

Quick-Hitting Survey Philanthropy Benchmarking Metrics

Melissa Stahl, Sr. Research Manager

Executive Summary

Methodology

In October 2018, The Health Management Academy conducted a quick-hitting survey of Leading Health Systems to identify benchmarking metrics for the health system philanthropy function. The 9 responding Philanthropy Executives represent health systems with an average Total Revenue of \$5.4 billion that own or operate 107 hospitals and have approximately 1.3 million admissions per annum.

Key Findings

- The most common metrics Philanthropy executives reported to be valuable for benchmarking purposes include major gift officer portfolio (88%), cost to raise a dollar (63%), total dollars raised/total production (63%), and visits per month (63%).
- There is significant variation in the definitions health systems use for benchmarking metrics, with only about half of responding health systems (54%) using industry standard definitions (e.g., GAAP, CASE/NACUBO).
- The majority of health systems (56%) account for philanthropic gifts when the gift is pledged.

Results

Philanthropy executives reported multiple definitions for philanthropic gift categories, reflective of the high level of variation in structure and process across provider organizations.

Health systems define Major Gifts by the gift amount, with almost two-thirds (62%) of organizations defining a Major Gift as \$10,000 or higher and 38% defining it as \$25,000 or more. Major Events are typically defined as an event that meets certain attendance thresholds (e.g., over 200 people) or fundraising thresholds (e.g., \$100,000, \$150,000, or \$500,000). Some health systems define a Major Event as a signature annual event, such as a gala or golf tournament. Health system definitions of Planned Gifts are similarly variable, encompassing estate commitments, bequests, deferred gifts, trusts, IRAs, and other gifts that involve special planning. Health systems also receive Public Support, defined as government funding/grants, gifts from donors not associated with the health system, and/or non-patient/non-affiliated support.

The majority of health systems account for philanthropic gifts when the gift is pledged (Figure 1). However, many health systems noted the accounting is dependent on gift type.

FIGURE 1. WHEN DOES YOUR ORGANIZATION ACCOUNT FOR PHILANTHROPIC GIFTS?

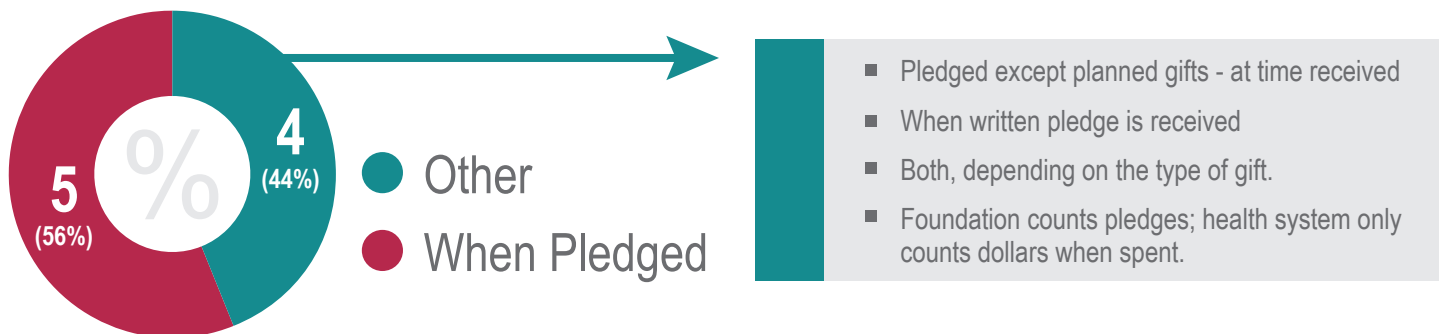
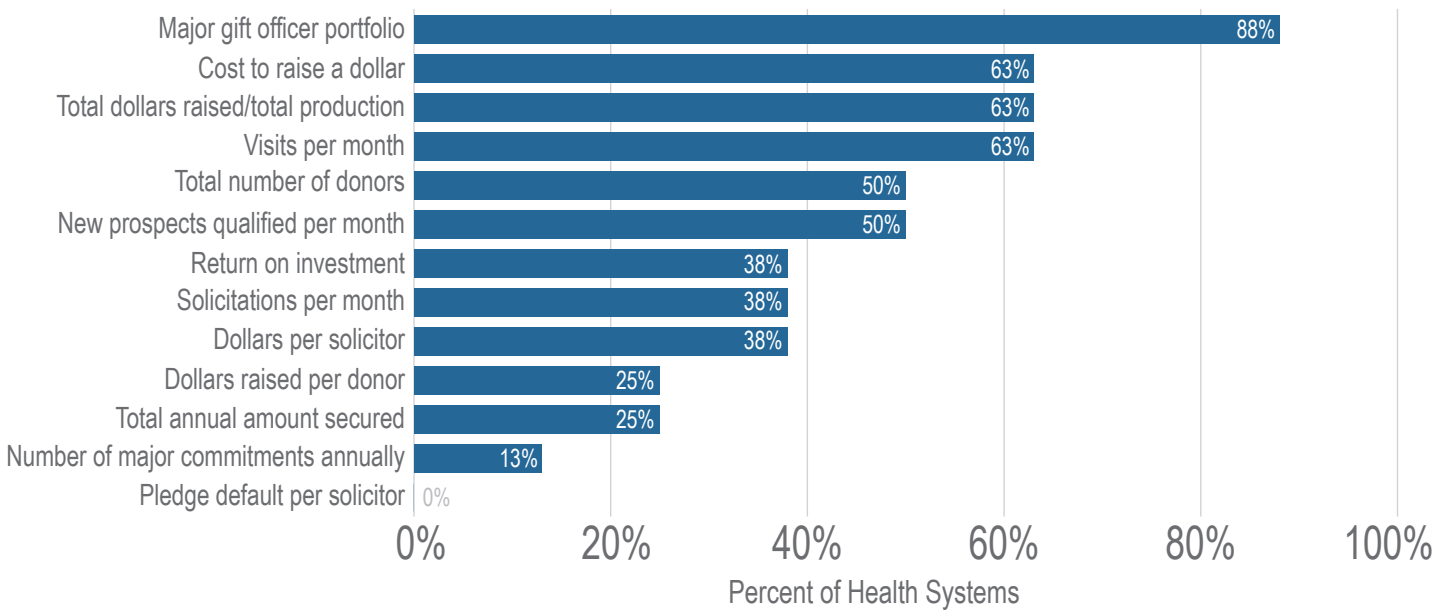


FIGURE 2. SELECT THE TOP FIVE (5) METRICS FOR WHICH INDUSTRY BENCHMARKING WOULD BE MOST VALUABLE TO YOUR HEALTH SYSTEM.



The most common metrics Philanthropy executives reported to be valuable for benchmarking purposes include major gift officer portfolio (88%), cost to raise a dollar (63%), total dollars raised/total production (63%), and visits per month (63%) (Figure 2). However, there is significant variation in the definitions health systems use for these metrics. Approximately half (54%) of responding health systems use the industry standard definitions GAAP or CASE/NACUBO for these metrics on average, and half use a custom definition (Figure 3).

FIGURE 3. FOR THE FOLLOWING METRICS, INDICATE WHICH DEFINITION YOUR HEALTH SYSTEM UTILIZES:

