

DIGITAL HEALTH 
STRATEGIES

AHP Association for
Healthcare
Philanthropy

**Discover the Latest Trends in Digital Fundraising
Insights from the Third Annual Benchmark Report**

Introductions



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Chief Content and Marketing Officer
Association for Healthcare Philanthropy

What we will cover

- 1 About Us
- 2 Why did we develop the Benchmark Report?
- 3 2023 Survey & Benchmarking Methodology
- 4 Top Priorities for Hospitals & Health Systems
- 5 2023 Key Findings and Hospital Benchmarks
- 6 Preparing for 2024 and Actionable Insights

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About Us

About AHP

AHP by the numbers:



56



7,000



2,200



3

About Digital Health Strategies

We are one of the nation's leading healthcare fundraising solutions providers. Leveraging data science, digital technologies and creativity, we develop and implement innovative programs to solve the most complex fundraising challenges for some of the largest health systems in the country.

Quick Facts

- Healthcare-only solutions provider
- 2 offices: DC and New York
- Support 162 hospitals across the US
- HIPAA compliance certified



DHS' work

CONTENT/CREATIVE

Templated and proven content solutions combined with white glove service to engage and convert donors across communications channels

WORKFLOWS/ PROCESS ENGINEERING

Proven workflows and processes to efficiently integrate fundraising throughout the patient-donor experience

DATA

Our proprietary DHS Enhance® data modeling solution is built on a national healthcare database to better target donors, increase conversions, and grow revenue

TECHNOLOGY

Honor Your Caregiver grateful patient platform integrates with leading EHRs, CRMs and Marketing Automation tools

DHS' Clients

Healthcare Clients		
		
		
		
		
		

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Why did we develop the Benchmark Report?

Why we created the report

- Hospital foundations are **expanding their digital fundraising programs**
- We wanted to produce a report that focused specifically on hospital foundations **so you can compare your digital programs to your hospital foundation peers**
- **Other reports produce benchmarks across all non-profit sub-sectors including:** animal welfare, higher education, international affairs, and faith communities
- **Other healthcare fundraising benchmarking reports compare hospital foundations to large, national health non-profits including:** disease advocacy groups, medical research organizations, children's hospitals and academic medical center



What's in this year's report?

Survey Results

39 questions

- Revenue and Fundraising Trends
- Communications and Campaigns
- Testing, Data and Segmentation
- Marketing and Fundraising
Technology Stack

Surveyed 210 non-profit hospitals and hospital systems

Benchmark Results

14 benchmarks

- **2021 benchmarks**
 - Year-over-year online giving growth
 - Average online donation
 - Fundraising click rate
 - Email list growth
- **2022 benchmarks**
 - Online donor retention
 - Overall first-time donor rate
 - Average online donation
 - Average online donor value
- **2023 benchmarks**
 - Number of online donors
 - Percent of new online donors
 - Overall donor retention
 - Number of donations
 - Major online donors
 - Online revenue from major gifts (\$10,000+)

Data from 37 hospitals

Survey Methodology



210 hospitals and hospital systems



Self-reported data



39 questions in survey



Fielded in June 2023



Survey Participants: 210 hospitals and hospital systems

Geographic presence of participants



104

urban
communities

serving a principal city of a metropolitan area



68

suburban
communities

serving within a metropolitan or micropolitan area



38

rural
communities

outside of a metropolitan area

Survey Participants: 210 hospitals and hospital systems

Size of participant hospitals



41

small
hospitals

<100 beds



70

medium
hospitals

100-499 beds



99

large
hospitals

500+ beds

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Key Takeaways from past reports & 2022 fundraising environment

Key Takeaways from the 2021 Benchmarking Report

- 1 Digital fundraising is a priority
- 2 Foundations need an email and direct mail integration strategy
- 3 Digital resources are necessary for success
- 4 Foundations want to digitize their grateful patient programs
- 5 Optimized email programs can drastically improve results

Key Takeaways from the 2022 Benchmark Report

- 1 A strong digital donor acquisition program is crucial for pipeline development and revenue growth
- 2 Foundations are missing out on the opportunity to learn about and respond to donor communication preferences
- 3 Improved retention is directly correlated with the use of qualitative and quantitative data for solicitation and stewardship efforts
- 4 Digital infrastructure is critical to leveraging data to drive revenue growth and deepen relationships with donors
- 5 Improved major donor conversion relies on more advanced data inputs and models

Fundraising Trends 2020-2022



- 2020 and 2021 were the two biggest years of charitable giving ever
- Charitable giving in the US declined by 3.4% in 2022, but constitutes a 10.5% decrease when adjusted for inflation
- Giving to "health" orgs grew by 5.1% in 2022, itself a 2.6% decrease when adjusted for inflation
- Percentage of Americans making to charitable gifts shrank from ~2/3 to less than half in last decade.
- Large gifts (\$10k+) comprised higher percentage of charitable giving than ever.
- Retention among $\leq \$50$ was ~10% in 2022; retention among online donors giving $\geq \$1,000$ was almost 40%



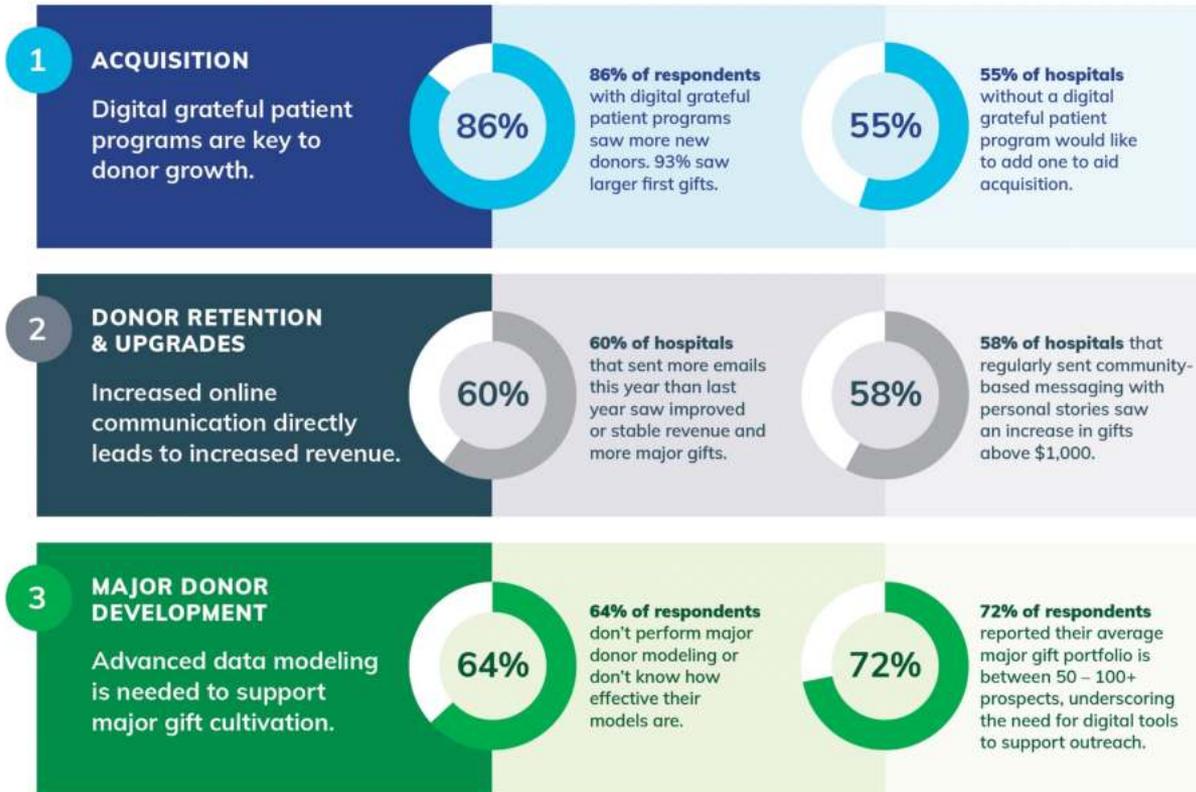
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2023 Report: Top Priorities for Hospitals & Health Systems

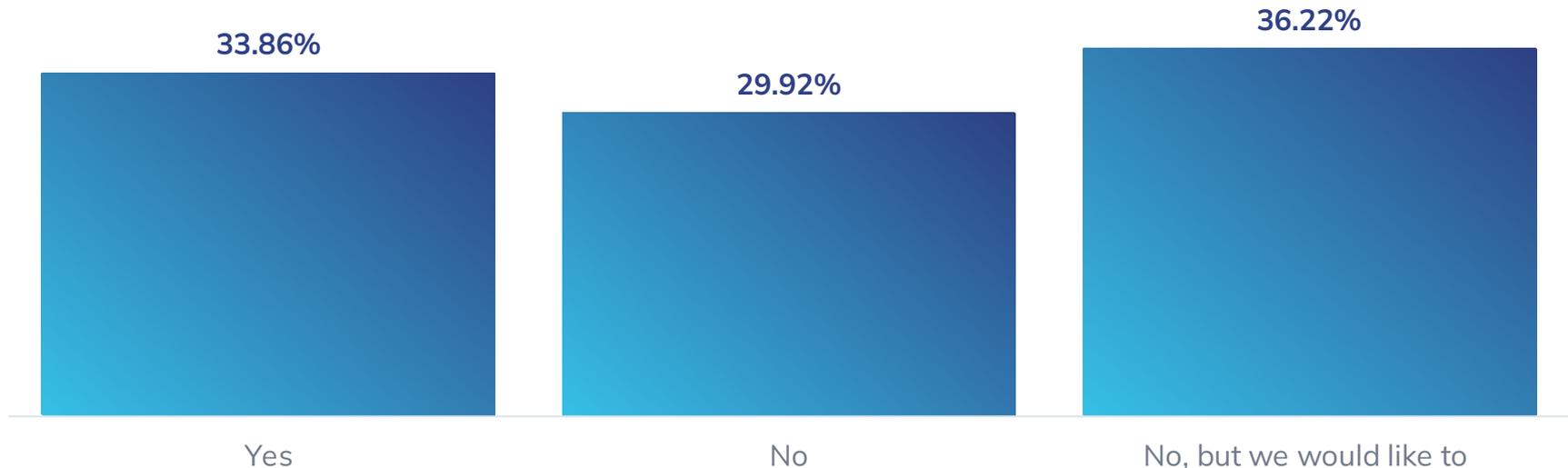
The Top 3 Fundraising Priorities for Hospitals & Health Systems



Foundations have a strong interest in developing a digital grateful patient program

Survey question: Do you have a digital grateful patient program in place?

70% of respondents have a digital grateful patient program in place or would like to



Acquisition: Digital channels accelerate new donor conversion

- ~90% of respondents with a digital grateful program say they're seeing improvements in donor conversion and average gift sizes.
- First-time online donors are converting 20% faster than donors as a whole and email provides the ability to engage prospects within 30 days of their care encounter.
- First-time donors made up a 26% higher share of total donors this year. Precise targeting and messaging can successfully reach and convert the right prospects.



Case Study

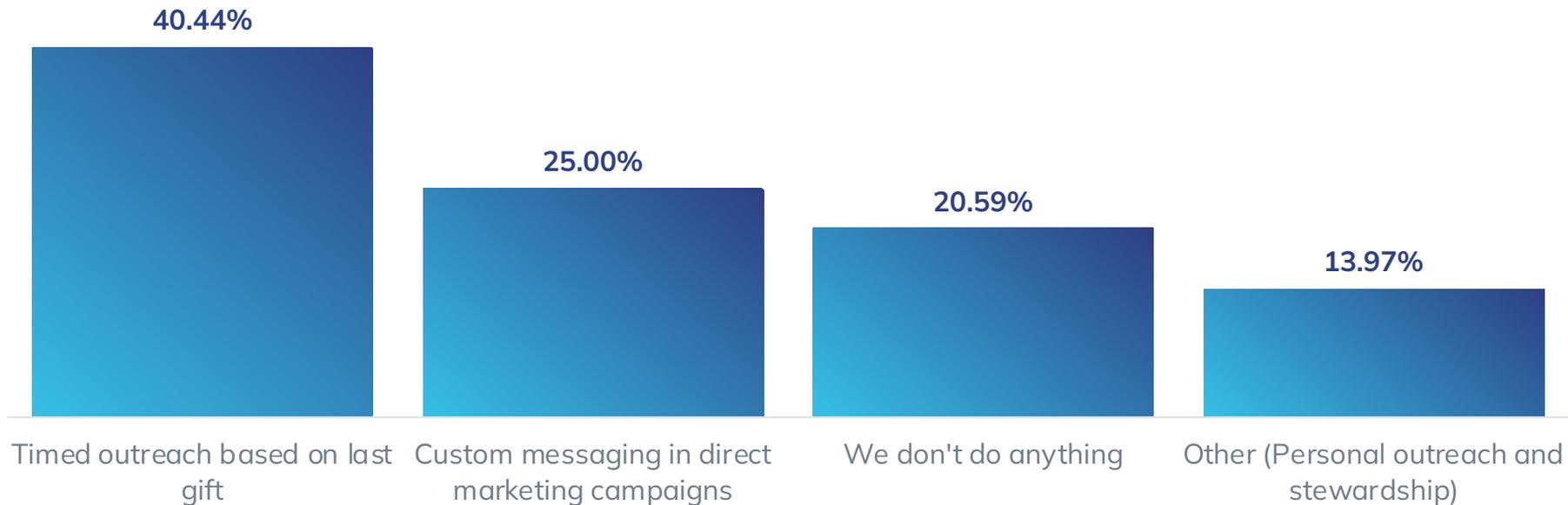
The impact of digital grateful patient programs on revenue

A midsized health system in the Midwest reported that their digital grateful patient program **doubled the number of online donors in 2022**. 64% of donors were new and **61% of those converted following a digital grateful patient welcome/onboarding series**.



Room to Improve Lapsed Reactivation Strategy

Survey question: What tactics do you use to retain a donor and prevent them from lapsing?



Donor Retention & Upgrades: digital communications improve retention and increase gift sizes

- Only 39% of respondents used targeted outreach to improve retention, and less than a third are using custom retention messaging.
- 46% of respondents don't ramp up retention messaging for at least 24 months after a gift – a major missed opportunity to re-engage donors for repeat giving before they lapse.
- 92% of survey respondents saw stable or improved year-over-year performance in \$1,000+ giving demonstrating the opportunity to cultivate mid-level donors.



Case Study

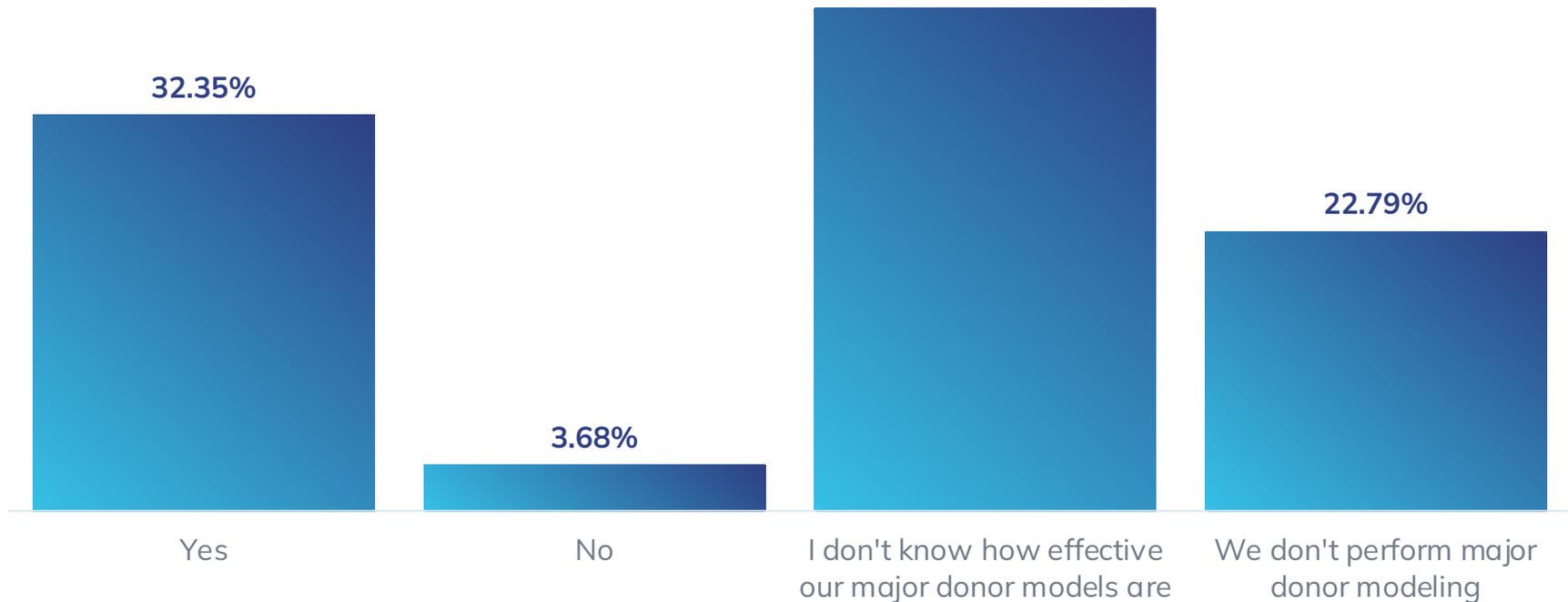
Moving donors online

A large integrated delivery network in the Northeast reported that **29% of 2022 donors were existing donors who were converted to online giving.**



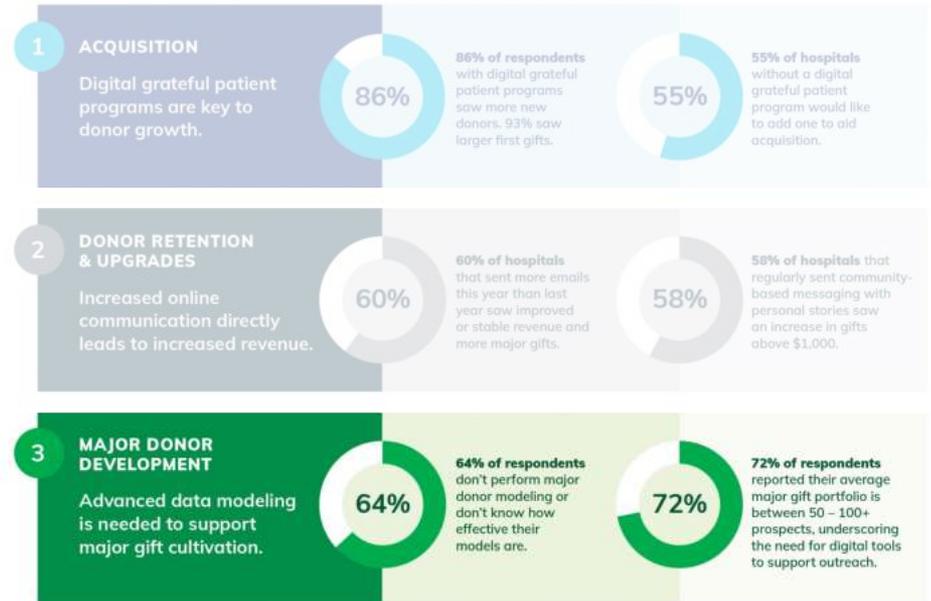
Less than 1/3 of respondents feel they are using major donor modeling effectively

Survey question: Have your major donor models improved the conversion rates of your prospects?



Major Donor Development: Data is being underutilized to support major donor programs

- Less than 1/3 of respondents feel they are using major donor modeling effectively.
- 57% of hospitals who increase their email volume this year had increase in major gifts.
- Online gifts of \$10K+ has grown by 150% since 2021, demonstrating the increasing comfort for donors to give large amounts online.



Case Study

Revenue Optimization

A small integrated delivery network in the Southeast saw a **25% increase in online gifts** and a **32% increase in online revenue** due to end-of-year optimization based on prior giving and data modeling.



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2023 Hospital Benchmarks

Benchmark Methodology



37 hospitals



14 key metrics:

- 8 updated for 2023
- 6 NEW in 2023



Quantitative data January 1 – December 31, 2022



The data used was validated and standardized by Digital Health Strategies. It only includes revenue & gifts from e-mail, website, and direct mail solicitation campaigns. Everything else (events, major giving, planned giving, employee giving, etc.) is excluded.



Benchmarking Participants: 37 hospitals

Geographic location of participants



16

urban
communities

serving a principal city of a metropolitan area



11

suburban
communities

serving within a metropolitan or micropolitan area



10

rural
communities

outside of a metropolitan area

Benchmarking Participants: 37 hospitals

Size of participant hospitals



11

small
hospitals

<100 beds



18

medium
hospitals

100-499 beds



8

large
hospitals

500+ beds

What changed this year?

1

Online growth accelerated:

We saw increases in the number of online gifts, the number of donors giving online, and the total amount of online revenue.

2

Value of online gifts and donors is increasing:

Foundations experienced growth in both the average value of an online gift *and* the annual value of online donors

3

Acquisition and retention rebounded:

More donors gave their first gifts online and more donors continued to give online than in the prior year

Digital Growth Accelerating



Annual Growth in Online Donations

Number of donations made online in 2022



Annual Growth in Online Donors

Percentage of donors who are giving via online channels



Annual Growth in Online Revenue

Percent increase in Foundation revenue exclusively from online channels

Value of online gifts and donors is increasing

Average Online
Donation

\$337

↑ 2% growth in 2022

Average Online Donation

The average donation amount from a donor giving through online channels

Average Online Donor Value

(total revenue per donor in 2022)

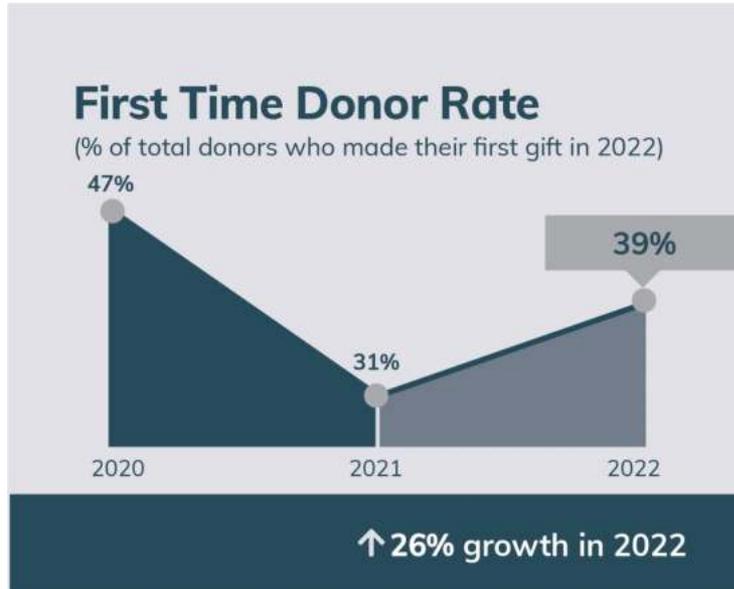


↑ 8% growth in 2022

Average online donor value

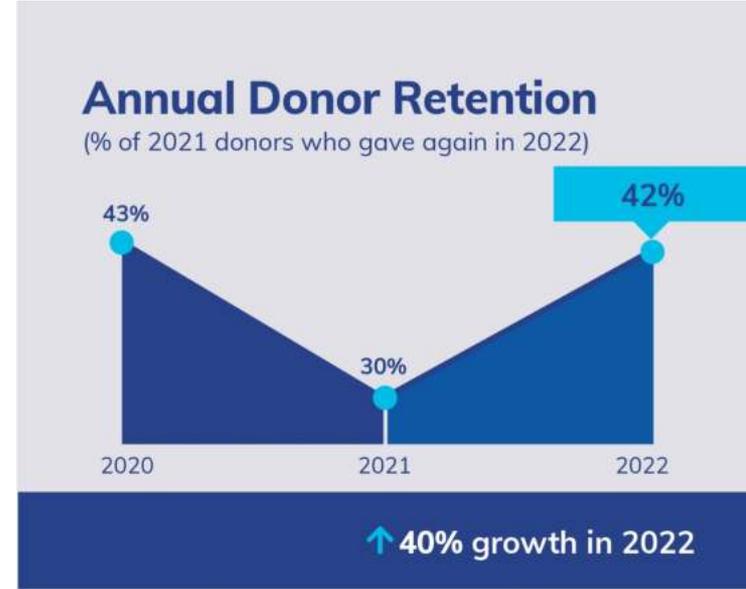
Average online value of a donor over 12 months

Acquisition & Retention Rebound



Overall First-time donor rate

Percentage of total donors who made their first gift in 2022



Year-Over-Year Donor retention

Percentage of all donors who gave in 2022 and who had donated in 2021 or earlier

Email lists grew but engagement declined

Annual Email
List Growth

↑ 39%

Yearly Email List Growth

Increase in unique email addresses that a Foundation can solicit

Email Click
Rate

1.59%

↓ -7% growth in 2022

Email Click Rate

Unique email clicks divided by number of emails sent

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Actionable Insights

4 Key Insights

1

Expect major donors to continue moving online and follow them there

While direct mail still accounts for the majority of annual giving revenue, the average \$1,000+ hospital donor is getting younger. You need to capture donors' attention and engage, steward and upgrade them in the channels they are already using.

2

Trust your digital grateful patient program to help fill your pipeline

It's a proven tool to identify and qualify prospects and convert them to donors.

3

Retention and reactivation require a deliberate plan

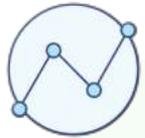
As donors age through your program, invest in digital stewardship before they lapse, and act quickly to reactivate them if they do, through timed and targeted messaging.

4

Data modeling must evolve to deliver value

Wealth screening by itself is a blunt instrument. Incorporating giving propensity, affinity, consumer behaviors and communications preferences— and then testing hypotheses — provides better results.

Visit our website and connect with us at the AHP International Conference



LEARN MORE ABOUT THE REPORT

DigitalHealthStrategies.com/benchmark23

Visit our website to see the full results, detailed benchmarks, and helpful insights



CONNECT WITH US AT THE CONFERENCE EXHIBIT HALL

Visit us in the exhibit hall at **booth #605**



JOIN OUR WEBINAR ON ADDITIONAL REPORT FINDINGS

October 11, 2024, at 12 P.M. ET

RSVP at:

Questions & Discussion

A hand is raised in the air, palm facing forward, with fingers slightly spread. The hand is wearing a smartwatch on the left wrist. The background is a blurred presentation screen with some text and a large number '1' visible. The overall lighting is dim, with a blue and purple color palette.

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