



*Leading Through* **COVID-19**

# THE CAMPAIGN FOR OUR HOSPITALS

## It's time to come together to support our hospitals.

There are almost 3,000 not-for-profit, non-governmental hospitals serving communities in the United States.<sup>1</sup> Right now, all these hospitals need your help more than ever before. Hospitals are making significant investments to meet the demands of COVID-19; some of which will be reimbursed by the government while some will not. Simultaneously, hospitals have—appropriately and necessarily—canceled elective surgeries and other routine care to protect patients, so their normal revenue has taken a nosedive. This has created a perfect financial storm at a time when hospitals have already faced years of razor thin operating margins.

Even before COVID-19, nonprofit hospitals depended upon philanthropy—voluntary charitable giving from individuals, corporations or foundations—as an alternative revenue source. Philanthropy often funds capital, clinical programs, innovation, community health impact

**To make a tax deductible financial gift to strengthen and sustain your local, nonprofit hospital during this crisis:**

- 1** Visit your hospital's website. Look for the foundation or a "give now" button.
- 2** Call the hospital and ask for the foundation or development office.
- 3** Visit the American Hospital Directory at [www.ahd.com](http://www.ahd.com) to find a nonprofit hospital in your community.

and more. To place the opportunity in context, \$427 billion was given in charitable contributions to US not-for-profit organizations in 2018 with almost \$40 billion of that benefiting health causes.<sup>2</sup> Of money directed to health causes, \$10.8 billion specifically went to US not-for-profit hospitals and health systems.<sup>3</sup> Philanthropy is also incredibly leveraged. While a hospital performing at the current median operating

margin of 2.1% would need to earn almost \$48 million from clinical operations to have \$1 million to reinvest in the hospital, hospitals that receive just \$1.3 million in charitable gifts would achieve the same financial impact.<sup>4</sup>

Right now, America's hospitals need philanthropic investment to aid them in fighting COVID-19. The needs evolve day-to-day and community-by-community. However, hospitals must secure personal protective equipment for clinicians, obtain critical technology and build ancillary treatment areas to prepare for the anticipated surge of patients. Hospitals also seek to address very human needs, such as:

- Offering temporary shelter to clinicians who are afraid to carry the virus back home to their families
- Loaning iPads to patients who suddenly face sickness—or even death—alone to allow them to stay connected to loved ones
- Setting up ready access to emotional and psychological support for all those involved on the frontlines of this crisis
- And much more

While some hospitals feel uncomfortable asking donors to give in the midst of a simultaneous health and economic crisis, past crises make it clear donors want to be part of providing solutions rather than sitting on the sidelines. In past times of crisis—including the 2008 recession and the terrorist attacks of 9/11/2001—donor focus shifted to the affected sector. Many donors also say their giving is an extension of their values and is deeply meaningful to them, so there is no need to make assumptions for donors about their willingness to participate.

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America's nonprofit hospitals exist to provide a community benefit, so every charitable dollar given is reinvested in strengthening and sustaining a critical community resource. While financial gifts to hospitals are generally tax deductible, the COVID-19 Stimulus Bill also encourages charitable giving by providing a \$300 above-the-line charitable income tax deduction. This will not only give non-itemizers a tax break but also will reduce your adjusted gross income, which could trigger other tax benefits.

As our hospitals overcome incredible obstacles to diagnose and to treat those seeking care for COVID-19, it's time to help them.

**The need is real.**

**The time is now.**

**Thanks for supporting your local, nonprofit hospital in fighting COVID-19.**

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<sup>1</sup>American Hospital Association, AHA Hospital Statistics: 2019 Edition, <https://www.aha.org/system/files/2019-01/2019-aha-hospital-fast-facts.pdf>

<sup>2</sup>Giving USA. "Giving USA 2019: The Annual Report on Philanthropy for the Year 2018." <https://givingusa.org/giving-usa-2019-americans-gave-427-71-billion-to-charity-in-2018-amid-complex-year-for-charitable-giving>

<sup>3</sup>Association for Healthcare Philanthropy. "AHP 2019 Report on Giving for FY2018, USA" <https://www.ahp.org/resources-and-tools/ahp-connect/ahp-connect-details/2018-report-on-giving-by-the-numbers>

<sup>4</sup>Becker's Hospital CFO Report, Fitch: Nonprofit hospital margins improve for first time since 2016, September 4, 2019, <https://www.beckershospitalreview.com/finance/fitch-nonprofit-hospital-margins-improve-for-first-time-since-2016.html>