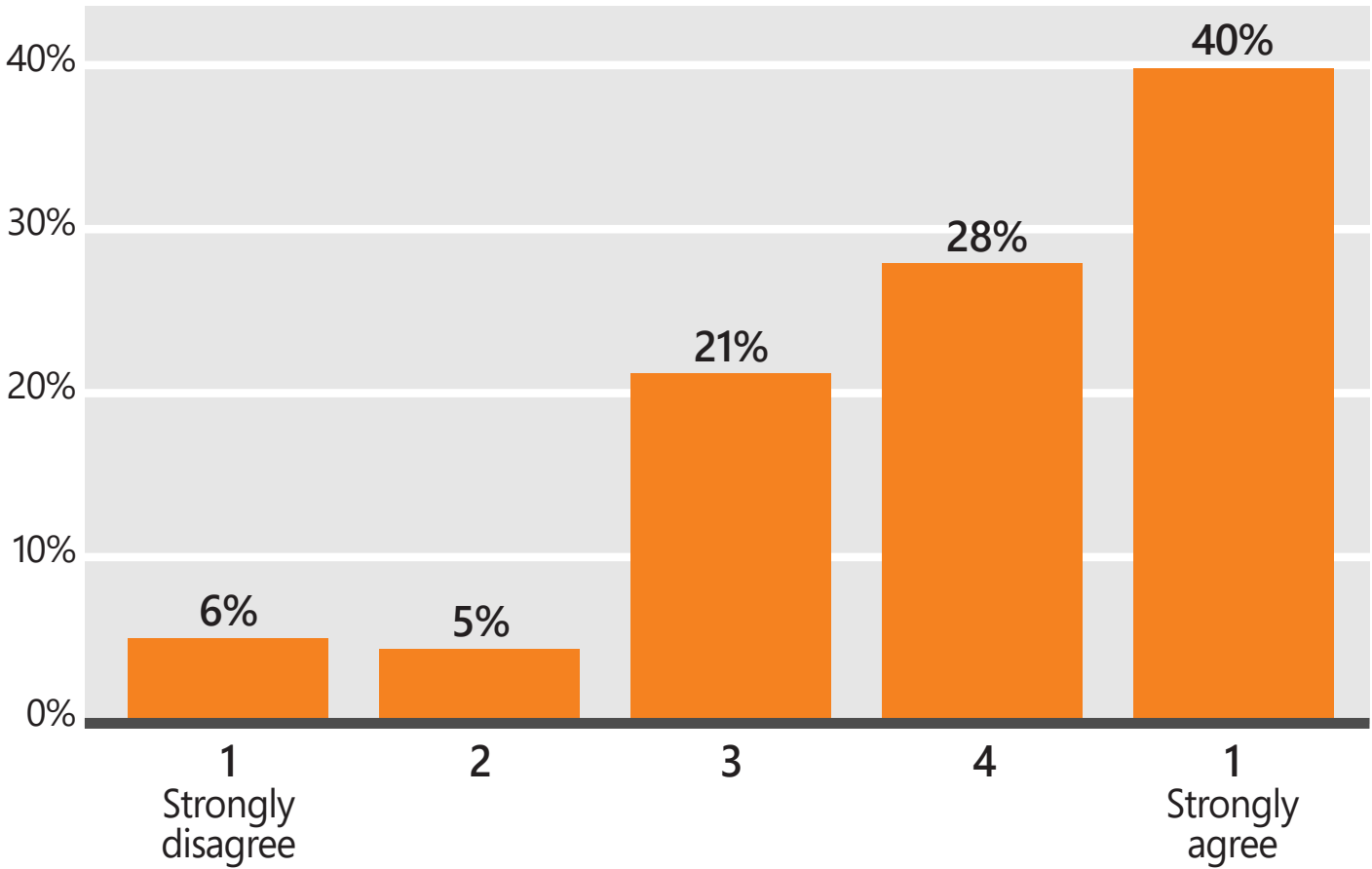
OF NOTE

In working with their donors, fundraisers are well advised to not only represent their organizations well but also to know their donors well. That includes knowing who their donors would like to include in their philanthropic decisions.

Stewardship

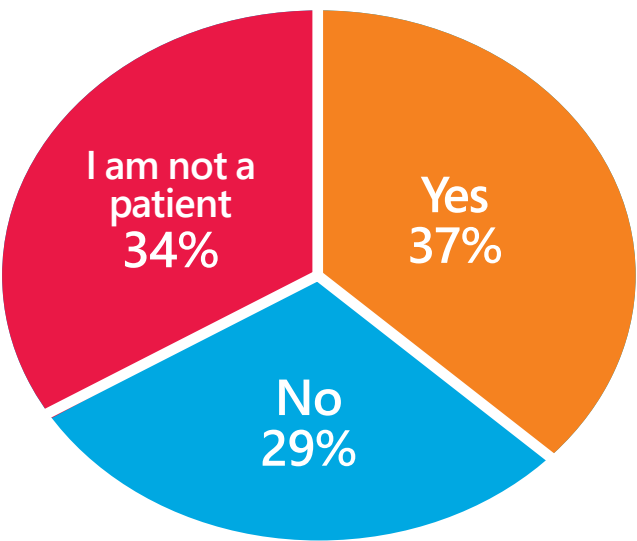


Respondents reported the stewardship efforts of the healthcare institution they support are successful and that they feel well-informed about the institution they support.

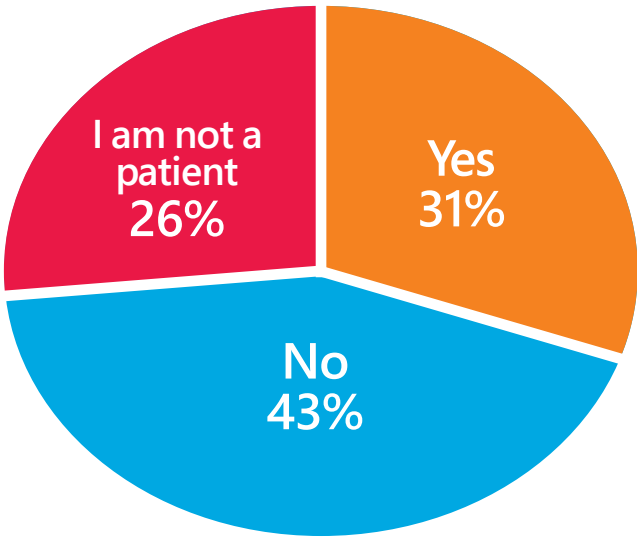


STEWARDSHIP

A slightly higher percent, 37 percent versus 29 percent, of respondents reported their institution has a specific program that recognizes them or their family as a donor upon admission as a patient.



But most respondents, 43%, reported that they do not expect to be recognized and receive special consideration as a patient, compared to the 31% who do expect it.



This is a change from the prior survey in which a significant majority (68%) of respondents reported that they did not expect recognition.

OF NOTE

Part of getting to know a donor’s interests and priorities can be as much about what they want to invest in at the institution as about how they would like to be recognized by the institution for that investment.

Conclusions

EDUCATE

Donors are interested in how their investment in healthcare will have the greatest impact and will best serve the mission and priorities of the institution.

The pandemic has provided an opportunity to share information about how healthcare institutions meet the needs of their patients and their communities, has increased appreciation for frontline healthcare workers, and has generated more interest in treating diseases and public health. These are opportunities for healthcare institutions to continue to educate donors and prospects about the impact of the work they were doing before the pandemic and will continue to do as we emerge from the pandemic.



CONCLUSIONS

ENGAGE

Donors consider opportunities for investing in healthcare while also considering requests from other institutions important to them. Ask how your institution compares to their other philanthropic priorities and build opportunities, as needed, to further engage them in your organization in order to be one of their top three priorities.

As healthcare institutions begin to emerge from the impact of the pandemic, the use of telehealth may continue, if not expand. Some development officers were concerned that this kind of patient experience would have a negative impact on fundraising, making it harder to engage patients. Instead, telehealth may actually increase patients' connections and contribute to better donor relations.

Segmenting donors by COVID relief efforts and by age may reveal some important distinctions for stewardship and engagement. Retaining these donors may provide maximum value through their lifetime giving.

ASK

Donors are heavily influenced by family and friends in their decision-making process, so it is important to create opportunities to recognize and include these key influencers in discussions about philanthropic opportunities.

As part of the ask, include questions about how the donor would like to be recognized for their investment.

Closing Remarks

This past year has been extraordinary in many ways. As always, philanthropy is resilient. Donors continue to support the institutions that are important to them, educate them, engage them, and ask them for meaningful support.

While the way we do our work may have changed, its critical importance has not.

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About BWF

For nearly 40 years, BWF has been committed to advancing the critical work of the world's leading hospitals, health systems, research institutes, children's hospitals, and healthcare NGOs.

BWF, a full-service philanthropic consulting services firm, provides nonprofits with campaign management, high-net-worth fundraising, organizational consulting, data science, digital marketing, and more.

SENIOR LEADERSHIP

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