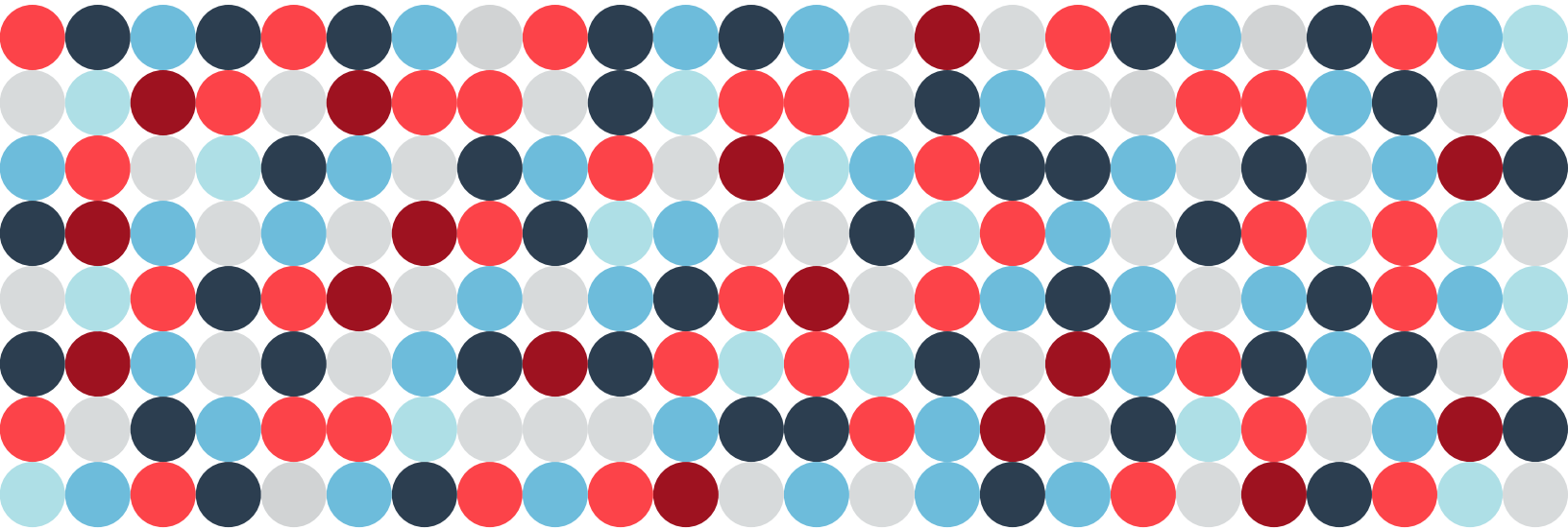


IMPACT REPORT

CORONAVIRUS:

How the COVID-19 Pandemic is Impacting Direct Mail Fundraising

Transactions through April 5, 2020



MERKLE RMG'S COVID-19 IMPACT REPORT

TO SAY THE LAST FOUR WEEKS HAVE BEEN UNPRECEDENTED

would be the understatement of the century. For so many of us, trying to navigate our new reality has been a difficult adjustment. And there is no telling what else we may face as a nation and community in the weeks ahead. Merkle Response Management Group (RMG) is committed to sharing the impact of this international pandemic from our perspective. As you review this report, please keep in mind that this situation impacts our team as well.

This is the fourth installment of our *Impact Report*. This installment includes transactions from February 3 - April 5, 2020. Our report shares transactional data reflecting the mail pieces processed at our facility.

REPORT METHODOLOGY

- The organizations included in this report are a subset of Merkle RMG's total business.
 - These organizations are those who were fully onboarded by January 1, 2019, and remain a client as of February 2, 2020.
 - The report includes 135 nonprofit organizations.
 - Political organizations, like party committees, campaigns, and PACs, are not included in this report.
- The industry sectors reported follow those traditionally used in Target Analytics' *donorCentrics® Index of Direct Marketing Fundraising Report*.
 - The sectors included are:
 - Animal Welfare (8 organizations)
 - Arts & Culture (24 organizations)
 - Environmental (11 organizations)
 - Health (25 organizations)
 - Human Services (16 organizations)
 - International Relief (15 organizations)
 - Societal Benefit (36 organizations)
- The 2020 weekly volumes may be impacted by processing delays caused by the Coronavirus pandemic that cannot be quantified.
- This report shares the transactions processed by Merkle RMG and does not account for changes to business rules, mail dates, mail volumes, or fundraising strategies.
- The trends reported are directional and not intended to serve as a sole source of information. Any opinions shared are solely our own and not the views of the organizations included in this report.

THE NONPROFIT INDUSTRY

IT IS TOO SOON TO KNOW if these year-over-year variances are the new norm for our industry. But what is known, the Coronavirus pandemic has shaken up fundraising programs across all sectors. Despite the year-over-year declines in donation mail volume, donors are stepping up their generosity as the average gift was 25.2% higher this year than last. These are turbulent times, and there is little certainty as to what the next week or even day will bring. We will continue to look for emerging trends as we compile the report each week.

-11.5%

VOLUME OF
DONATIONS

YEAR-OVER-YEAR CHANGE

- Total mail volume for the last nine weeks compared to this period in 2019 was down -14.3%. Donation volume was down -11.5%, and non-donation volume was down -23.3%. This past week, donation volume was -39.5% lower than the same week last year. The week prior was -41.1% less than the previous year. In some sectors, there were week-over-week increases in donation volume.

10.8%

AMOUNT OF TOTAL
DONATIONS

YEAR-OVER-YEAR CHANGE

- Donation revenue was 10.8% higher for this reporting period than the same period last year. This year-over-year increase was due to a significant increase in the second week of February in the **International Relief** sector. If that week remained flat with 2019, donation revenue would have been -5.5% down this year compared to last for this reporting period. There was a -30.6% decrease in donation revenue in the first week of April this year compared to the previous.

25.2%

AVERAGE GIFT

YEAR-OVER-YEAR CHANGE

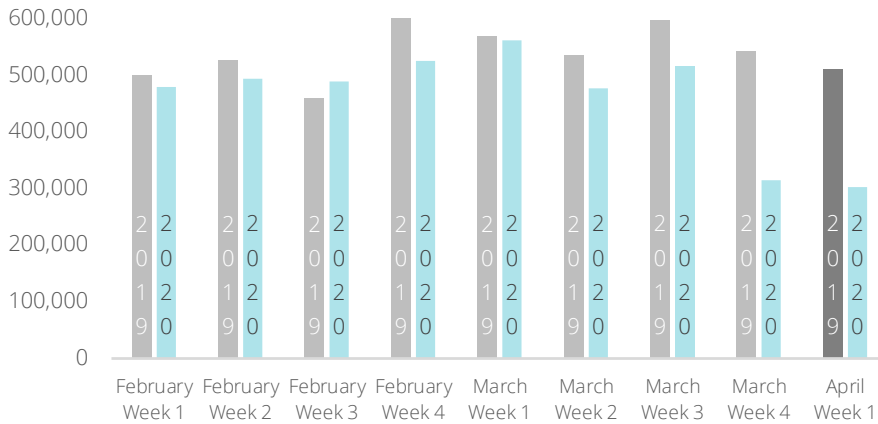
- The average gift was 25.2% higher from the first week of February through the first week of April this year compared to last year. This year-over-year increase in average gift has helped mitigate the impact of the decrease in volume on donation revenue. With the exception of the second week of February, last week was the largest year-over-year increase in this metric during this reporting period.

NONPROFIT INDUSTRY

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

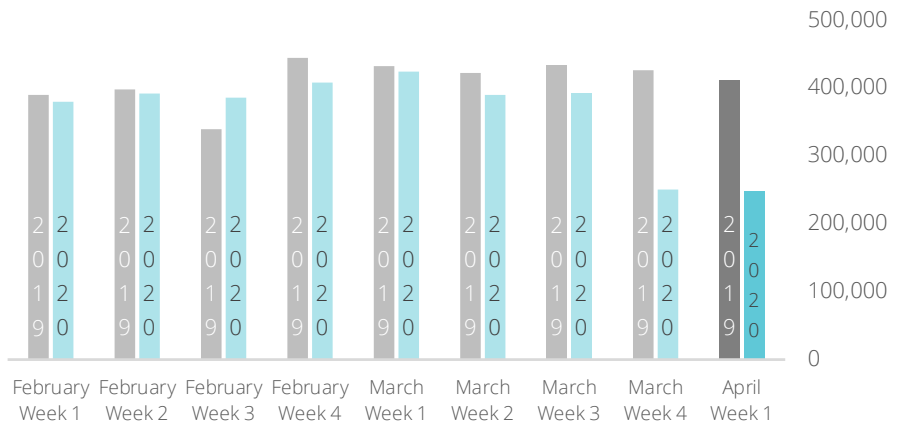


- Since the first week of February, total mail volume declined -14.3% compared to this reporting period in 2019. Through the last week of March, total mail volume was down year-over-year by -11.2%.
- Last week, total mail volume was -40.9% less than the volume reported for this week in 2019. This decline affected all sectors.
- Week-over-week, total mail volume was down -3.7%, which was primarily due to a -16.4% decline in non-donation mail volume.
- For this reporting period, non-donation mail volume was down -23.3% compared to the same period last year.

- Donation mail volume was down -11.5% from the first week of February through the first week of April compared to the same time last year.

OF DONATIONS | Year-Over-Year Comparison

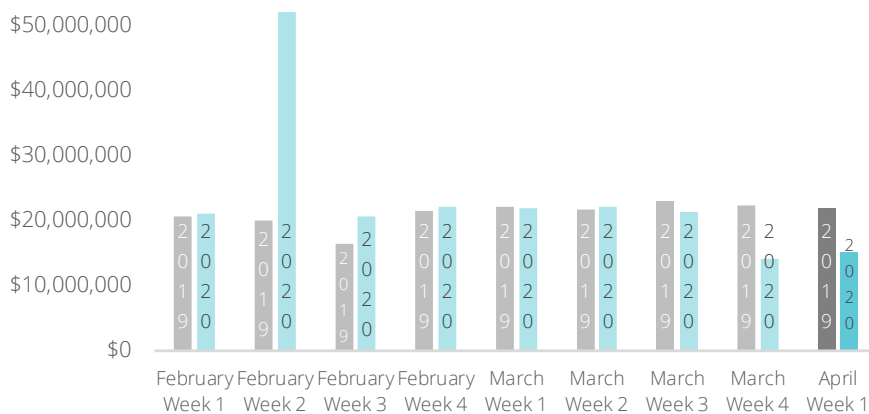
Comparing the number of donations processed each week



- Compared to the first week of April in 2019, there were declines in donation volume across all sectors.
- This past week, the **International Relief** sector was the only sector where there was a substantial improvement in year-over-year donation volume variance compared to the previous week.
- Donation volume was down -0.5% from the fourth week of March to the first week of April.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



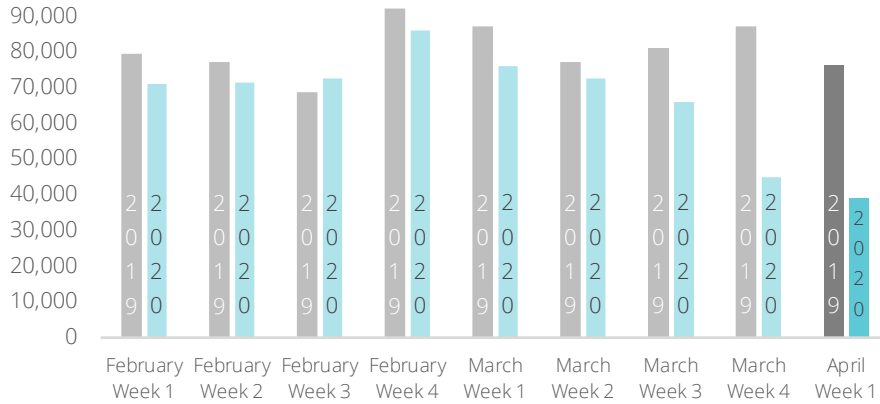
- Compared to the first week of April in 2019, this past week's donation revenue was down -30.6%.
- Week-over-week, donation revenue increased by 8.9%, which was due to a 9.4% increase in the average gift.
- Over the last nine weeks, donation revenue remains higher than that reported for this period last year. Compared to this time in 2019, donation revenue was higher by 10.8% and the average gift by 25.2%.
- The **Human Services** and **International Relief** sectors were the primary reasons for the year-over-year variance.

ANIMAL WELFARE

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

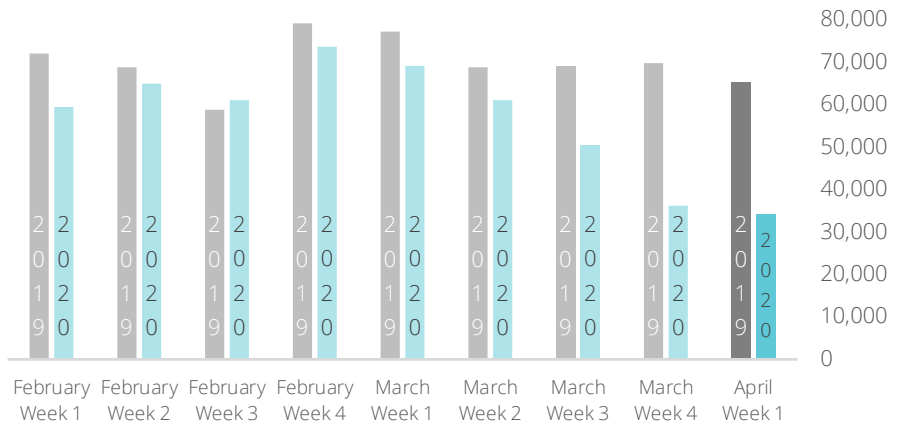


- This sector experienced a -17.5% year-over-year decline in total mail volume since the first week of February. Last week, the total mail volume was -48.8% lower than the first week of April in 2019.
- From the fourth week of March to the first week of April, mail volume declined 12.9%. This week-over-week variance was significantly better than the previous report, which was -32.1%.
- Non-donation mail volume was down by -56.8% last week compared to the volume during the first week of April in 2019. Overall, non-donation mail volume declined -8.6% compared to this reporting period last year.

OF DONATIONS | Year-Over-Year Comparison

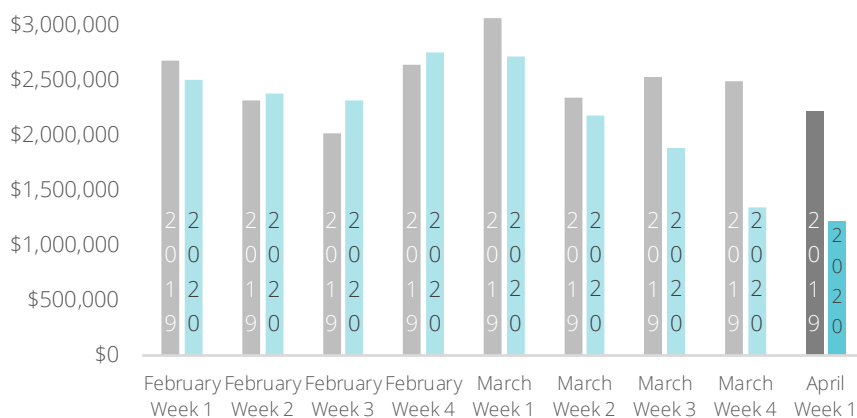
Comparing the number of donations processed each week

- Compared to donation mail volume for this reporting period in 2019, donation mail volume decreased -18.8% this year.
- Last week, donation mail volume was -47.4% lower than the first week of April in 2019. During the past two weeks, donation mail volume each week was nearly -50% less than the volumes for these weeks last year.
- Week-over-week, donation mail volume declined -5.7%. The period prior, from the third to the fourth week of March, the decline was -28.1%.



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



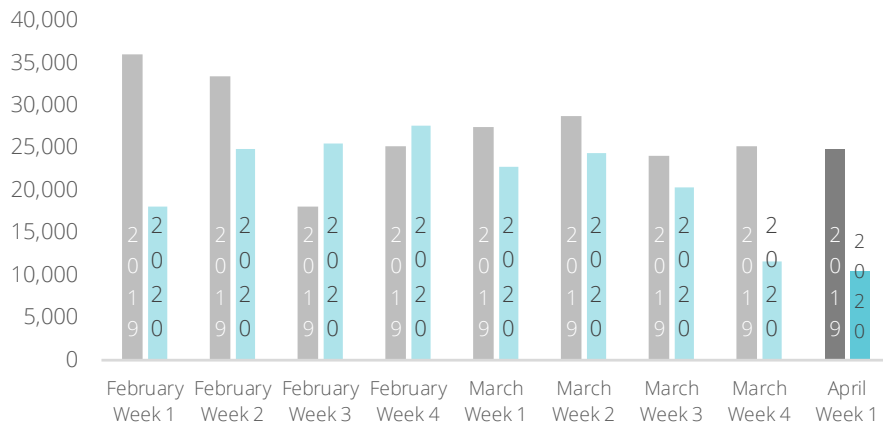
- Throughout this reporting period, donation revenue was down -13.5% compared to the same period in 2019.
- During this period, the average gift was up 6.5% compared to the same time last year, which helped lessen the impact of the decline in donation mail volume.
- From the fourth week of March to the first week of April, donation revenue declined -9.1%. Average gift declined, too, by -3.6% week-over-week.
- Each week, average gift this year was higher than the average gift for the corresponding week in 2019. There were year-over-year increases for all payment types during this reporting period.

ARTS & CULTURE

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

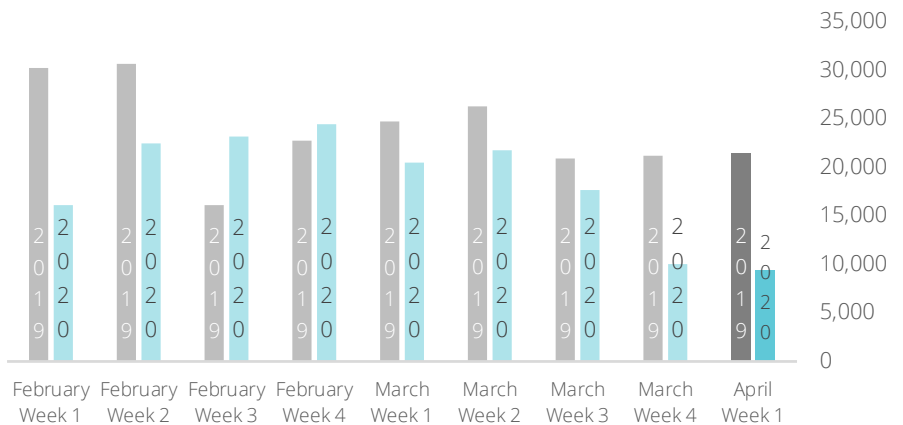


- Year-over-year total mail volume was down -23.6% compared to the reporting period in 2019.
- Similar to the previous report, last week's total mail volume declined -57.9% compared to the first week of April last year. The year-over-year declines the past two weeks were primarily due to decreases in donation mail volume.
- The week-over-week change in total mail volume was -10.4%. There were less than one thousand pieces of non-donation mail processed last week.

OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week

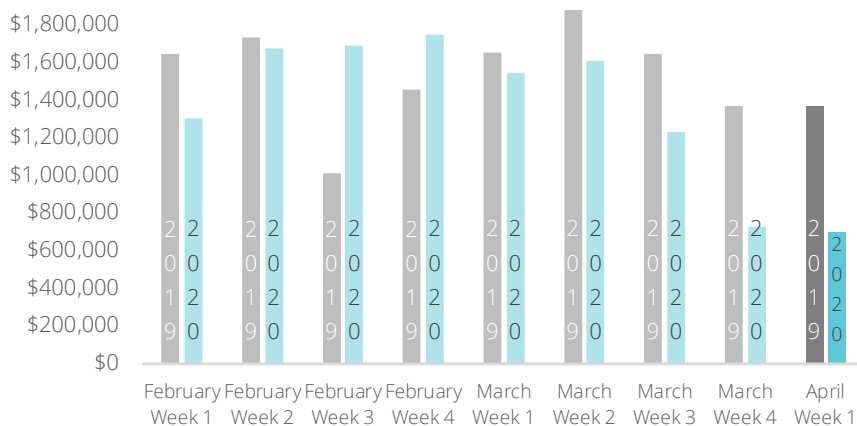
- Donation mail volume from the first week of February to the first week of April declined -22.7% compared to this period the previous year.
- Last week, donation mail volume was -55.6% less than this week in 2019. This year-over-year decline was evenly spread across payment types.
- Week-over-year, donation mail volume decreased -5.7%.



- Donation revenue was down -11.1% for this reporting period compared to this same period last year. Last week, this was a -6.9% variance through the fourth week of March.
- There was a -48.9% year-over-year decline in the first week of April. The previous week, the year-over-year variance was -46.8%.
- The average gift was 15.0% higher this year than last year for this reporting period. Last week, the average gift was 15.2% compared to the first week of April in 2019. The credit card average gift the previous two weeks had been more than 20% higher compared to these weeks last year.
- From the fourth week of March to the first week of April, donation revenue was down -3.9%.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

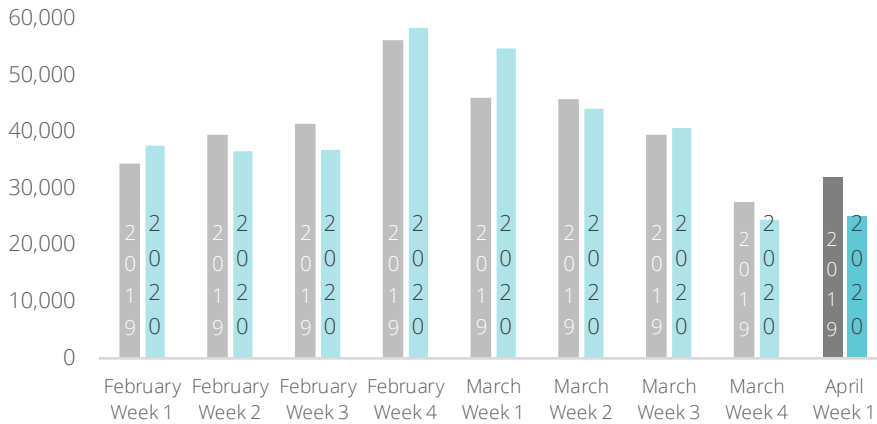


ENVIRONMENTAL

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week



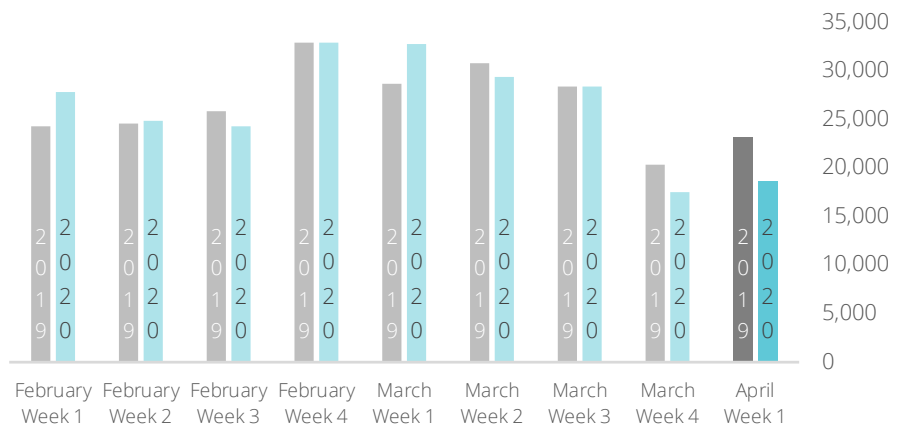
- Over the course of this report, total mail volume was down -1.0% compared to this reporting period in 2019. This variance was consistent across donation and non-donation mail volumes.
- The minimal year-over-year variance was due to total mail volume increases in prior weeks, as last week's total mail volume decreased -20.8% compared to the first week of April last year.
- Week-over-week total mail volume increased by 3.0%.

- As mentioned above, donation mail volume declined -1.0% year-over-year from the first week of February through the first week of April.

OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week

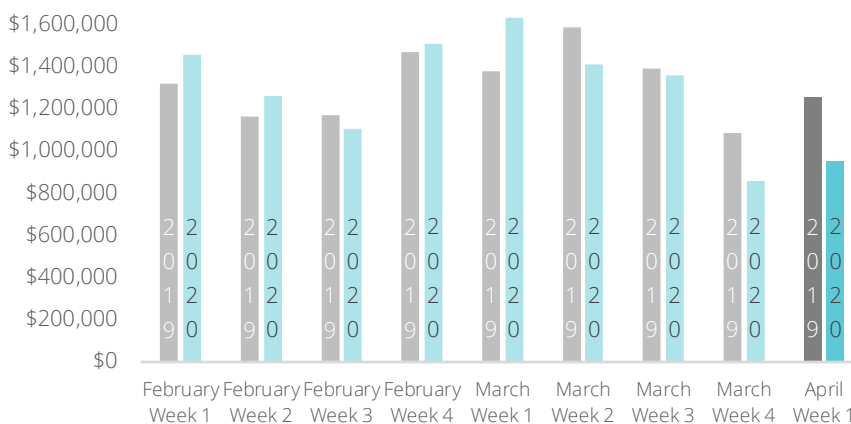
- Last week, donation mail volume declined -19.3% compared to this week last year. This is 34.9% more than the year-over-year decrease reported for the fourth week of March.



- Week-over-week, donation mail volume increased 6.9% from the last week of March to the first week of April. The week-over-week increase was driven by an increase in the number of check donations.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



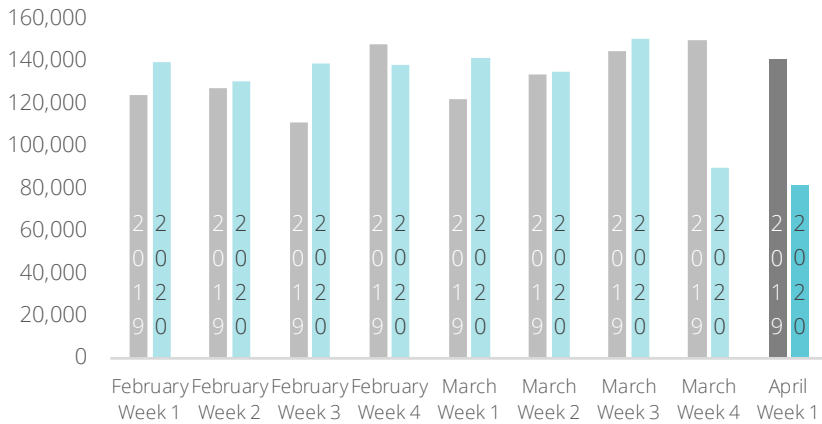
- Donation revenue was down -2.3% compared to this reporting period the previous year.
- This was the only sector with a decrease in average gift compared to last year. The average gift was -1.4% down compared to this period in 2019.
- Donation revenue was down -23.9% last week compared to the first week of April last year. The revenue decline was due to the decline in volume and a -5.7% decline in average gift compared to last year.
- Week-over-week, donation revenue increased by 10.9%. In 2019, the week-over-week variance from the fourth week of March to the first week of April was 15.4%.

HEALTH

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

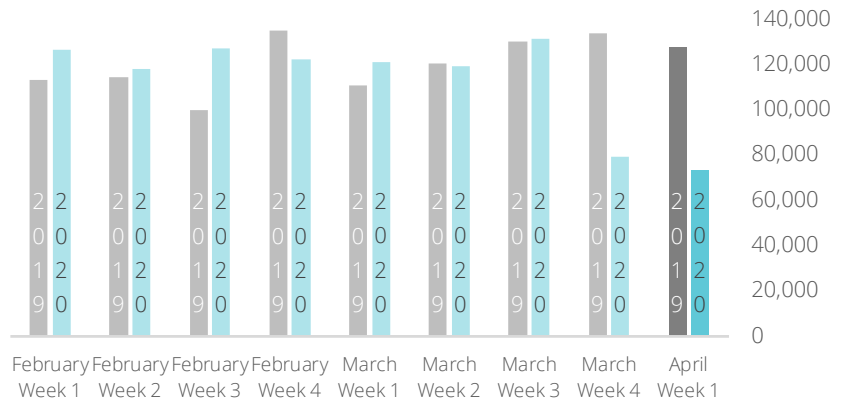


- Total mail volume was down -4.7% over the last nine weeks compared to these weeks last year.
- Non-donation mail volume was 9.7% higher year-over-year during this reporting period. There were sizable year-over-year increases in the fourth week of February through the third week of March. Last week, non-donation mail volume decreased by 38.8% compared to this same week in 2019.
- From the fourth week of March to the first week of April, total mail volume dropped -9.2%.

OF DONATIONS | Year-Over-Year Comparison

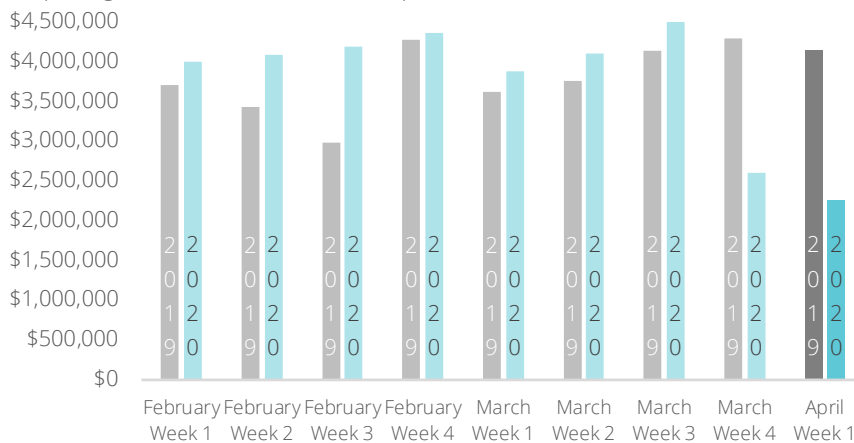
Comparing the number of donations processed each week

- Donation volume was down -6.2% compared to this reporting period in 2019.
- During the first week of April, there was a -42.8% decrease in donation mail volume compared to this week the previous year. In the last two weeks, there were over -40% variances compared to the corresponding weeks last year.
- Week-over-week, donation volume was down -8.0%.



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



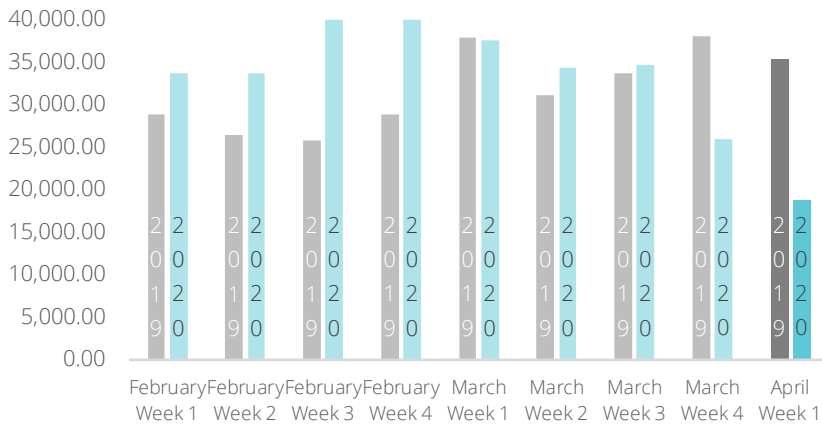
- This is the first week that donation revenue was down compared to the 2019 reporting period. From the first week of February through the first week of April, donation revenue was down -1.1%.
- The year-over-year decline was caused by the lower donation mail volume, as the average gift for this period was up 5.4% compared to 2019.
- Last week, donation revenue was down -45.6% compared to this week last year; the average gift was down -4.9%.
- Donation revenue was down -13.4% from the fourth week of March to the first week of April. The average gift was down -5.9% week-over-week.

HUMAN SERVICES

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

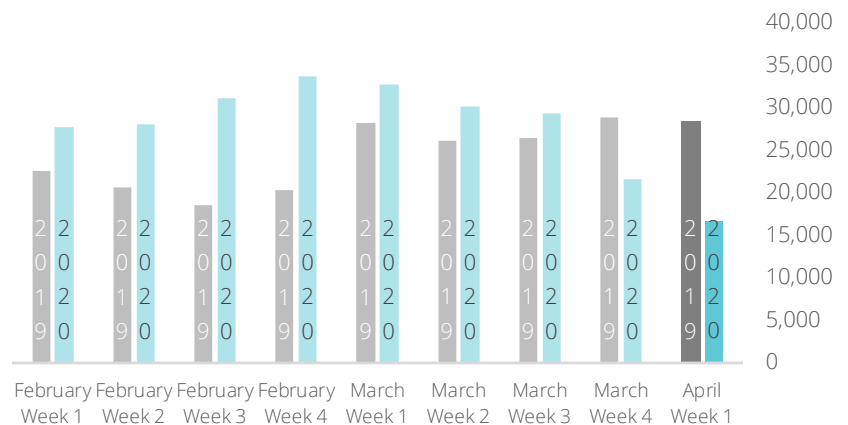


- This was the second week in a row that there was a year-over-year decline in total mail volume. The first week of April this year was -47.2% lower than this week last year.
- This year, total mail volume was 5.1% higher than this reporting period in 2019. This year-over-year increase was due to large year-over-year variances in February.
- Non-donation volume was down -24.5% for these nine weeks compared to these same weeks last year. Last week, non-donation mail volume was down -69.8% compared to that week in 2019.

OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week

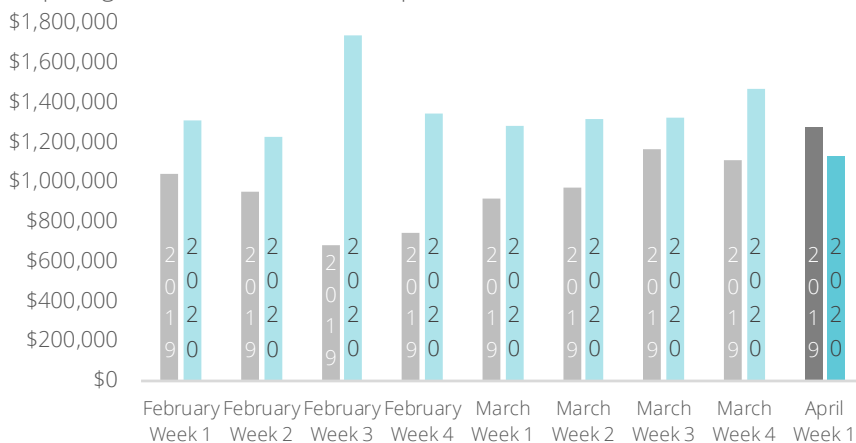
- Donation mail volume remained higher than its volume for this reporting period in 2019. From the first week of February through the first week of April, donation mail volume was 14.0% more than this time the previous year.
- In the first week of April, donation mail volume was decreased -41.7% compared to this week last year.
- Donation types remained consistent year-over-year during the first week of April. Check donations accounted for about 87% of the donation volume.



- Remember, in the third week of February there was a 156.1% year-over-year increase in donation revenue. The increase was primarily due to increases in check volume and average gift.
- From the first week of February through the first week of April, donation revenue was 37.1% higher than in 2019 for this same period. The increase in revenue for this period was due to the increase in volume and the 20.2% increase in average gift.
- Last week, there was a -11.4% drop in donation revenue, which was due to the decline in volume as the average gift was 52.1% higher than this week last year.
- Week-over-week, there was -23.0% decrease in donation revenue.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

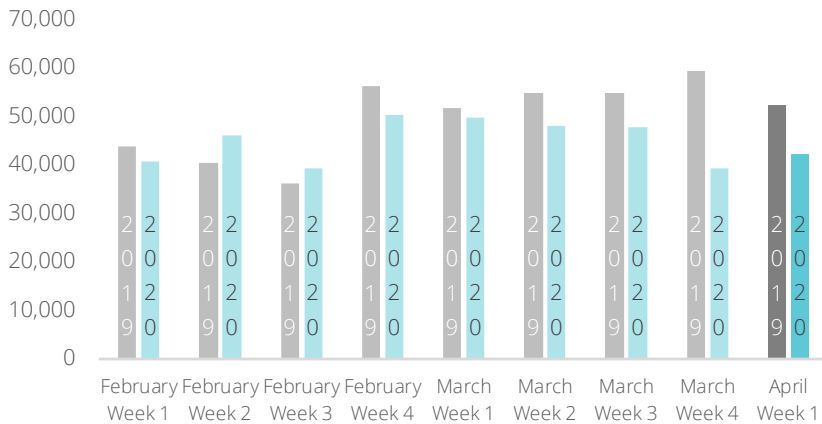


INTERNATIONAL RELIEF

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

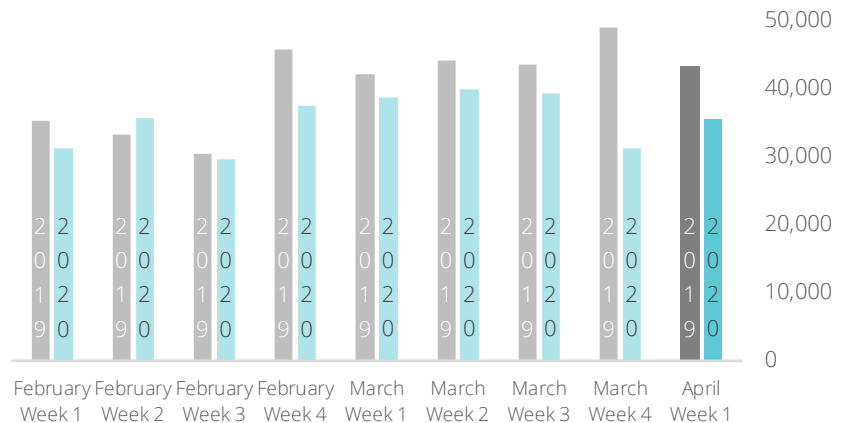


- Total mail volume decreased -10.2% from the first week of February through the first week of April. Through the fourth week of March, this year-over-year decline was -8.9%.
- Over this period, the non-donation mail volume was 3.2% higher than this period last year. This year-over-year increase was driven by significant increases in the first week of February through the first week of March. Since then, this volume has dropped compared to the corresponding weeks in 2019.
- Week-over-week, total mail volume increased by 7.1%; this was due to an increase in donation mail volume.

OF DONATIONS | Year-Over-Year Comparison

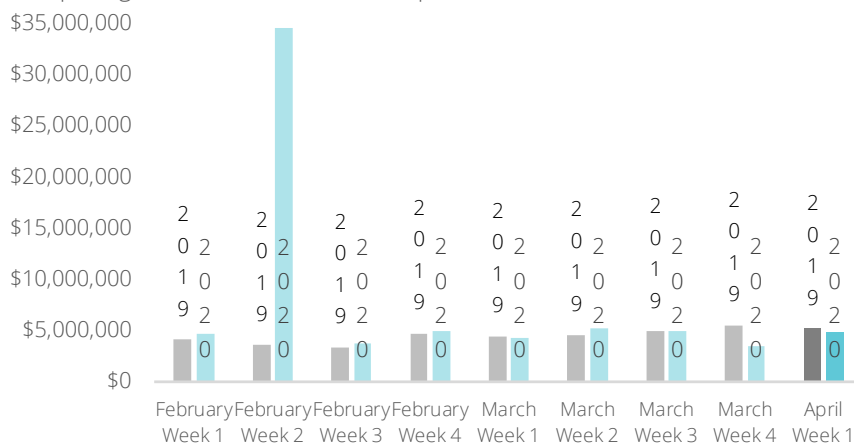
Comparing the number of donations processed each week

- For this reporting period, there was a -13.1% decline in donation mail volume compared to this timeframe last year.
- In the first week of April, donation mail volume was -18.2% lower this year than it was in 2019.
- Week-over-week, donation volume increased by 13.8%. In the previous period, the third to the fourth week of March, donation volume declined -20.8%.



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



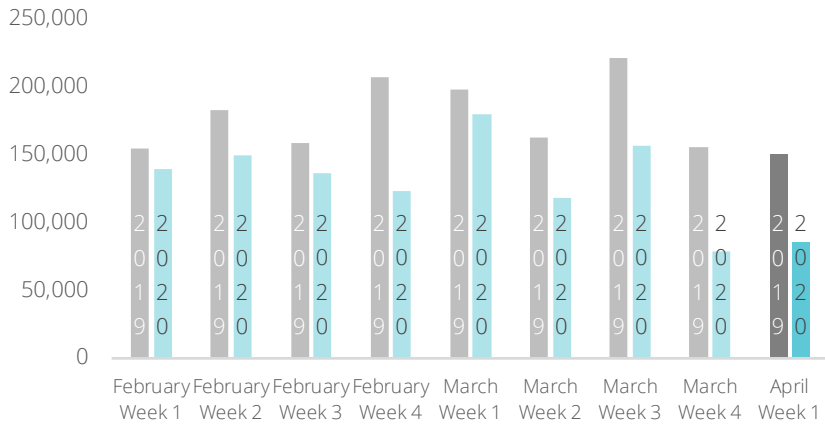
- During the second week of February, there was a year-over-year increase of 872.2% in credit card donation revenue. This was driven by both volume and average gift.
- Over the past nine weeks, donation revenue was up 75.6% compared to this timeframe last year. If revenue was presumed flat the second week of February, revenue would have been down -1.3% compared to this period in 2019.
- Last week, donation revenue was down -7.2% compared to the same week the previous year. The year-over-year increase of 13.4% in average gift lessened the impact of the lower volume.

SOCIETAL BENEFIT

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

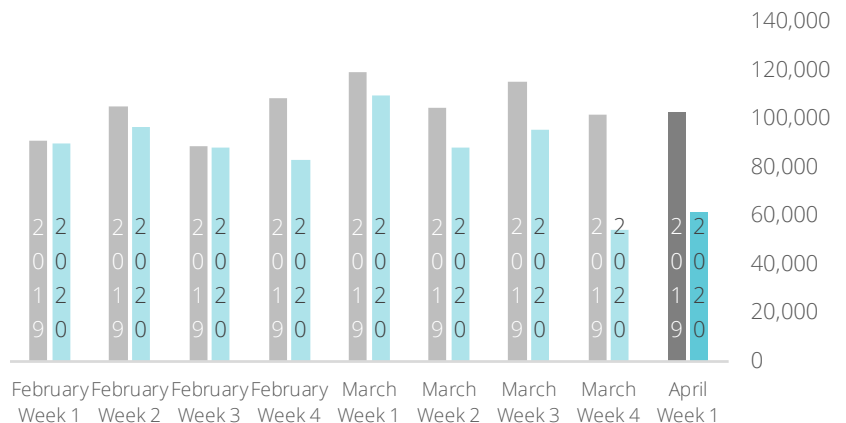


- The total mail volume for this reporting period decreased by -26.6% compared to these nine weeks in 2019.
- Non-donation mail volume was down -38.5% this year compared to last year for this reporting period.
- Last week, total mail volume was down -42.7% and non-donation mail volume was down -48.5%.
- From the fourth week of March to the first week in April, total mail volume increased by 9.4%. This week-over-week increase was due to donation mail volume, as non-donation mail volume was flat.

OF DONATIONS | Year-Over-Year Comparison

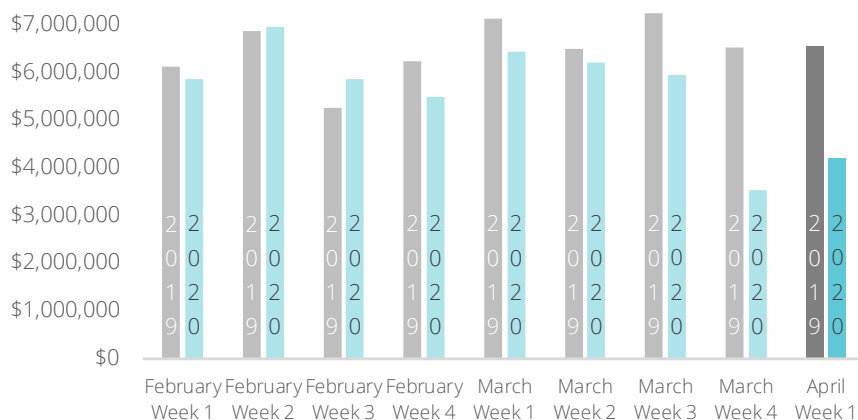
Comparing the number of donations processed each week

- Donation mail volume declined -18.2% compared to this reporting period in the previous year. Through the fourth week of March, this year-over-year variance was -15.5%.
- In the first week of April, donation mail volume was -40.1% less than this same week last year.
- Week-over-week, donation mail volume increased by 13.6%.



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



- Compared to this reporting period last year, donation revenue declined -13.6%. This decline was volume-driven, as the average gift during this period was 5.6% higher this year than last.
- In the first week of April, donation revenue was -35.8% less than the donation revenue for this period in 2019. The 7.1% year-over-year increase in average gift helped mitigate the lower donation mail volume.
- From the fourth week of March to the first week of April, donation revenue increased by 19.2%.

THIS TOO SHALL
PASS.

ABOUT MERKLE RMG

www.merkleresponse.com

Merkle Response Management Group (RMG) is a processing, data, and technology-driven company. By combining best-in-class direct response processing, customer care, and fulfillment solutions with actionable data insights, Merkle RMG drives one-to-one relationships for an improved donor and customer experience that increases retention and revenue.

Amy Bobrick

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<https://www.merkleresponse.com/covid-19reports>