

PASS | 2023

Aging Services Philanthropy Trends

& What They Mean for You

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May 18, 2023

Marts&Lundy

Agenda



Philanthropy in Aging Services Survey (PASS) Goals



About the Data Set & Methodology



Where, Who & How of Aging Services Philanthropy



Special Research: Transformational Gifts in the Sector

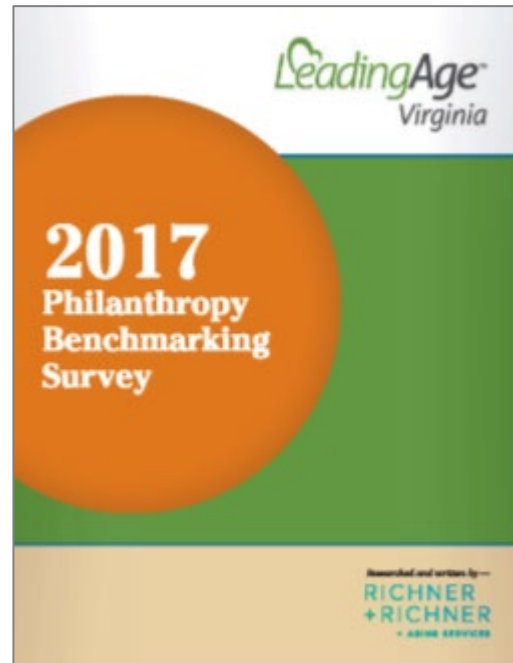


Case Study: Royal Oaks



Questions / Discussion

Why Study Aging Services Philanthropy?



PASS | 2021

Philanthropy in Aging Services

A national benchmarking study for leaders of organizations serving older adults

Researched and Written by Marts & Lundy Aging Services



Editorial Review Board

Thank you to the members of the Editorial Review Board who provided insights, ideas, and inspiration for this report.



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About the Data Set

PASS | 2023 At A Glance

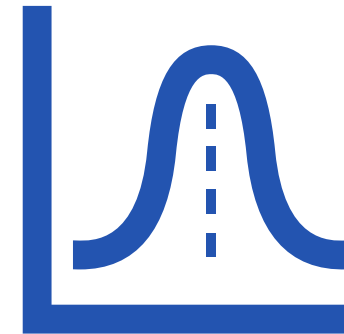
Most comprehensive data set on fundraising in the aging services sector



Fiscal year responses include COVID impacts

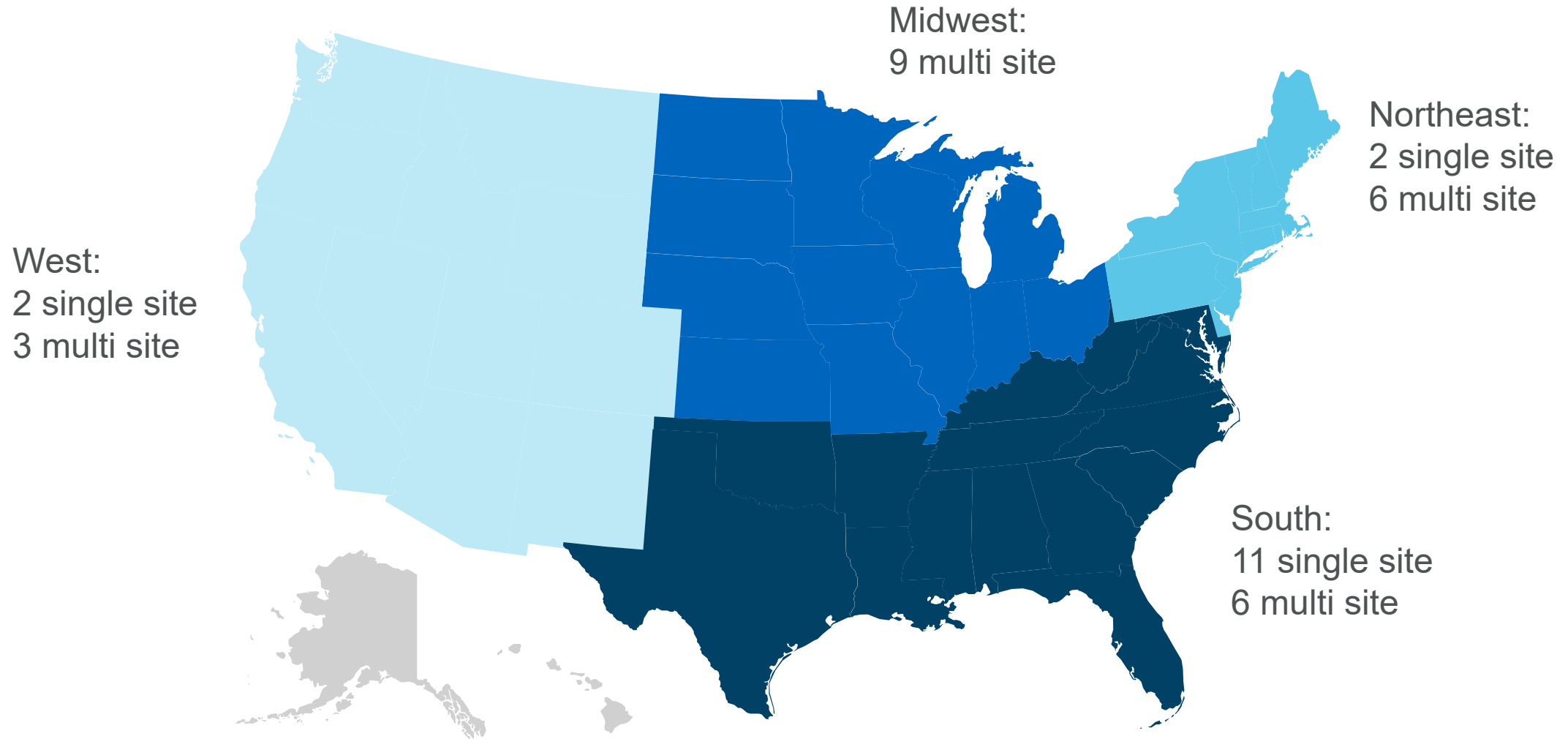


Mostly CCRCs/LPCs

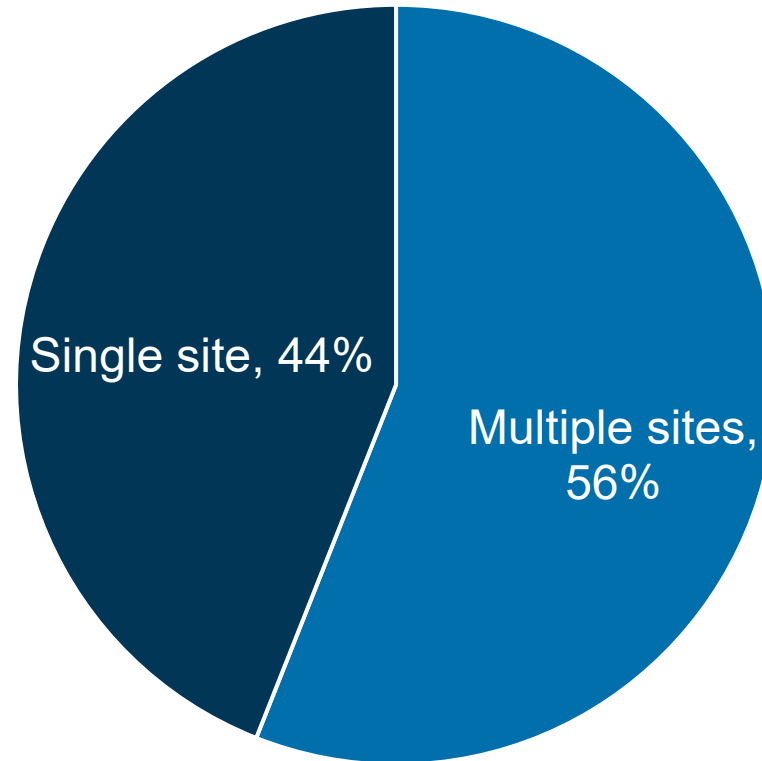


Reporting medians rather than means

257 Communities across 41 organizations

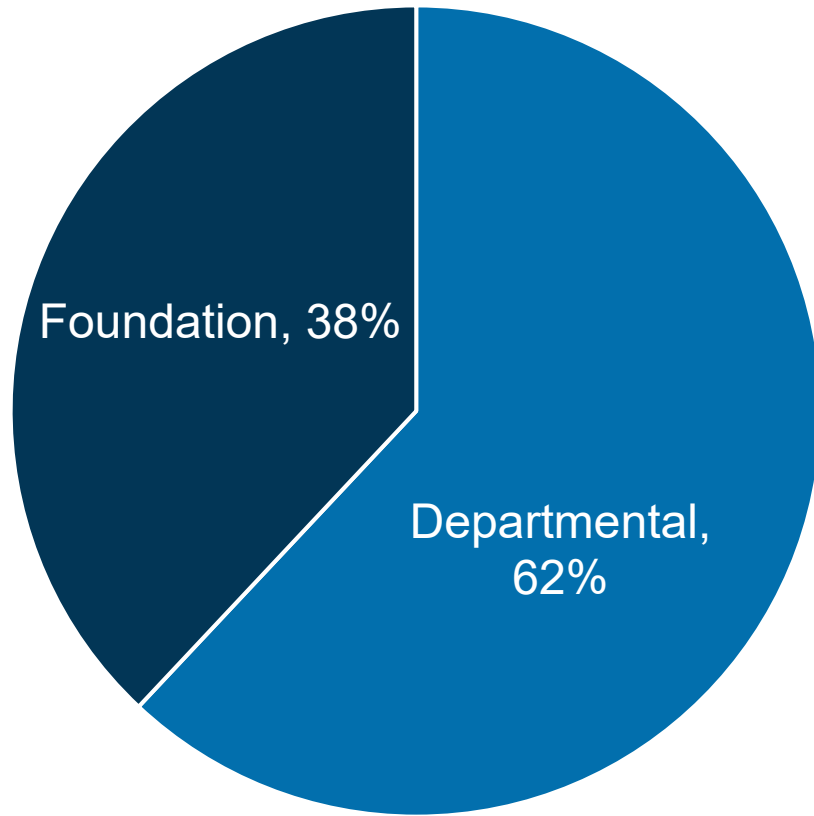


Almost Even Distribution of Single & Multi Site Respondents



Multisite organizations ranged from 2 to 59 campuses.

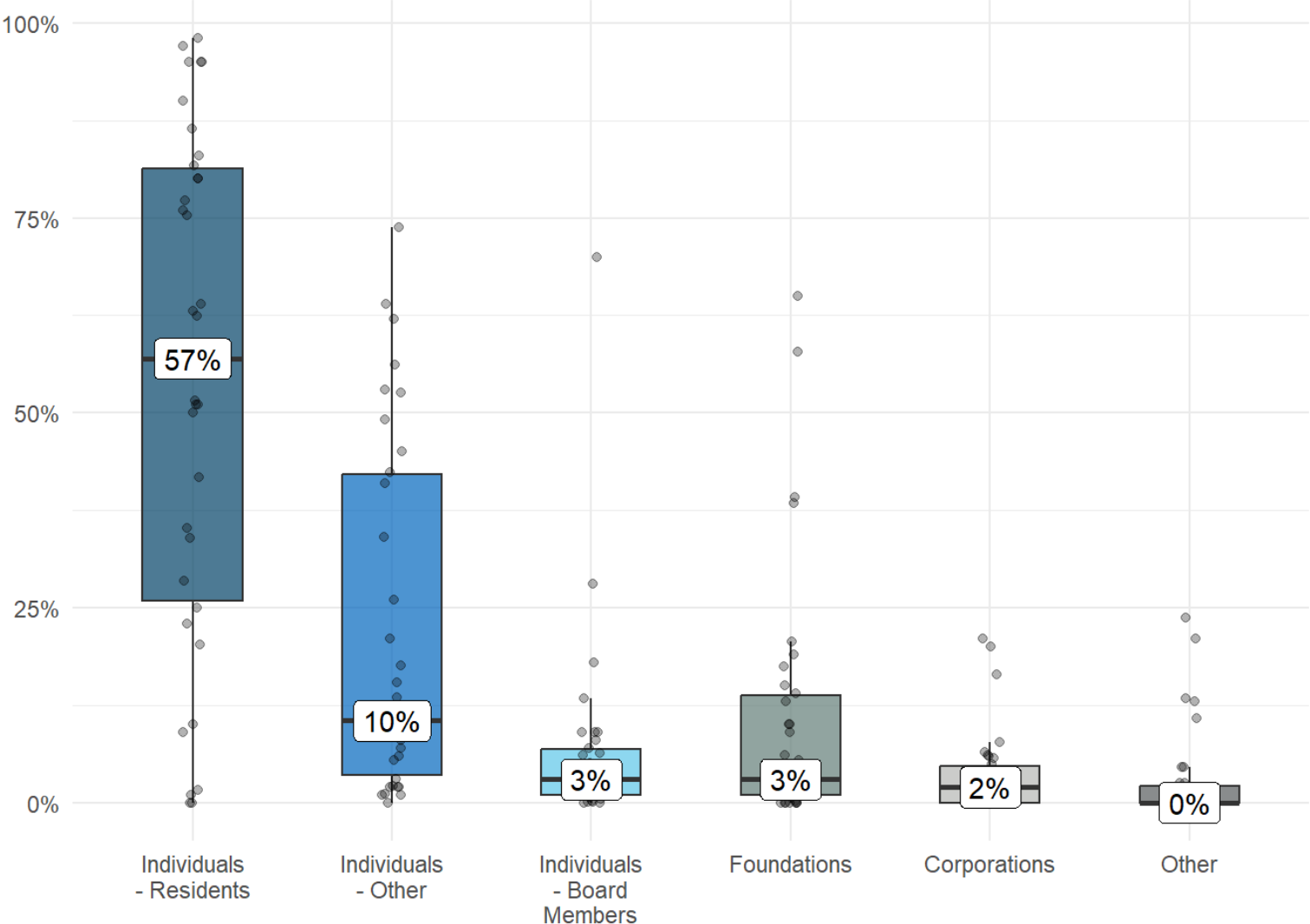
Majority of Programs Utilize Departmental Fundraising Model



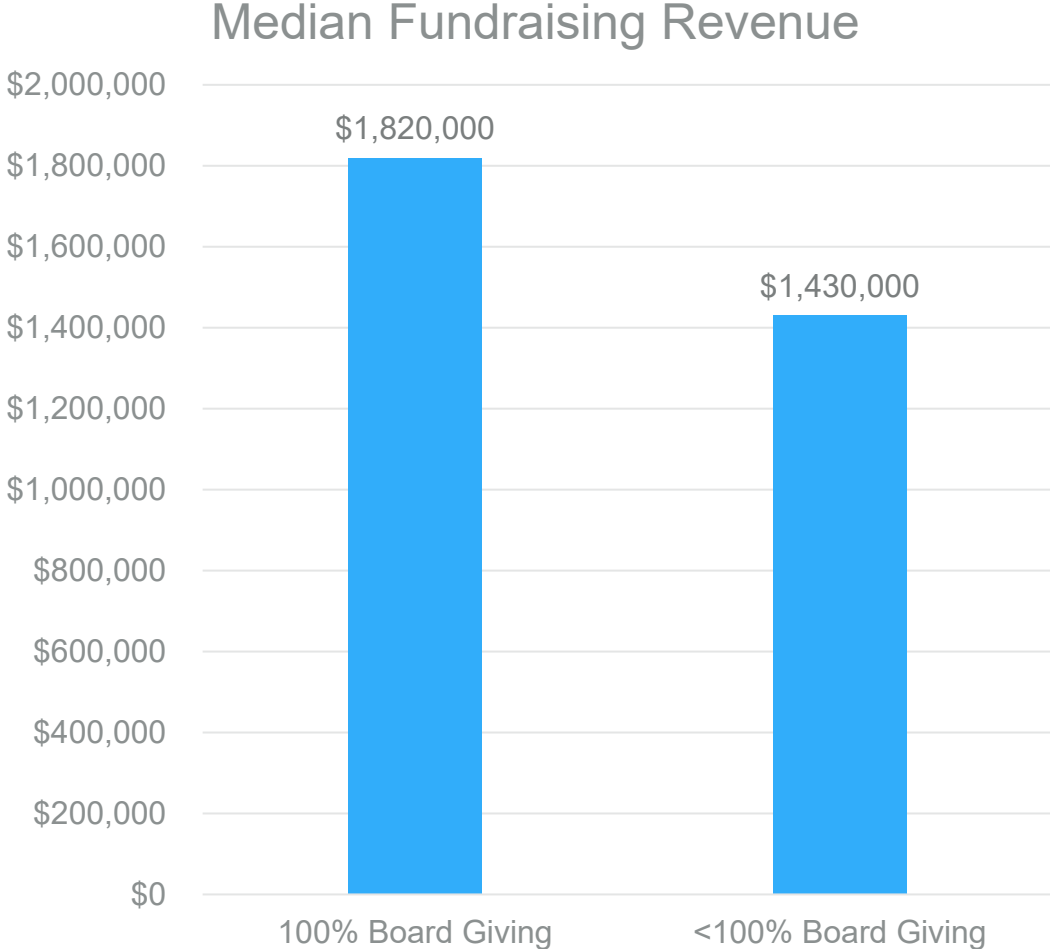
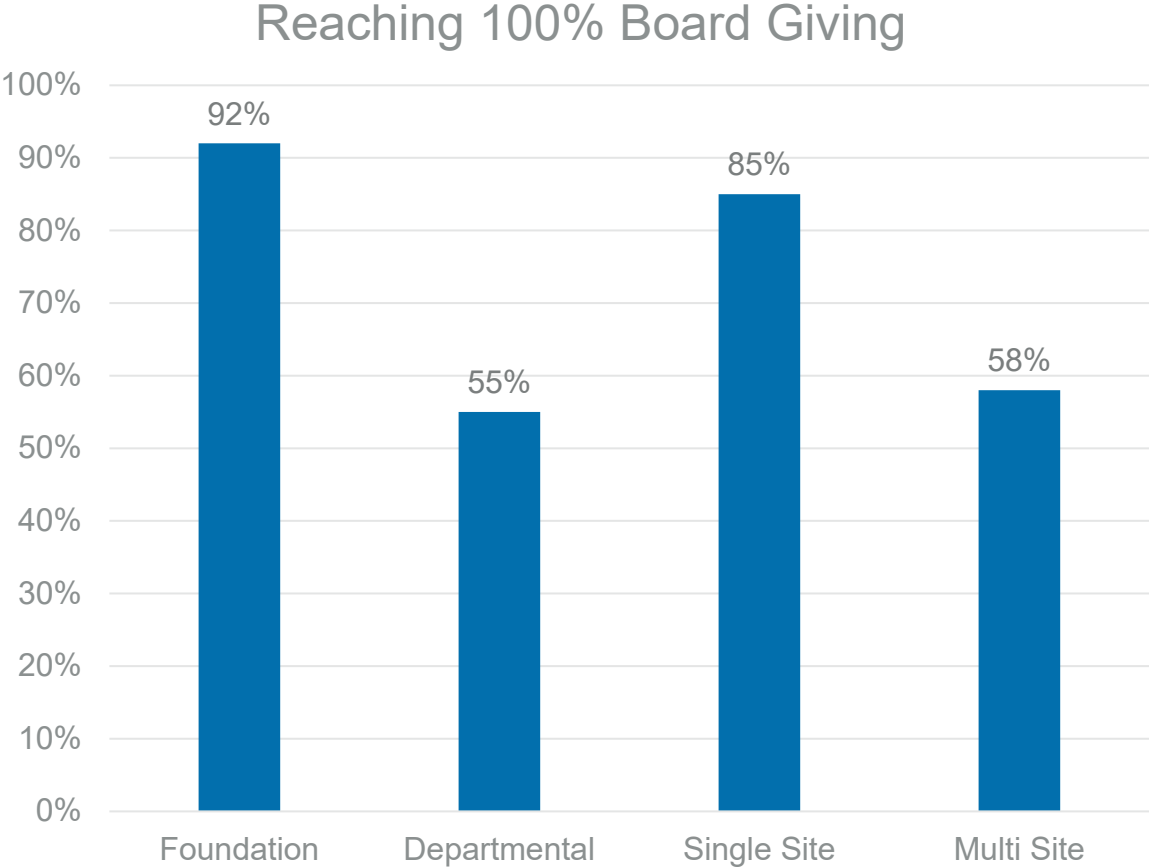
Departmental Model	Foundation Model
Return on Investment	Campaign Goals
Cost Per Dollar Raised	Endowment Size
Lower Expenses	Total Fundraising Results
	Funds Raised per Independent Living Unit
	Largest Total Gift

The **Who** of Aging Services Philanthropy

Residents Drive Philanthropy



The Board Sets the Tone for Fundraising

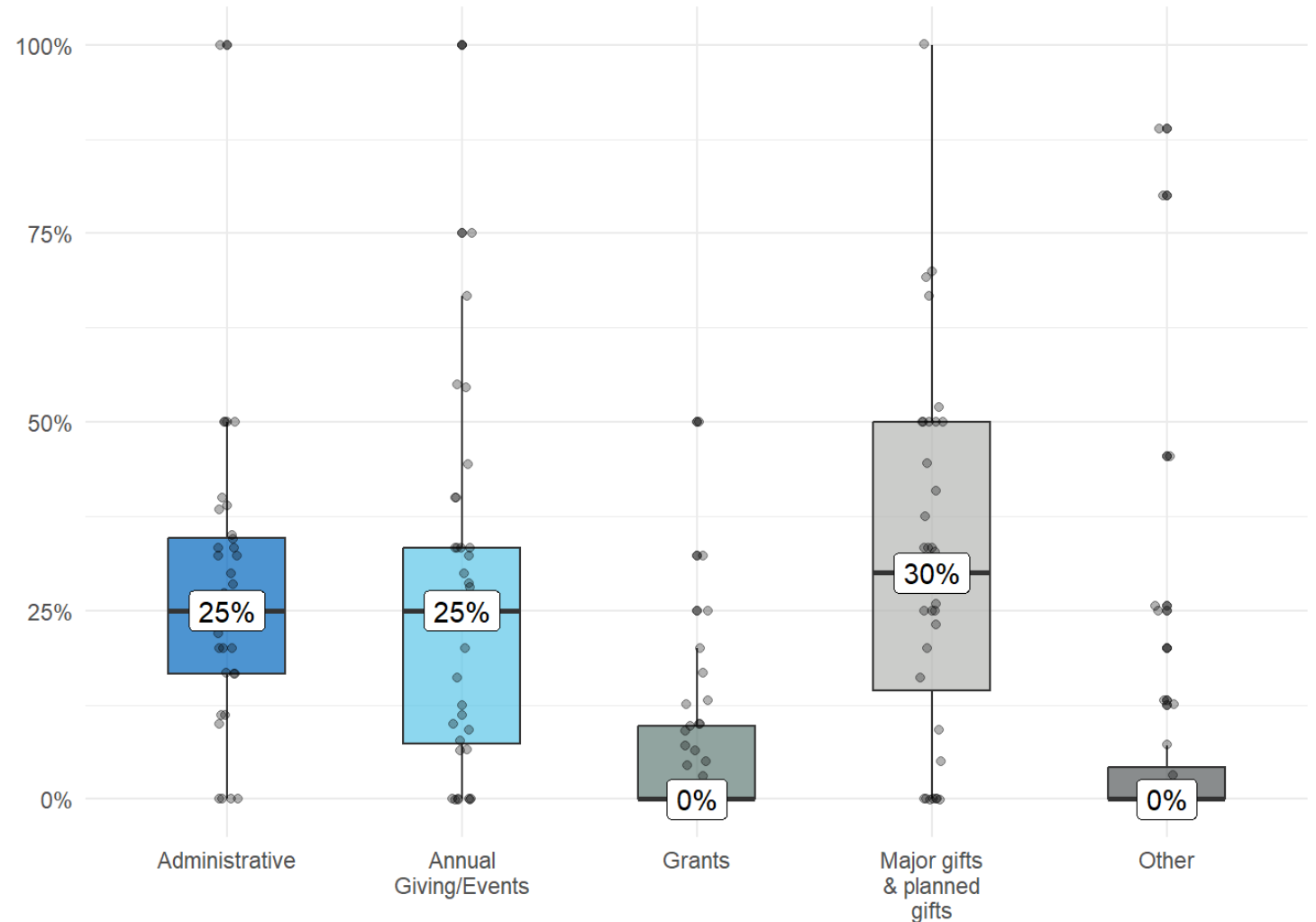


Importance of Investing in Fundraising

Median Fundraising Staff:
2.25 FTE

Median Fundraising
Revenue Per FTE:
\$803,580

Median Net Fundraising
Revenue Per FTE:
\$697,207



Importance of Investing in Fundraising

Median

Fundraising

Revenue Per FTE:

\$803,580

Median Net

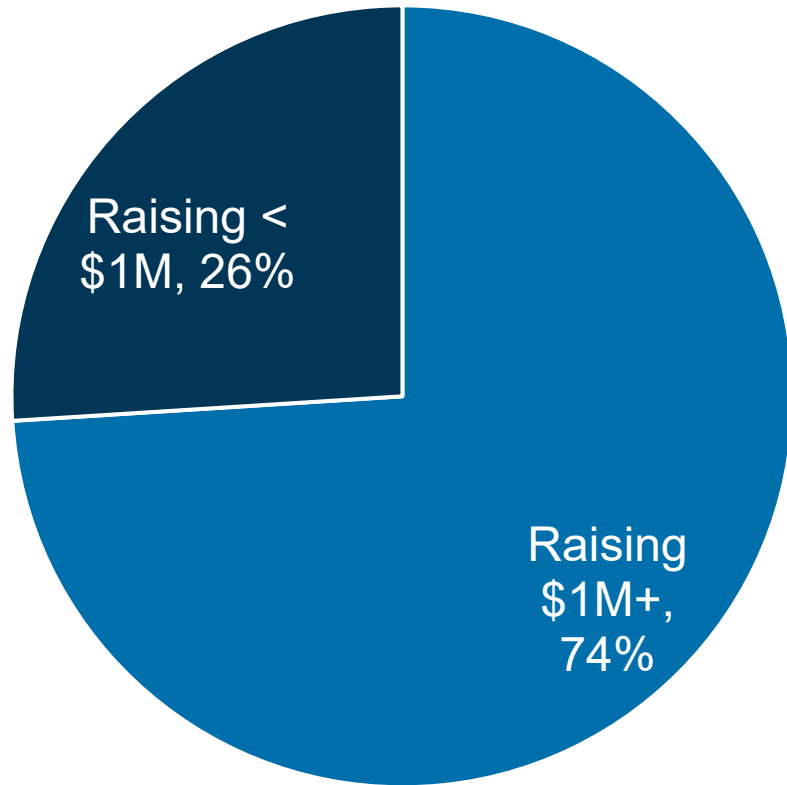
Fundraising

Revenue Per FTE:

\$697,207

How: The Mechanics of Philanthropy

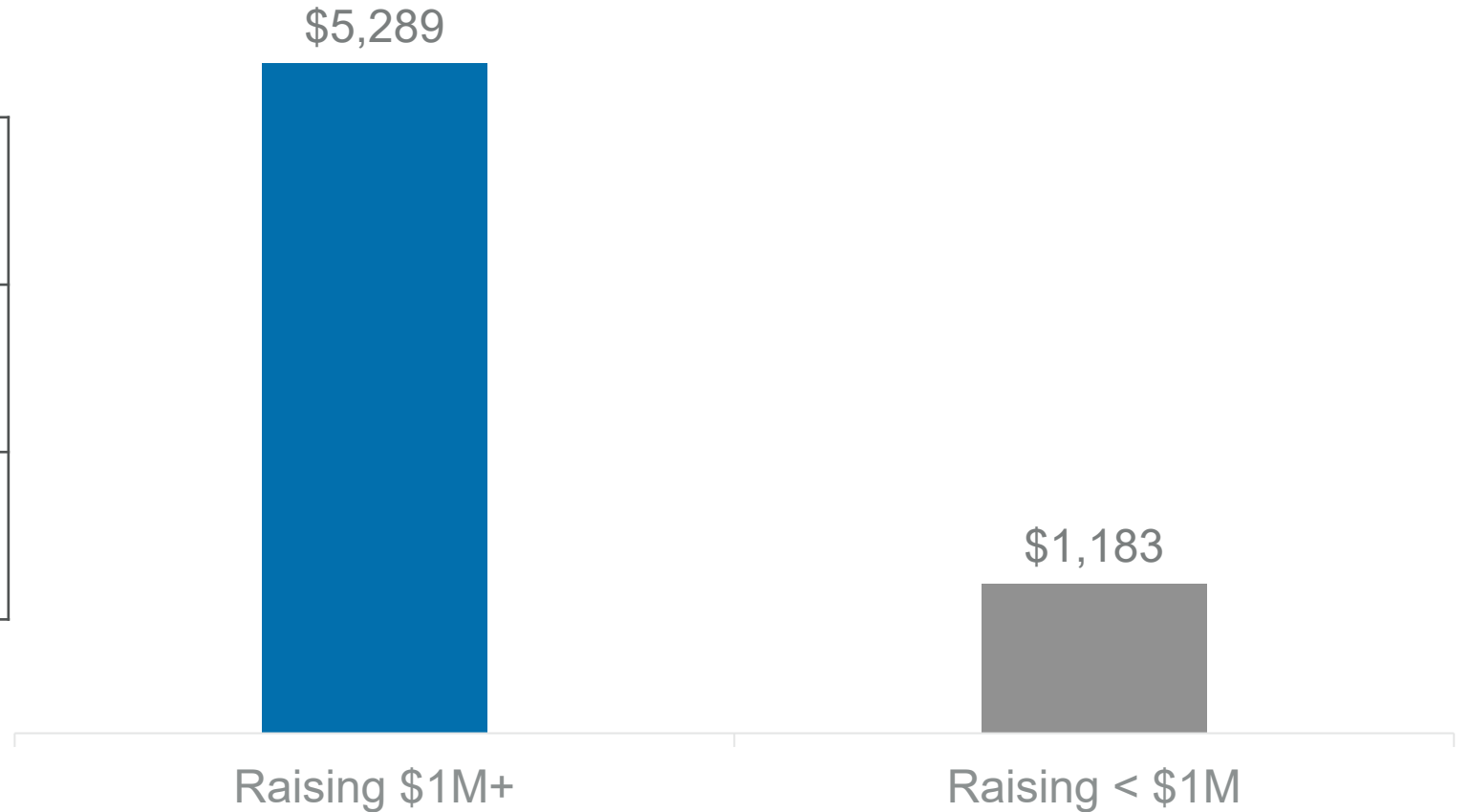
Markers of Distinction: \$1 Million Revenue



Funds Raised Per Independent Living Unit

Median Funds Raised per Independent Living Unit

Overall	\$3,553
Single Site	\$4,416
Multi-Site	\$2,934

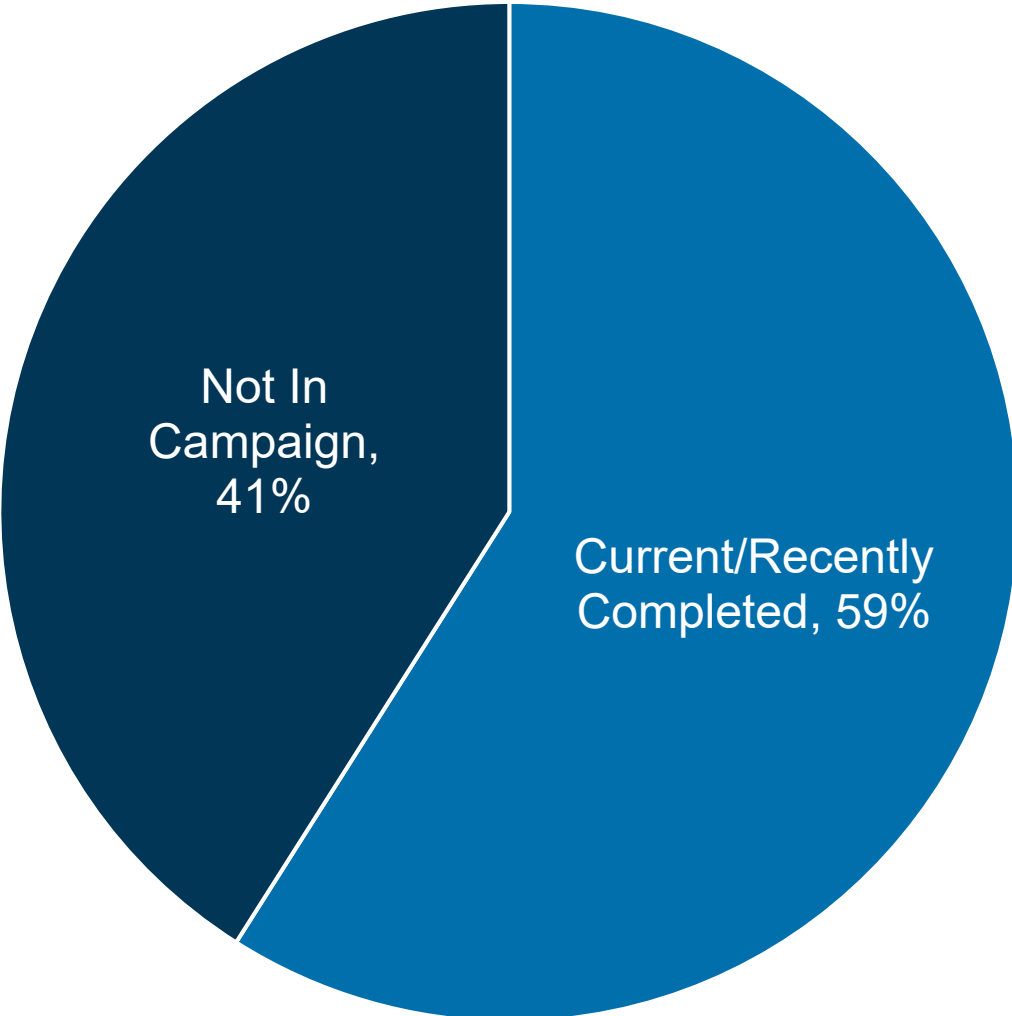


Endowments Are Reliable Buffers

65% of 2023 respondents reported endowment holdings

	2021	2023
Median Endowment	\$8.1M	\$14.1M
Largest Endowment	\$87M	\$90M

Campaigns are Increasingly Common



Reported Campaign Goals

Minimum	\$213,000
Median	\$3,800,000
Maximum	\$100,000,000

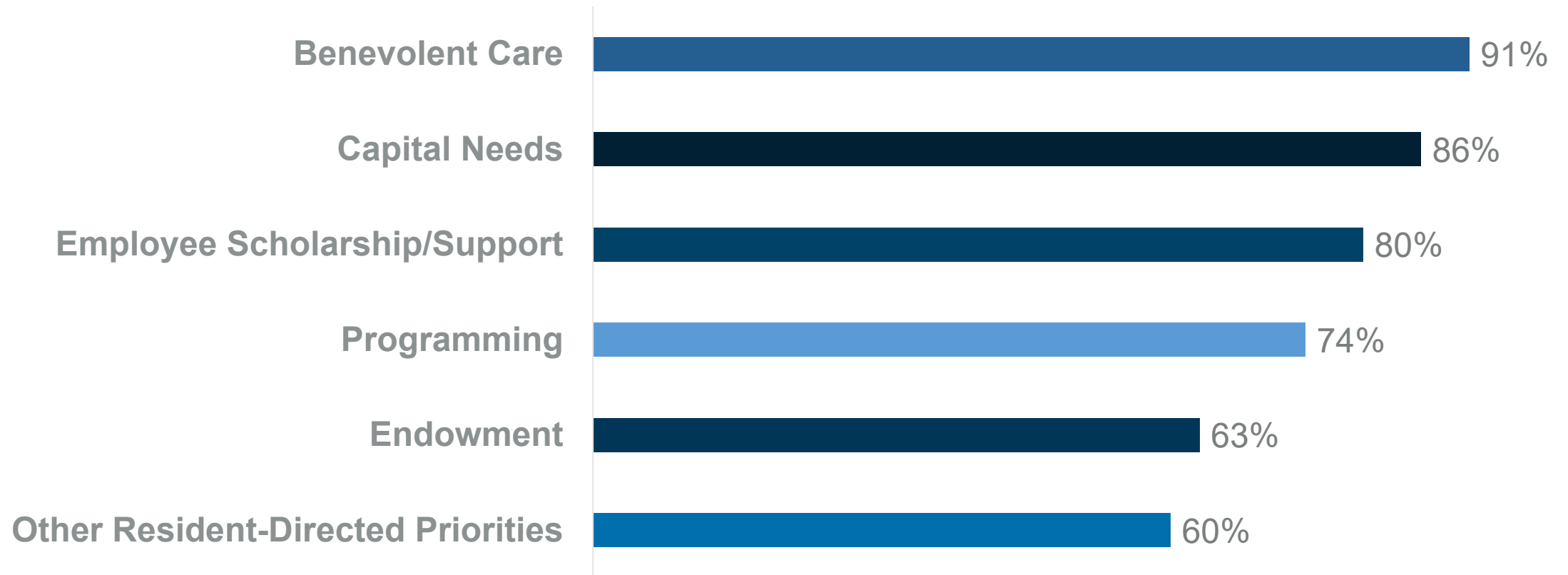
Smart Metrics

Organization Type	Cost Per Dollar Raised (CPDR)	Return on Investment (ROI)
Overall	\$0.22	\$3.56
Single Site	\$0.21	\$3.73
Multiple Sites	\$0.24	\$3.23

Why: Opportunities that Inspire Generosity

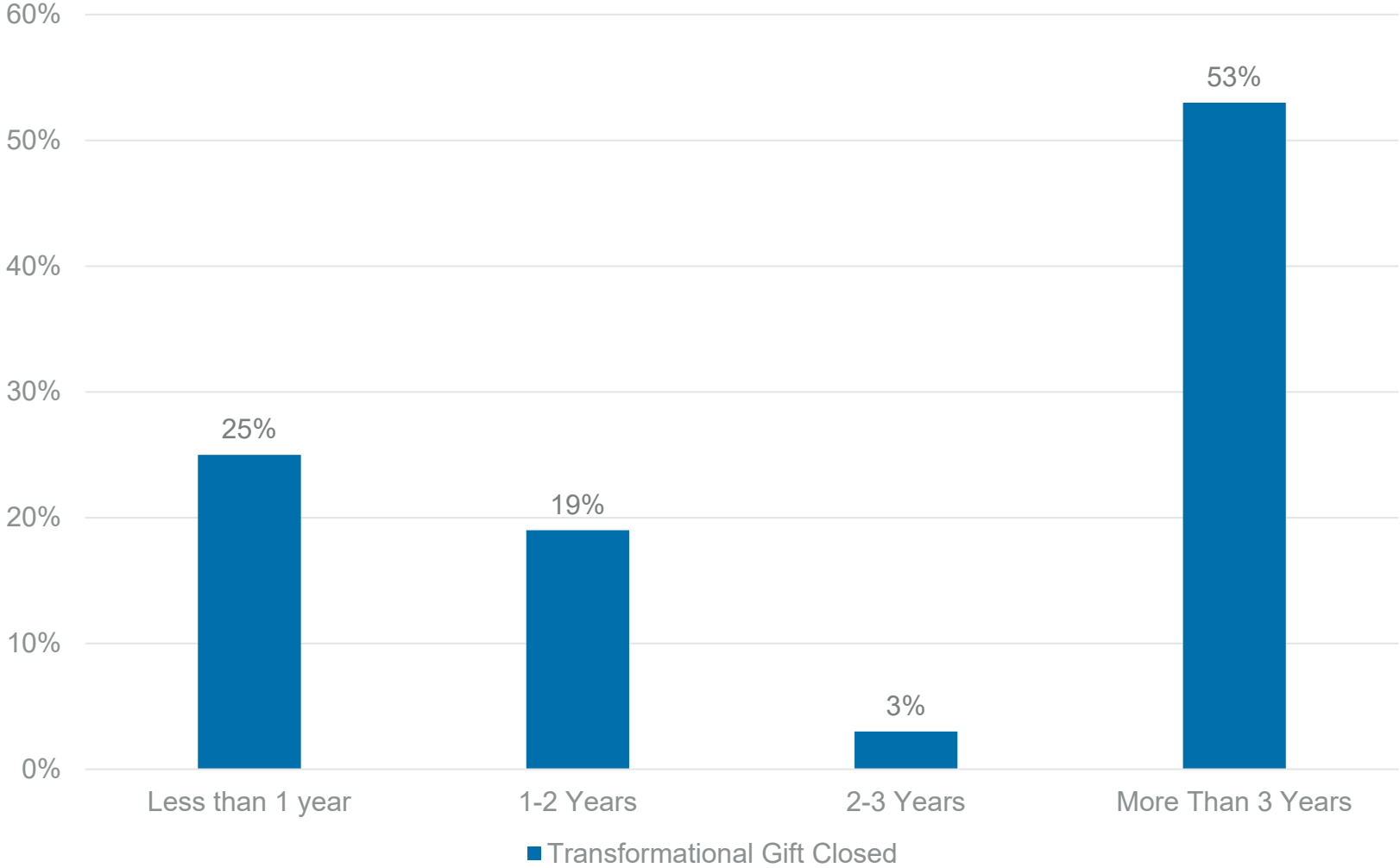
A Well-Rounded Menu of Options

Percentage of Organizations Fundraising for Key Priorities

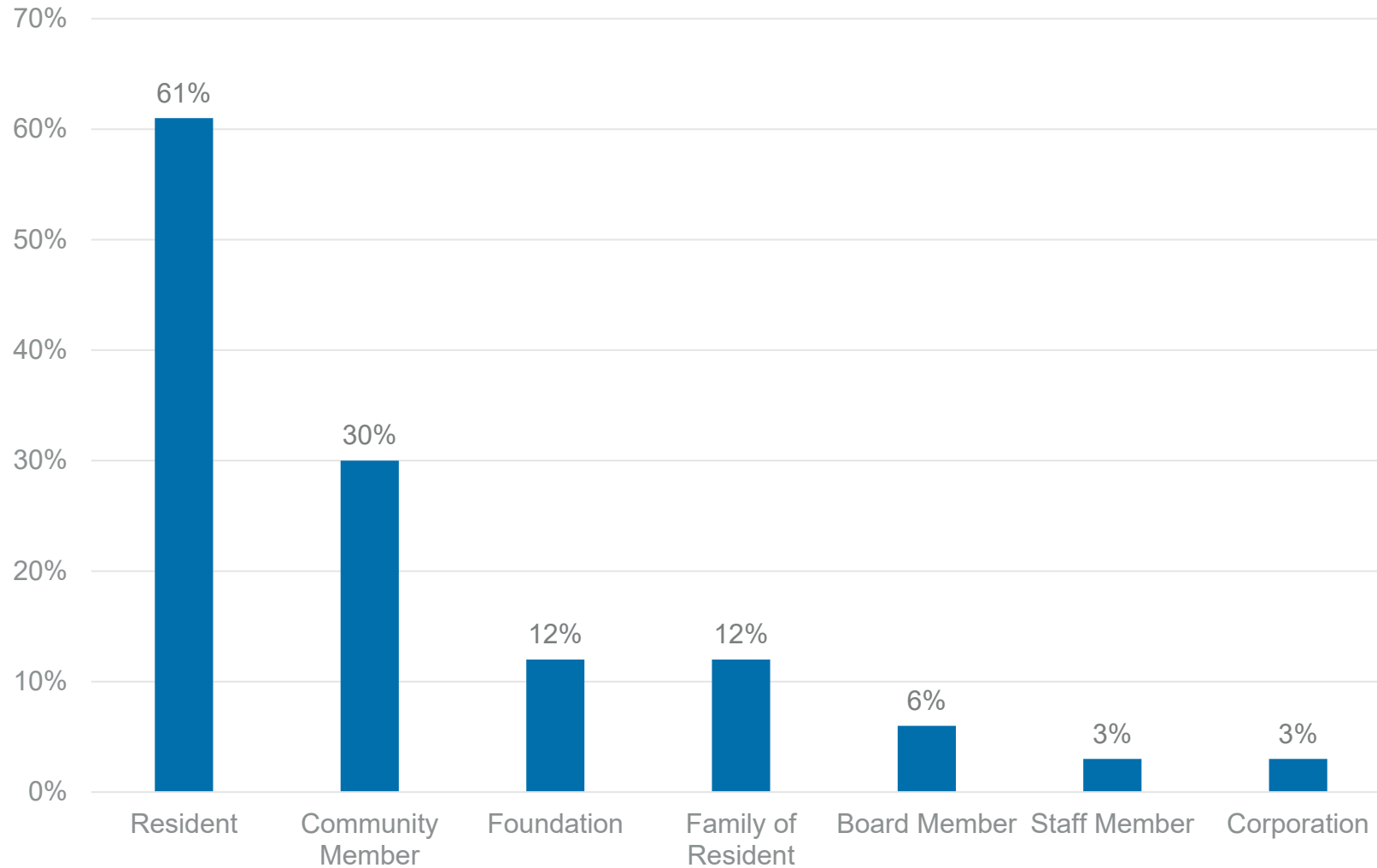


Transformational Giving

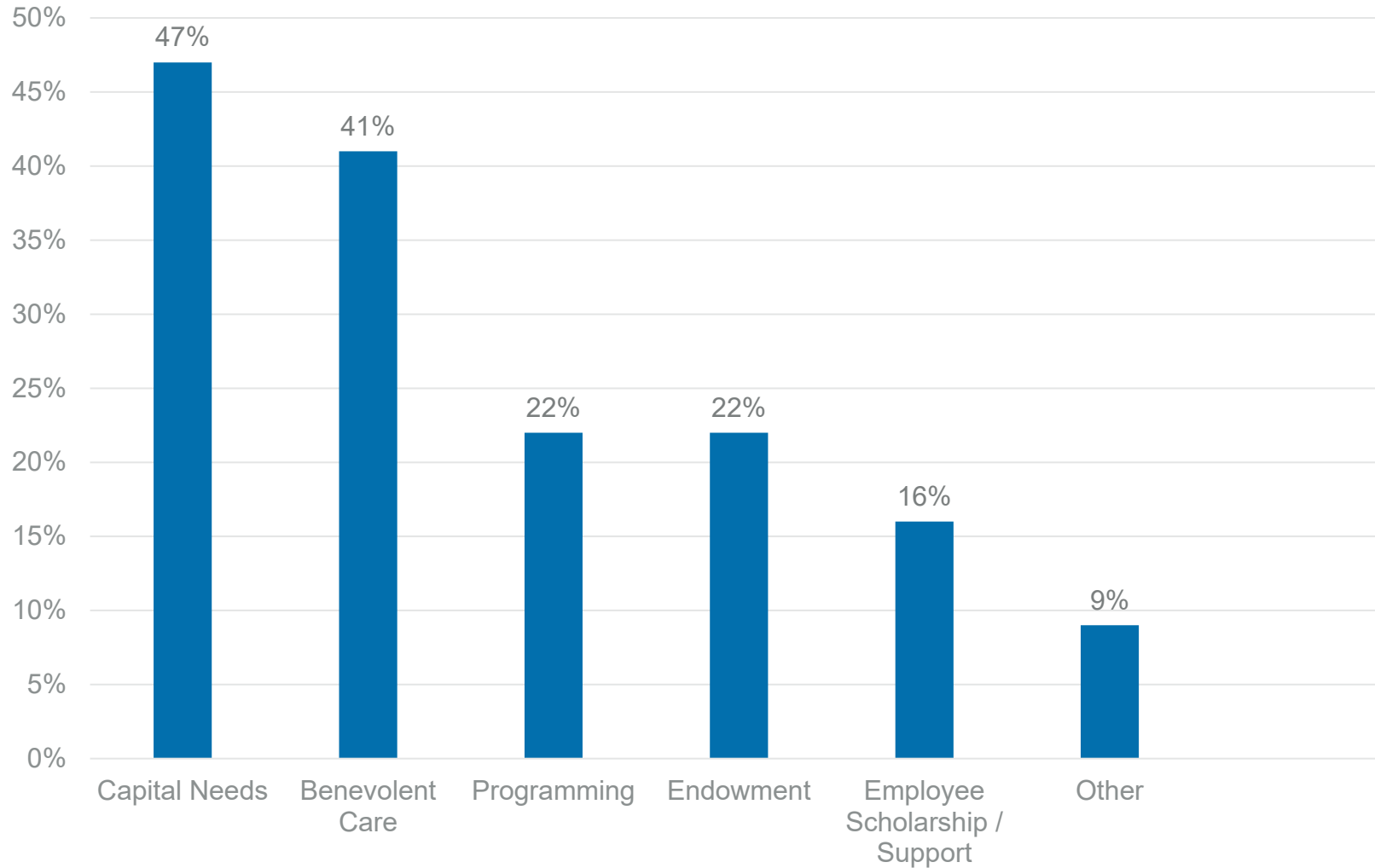
Transformational Giving Takes Time



Residents Drive Transformative Giving



Big Ideas Lead to Big Gifts

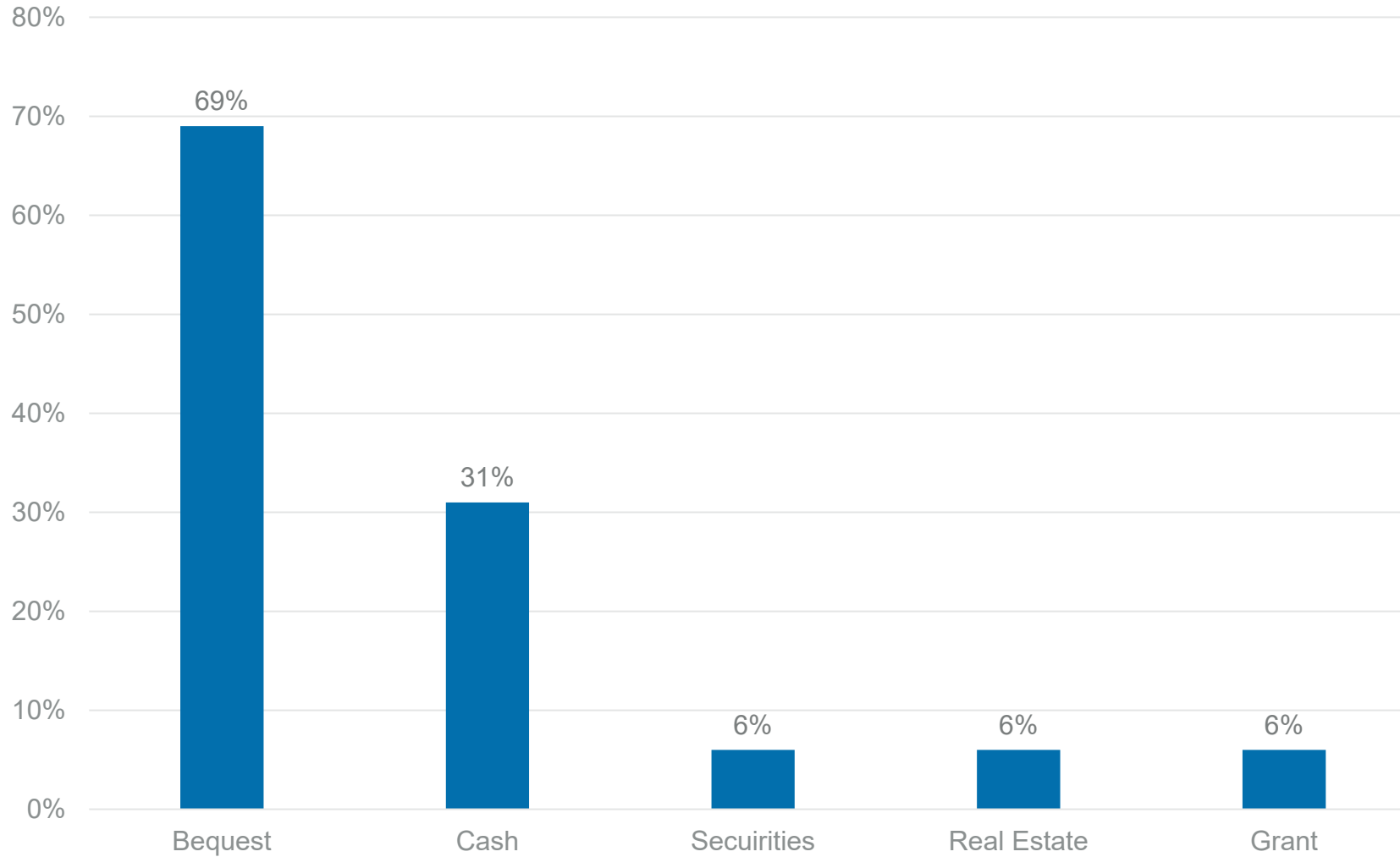


Wide Range of Transformative Gifts

Largest Reported Gift Amounts

Minimum	\$150,000
Median	\$1,950,000
Maximum	\$23,000,000

Transformative Giving Vehicles



Download the Full Report



martsandlundy.com/special-report-philanthropy-in-aging-services/

Royal Oaks Philanthropy

A. Carter Smitherman, CPA
Chief Financial Officer



The History

Royal Oaks and Foundation

- Started in 1983
- Contributions from Founders
- Aggressive Portfolio - Growth

The History

Foundation

- Cash/Check & Gift Annuities
- Benevolence Program
- General Subsidy Program
- Grew to over \$20 Million

The History

Royal Oaks Development Fund

- Cash/Check & Gift Annuities
- Capital Improvements
- Scholarship, Chapel & Other Restrictions
- Competed with Foundation
- Grew to over \$6 Million

The Old Ways

Informal

- Did not ask
- At best, suggested at events

Divided & Confusing

- Foundation
- Royal Oaks Development Fund

The Old Ways

Leaderless

- No Development Director
- No Communication

Stagnation

- Discontinued Event
- No New Programs or Outreach

The Old Ways

Results

- Inconsistent - Less than \$100K/Year
- Years with Bequests or Events up to \$300K
- Too Many Donor Restrictions
- Donors Unaware of Programs

The Catalyst

Presentation on Senior Living Philanthropy at Ziegler Conference



Review of Study/Data



Discussions with Marts & Lundy



Engage to Change Philanthropy at Royal Oaks

The Plan

Formalize

- Develop Written Policies
- Identify Overarching Programs (Donor Passions)
- Present Case for Support

Consolidate

- Foundation Sole Philanthropic Entity
- Move Development Fund to Foundation
- Consolidate Existing Funds into Programs

The Plan

Champion

- Development Director
- Communicate with Donors
- One on One

Active

- Identify Highly Visible Projects
- Publicize Activity
- Fuse with Existing Programs

The Work

Spend Time with the Board

Mission, Vision, Values

Philanthropic Policies

Case for Support

Spend Time with Donors

How They Give

To Whom Do They Give

How Would They Support
Community

The Work

Input from Staff

How to Support
Residents

How to Support
Staff

Input from
Management

Goals

Timeline

The New

Board of Directors

- Better Educated on Philanthropy
- More Engaged in Supporting Royal Oaks

Residents/Donors

- Easier to Donate
- Peace of Mind with Policies (e.g. Donor Privacy Policy)
- More Engagement with Development Director

The New

New Programs

- Employee Appreciation Fund
- Living through Art and Music

Ways to Give

- Retirement Accounts –QCD
- Designation of Entrance Fee Refund
- Life Insurance Beneficiary

The Impact

Employee Appreciation Fund

New Art on Campus

Vida Center

The Lessons

Stay in Your Lane

- Some Ideas not Within Exempt Purpose
- Use New Policies

Champion

- Refer Donors to Development Director
- Development Director Engaged in Community

Guide Donors

- Restricted vs Unrestricted
- Stock vs Gift Annuity
- QCD vs Life Insurance

The Lessons

Events

- Fundraising or Friendraising

Words vs Donations

- AV System in Auditorium
- Hearing Loop in Auditorium

The Naysers

- Foundation has enough/too much money.
- Foundation should only be spent on _____.
- Why would anyone want to give for [insert new program]?

Questions & Discussion



Thank You!

Marts&Lundy