



# How Conventional Wisdom is Holding Fundraising Hostage



A scenic view of Orlando, Florida, featuring several tall palm trees in the foreground. In the background, a city skyline is visible under a clear blue sky. A large, ornate fountain with multiple water jets is situated in a body of water in the middle ground. The image is framed by decorative wavy borders in shades of green, teal, and purple at the top and bottom.

# Welcome to Orlando!

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**International**  
CONFERENCE



# Hello!

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Steve Reed offers 30 years of experience in performance improvement and fundraising, including the application of Lean 6-Sigma principles to healthcare and healthcare fundraising. He served as a member of the senior leadership team for a multi-facility health system and has also worked with physician practices and ancillary healthcare provider organizations. He is one of 13 invited healthcare fundraising thought leaders who authored chapters in *Redefining Healthcare Philanthropy*, a ground-breaking book published by the Association for Healthcare Philanthropy Press in association with the American College of Healthcare Executives.



Helping People Succeed





# Today's agenda

## **Learning objectives**

In this session, participants will be challenged to consider ...

- Several instances of conventional wisdom that are generally accepted without challenge but may not be true.
- The potential downside of “best practices” and benchmarking in performance improvement.
- How abandoning conventional wisdom can lead to breakthroughs in fundraising.

THE CHRONICLE OF  
**PHILANTHROPY**

July 2022 \$12



## THE GIVING CRISIS

How Fundraising Can Bring Americans Back  
to Charity – if It Changes

**CASH INFUSIONS**  
Giving money directly to  
people in need is  
gaining popularity 18

**THE ART OF  
COMMUNICATION**  
A leader's sketches  
explain and clarify 22

**AFTER ROE**  
Christians advocate  
values lessons for the  
United States 26

# There is a Problem.

A decline in charitable giving is beginning to make headlines within the not-for-profit world. One example: the July 2022 Chronicle of Philanthropy noted the percentage of the population that gives is declining.

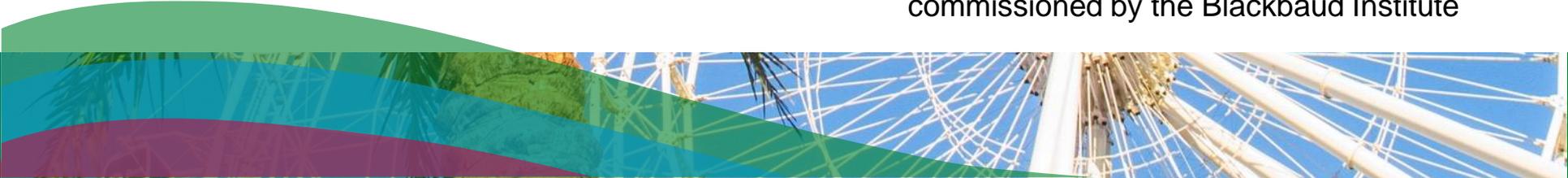
Annual campaign and events revenue is falling. Individually solicited gifts now account for more than half of all fundraising revenue.



“For nonprofits, this moment may be remembered as the time when conventional wisdom came crashing down – a conventional wisdom based in part on oversights and risk aversion, and a refusal to really believe that tomorrow is not going to look like yesterday.”



Source: The 2021 “Tipping Point” study  
commissioned by the Blackbaud Institute



# HEALTHCARE philanthropy



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## Is conventional wisdom still holding fundraising hostage?

*By Steven A. Reed*

Consider the state of healthcare philanthropy today.

Most fundraising shops are structured and managed the same way they were two or three decades ago. The typical modality mix is the same. Advances like KPI metrics are mostly measuring the same old ways of thinking and doing.

There's still a distance—maybe more so—between donors and the organizations they support. Annual campaign retention rates are still abysmal. Few major donors (who aren't board members) are truly engaged with either the fundraising effort or the organization itself.

# Wishofsky's Rule

# Evidence-Based Medicine



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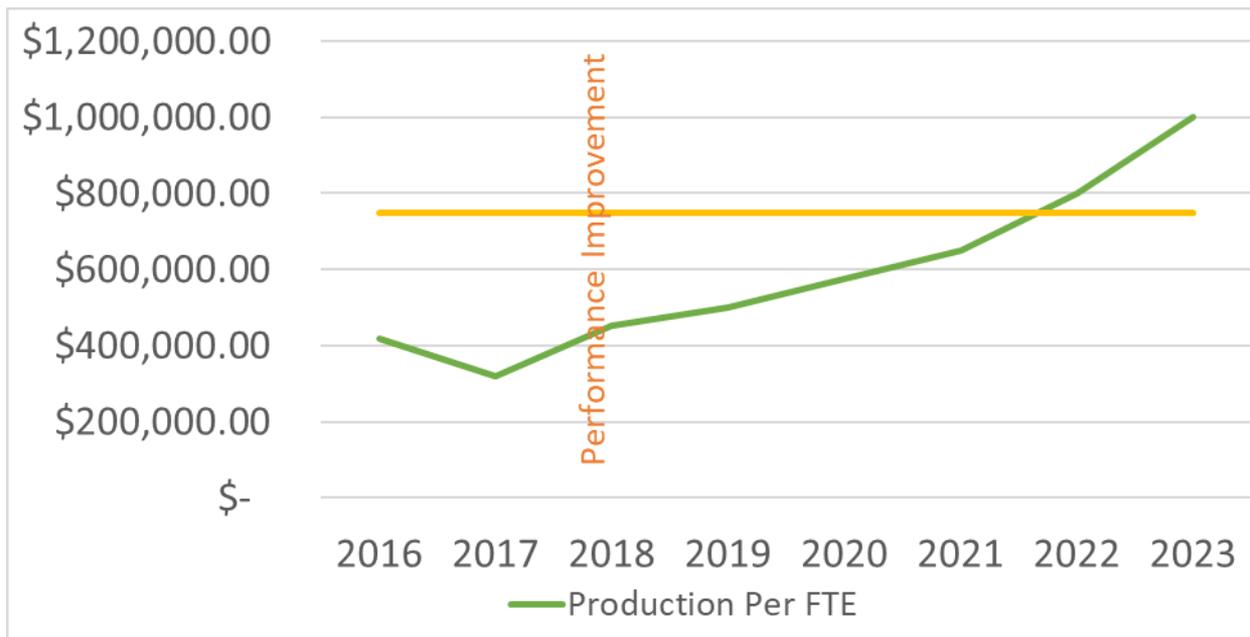
# Evidence-Based Fundraising



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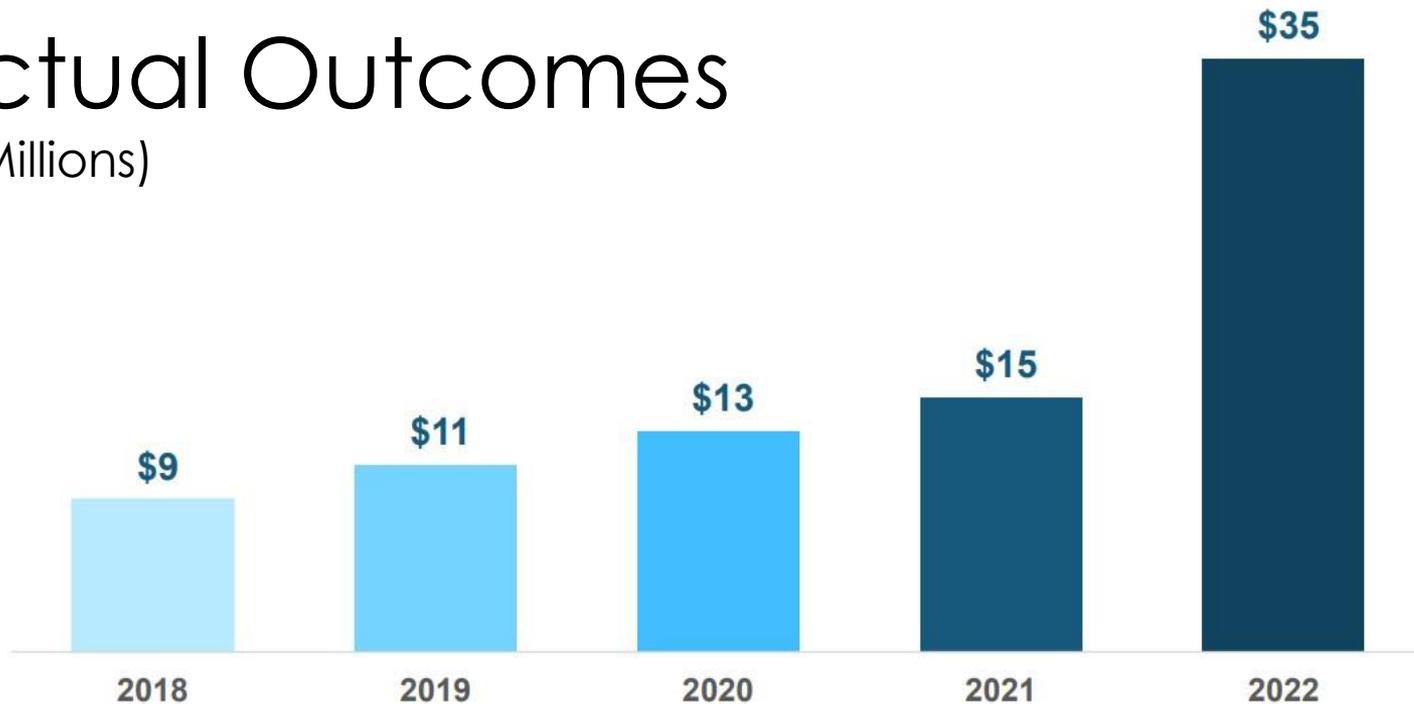


# Significant Efficacy Gain is Possible



# Actual Outcomes

(In Millions)





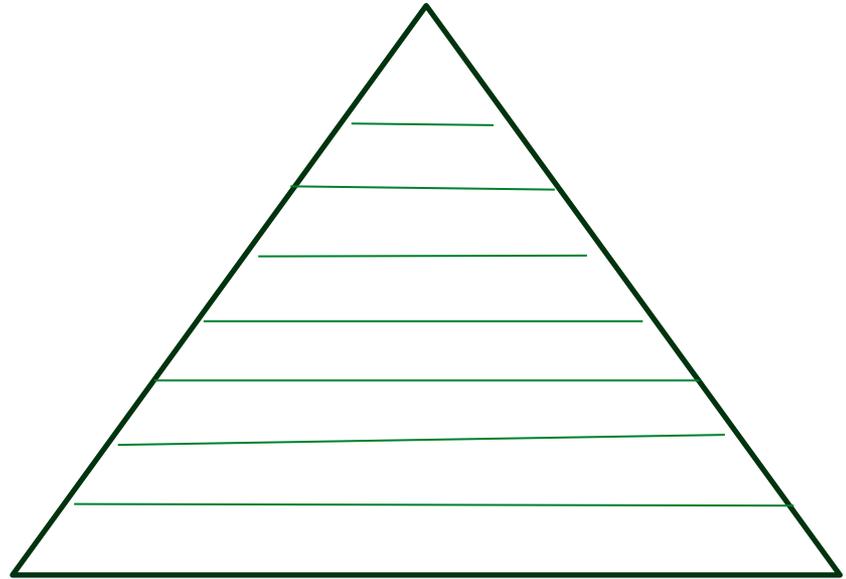
# Actual Outcomes

(Annual)

	<u>From</u>	<u>To</u>
Amount Raised	\$10,000,000	\$45,000,000
% from major gifts	20%	87%
Major Gifts $\geq$ \$1 Million	1	12
Donor Visits	1,848	4,312

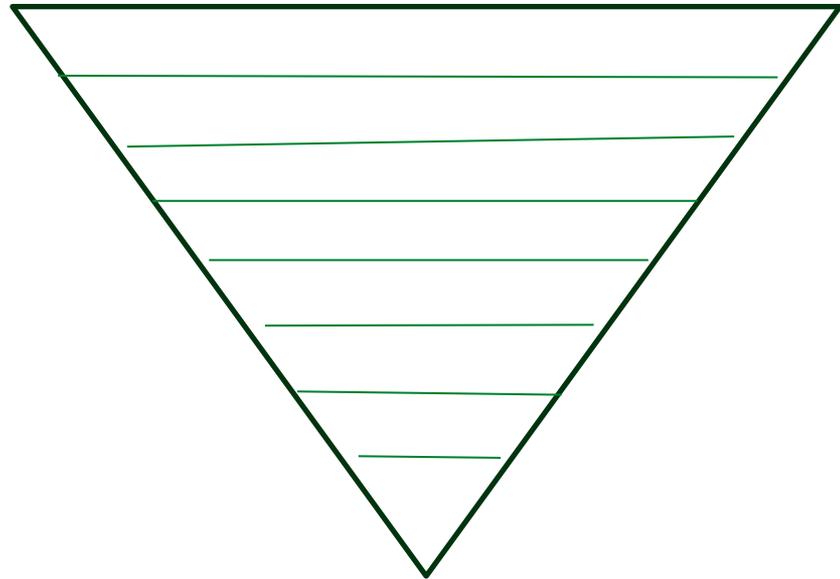


# The Donor Pyramid



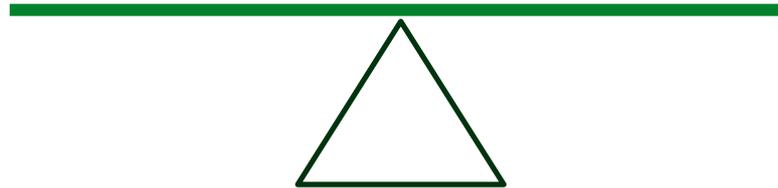


# The Donor Pyramid



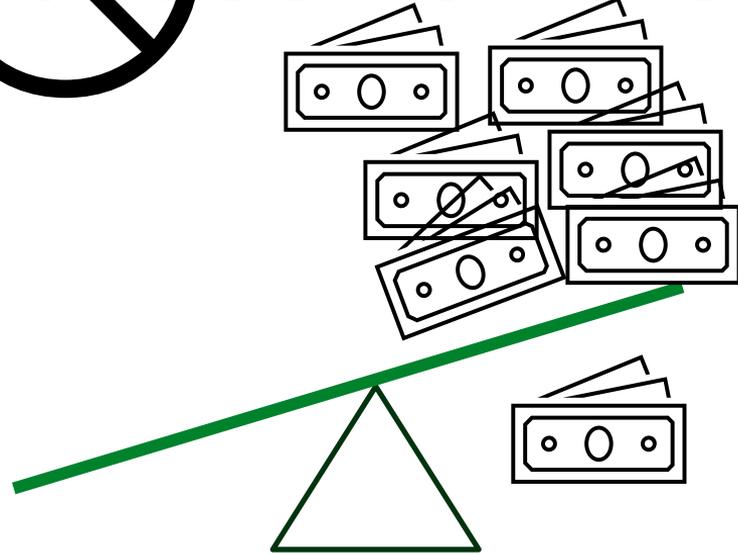


# Balanced Portfolio





# Balanced Portfolio





# Org-Chart Silos

\$

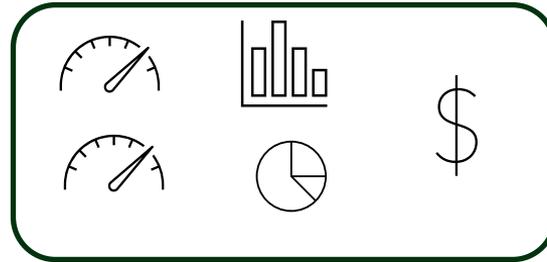
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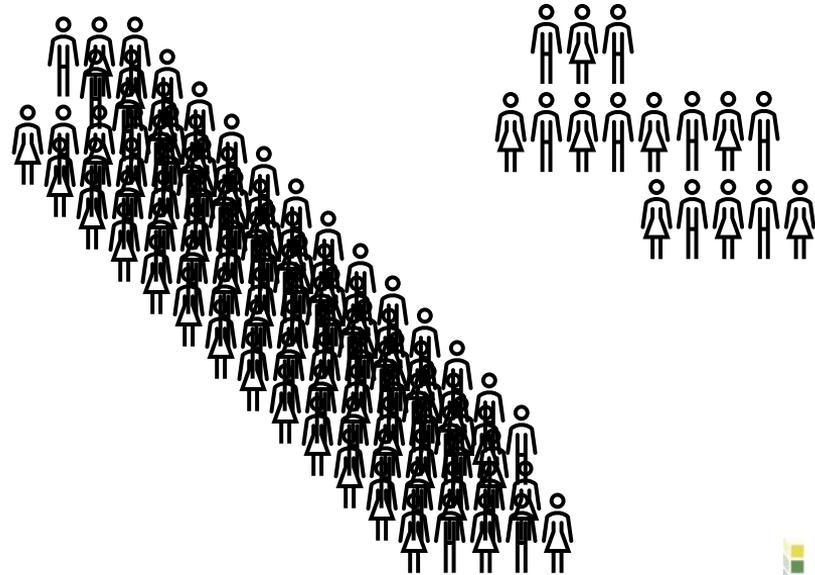


# Org-Chart Silos





# 150-Name Portfolios





# $\geq 18$ Months to a gift





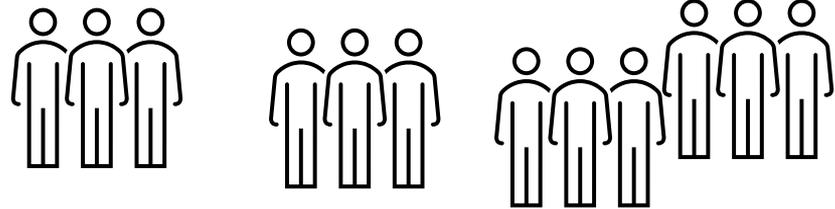
# Plans for Each Donor

- Yes, but ...



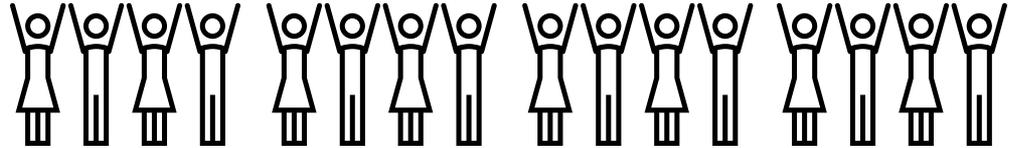
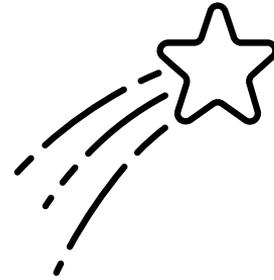


# Create a Culture of Philanthropy



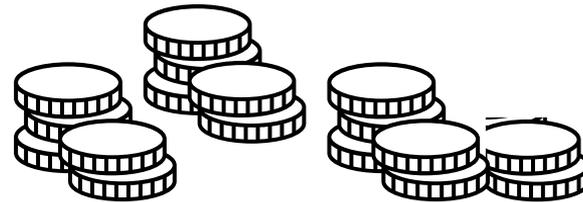


# Create a Culture FOR Philanthropy





# CPDR





ROI



# Gift Officers

It shouldn't be about the gift.  
It should be about the donor.



# Relationship Managers

It shouldn't be about the gift.  
It should be about the donor.



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Thank you.

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