

The cost of raising money

The University of Texas Southwestern Medical Center at Dallas ranks first among the nation's medical centres and hospitals in its ability to contain the costs associated with fund-raising, according to the 'Philanthropy 400 survey' that lists the top 400 fund-raisers in the United States. The list — published annually in the *Chronicle of Philanthropy* — notes that UT Southwestern raised almost \$59 million in private support during fiscal year 1993, less than 1% of which was spent on expenses related to fund-raising activities. Only 11 of the top 400 fund-raisers — and no other

medical centres or hospitals — reported expenses that low: the 21 other centres and hospitals listed fund-raising expenses that ranged from 1.2 to 22.3 per cent of total gifts.

"Our strategy has been dictated by circumstances rather than purely motivated by a desire to keep expenses down," says Kern Wildenthal, president of the University of Texas Medical Centre at Dallas. The strategy, says Wildenthal — using a Texas metaphor — has been to adopt a "rifle approach" rather than a "shotgun approach". Rather than sending out mass mailings, UT

Southwestern instead targets individuals, foundations and companies that are "close to home" and who potentially have the ability to donate five-, six- and seven-figure sums. After all, he adds, it can cost almost as much to raise \$1,000 as it costs to raise \$100,000. And besides, UT Southwestern lacks large numbers of alumni characteristic of a general academic campus, as well as the patient base (its main teaching hospital is a charitable concern), required to make a shotgun approach feasible.

The strategy, at least for the time being, seems to be a winning one. Having four nobelists on staff, including Michael Brown and Joseph Goldstein, who are noted for their research on lipid metabolism, can't hurt.

Federal or state sources of support no longer are a reasonable place to look for seed dollars to develop new programmes, says Wildenthal, who adds that UT Southwestern really only got into the business of fund-raising in a serious way after after the Texas economy took a nosedive in the mid-1980s.

Although, as a percentage of total funding, federal funds have remained fairly constant during the past 10 years, there has been a noticeable decline in the level of state funding. The double-digit percentage increases of the 1970s and 1980s are a thing of the past, with no more than inflationary increases at the present. In contrast, however, UT Southwestern has seen a greater than fivefold increase in its private gift support during the past 10 years (which now stands at more than \$50 million annually).

One of the best illustrations of UT Southwestern's success in keeping costs down relates to its recently completed Fund for Molecular Research campaign — monies raised will be used to endow its research programme in the areas of cancer research, developmental biology, molecular genetics and neuroscience. Pledges of \$158 million have been made by just 177 individuals, foundations and companies.

Moreover, since 1986, UT Southwestern has been the lucky recipient of five of the six largest gifts and pledges ever made to a public medical school, all five donations at \$20 million or more.

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Rank, private funds raised for medical research, and fund-raising expenses as a percentage of private support

Rank	Hospitals and medical centres	Private support (\$)	Expenses (as % of private support)
15	Shriner's Hospital for Crippled Children (Tampa, Florida)	197,173,000	1.34
32	ALSAC/St Jude's Children's Research Hospital (Memphis, Tennessee)	116,482,323	17.38
73	Memorial Sloan-Kettering Cancer Center (New York)*	73,450,000	14.17
76	Massachusetts General Hospital (Boston)	70,998,000	3.66
78	University of California at San Francisco	70,648,460	n/a
81	Mount Sinai Medical Center (New York)	68,749,322	n/a
91	New York Hospital	62,101,207	9.41
99	University of Texas Southwestern Medical Center at Dallas	58,679,073	0.92
101	Mayo Foundation for Medical Education and Research (Rochester, Minnesota)*	58,004,217	8.15
119	City of Hope (Los Angeles, California)	50,032,000	19.87
144	Scripps Foundation for Medicine and Science (La Jolla, California)	39,992,694	7.09
171	University of Texas M. D. Anderson Cancer Center (Houston, Texas)*	33,828,548	10.90
189	University of Texas Medical Branch at Galveston*	32,049,452	4.39
211	Rush-Presbyterian-St Luke's Medical Center (Chicago, Illinois)	28,282,073	7.35
228	Baylor College of Medicine (Houston)	26,270,825	5.42
256	Oregon Health Sciences University (Portland)	22,729,290	7.18
296	Thomas Jefferson University (Philadelphia, Pennsylvania)*	19,732,529	4.93
310	University of Texas Health Science Center at San Antonio	18,806,024	1.20
329	National Jewish Center for Immunology and Respiratory Medicine (Denver, Colorado)	17,906,000	19.10
357	Minnesota Medical Foundation (Minneapolis)	16,371,042	12.03
389	Children's Hospital Foundation (Seattle, Washington)	14,494,979	7.20
390	Children's Hospital Foundation (Washington, DC)	14,445,570	22.28

*Private support includes in-kind gifts. Source: *The Chronicle of Philanthropy*.