



## St Luke's Hospital: *Strength Amidst Change*

The goal of the three-year, \$59-million *Strength Amidst Change* campaign was to raise funds to strengthen and sustain medical education and research at St. Luke's Hospital, enhancing its stature as a private teaching hospital.

"We were in a unique position in that we saw an opportunity to help determine our own destiny, rather than waiting for the national anxiety over healthcare to determine it," says Harold Schultz, Executive Director at St. Luke's Hospital Foundation.

The 35-year-old foundation is the Hospital's philanthropic arm and raises money for medical education and research



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at St. Luke's, the largest private teaching college in the Kansas City area. As director of the *Strength Amidst Change* campaign, Schultz' prime role was major gift solicitation. With 20 years in service as a college president, Schultz possessed a great deal of savvy regarding fundraising and led the process with consummate skill.

St. Luke's selected Hartsook to do an Integrated Campaign Assessment to test a \$37-million campaign, a number that was influenced by a previous \$10-million campaign that barely made goal and received average gifts in the \$15,000-to-\$20,000 range. Hartsook recommended a \$50-million campaign based on its belief that various departments of the Hospital could make a strong case to the community for their support.

"When some first heard of our goal of \$50 million, the board considered it a stretch. But with the results we'd seen in the Hartsook study, we had good reason to believe it was an attainable goal," says Schultz. "We knew the marketplace was shifting, but I think we all enjoy a challenge."

A six-month planning period was used to organize the campaign, develop a private campaign and commence solicitation of major gifts. The Foundation used the time wisely to educate the medical staff, Foundation and

Hospital boards and put everyone in a campaign mindset. Board solicitation was purposefully delayed in order to give individuals confidence in the campaign.

**The campaign was only halfway through its five-year timeline when contributions exceeded \$224 million—three-fourths of the \$300-million goal. By early the next year, the campaign hit \$244 million. Later in the year, the goal was adjusted to \$425 million and was that goal was also surpassed.**

Early in the campaign, the *Wall Street Journal* published an article indicating that Columbia Health Care System was interested in acquiring St. Luke's Hospital. While the Hospital denied interest in such a purchase, rumors were rampant about the possible elimination of St. Luke's as a nonprofit hospital. Hartsook recommended a private campaign that would not necessarily go public, to alleviate the fears of how the campaign might be perceived by the community. Ultimately, a virtual merger occurred

with another smaller local hospital, and the campaign went public in the final six months of the campaign.

The initial donor, a doctor, made a gift of \$1.2 million. Another co-chair made a gift of \$1 million and another, a gift of \$500,000. The boards of directors of the Hospital and Foundation eventually gave \$10 million, with an average gift of more than \$100,000—six times more than in previous campaigns.

Hartsook recommended a unique arrangement in developing liaisons between the Foundation and the various departments of the Hospital, implementing a committee structure that allowed significant involvement

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by the board and volunteers. Largely due to this arrangement, 180 St. Luke's physicians gave a total of \$7 million, with an average gift of nearly \$100,000.

"One of the most important things I learned in this campaign is that, in healthcare specifically, people give more to the parts than the whole," says Schultz. "Ours was a very de-centralized campaign. In addition to the ordinary major gift apparatus, we had 14 mini-campaigns being conducted, each with its own case statement, list of goals and projects," explains Schultz. "Each project was chaired by a doctor and lay person within that area. Thus, they were able to focus on their own patients and medical staff. When a doctor made a gift, he was giving to his own department. Each individual effort combined to make a system of giving whereby the greatest needs could be met individually within each department."

A unique opportunity came when we learned that the State of Missouri allowed a match on gifts made for endowed chairs. For each endowed chair, the state would match the amount, dollar-for-dollar. St. Luke's was successful in endowing six chairs and one professorship in cooperation with the University of Missouri Kansas City School of Medicine. This was especially helpful because the campaign did not receive support from the traditional Kansas City foundations.

With Hartsook's assistance, the Foundation developed creative gift packaging for both outright and deferred gifts, as well as life income arrangements. The campaign received 100 gifts of \$100,000 or more, and 17 gifts of \$1 million or more. Additionally, they were able to build the Heritage Society, the Foundation's deferred gift club, to almost double its level prior to the campaign.

Outstanding leadership was key in propelling the campaign forward. At completion, the Strength Amidst Change campaign raised \$59 million, surpassing its goal by \$9 million. The final breakdown of gifts included \$38.5 million outright and \$20.5 million in deferred giving, (discounting the deferred gifts' present value) making it the largest hospital endowment campaign in Kansas City at the time.

More than 2,000 members of the Kansas City community contributed to the campaign, which resulted in 50 major projects and programs, as well as numerous other initiatives. Perhaps the most astounding feature of the campaign is that it produced a face value of \$64 million with no national foundation support.

Recognition was an important part of the campaign, with all items of recognition being personally delivered. The

campaign committee worked hard to keep staff members, board members and a roster of over 2,000 donors informed throughout the campaign. In addition, special recognition banquets were held for all donors.

While "going over goal" is a significant accomplishment for any hospital in today's fundraising climate, Schultz is quick to point out that it's not the money, but the means to make good things happen that is most significant about the *Strength Amidst Change* campaign. "We have 50 direct medical benefits and a long-lasting research benefit. This campaign has made philanthropy

a much more active ally and displayed a reservoir of good will towards the Hospital," says Schultz. "We are no longer at the whims of what a national crisis in healthcare may dictate. That's the true legacy of the campaign."

**Campaign Destiny targeted five major ISU areas: endowments, programs, buildings, financial aid, and general projects. The campaign opened up opportunities for students in Iowa, and throughout the nation, with financial aid through scholarships, fellowships, internships and cooperative experiences.**