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# CDO Summit Spring 2022

# Agenda

## Welcome/Introductions

- *Phil Salerno*- Chair, CMNH CDO Advisory Committee & President/Chief Development Officer, Children's Specialized Hospital

## Organizational/ Committee Updates

### CMNH Management Report

- *Teri Nestel*- Chief Executive Officer, CMNH

### DRTV Pilot 2.0 Update

- *Maureen Carlson*- Chief Programs & Marketing Officer, CMNH
- *Grant Harris*- SVP/Chief Development Officer, Cook Children's Medical Center

### Final Report on 2023 Membership Agreement

- *Frances Fu*- Chief Financial Officer, CMNH
- *Jena Pado*- Chief Development Officer, Dayton Children's Hospital

## LUNCH

## Future Trends in Giving and the Philanthropic Landscape

- *Bryan Horvath & Kevin Gosa*- Nonprofit Velocity

## BREAK

## Corporate Partnerships--- Learnings from the Past Two Years and the Future Outlook

- *Kane Calamari*- Chief Human Resources Officer-Ace Corporation & President- Ace Foundation
- *Erin Hogue*- Director of Associate and Customer Engagement- Walmart, Inc.
- *Clark Sweat*- Chief Operations Officer- Children's Miracle Network Hospitals

## Table Topics- Breakout Discussions





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| **Welcome**

**Phil Salerno**

Chair- CDO Advisory Committee  
President & Chief Development Officer  
Children's Specialized Hospital Foundation



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# CMNH Management Report

**Teri Nestel**

Chief Executive Officer

Children's Miracle Network Hospitals

Email: [tnestel@cmnhospitals.org](mailto:tnestel@cmnhospitals.org)

# 2021 Network Fundraising Goal: \$400 Million

**Result: \$411 Million**  
**11% increase over 2020**



# Strategic Growth Pillars

- **Corporate Fundraising**
- **Dance Marathon**
- **Extra Life**
- **Play Yellow**
- **Data, Technology & Insights**



# Looking Ahead



- **New Partnerships**
- **Direct Response Television**
- **Dance Marathon App & DIY**
- **Extra Life – Charitable Streaming and e-Sports**



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# DRTV Pilot 2.0 Update

## **Maureen Carlson**

Chief Programs & Marketing Officer  
Children's Miracle Network Hospitals  
Email: [mcarlson@cmnhospitals.org](mailto:mcarlson@cmnhospitals.org)

## **Grant Harris**

SVP/Chief Development Officer  
Cook Children's Medical Center  
Email: [grant.harris@cookchildrens.org](mailto:grant.harris@cookchildrens.org)

# CDO Advisory Brand Subcommittee

## CHAIRPERSON

Grant Harris, Senior Vice President &  
Chief Development Officer  
Cook Children's Health Foundation

Phil Salerno, President &  
Chief Development Officer  
Children's Specialized Hospital  
Foundation

Jena Pado  
Chief Development Officer  
Dayton Children's Hospital

Rob Saroyan  
President  
Valley Children's Healthcare  
Foundation

Jenine Rabin  
Executive Vice President  
Johns Hopkins All Children's Hospital

Dawn Wilcox  
Vice President, Corporate Partnerships  
Children's Hospital Los Angeles

Stephen Bariteau  
Executive Vice President, Philanthropy  
Gillette Children's Specialty  
Healthcare

DeAnn Marshall  
President  
Children's National Hospital  
Foundation

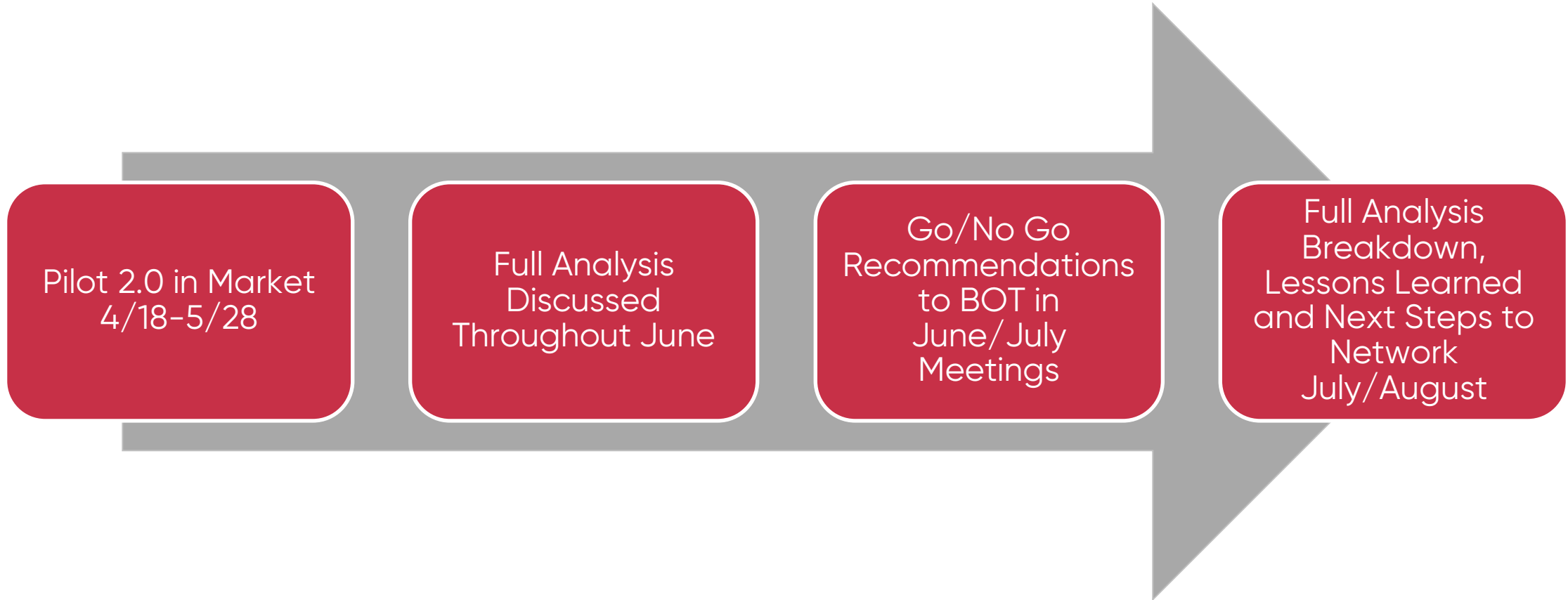


# Overview

- Pilot #1 was in the national marketplace from 8/16 to 11/1.
- Spots were placed on national cable and broadcast outlets to attempt to achieve 100% national coverage.
- The CDO Brand Subcommittee along with the CMN Hospitals DRTV team analyzed the results and found that while some of the overall numbers did not meet our goal KPI's:
  - Cost Per Activation = \$86.56
  - Cost Per Conversion = \$1,336.81
  - Total Donors = 449
- However, there were many data points that indicated long-term scalability for the organization:
  - % sustainer conversion = 56%
  - One-time and sustainer use of Credit Card = 84%
  - Average one-time gift = \$111 (goal of \$50)
  - Average monthly gift = \$21 (ask was \$19)
  - Web visits = almost 6,000 (well above pre-COVID averages)
- The decision was made by the Brand Subcommittee and the CDO Advisory Committee to recommend a second Pilot phase for the organization to apply lessons learned. The was presented to the CMN Hospitals Board of Trustees and they concurred.



# Next Steps





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# Final Report on 2023 Membership Agreement

## **Frances Fu**

Chief Financial Officer  
Children's Miracle Network Hospitals  
Email: [ffu@cmnhospitals.org](mailto:ffu@cmnhospitals.org)

## **Jena Pado**

Chief Development Officer  
Dayton Children's Hospital  
Email: [PadoJ@childrensdayton.org](mailto:PadoJ@childrensdayton.org)

# Membership Agreement Sub-Committee

## Members

**Jena Pado, Chair**

Dayton Children's Hospital  
*Dayton, OH*



**Phil Salerno**

Children's Specialized Hospital  
*New Jersey*



**Teri Wilczek**

Marshfield Clinic  
*Wausau, WI*



**Erin Black**

Yakima Valley Memorial Hospital  
*Yakima, WA*



**Steve Testa**

Nationwide Children's Hospital  
*Columbus, OH*



**Janet DeWolfe**

Primary Children's Hospital  
*Salt Lake City, UT*



**Erin Morrison**

Vanderbilt Children's Hospital  
*Nashville, TN*

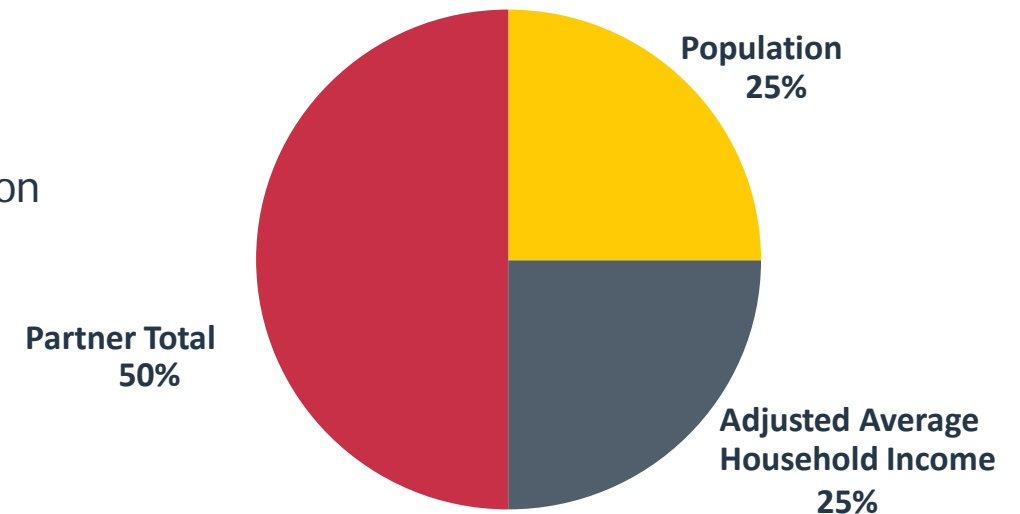


# CMN Hospitals Membership Fee Model

Same Membership Fee Model as 2019

- **Population (25% of Membership Fee)**
  - Market Population ÷ National Population
- **Adjusted Average Household Income (AAHI) (25% of Membership Fee)**
  - Market AAHI adjusted in relation to National AAHI\*
- **Partner Total (50% of Membership Fee)**
  - Market Fundraising from the following categories is weighted based on the portion of National Fundraising it represents, using a 4-year average\*\*:
    - Corporate Partners
    - Radiothon
    - Dance Marathon
    - Extra Life

**PARTNERSHIP MODEL**  
BASE FEE FACTORS



\* Market AAHI ÷ Cost of Living Index (COLI) = Market Adjusted AAHI; Market Adjusted AAHI ÷ National Adjusted AAHI = AAHI Factor; AAHI Factor ÷ Number of US Markets

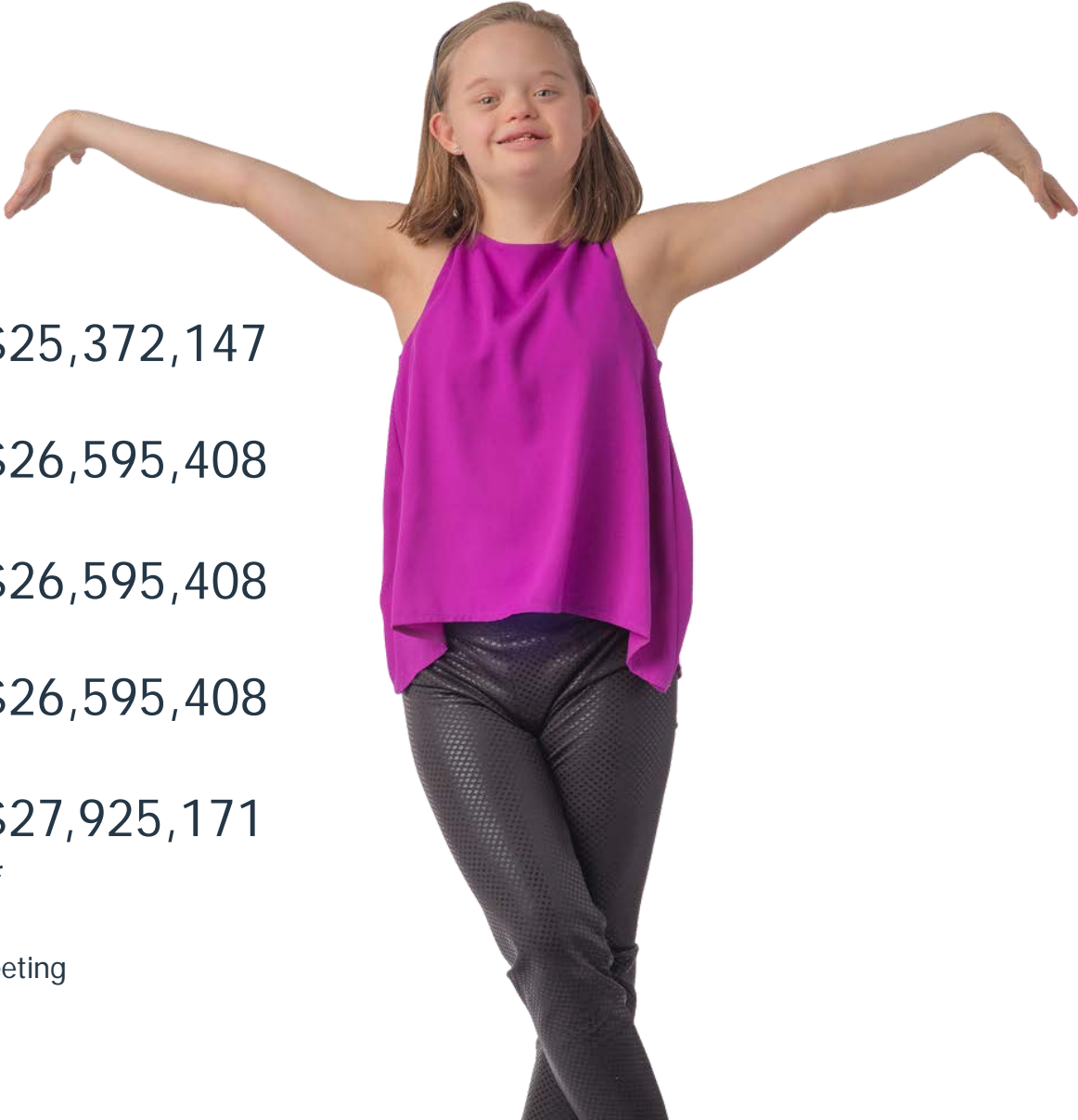
\*\*Market Fundraising ÷ National Fundraising

# CMN Hospitals Membership Fee Model



## Total Membership Fees

- 2019 Membership Fees: \$25,372,147
- 2020 Membership Fees (5% Increase): \$26,595,408
- 2021 Membership Fees (No Increase): \$26,595,408
- 2022 Membership Fees (No Increase): \$26,595,408
- 2023 Potential Membership Fees (5% Increase): \$27,925,171\*



\* The potential 5% fee increase is subject to final Board approval at the April Board meeting

# CMN Hospitals Membership Fee Model



## 2023 Investments in Growth

- **The 5% fee increase proposed for 2023 fiscal year is necessary to properly invest in and grow hospital fundraising and support CMN Hospitals' five strategic pillars - Corporate Partners, Dance Marathon, Extra Life, Play Yellow, and Data, Technology & Insights.**
  - **Corporate Partners – Improve partner stewardship and onboard new partners**
  - **Dance Marathon Reboot – Evolve DM to align the needs and interests of our hospitals with both Gen Z and the Alpha Generation; beta test DIY fundraising**
  - **Play Yellow – Expand upon the preliminary work established in 2022 for additional PY programming**
  - **Extra Life Engagement – Invest in influencer marketing and activation to drive recruitment and expand in the Esports space**
  - **Data, Technology & Insights – Continue connecting disparate systems for improved data reporting; maintain/grow existing systems; retain critical staff to manage data infrastructure and security**
  - **Marketing – Create a stronger funnel for online giving with targeted marketing and web optimization; improve messaging with simplified yet bold communications**
  - **People – Manage inflation and supply chain shortages as labor and supply costs continue to increase**

# CMN Hospitals Membership Fee Model

## Process and Timeline

- Membership Agreement Sub-Committee Approval: *Completed November 8<sup>th</sup>, 2021*
- CDO Advisory Committee Approval: *Completed January 19, 2022*
- CDO Townhall Meetings: *Completed February 10<sup>th</sup> & March 9<sup>th</sup>*
- **CDO Summit at Children's Hospitals Week: *April 13, 2022***
- **CDO Membership Agreement Open House: *April 13, 2022***
  - *TODAY: 5pm ET in the Los Angeles room*
- **Board of Trustees approval : *April 14, 2022***
- Final Membership Agreements sent to all markets: *by June 30, 2022*
- 2023-2025 Membership Agreement takes effect: *January 1, 2023*





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| **LUNCH**





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# Future Trends in Giving And the Philanthropic Landscape

## **Bryan Horvath**

Co-Founder and Principal  
Nonprofit Velocity  
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## **Kevin Gosa**

Co-Founder and Principal  
Nonprofit Velocity  
Email: [kevin.gosa@nonprofitvelocity.com](mailto:kevin.gosa@nonprofitvelocity.com)



## **Bryan Horvath**

Co-Founder and Principal  
Nonprofit Velocity

For over 25 years, Bryan Horvath has been a leader in the nonprofit sector. He has advised executive leadership and boards both domestically and internationally, lectured for MBA programs and conferences, and led nonprofit incubators. As a long-time executive director for an international arts organization, he grew a small operation to global movement of organizations by connecting vision to strategy, and strategy to action. His work is informed by a diverse background, having engineered Cadillacs for GM, toured 45 states as the front man of a rock band, launched an indie record label, and licensed his own inventions. In 2011 he co-founded Nonprofit Velocity to help organizations breakthrough tough, persistent challenges that inhibit them from better fulfilling their important missions.



## **Kevin Gosa**

Co-Founder and Principal  
Nonprofit Velocity

Influenced by a love of learning and his advanced degrees in music, Kevin has brought unique insight to strategic challenges at organizations for the last 20 years. He has a passion for solving strategic problems, helping nonprofit leaders develop clarity, and winning them over to the best solutions to bring about change and growth. He has performed saxophone recitals all over the world—from Texas to Thailand, lectured at MIT and Baylor University among others, planned and led international conferences in the arts, and co-hosted a technology and culture podcast. In 2011 he co-founded Nonprofit Velocity to help organizations breakthrough tough, persistent challenges that inhibit them from better fulfilling their important missions.

# The Research

Who did we talk to?

What resources were consulted?





Teri Nestel – *President and CEO*



Mark Wietecha – *CEO*



Anne Wallestad – *President and CEO*



Dean J. Paranicas – *President and CEO*



William V. Engel - *Partner*



Rodger DeRose – *President and Chief Executive Officer*  
John DeLuca, PhD – *Senior Vice President*



Steven A. Rum – *Vice President, Development and Alumni Relations*



Tommy Lobben – *Manager, Global Community Impact - North America*



Stephen Rockwell – *Chief Ratings Technology Officer*



Calvin R. Ledford Jr. – *President*  
Maria Spina – *Program Manager*



Dan Sorrenti – *Founding Partner & President*



Michele Hall-Duncan – *President & CEO*



Linda M. Czipo – *President & CEO*

**Business for Impact**

**GEORGETOWN UNIVERSITY**  
McDonough School of Business

Leslie Crutchfield – *Executive Director*

# Some Key Resources

Fidelity Charitable, The Future of Philanthropy: The Evolution from Charitable Giving to Charitable Living (2021 & 2016)

Bank of America and IUPUI Lilly Family School of Philanthropy, U.S. Trust Study of High Net Worth Philanthropy (2021)

CCS Fundraising – Snapshot of Today's Philanthropic Landscape (2021).

CECP, Giving in Numbers 2020 Edition

CECP, Giving in Numbers 2021 Edition

Giving USA: The Annual Report on Philanthropy for the Year 2020 (2021)



# The Big Picture



In 2020 individuals, foundations, and corporations donated:

# \$471.44 Billion

Total giving grew by 3.52% on average over five years from 2016-2020.

(Giving USA Foundation)

# The Big Picture



# Giving By Source

Individuals - \$324.10B / 69%

Foundations - \$88.55B / 19%

Bequests - \$41.91B / 9%

Corporations - \$16.88B / 4%

(Giving USA Foundation)

## 2020 INDIVIDUAL GIVING RELATIVE TO 2019 CONSUMER SPENDING (in billions of dollars)

\$249.40

Communication

\$299.60

Education  
Services

\$310.90

Clothing

\$324.10

**Individual  
Charitable  
Giving**

\$335.40

Gasoline & Other  
Energy Goods

\$350.60

Household  
Utilities

\$357.40

Furnishings and  
Household  
Equipment



# The Big Picture



“2021 saw an increase in the entire scale of giving – especially from major donors who are making transformational gifts.”

(Gail Perry Group – Fundraising Trends for 2022)

# The Big Picture



“We have seen [an upward] consolidation of giving since 2008 and don’t expect major changes in 2022. **We do expect to see the continued erosion of mid-level giving** that resulted from the 2017 American Tax Cuts and Jobs Act.”

(Giving USA Foundation)

“New research shows that for the **first time in nearly two decades, only half of US households made a charitable gift in 2018**. That is a drop of almost 17 percentage points from 2000, when 66.2% of American households gave charitable donations.” (Lilly Family School of Philanthropy)

# How Are Donors Thinking?



# How Are Donors Thinking?

# 94%

of donors are optimistic that philanthropy  
can solve the issues most important to them

(Fidelity Charitable Future of Philanthropy)



# How Are Donors Thinking?

The groups donors believe should do more to fund solutions to solve problems in the future:

**45% Business**

**43% Philanthropy**

(Fidelity Charitable Future of Philanthropy)



# How Are Donors Thinking?

“I consider myself a philanthropist.”

**74% Millennials**

**48% Gen X**

**35% Baby Boomers**

(Fidelity Charitable Future of Philanthropy 2021)



# How Are Donors Thinking?

**56%** of Millennials say their giving is more **spontaneous**

**72%** of Baby Boomers say their giving is more **planned**

(Fidelity Charitable Future of Philanthropy)



# How Are Donors Thinking?

**70%** Prefer to work for a company that engages in corporate social responsibility

**47%** Purchase products from socially responsible businesses

(Fidelity Charitable Future of Philanthropy 2021)



# How Are Donors Thinking?

What are important motivations for affluent donors?

**96% of donors** say that believing their gift can make a difference and believing in the mission of the organization are major motivational factors.

(2021 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households)



# How Are Donors Thinking?

How affluent donors choose a cause or organization to support

## **71.5% - My values**

57.2% - Interest in the issue area

55.4% - Recognizable or reputable non-profit

52.1% - Firsthand experience

48.0% - Perceived need of the organization/issue area

(2021 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households)



# Giving In Healthcare

## Top 3 challenges donors see as the most important for society to address for the future:

39% — Developing treatment or cures for a disease

38% — Hunger and access to nutritious food

33% — Access to basic health services

(2021 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households)

## Top challenges for the world to solve:

40% — Hunger

31% — Basic health services

24% — Treatment/cures for diseases

(Fidelity Charitable, The Future of Philanthropy: 2021)



# Giving In Healthcare

In 2020, about 33% of affluent households gave to health organizations.\*

The Health sector received 23% of all foundation giving in 2020.\*\*

\*2021 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households

\*\*CCS Fundraising – Snapshot of Today's Philanthropic Landscape (2021)



# Trends In Healthcare

- The Challenge in maintaining sufficient and high-performing staffing at hospitals is a major disruptor to clinical success.
- Population Health and Social Determinants of Health are key issues that will impact healthcare and philanthropy going forward.
- The mental health challenges facing patients, staff, and families will be a major factor in healthcare for the next decade.



# Corporate Trends

## BENEFITS OF COMMUNITY INVESTMENTS PRIORITIZED BY LARGE CORPORATIONS

### **Employee-Related**

- 54% — Increase Employee Engagement Score
- 18% — Attract/Recruit Better Potential Candidates
- 13% — Improve Retention Rate

### **Customer- or Brand-Related Benefits**

- 36% — Improve Reputation/Trust Score
- 30% — Improve Brand Perception
- 17% — Attract and Retain Best Candidates and Employees

(CECP, Giving in Numbers 2020 Edition)



# Corporate Trends

- **Total giving increased for 68% of companies from 2018-2020**
- **Corporate investment in health and social services grew 41% from 2018-2020**
- **Workplace giving campaign programs declined 19%**

(CECP, Giving in Numbers 2021 Edition)



# Corporate Trends

Corporations are quick to fund areas of great public interest:

**63%** of gifts and pledges to racial equity efforts from 2020-July 2021 were from corporations

**44%** of Covid-19 giving through July 2021 was from corporations

(Candid, "Funding for racial equity")

(Candid, "Philanthropic response to coronavirus (COVID-19)")



# Foundation Trends

“While total charitable giving grew 5.1% last year, **giving by foundations increased 17.0%**.

In fact, giving by foundations has grown in nine of the last 10 years and may soon account for 20% of all giving in the United States.”

(DickersonBakker, 2021)

**Foundation giving grew by 7.01% on average over five years**

(Giving USA Foundation, Giving USA: The Annual Report on Philanthropy for the Year 2020)



# Foundation Trends

**More foundations are moving toward “Trust-Based philanthropy”...**

SOME COMMITMENTS IN THE COUNCIL ON FOUNDATIONS PLEDGE:

- Loosen or eliminate current grant restrictions
- Reduce what is asked of nonprofit partners
- Make new grants as unrestricted as possible
- Communicate proactively and regularly about decision-making and response

(The Center for Effective Philanthropy, Foundations Respond to Crisis:  
Toward Greater Flexibility and Responsiveness? (2020))



# Foundation Trends

**More foundations are moving toward “Trust-Based philanthropy”...**

## FUTURE INTENTIONS

55% - said they will continue making new grants as unrestricted as possible

59% - said they will continue reducing what is asked of grantees

56% - said they will continue loosening or eliminating restrictions on existing grants

(The Center for Effective Philanthropy, Foundations Respond to Crisis:  
Toward Greater Flexibility and Responsiveness? (2020))



# Key Insights



# Key Insights

Donors are seeking to bring about **transformation instead of simply giving to charity**



# Key Insights

**Donor intelligence and engagement is growing** — becoming more “hands-on” and tracking impact with more rigor



# Key Insights

**Organizational awareness/visibility** is essential for attracting greater support.

Achieving this requires a **clear articulation of the problems** in the world an organization solves.



# Key Insights

The greater the need/ask — the stronger the ask



# Key Insights

Expect Fewer Donors but  
Larger Gifts from Individuals and  
Increasingly their Donor  
Advised Funds



# Key Insights

Organizations must advance and integrate diversity, equity, and inclusion into all aspects of the work





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# Future Trends in Giving And the Philanthropic Landscape

## **Bryan Horvath**

Co-Founder and Principal  
Nonprofit Velocity  
Email: [bryan.horvath@nonprofitvelocity.com](mailto:bryan.horvath@nonprofitvelocity.com)

## **Kevin Gosa**

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# Corporate Partnerships Learnings from the Past Two Years and the Future Outlook

## **Kane Calamari**

Chief Human Resources Officer-Ace Corporation &  
President- Ace Foundation  
Ace Hardware Corporation  
Email: [kcalam@acehardware.com](mailto:kcalam@acehardware.com)

## **Erin Hogue**

Director of Associate and  
Customer Engagement  
Walmart, Inc  
Email: [erinhogue@walmart.com](mailto:erinhogue@walmart.com)

## **Clark Sweat**

EVP & Chief Operations Officer  
Children's Miracle Network Hospitals  
Email: [csweat@cmnhospitals.org](mailto:csweat@cmnhospitals.org)



**Kane Calamari**

Chief Human Resources Officer-Ace  
Corporation & President- Ace Foundation  
Ace Hardware Corporation



**Erin Hogue**

Director of Associate and  
Customer Engagement  
Walmart, Inc



**Clark Sweat**

Executive Vice President  
& Chief Operations Officer  
Children's Miracle Network Hospitals



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# Table Topics Breakout Discussions



# Table Topics

**Please review the discussion topics on the next slide and select one you'd like to take part in and move to the corresponding table**





# Table Topics

## Tables 1 & 2: Staffing

- How is your office organized around philanthropy?
- Have you made any adjustments to staffing/structure due to COVID or other current marketplace trends?
- Are you anticipating reorganizing your staff in the near future? If so—how/why?

## Tables 3 & 4: Technology

- How are you leveraging technology in new ways to secure more engagement and donations?
- Is cryptocurrency part of your foundation's focus in the short or long-term? If so- how?

## Tables 5 & 6: Case for Unrestricted Gifts

- How do you continue to show the impact of unrestricted funds within your hospital?



# Upcoming Events



## Wednesday April 13<sup>th</sup>

### **CDO Membership Agreement Open House**

5:00 PM to 6:00 PM

*Los Angeles Room*

## Thursday April 14<sup>th</sup>

### **CDO Networking Breakfast**

7:30 AM to 8:50 AM

*New York Room*

### **VIP Reception sponsored by Aflac**

4:30 PM to 5:45 PM

*Boston/Anaheim/Atlanta Room*

# Thank You

