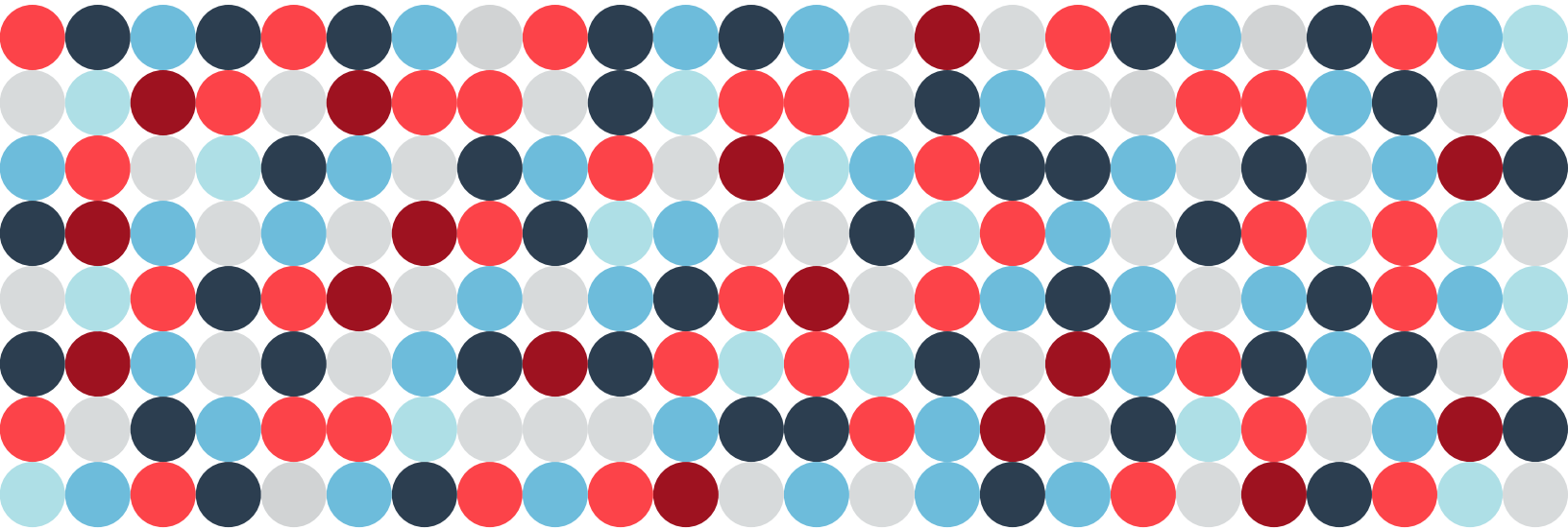


IMPACT REPORT

COVID-19:

How the Coronavirus Pandemic is Impacting Direct Mail Fundraising

Transactions through April 12, 2020



MERKLE RMG'S

COVID-19 IMPACT REPORT

WHEN IT RAINS, IT POURS. Amidst this global pandemic, last week, Merkle Response Management Group (RMG) was unable to process mail for several hours due to a power outage at the facility. Our team worked over-time and over the holiday weekend to make up for the downtime, but there was still an impact on production despite these efforts. The effect of this incident is reflected in this week's report.

This is the fifth installment of our *Impact Report*. This installment includes transactions from February 3 - April 12, 2020. Our report shares transactional data reflecting the mail pieces processed at our facility during the period, as mentioned earlier.

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

WE CANNOT CATCH A BREAK! If dealing with the challenges caused by COVID-19 weren't enough, this past week, there was a power outage at our facility causing production to halt for several hours. Our operations team worked diligently over the weekend to help make up for the downtime, but despite our best efforts, the incident affected production levels. There were a few bright spots last week; some sectors had modest gains. But the impact of the power outage amplified the comparisons in this week's report.

-15.3%

VOLUME OF
DONATIONS

YEAR-OVER-YEAR CHANGE

- From the first week of February through the second week of April, the total mail volume was down -18.0% compared to this period last year. The donation mail volume during this time decreased by -15.3% year-over-year. Over the last three weeks, year-over-year donation mail volume was consistently lower than the volumes reported these weeks in 2019.

7.3%

AMOUNT OF TOTAL
DONATIONS

YEAR-OVER-YEAR CHANGE

- Donation revenue remained higher this year compared to last year during this period. Overall, from the first week of February through the second week of April, donation revenue increased by 7.3%. Similar to the donation mail volume, donation revenue for the last three weeks was lower than the revenue reported for these weeks last year. That said, week-over-week, from the first to the second week of April, donation revenue increased by 13.1%.

26.7%

AVERAGE GIFT

YEAR-OVER-YEAR CHANGE

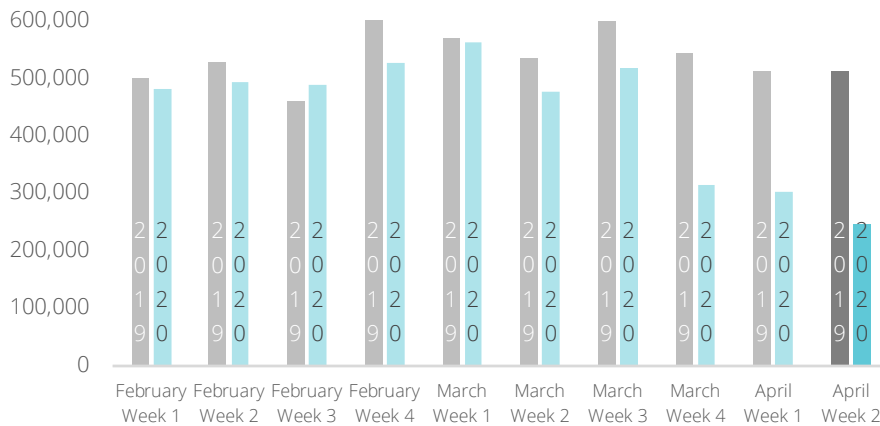
- The average gift was 26.7% higher this year compared to last year for this reporting period. Last week, the average gift was 52.3% higher than the same week in 2019. From the first week to the second week of April, the average gift jumped by 34.8%. There were substantial week-over-week and year-over-year increases in average gift for the **International Relief** sector.

NONPROFIT INDUSTRY

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

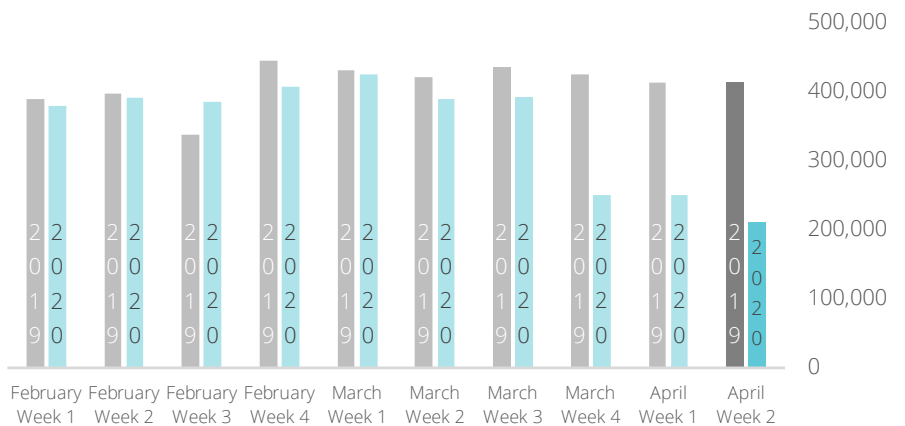


- Since the first week of February, total mail volume declined -18.0% compared to this period in 2019. Non-donation mail volume for this time frame was down -26.7%.
- Last week, the total mail volume was -52.4% lower than the second week of April last year. Note that in addition to the impact of COVID-19, there was a power outage that lasted multiple hours, which affected mail processing.
- Week-over-week, total mail volume was down -19.5%. The non-donation mail volume dropped -35.2% from the first to the second week of April.

OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week

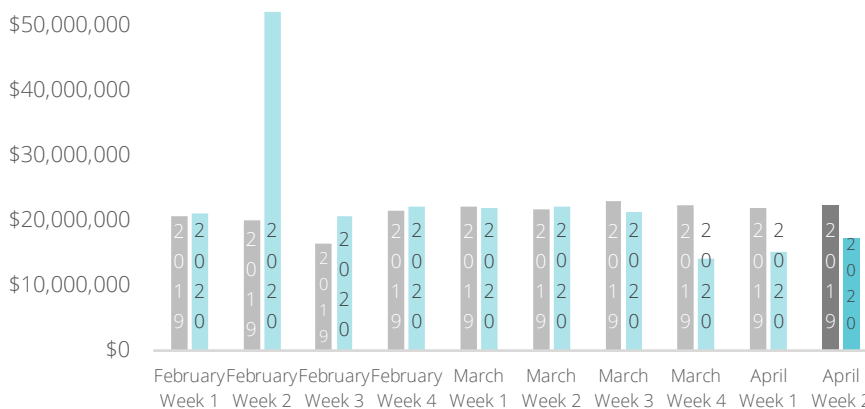
- Donation mail volume was down -15.3% for this reporting period compared to the same time last year. In last week's report, donation mail volume was down -11.5%.
- The **Human Services** and **International Relief** sectors had the smallest year-over-year declines in year-over-year donation mail volume when compared to the second week of April in 2019.
- From the first to the second week of April, donation mail volume dropped -15.0%.



- For this reporting period, donation revenue increased by 7.3% compared to the same period last year. Keep in mind, there was a significant year-over-year increase the second week of February in the **International Relief** sector.
- If that increase was removed and the donation revenue from 2019 was assumed for this year, the year-over-year variance swings the other way — donation revenue would be down by -7.3%.
- Week-over-week, donation revenue increased by 13.1%, which was due to a 9.4% increase in the average gift. The increase in the average gift was driven by increases in the **Human Services** and **International Relief** sectors.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

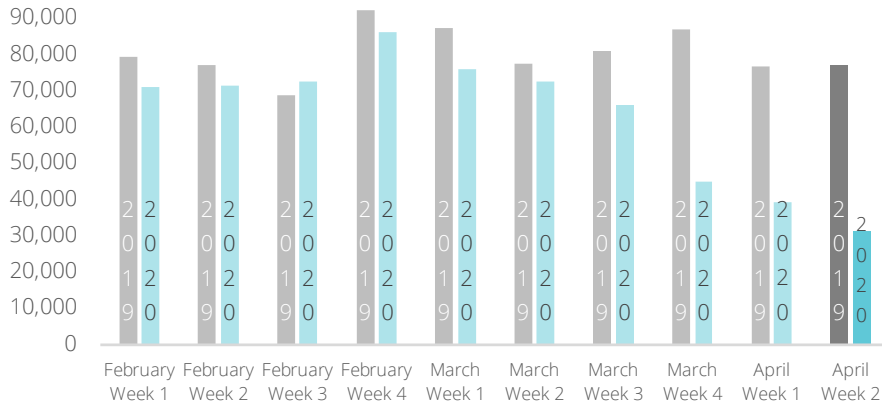


ANIMAL WELFARE

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

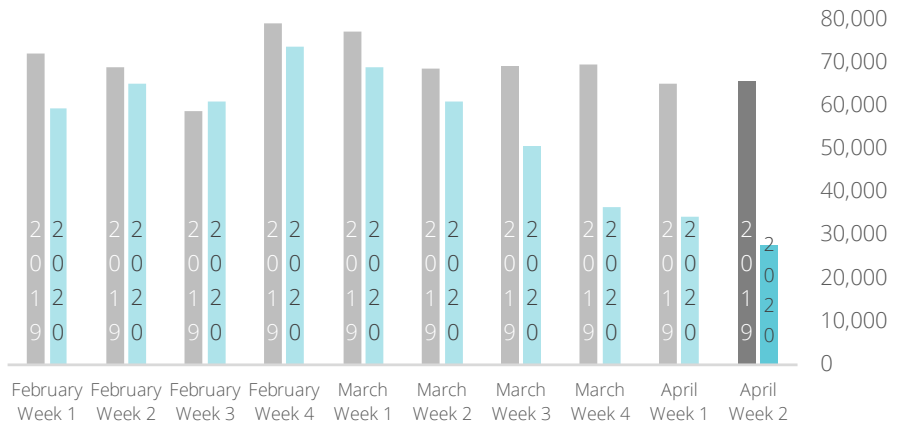


- This sector experienced a -21.5% year-over-year decline in total mail volume from the first week of February to the second week of April. Last week, the total mail volume was -59.5% lower than the second week of April in 2019.
- From the first to the second week of April, total mail volume declined by -20.5%.
- Non-donation mail volume was down by -67.3% last week compared to the volume during the same week in 2019. Overall, non-donation mail volume declined -14.6% compared to this reporting period last year.

- Compared to donation mail volume for this reporting period in 2019, donation mail volume decreased by -22.5% this year. This increased since the last report where donation mail volume was down -18.8% year-over-year through the first week of April.
- Last week, donation mail volume was -58.2% lower than the second week of April last year.
- Week-over-week, donation mail volume declined -19.6%. The period prior, from the fourth week of March to the first week in April, donation volume declined -5.7%; and in the period before that, the week-over-week decline was -28.1%.

OF DONATIONS | Year-Over-Year Comparison

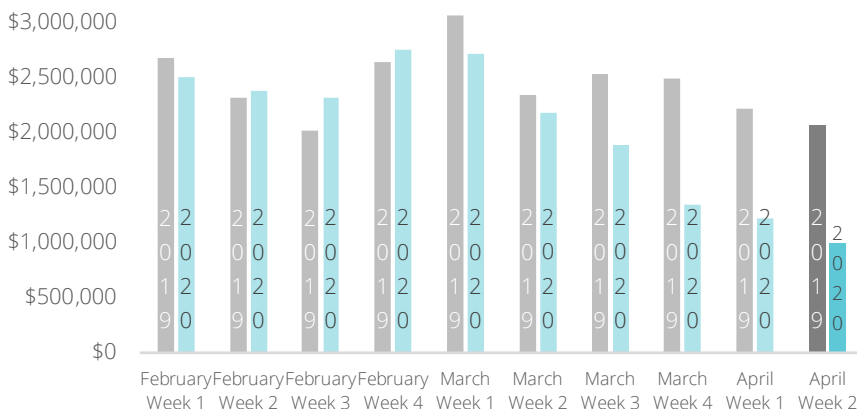
Comparing the number of donations processed each week



- Throughout this reporting period, donation revenue was down -16.8% compared to the same period in 2019.
- During this period, the average gift increased by 7.4% compared to the same time last year. This increase helped lessen the impact of the decline in volume on donation revenue.
- Week-over-week, donation revenue decreased by -18.5%, the average gift increased by 1.4%.
- The check average gift was 8.1% higher this year during the reporting period compared to this period last year. Last week, the average gift was 19.7% higher than in 2019.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

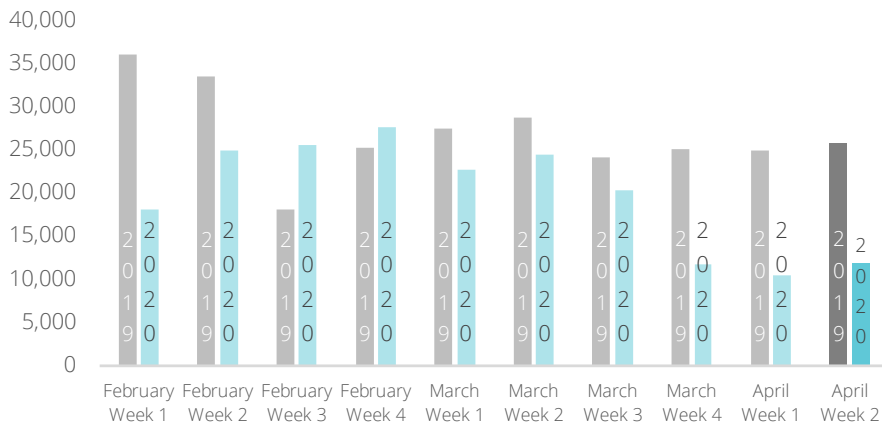


ARTS & CULTURE

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

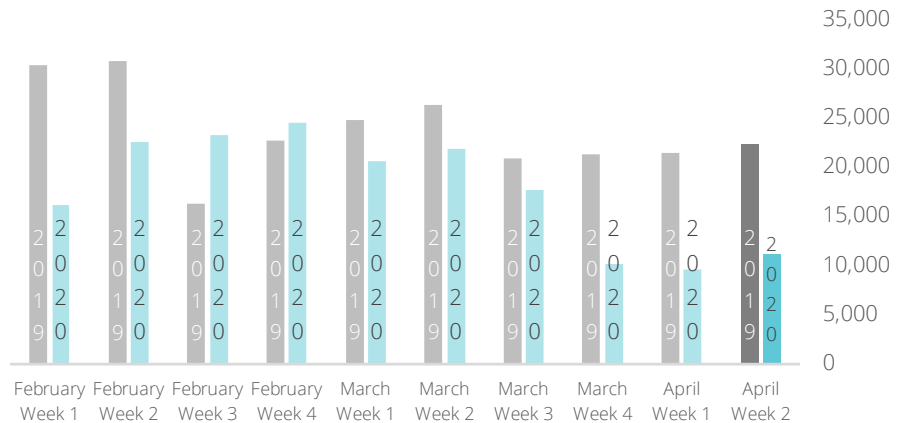


- Year-over-year total mail volume decreased by -26.5% compared to this reporting period in the previous year.
- Last week, total mail volume was down -53.6% this year compared to the second week of April in 2019.
- Non-donation mail volume declined -35.5% during the first week of February through the second week of April last year compared to this year. Last week, the non-donation mail volume was -75.2% lower than that week in 2019.
- Week-over-week, there was a 13.7% increase in the total mail volume.

OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week

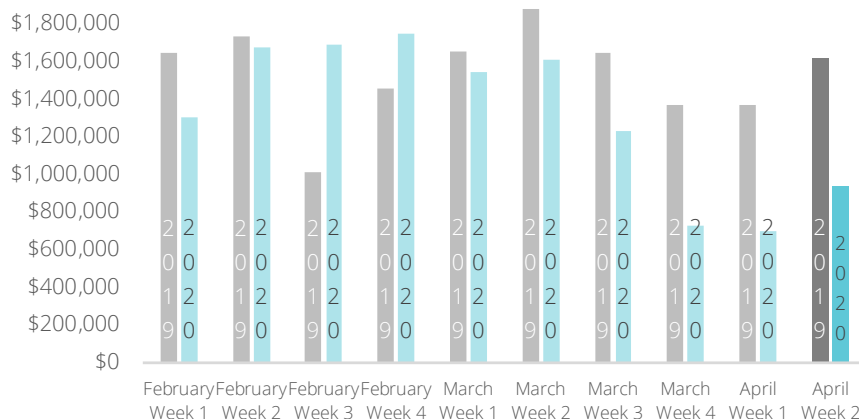
- From the first to the second week of April, donation mail volume increased by 16.4%.
- Last week, donation mail volume declined by -50.3% compared to the second week of April in 2019.
- Overall for this reporting period, donation mail volume was -25.3% lower than the volume reported during this period last year.



- Donation revenue was down -14.3% for this reporting period compared to this same period last year. In last week's report, this was a -11.1% variance through the first week of April.
- There was a -41.9% year-over-year decline in the second week of April compared to the same week in 2019. In the previous week, the year-over-year variance was -48.9%.
- Week-over-week, donation revenue increased by 34.1%.
- The average gift was 14.6% higher this year compared to last during this time frame. Last week's average gift was 16.8% higher than the same week in 2019.
- The higher average gift has helped soften the impact of the year-over-year drops in donation mail volume on donation revenue.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

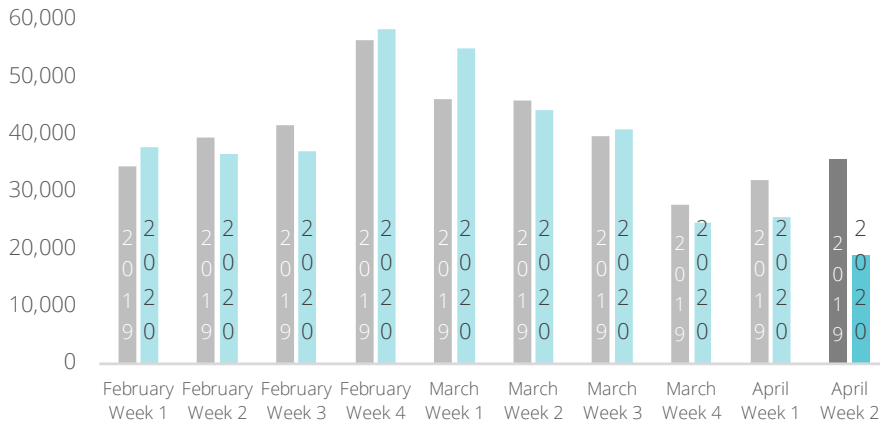


ENVIRONMENTAL

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

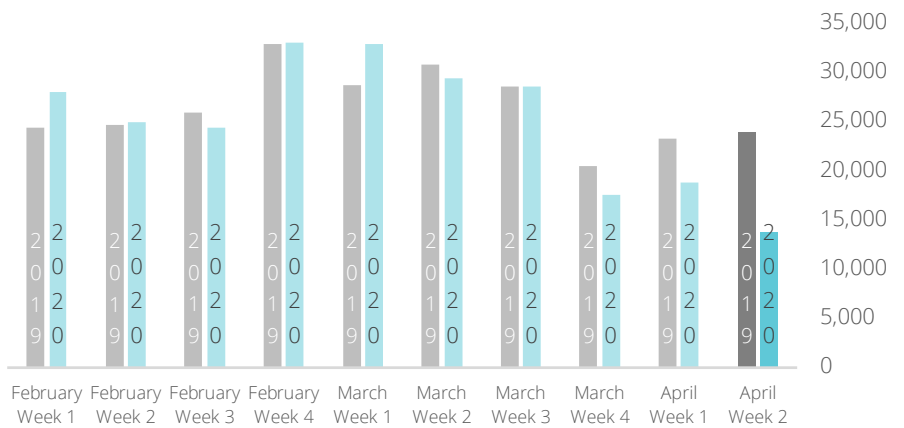


- Throughout this reporting period, total mail volume was down -5.1% compared to this time in 2019. This year-over-year variance was -1.0% through the first week of April.
- Non-donation mail volume was down -5.7% this year compared to last year during these ten weeks. Last week, non-donation mail decreased by -55.6% compared to this week in 2019; this was the largest year-over-year decrease in the weeks reported.
- Week-over-week, total mail volume declined by -25.9% from the first to the second week of April.

OF DONATIONS | Year-Over-Year Comparison

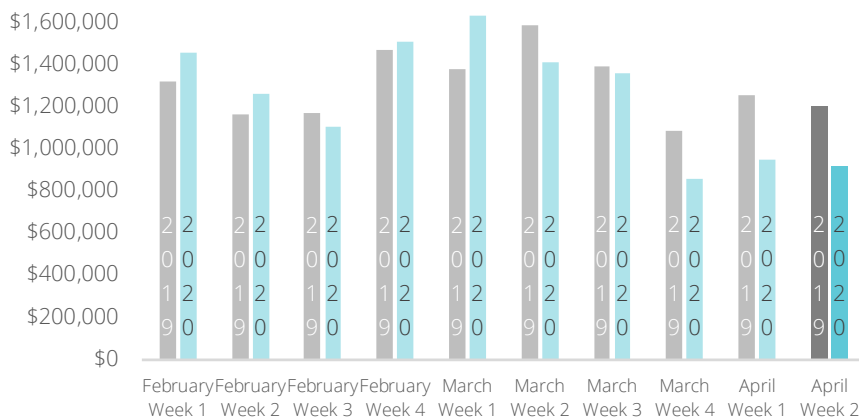
Comparing the number of donations processed each week

- Donation mail volume was down -4.8% this year compared to these ten weeks last year.
- Last week, donation mail volume was down -42.8% compared to the same week in 2019. In the previous week, the year-over-year variance was -19.3%.
- From the first to the second week of April, donation mail volume declined -26.87%. This is down compared to the fourth week of March to the first week of April, where the week-over-week variance was up 6.9%.



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



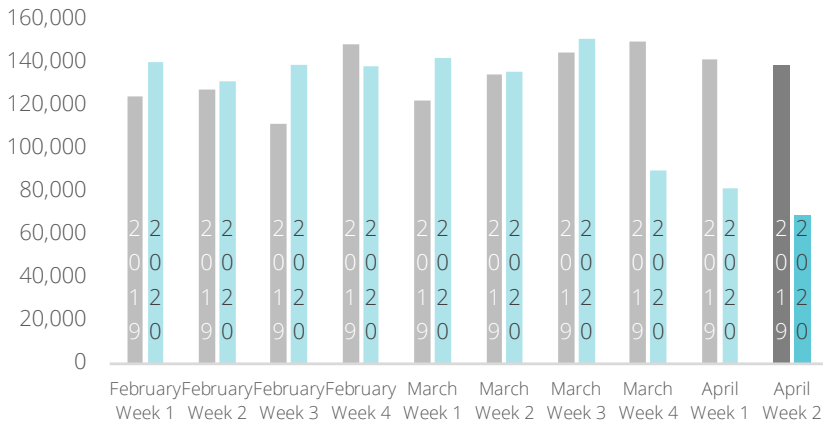
- For this reporting period, donation revenue was down -4.3% compared to the same period in the previous year.
- The average gift during this time frame was relatively flat this year compared to last, a variance of 0.5%.
- Despite the 33.5% increase in the average gift last week compared to the same week in 2019, donation revenue was down -23.7% year-over-year. The higher overall average gift was due to an increase in the average gift for check donations.
- Week-over-week, donation revenue decreased by -3.6%. This week-over-week decline was driven by the decrease in donation mail volume.

HEALTH

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week



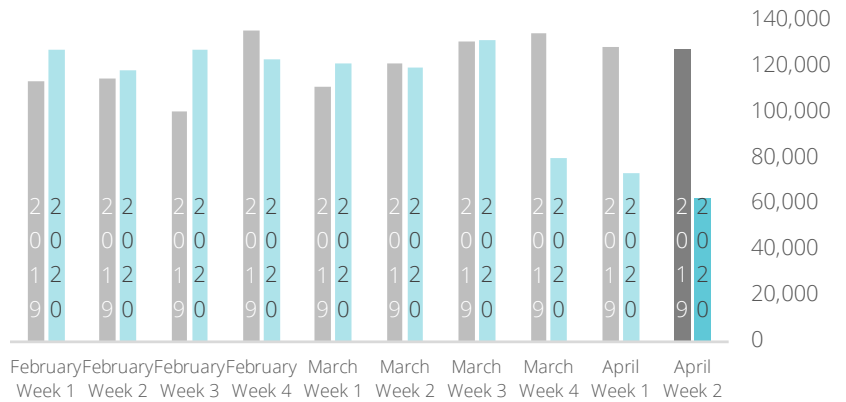
- Total mail volume was down -9.4% over the last ten weeks compared to these weeks in 2019.
- Non-donation mail volume was 4.4% higher during the reporting period this year compared to last. This past week was the steepest year-over-year decline during this reporting period — a year-over-year decline of -47.6%.
- From the first to the second week of April, total mail volume decreased by -16.0%. Last week, the week-over-week variance was -9.2%.

- From the first week of February to the second week of April, donation mail volume was down -10.9% in this sector.

OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week

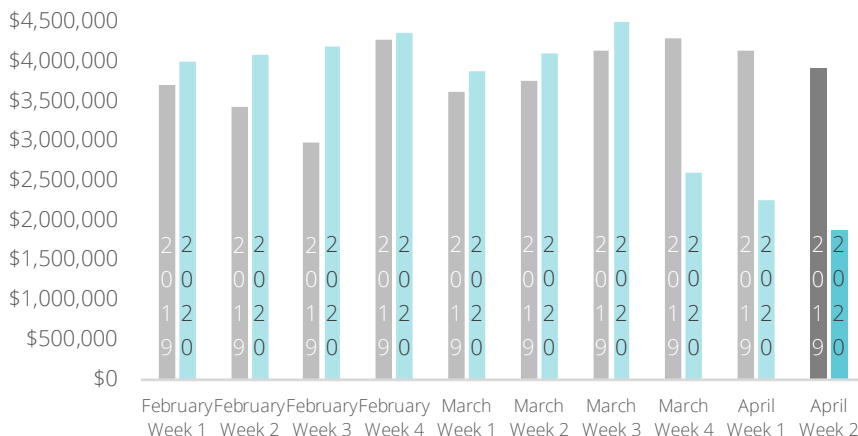
- This past week, there was a year-over-year decrease of -51.0% from last year to this year. Across the three payment types, donation mail volume was roughly -50.0% lower this year compared to the previous year.
- Week-over-week, donation mail volume was down -15.0%. In the previous period, the fourth week of March to the first week of April, donation mail volume was down -8.0%.



- There was a -6.3% year-over-year decline in donation revenue from 2019 to this year during this reporting period. The decrease in donation revenue was caused by the lower donation mail volume, not average gift.
- The average gift during this time frame was up 5.1% year-over-year.
- Last week, donation revenue was down -42.1% compared to this week last year, and the average gift was down by -2.3%.
- Donation revenue was down -16.9% from the first to the second week of April. The average gift dropped -2.2% week-over-week.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

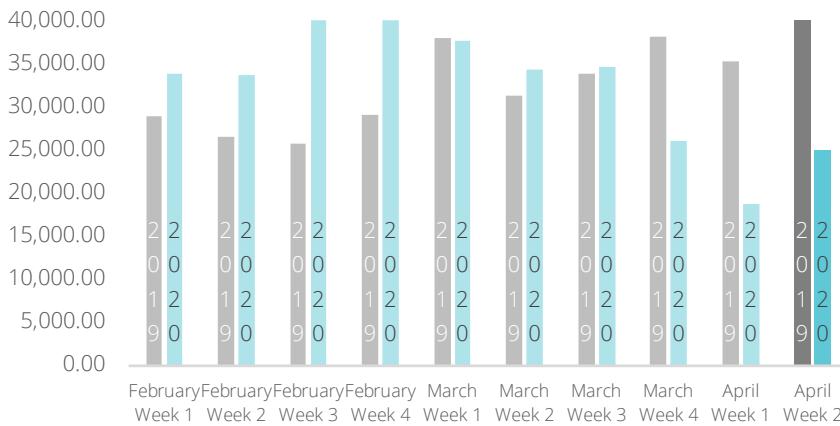


HUMAN SERVICES

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

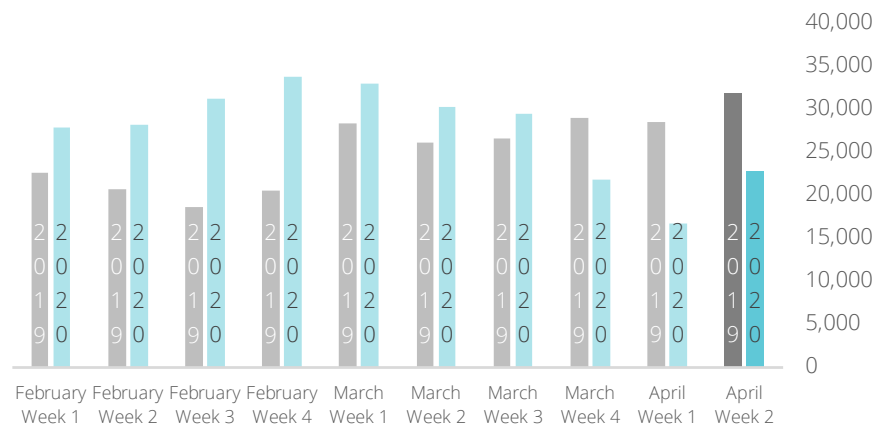


- Year-over-year total mail volume was down -0.3% this year compared to the previous year during this reporting period.
- Last week, total mail volume decreased by -38.6% compared to the same week in 2019.
- From the first to the second week of April, total mail volume increased by 33.5%. This increase was primarily driven by donation mail volume, as non-donation mail volume increased by only 5.9% week-over-week.

- Donation mail volume remained higher than the volume reported in 2019 during this reporting period. Donation mail volume was 8.7% higher year-over-year.
- In the second week of April, there was a decline in donation mail volume of -28.3% compared to the same week last year. In the previous week, the year-over-year decline was -41.7%.
- Week-over-week, donation mail volume increased by 36.9%. The previous period, the week-over-week variance was -23.6%, and before that, from the third to the fourth week of March, the week-over-week variance was -26.0%.

OF DONATIONS | Year-Over-Year Comparison

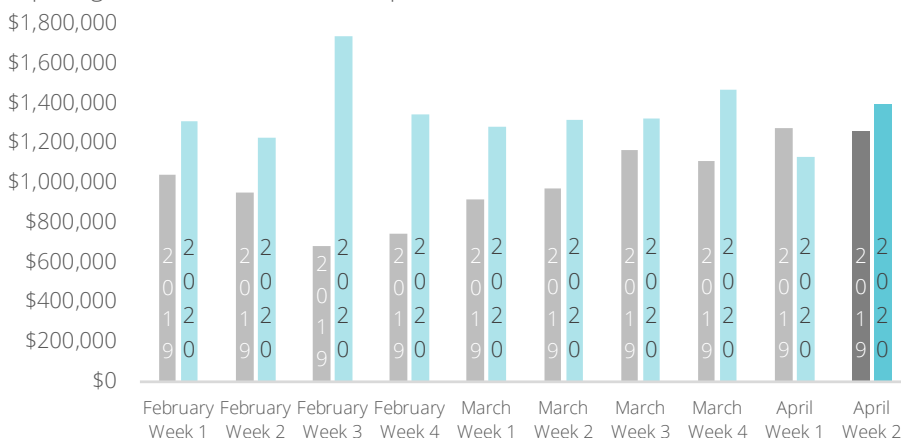
Comparing the number of donations processed each week



- Donation revenue increased by 33.8% from the first week of February through the second week of April. The year-over-year increase was a function of the increases in volume and the average gift. The average gift was up by 23.1% during this reporting period compared to the same time frame in 2019.
- Last week, the donation revenue was 10.7% higher than the same week in the previous year. The average gift was 54.5% higher, which offset the decrease in volume.
- Week-over-week, there was a 23.3% increase in donation revenue. From the fourth week of March to the first week of April, the week-over-week variance was down -23.0%.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

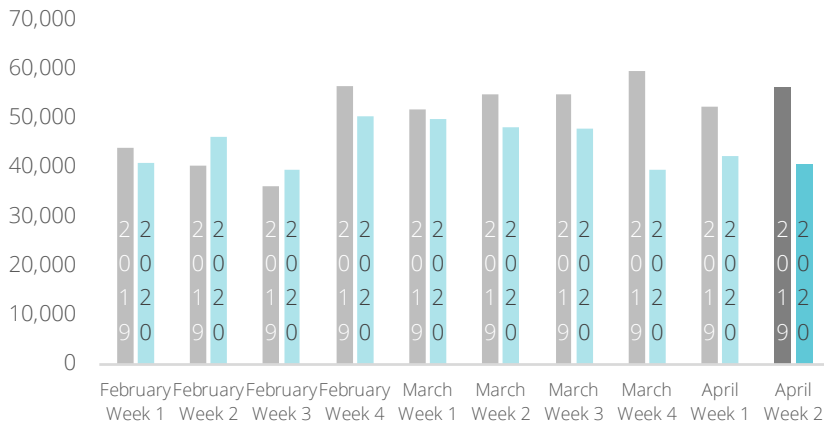


INTERNATIONAL RELIEF

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

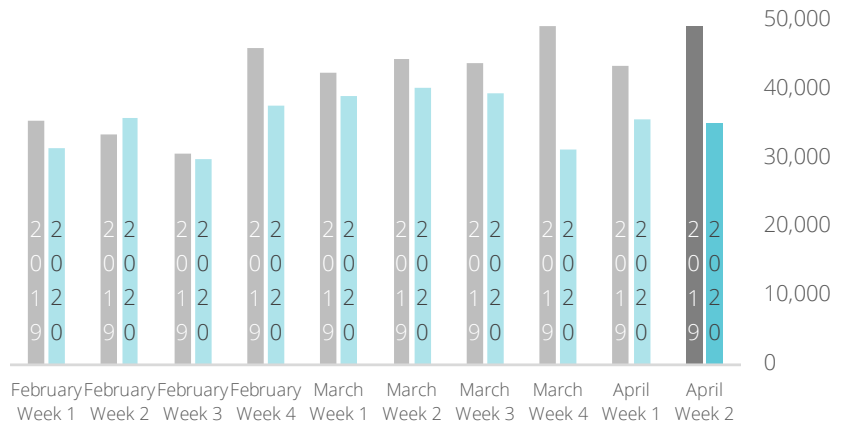


- Total mail volume decreased by -12.1% from the first week of February through the second week of April. This year-over-year decline was due to decreases in donation mail volume.
- Non-donation mail volume during this reporting period increased by 1.3% compared to the same period last year.
- Week-over-week, total mail volume declined by -3.4% from the first to the second week of April. In the previous period, the fourth week of March to the first week of April, the week-over-week variance was an increase of 7.1%.

OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week

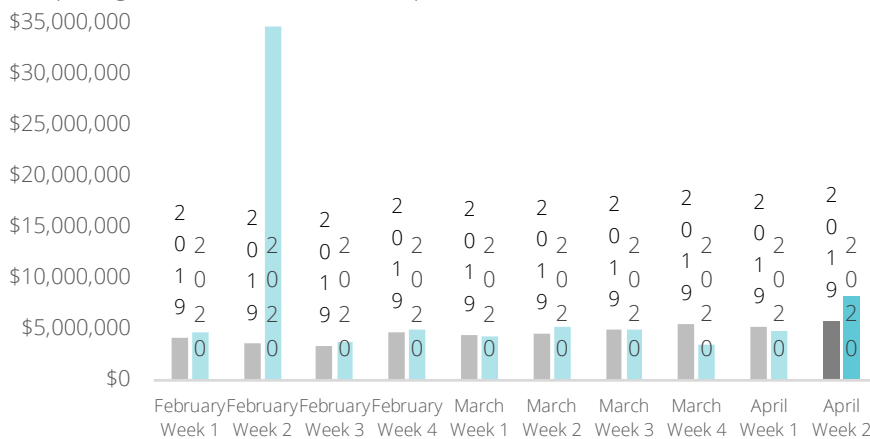
- There was a decline of -15.0% in donation mail volume during this period this year compared to last.
- In the second week of April, the donation mail volume dropped by 28.7% compared to this week in 2019.
- From the first to the second week of April, donation mail volume dipped -1.5%. The week prior, the week-over-week variance was 13.8%.



- Last week, there was an increase of 41.6% in donation revenue for this reporting period compared to the same time in 2019.
- Overall, from the first week of February through the second week of April, donation revenue increased by 71.3% year-over-year. This increase was driven by a substantial increase in credit card donation revenue in the second week of February. If donation revenue that week were even with that week's revenue in 2019, donation revenue would be 4.0% more this year than last year.
- From the first to the second week of April, donation revenue increased by 70.5%. A jump of 70.5% in average gift from week-to-week drove this increase. The check average gift was up 72.2% week-over-week.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

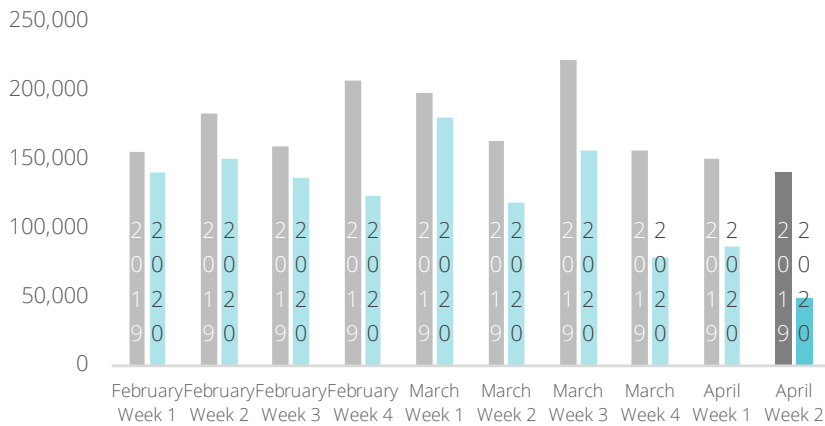


SOCIETAL BENEFIT

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

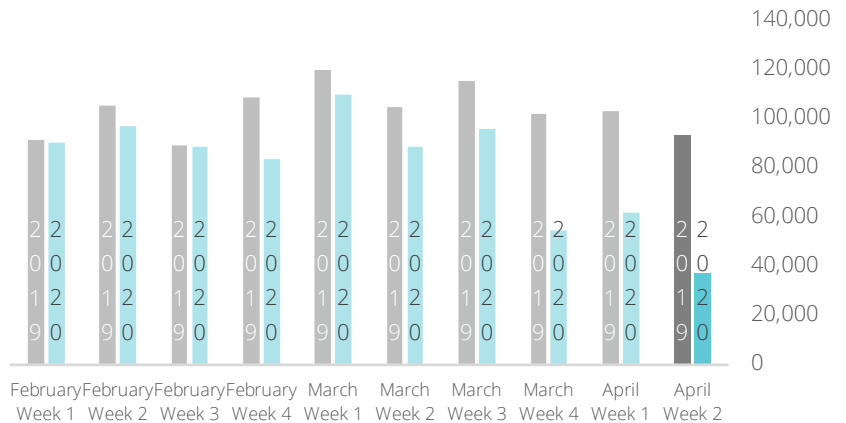


- The total mail volume for this reporting period decreased by -29.7% compared to these ten weeks in 2019.
- Non-donation mail volume was down -41.0% this year compared to last year during this time frame.
- Last week, total mail volume was down -65.5% and non-donation mail volume was down -76.1% compared to the volumes reported for this week last year.
- From the first to the second week of April, total mail volume declined by -43.8%. Again, some of this week-over-week variance is due to the power outage at our facility.

- Donation mail volume declined by -22.0% from the first week in February through the second week in April this year compared to last. Through the second week of March, this year-over-year variance was -10.1%.
- In the second week of April, the donation mail volume was -60.2% lower than the same week in 2019. Again, please keep in mind there was a power outage at our facility last week., which effected mail processing.
- Week-over-week, donation mail volume decreased by 39.8%. Previously, from the fourth week of March to the first week of April, this week-over-week variance was an increase of 13.6%.

OF DONATIONS | Year-Over-Year Comparison

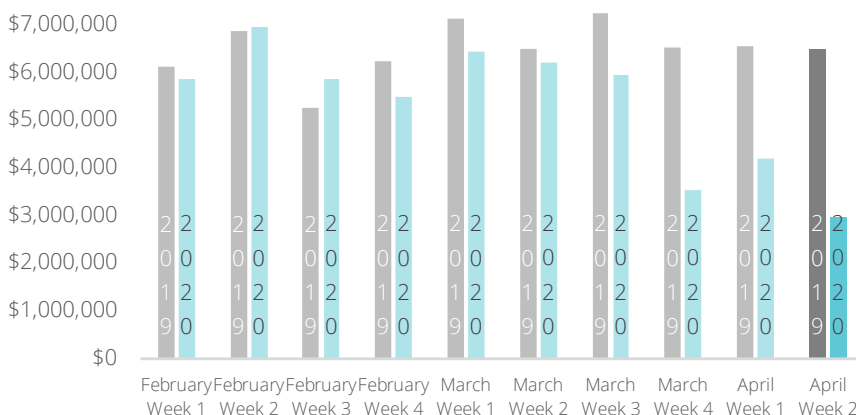
Comparing the number of donations processed each week



- Compared to this reporting period last year, donation revenue declined by -17.7%. This decline was volume-driven, as the average gift during this period was 5.5% higher this year than it was last year.
- In the second week of April, donation revenue was -54.5% less than the donation revenue for this period in 2019. The 14.2% year-over-year increase in average gift helped mitigate the lower donation mail volume.
- From the first to the second week of April, donation revenue dropped by -29.5%. This decline was despite the 17.0% week-over-week increase in the average gift.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



LOOK FOR THE RAINBOW AFTER THE STORM

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
Vice President, Strategy

(301) 797-4668
ambobrick@merkleinc.com
<https://www.merkleresponse.com/covid-19reports>