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ally exceeds four dollars for every dollar invested during “routine” fund development activities but provides a significantly better financial return during a focused, multi-year campaign. Having an infusion of philanthropic revenue can position health organizations both to fast-track and to elevate strategic initiatives to improve clinical quality, access, patient experience, safety and more. That’s why governing board leaders for progressive health care organizations should not only leverage their existing philanthropy program but also prioritize building a comprehensive fund development campaign now.

Building the Campaign

A comprehensive fund development campaign is a strategic, multi-faceted effort to raise significant financial support over a set period of time for a defined set of initiatives that can include buildings, technology, programs, research and more. Since a campaign stretches an organization to go beyond “everyday” fund development activities to chase larger goals and gifts to support transformational initiatives, launching a campaign involves careful planning and execution. Most campaign

Why Hospitals Should Launch a Fundraising Campaign Now

Philanthropy can serve as the catalyst for hospital and health systems’ transformation

BY BETSY CHAPINTAYLOR

After years of financial constraints that have limited growth, innovation and transformation, hospitals and health systems must now prioritize these ambitions — and a philanthropy campaign can serve as the catalyst.

Health organizations in the United States have been navigating some of the most volatile financial years in history. During this time, many hospitals not only delayed plans for growth and progress —

including capital for facility upgrades and expansions and acquisition of new technology — but also paused preventive maintenance. However, [in 2024, hospital operating margins largely stabilized as median operating margins ticked up to 4.9%](#). Given this improved financial environment, hospitals must harness newfound momentum to reinvest in their organization. They can amplify their impact by supplementing revenue from operations, investment returns and other sources with philanthropy — voluntary charitable giving from individuals, corporations and foundations. Philanthropy offers a low risk, sustainable, alternative revenue stream with an exceptional return on investment that gener-

efforts begin with a campaign planning study or feasibility study to test the case for support, determine the goal size, identify prospective lead donors, identify volunteer leaders and more; this early step ensures the campaign is on good footing for success.

Once executive and board leadership greenlights a campaign to proceed, the organization must address a variety of priorities to get a campaign underway. Leaders must affirm or finalize a clear, compelling case for support to articulate the rationale for investing in the specific, strategic priorities the organization has identified. Campaigns leverage the influence and access of key organizational allies — such as board members and clinicians — who can create credibility and momentum through their involvement; so, identifying, engaging and educating these leaders is another critical early step. Campaigns utilize segmentation and targeted outreach to seek charitable investment from various sources — such as major gifts from individuals, corporate giving, grants and more — so organizations must have access to data and business intelligence to shape sound decisions. Campaigns come to life through vibrant marketing collateral and storytelling that bring a heartbeat to the work to be done. Campaigns require a platform for performance that includes talent, donor data manage-

ment, performance management systems and more. Campaigns are typically phased over a multi-year period that begins with a “quiet” phase to secure major gifts that demonstrate early adoption and create momentum before a public

While campaigns provide significant, outsized revenue to power the organization’s plans, they also drive a range of intangible benefits beyond dollars. Other campaign benefits include clarifying leadership focus, illuminating mission, driving innovation, elevating community awareness, deepening existing stakeholder relationships and fostering trust. Let’s unpack some of those additional benefits.

A campaign forces leadership to crystallize its focus and to clarify its long-term goals. It provides an impetus to align board and executive leadership to proactively shape the hospital’s future strategy through strategic thinking, long-term planning and visionary targets. Positioning for a giving campaign focuses leaders around affirming and articulating a common vision for growth and progress to achieve specific, strategic, actionable and aspirational goals. Organizations must also be able to share granular details about the solutions needed, the anticipated outcomes to be achieved, specific investments required, the timeline for implementation

and more — since donors expect dreams to be supported by sound business plans. Finally, a campaign prompts the organization to bring together all of this information to shape a compelling story about how charitable funds can elevate the organization’s ability to fulfill its

What to Do Now and Next to Pursue a Campaign

- **Define Strategic Priorities:** Identify the hospital’s most important strategic priorities for funding to include capital, programs and more.
- **Align Leadership and Governance:** Secure a shared understanding of the vision and need for the campaign from hospital leadership, the governing board and the foundation board.
- **Prepare to Draft a Case for Support:** Start to collect information to draft a compelling narrative that clearly articulates the hospital’s needs, how funds will be used and the impact of the campaign.
- **Establish a Campaign Working Group:** Identify and recruit a task force of key stakeholders — including board members and donors — to evaluate, guide and lead efforts to support the campaign.
- **Pursue a Campaign Planning Study:** Engage an experienced consultant to assess readiness, test the case for support and determine a realistic but ambitious financial goal.
- **Commit to a Decision:** Determine if and how a campaign will proceed based on the appeal of the case, the availability of interested donors, the potential goal size and more.

phase to engage the broader community, so the organization must also consider the arc of this multi-year effort. Ideally, a well-run campaign will galvanize the organization’s constituency to achieve a transformational vision through extraordinary giving.

potential to maximize its impact on the community.

Philanthropy in action

Philanthropic campaigns illuminate the mission and remind the community the hospital is a nonprofit organization. They create space for storytelling about the mission, vision and values that are foundational to the work that is done. Campaigns open venues to enhance appreciation for the community benefits of the organization and how it serves a critical role as part of the social fabric of the community. Highlighting the mission also creates opportunities to share powerful stories that illuminate the wondrous accomplishments across the lifespan of all who are served as babies are born, hope is restored, lives are saved and grace and dignity accompany those who are dying. Campaigns remind people of the noble purpose and sacred trust of healing work.

Philanthropy drives innovation and transformational impact by allowing hospitals to think beyond both the immediate future and what would be possible with current financial constraints. Savvy donors are often willing to undertake appropriate risk to advance new and innovative ideas that may not be covered by traditional funding to improve care models, expand community health programs and more. A targeted campaign can unlock

resources to advance demonstration projects, research and other ideas that can truly transform health care delivery and advance the hospital's capabilities and reputation. Therefore, organizations should not hesitate to craft bold ideas for consideration by visionary and entrepreneurial donors who are often willing to partner with an organiza-

community. Securing a new level of awareness not only supports the campaign but also supports patients being more likely to return for future care or to recommend the organization to others. Campaigns also create an opportunity to educate the community about health care's many complex issues; for example, many community stakeholders do

not understand the financial strain health systems face even when there are positive margins and healthy reserves or how more could be done with community investment.

Connecting to the community

Campaigns amplify community engagement. Campaigns galvanize and inspire both internal and external stakeholders and give hospitals an opportunity to engage more deeply with their communities. By involving donors, patients and local businesses and more, hospitals strengthen relationships across a variety

of constituencies. Engaged communities are more likely to support and trust their hospitals as they become advocates, champions and investors in the hospital's goals. Ultimately, the energy and inspiration generated by a campaign strengthens community connection to the hospital, fosters loyalty and creates a sense of ownership and pride in the hospital's future.

Campaigns build trust, credibility and a sense of mutual benefit. By

Board Discussion Questions

- How could a campaign align with our hospital's or health system's long-term mission, vision and strategic goals?
- What strategic priorities does the organization have now — including buildings, technology, clinical programs, community health and more — that could be more successfully achieved if the organization pursues a philanthropic campaign?
- Which strategic priorities would likely resonate with potential donors?
- Who from the hospital board, foundation board, leadership team and clinical staff should be involved in exploring a campaign?
- Do we have the internal capacity (staff, time, expertise) and external resources (consultants, marketing support) to launch and manage a successful campaign?
- What fundraising goal amount should we test through a campaign planning study?

tion to drive true change.

Campaigns increase visibility and awareness of the health care organization in the community through heightened communications and marketing efforts. Visibility builds confidence and affirms the organization as a reliable and credible health care provider. Hospitals that share a consistent message about their mission, commitments and care quality can build strong brand loyalty among patients and the

launching a capital campaign, the health care organization sends a clear message that it is committed to deliver on its mission and to serve the community and its stakeholders. As organizational leaders present visionary ideas and opportunities to stakeholders, donors and community members, their credibility is enhanced. At the same time, being transparent and accountable about deploying funds raised through the campaign, particularly those restricted by donor intent for specific campaign priorities, reinforces the hospital's credibility and demonstrates a commitment from leadership to follow through on executing the projects as promised.

Campaigns deepen relationships with key stakeholders, since they prioritize achieving a shared vision for transformation over transactions. When someone is asked to consider making a multi-year commitment many times larger than what they normally give on an annual basis, the experience can significantly deepen engagement and ownership. As the enthusiasm for projects and opportunities ripples among those

closest to the organization, they will be inspired; and their commitment to the mission of the organization is intensified. Campaigns bind individuals to the organization in ways that might not otherwise be feasible. In addition to financial commitments, campaigns require the influence and involvement of key community leadership volunteers—including board members—as advocates and connectors, which can also deepen their personal ownership. Engaging objective, outside leaders to advocate for the cause can result in stronger, more active participation from these groups, who may feel more invested in the success of the organization and its mission.

Conclusion

As hospitals and health systems navigate the complexities of the post-pandemic landscape, leveraging philanthropy through a well-planned campaign presents an opportunity not only for financial growth but also for transformational change. By harnessing the collective power of board members, donors

and other stakeholders, hospitals can advance critical initiatives that improve patient care, enhance facilities and drive innovation. A successful campaign goes beyond raising funds—it propels the hospital's long-term strategic goals, strengthens the organization's credibility and fosters deeper community engagement. Now is the time for the health care governing board and executive leaders to seize momentum by pursuing a comprehensive campaign to harness the power of philanthropy to drive growth and sustainable success that will improve the health and well-being of all those served.

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