

High Net Worth Giving is About More than Just Dollars

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A standard reaction to a conversation comparing the funding of health care in the United States (US) and the United Kingdom (UK) would typically run along the lines of, “It’s simple—one is private, the other is public.” If you take that conversation a little further, however, you might get to the point of, “Health care is only available to people with insurance in the US—it’s government-funded for all in the UK.”

Like so many assumptions, these are riddled with misconceptions. Most Brits, if they’ve heard of Medicare and Medicaid, don’t understand what they are or who benefits from them. In the US, “socially-funded” medicine has acquired a pejorative tone in some circles—and again, with the concept that is not always understood.

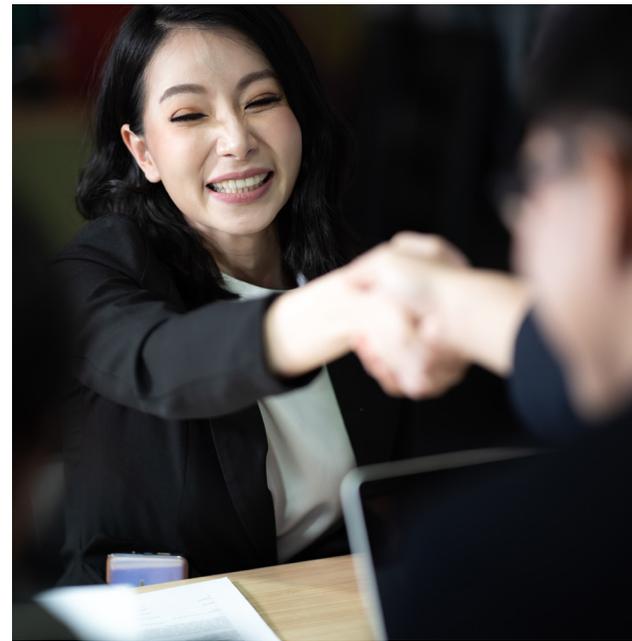
The fact that much of health system funding in the US derives from federal- and state-funded programmes—an earned-revenue model—would come as a surprise to many in the UK—as would the realisation that general practitioners in the UK are in private practice and, as in the US, operate on an earned-revenue model in return for services provided to government programmes. Perhaps the closest example in the UK is the hospice model, where revenue is either earned (via contracts with local government or social services) or philanthropic.

What is common to all is the role played by philanthropy. On the balance sheet, whether in the US or the UK, philanthropic revenue may represent a minimal percentage of gross budget. It's often a different story when you look at the net. When you take a deeper dive, you can see—whether in the US or the UK—philanthropic revenue is invested in the areas that make an institution exceptional: training, research and innovation—the areas that impact the experience and reputation of a hospital—the areas that ensure its high standing in the community and across the country. It impacts these areas that often take a back seat to other priorities, regardless of funding source. No matter how health care and health organisations get funding, philanthropy is now considered a significant revenue source.

So, why is philanthropy often minimally regarded? In part, it reflects the pressure that system managers are under to deliver, perhaps never more so than now. Their job is to keep doors open and services functioning—operating under extreme pressure and minimal margins. Diversifying revenue, as well as applying an entrepreneurial lens to structures and services are things that require time and energy—often in short supply. Enter high net worth donors.

High net worth philanthropy brings so much opportunity to the table. Of course, the size of the check matters. But what can matter even more, especially long term, is having access to and engaging with those who have the skills that built businesses, identified opportunities, accepted informed risk as a necessary element of accomplishment and more to be successful. Add their networks and promotional skills and you begin to develop a formidable resource—a true asset to the unquantifiable balance sheet as well as the conventional one. The result is not only a powerful monetary donation but also a network and passion for spreading the word and the impact.

We have seen this time and time again. Perhaps never more so than over the last three years. What does it take to realise these combined assets for the benefit of our communities? Above all else, a willingness to work in partnership. We know that this is not always comfortable. Oftentimes, this strategy doesn't feel like a good cultural approach, but we need to respect what brings these philanthropists to us in the first place. We'd like to think it's the institution—the valued place we hold in the community. While that may be part of it, the true driver is a desire to see change and impact as a result of partnering with an organisation that has the capacity (with the philanthropist's help) to deliver those outcomes. What we often choose not to see, is that their first loyalty is to the community



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we serve rather than to us, because it is *their* community. Our organisation provides services that are critical to the community. If we cannot provide them or invest in them, they—as entrepreneurs and community leaders—will look for others who can. It's up to our organisation to align their purpose and values with our needs. The end result will often be not only substantial monetary gifts but also substantial resources and relationships that can multiply your efforts throughout the community and beyond. Isn't that appealing in a time of limited staffing and employee burnout?

Philanthropists, as partners, encourage and support us to excel. They apply many assets to invest in our success, but we can only realise those benefits when we see them as partners before we see them as donors. We show respect to high net worth (and all) philanthropists by making it our business to understand and align everything they bring to the table, not just financial impact. If we work with them to deploy their passions to the benefit of the community we jointly serve, the impact can truly be transformational.

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