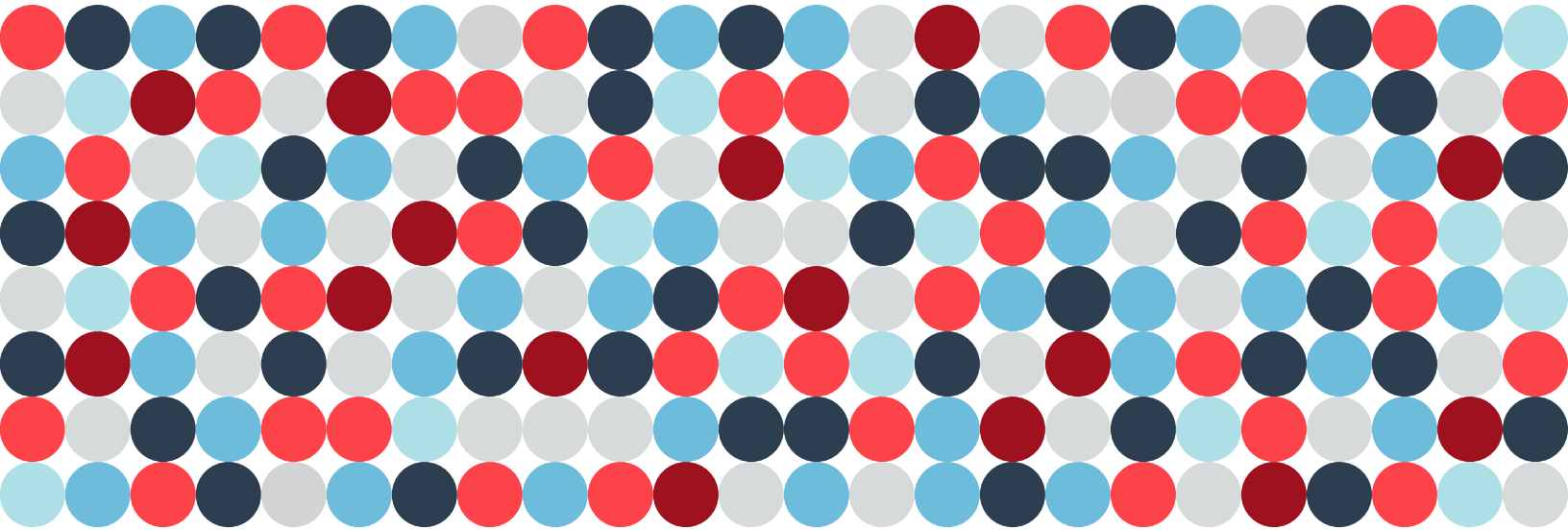


IMPACT REPORT

COVID-19:

How the Coronavirus Pandemic is Impacting Direct Mail Fundraising

Transactions through April 19, 2020



MERKLE RMG'S

COVID-19 IMPACT
REPORT

WE CONTINUE TO ADAPT AND EVOLVE. We continue to adjust and refine our processes to be as efficient as possible, given the challenging working conditions caused by the Coronavirus pandemic. Though these changes have improved various aspects of our workflow, they cannot overcome the impact it has on the most *essential* part of the workflow, our people.

Including transactions from the first week of February through the third week of April, this is the sixth installment of our *Impact Report*. Our weekly report shares transactional data reflecting the mail pieces processed at our facility during the specified reporting period.

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

ELEVEN WEEKS. That is the number of weeks included in this week's report. And that is a lot of data points to include in the tiny trio of charts. This week's report is formatted a bit differently than the previous weeks. The trio of charts in each section includes six weeks of data. There will be no straining of the eyes while you review this report! Two new, larger charts with all of the weeks for the reporting period were added to each section.

-15.5%
VOLUME OF
DONATIONS

YEAR-OVER-YEAR CHANGE

- Over the last eleven weeks, donation mail volume has decreased by -15.5% compared to the same period in 2019. Compared to the third week of April last year, donation mail volume dropped -17.1% this year. This weekly year-over-year variance has improved; the first week of April donation mail volume was down -39.5% compared to that week last year, and the second week of April, donation mail volume was -49.3% lower than that week in 2019. From the second to the third week of April, donation mail volume increased by 53.1%. An improvement since the last report where donation mail volume declined -16.1% from the first to the second week of April.

5.8%
AMOUNT OF TOTAL
DONATIONS

YEAR-OVER-YEAR CHANGE

- Donation revenue for this reporting period was 5.8% higher this year compared to the same time frame in 2019. This year-over-year variance dropped since last week's report, where it was 7.3%. In the third week of April, donation revenue was down -8.8% compared to the same week the previous year — a factor of the lower donation mail volume. The **Human Services** and **International Relief** sectors were the only sectors with positive year-over-year variances for this period.

25.2%
AVERAGE GIFT

YEAR-OVER-YEAR CHANGE

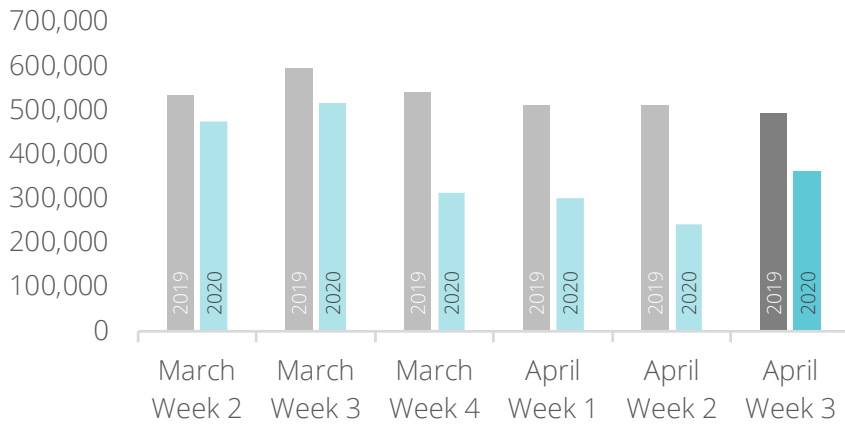
- During this reporting period, the average gift was 25.2% higher this year than it was in the previous year. Last week, the average gift increased by 10.1% year-over-year, which helped mitigate the impact of the lower volume on donation revenue. The average gift each week had remained even with or higher than its corresponding week in 2019.

NONPROFIT INDUSTRY

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

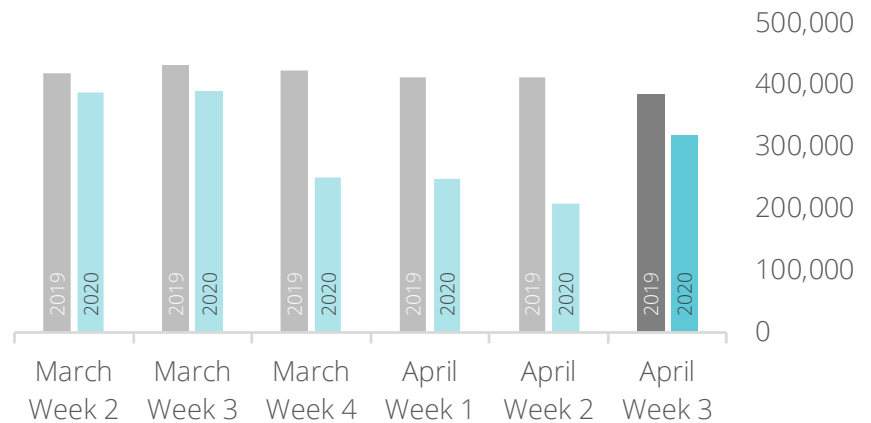


- Since the first week of February, total mail volume was down -18.7% through the third week of April compared to this same period in 2019. Non-donation mail volume decreased by -29.2%.
- Last week, the total mail volume was -26.3% lower than the same week the previous year. Through the third week of April, total mail volume for the month was -40.0% lower than this point in April 2019.
- Week-over-week, total mail volume increased by 49.5%. This is a significant improvement from the previous week, as the first to the second week of April mail volume declined -19.5%.

- Donation mail volume rebounded this past week. From the second to the third week of April, donation mail volume increased by 53.1%.
- For this reporting period, donation mail volume decreased by -15.5% compared to this period in 2019.
- In the third week of April, donation mail volume declined -17.1% compared to the previous year. The **Human Services** was the only sector with a year-over-year increase.
- Through the third week of April, donation mail volume was -35.7% lower than at this point last year.

OF DONATIONS | Year-Over-Year Comparison

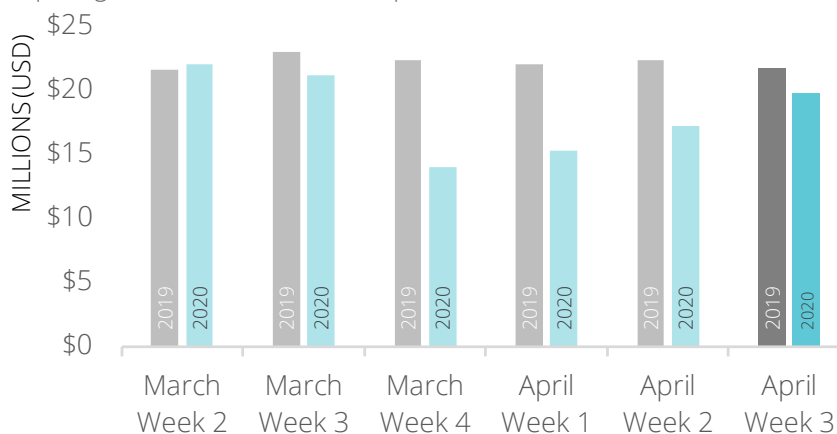
Comparing the number of donations processed each week



- Donation revenue was 5.8% higher from the first week of February through the third week of April this year compared to the same time frame in 2019. For the month of April, donation revenue was -20.8% behind where it was at this point in 2019.
- In the third week of April, donation revenue decreased by -8.8% compared to this week last year. The decline was due to volume, as the average gift this week was 10.1% higher than the same week in 2019.
- Week-over-week, donation revenue was up 14.6%. This increase was in all sectors, except for the **International Relief** sector. Part of the week-over-week increase can be attributed to catching up from the power outage last week.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

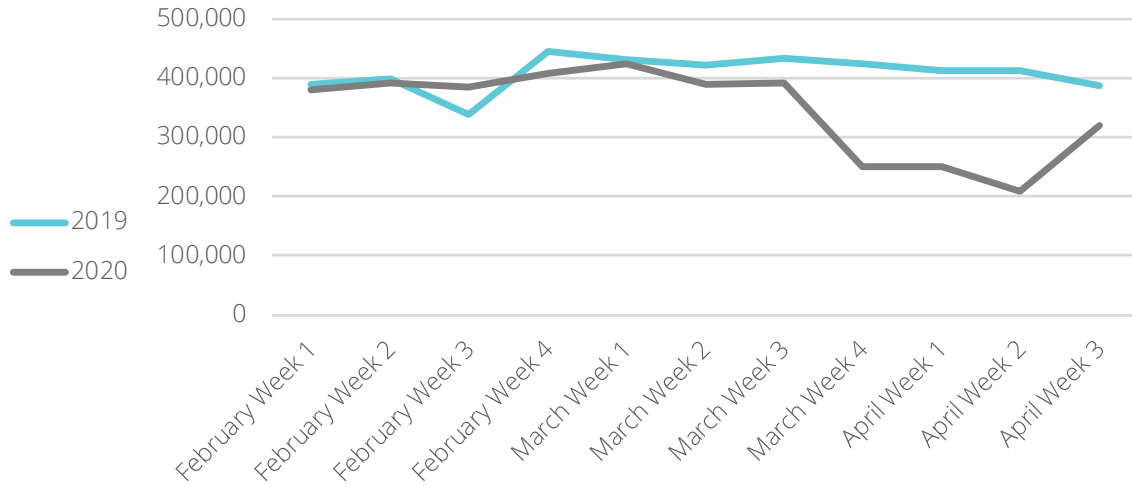


NONPROFIT INDUSTRY

WEEKLY YEAR-OVER-YEAR COMPARISON

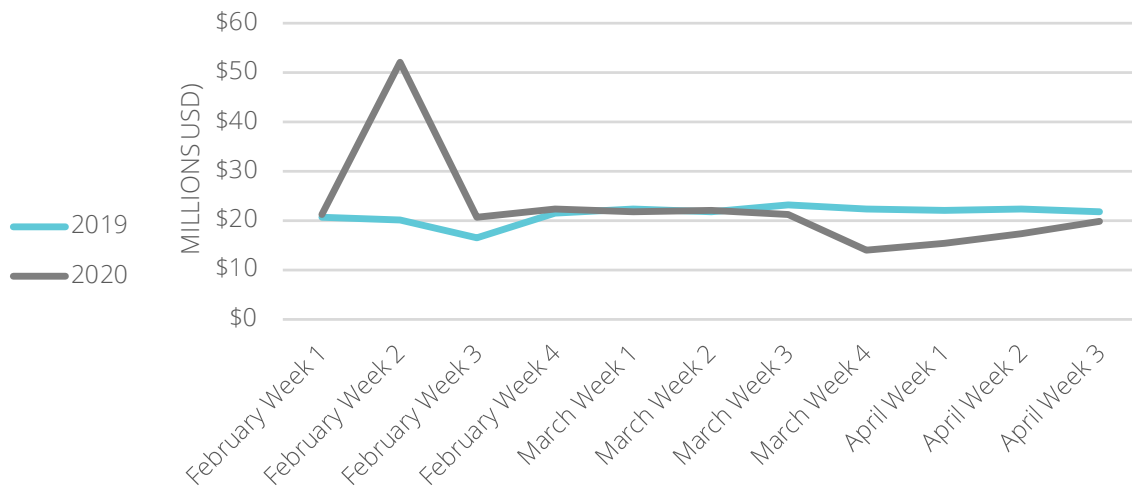
OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

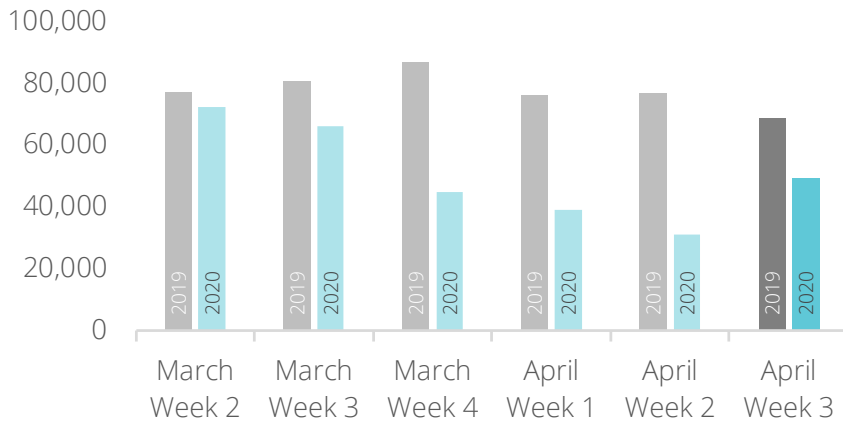


ANIMAL WELFARE

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

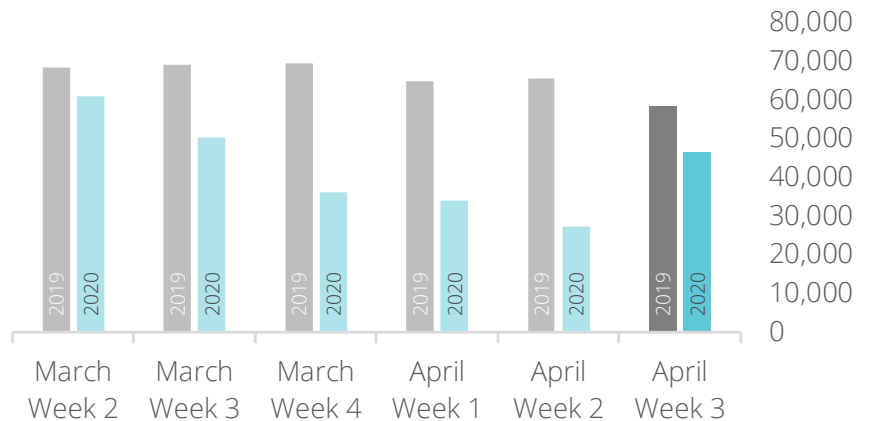


- There was a decrease of -22.0% in the year-over-year total mail volume from the first week of February through the third week of April. Non-donation mail volume declined by -19.6% during this period compared to last year.
- In the third week of April, total mail volume was down -28.0% compared to the same week in 2019. And for April, total mail volume was -46.1% behind where it was at this time last year.
- Week-over-week, total mail volume increased by 59.2%. This increase was driven by donation mail volume, as the non-donation mail volume decreased by -21.7% from the second to the third week of April.

OF DONATIONS | Year-Over-Year Comparison

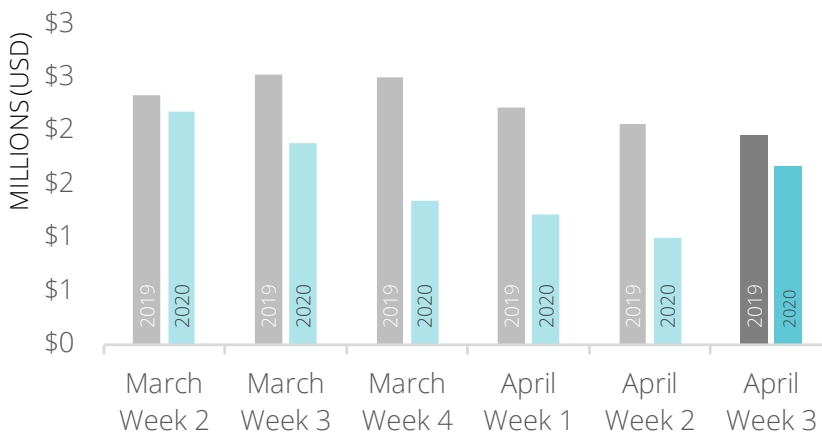
Comparing the number of donations processed each week

- Compared to this reporting period last year, donation mail volume declined by -22.4% this year. Last week, donation mail volume was -20.2% lower than the same week in 2019.
- For April, donation mail volume was down -42.7% compared to the volume at this point in the month last year.
- Week-over-week, donation mail volume increased 69.8% — catching up from the power outage last week.



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



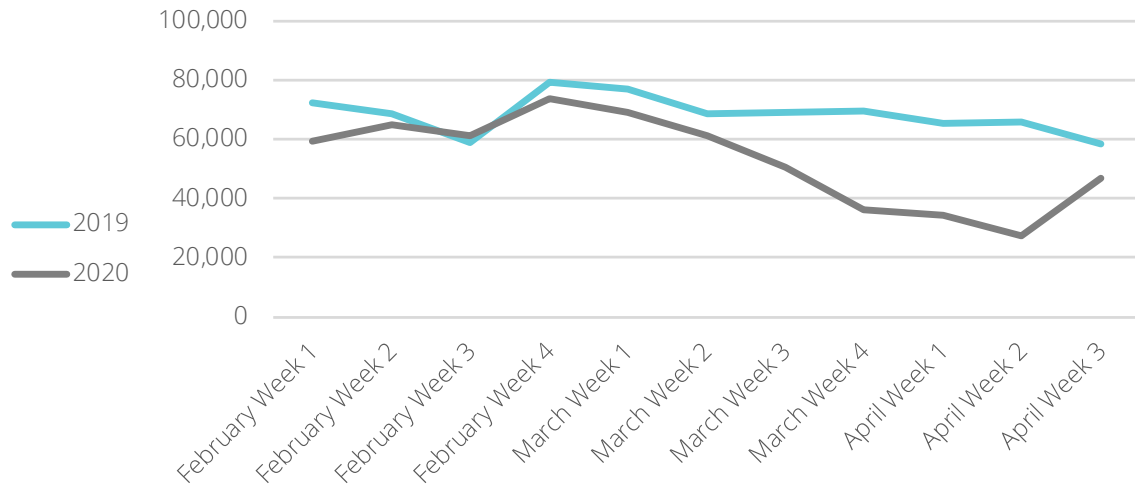
- Throughout this reporting period, donation revenue was down -16.7% compared to the same period in 2019.
- During this period, the average gift increased by 7.3% compared to the same time last year. This increase helped soften the impact of the decline in volume on donation revenue.
- Week-over-week, donation revenue increased by 68.0%. This increase in revenue was due to volume, as average gift fell -1.1% from the second to the third week of April.

ANIMAL WELFARE

WEEKLY YEAR-OVER-YEAR COMPARISON

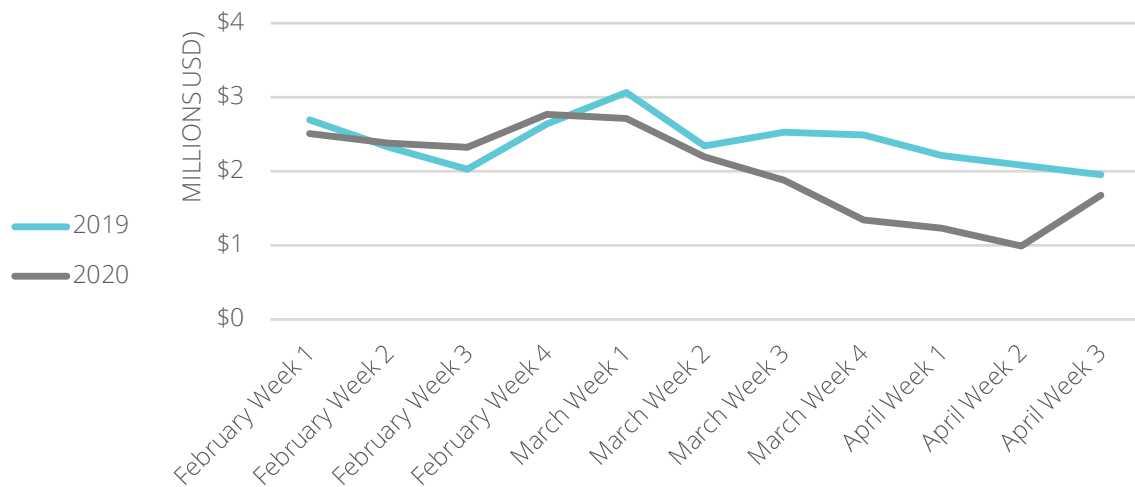
OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

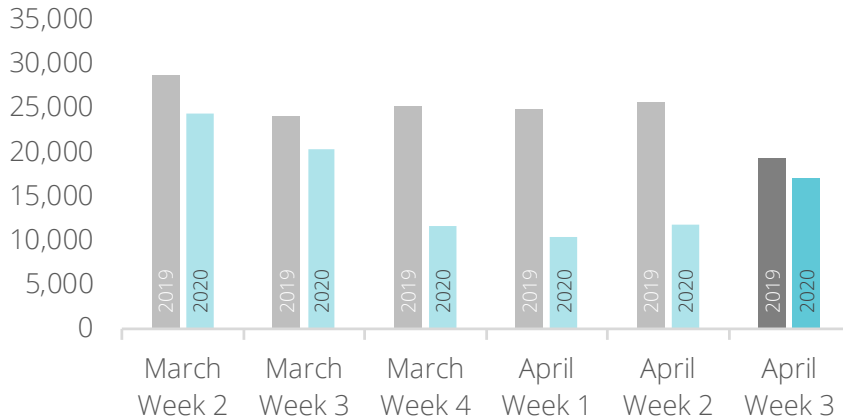


ARTS & CULTURE

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

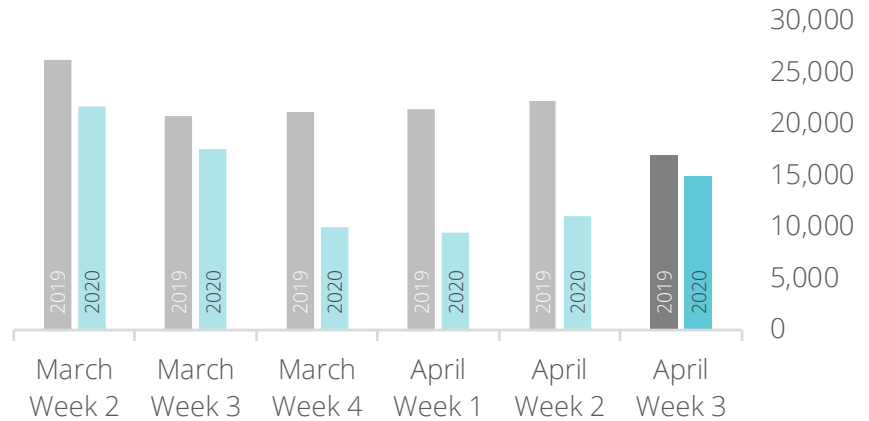


- From the first week of February through the third week of April, total mail volume dropped by -25.5% year-over-year.
- Last week, total mail volume was down -11.2% compared to the same week in 2019. Through this point in the month, total mail volume lags behind 2019 volume by -43.4%.
- Week-over-week, there was a 43.9% increase in total mail volume.
- Non-donation mail volume was -33.4% down this reporting period compared to the same time frame last year.

OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week

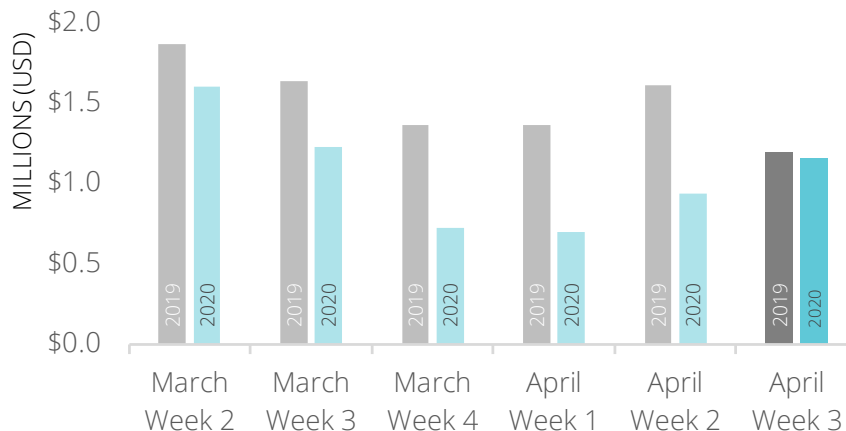
- From the second to the third week of April, donation volume increased by 35.0%.
- Overall for this reporting period, donation mail volume was -24.4% lower than this same period in the previous year. For the month, donation mail volume is behind last April by -41.5%.
- Last week, donation mail volume was down -11.9% compared to the same week last year.



- For this reporting period, donation revenue was down -13.5% compared to this time frame in 2019. This year-over-year increase was driven by a 14.4% increase in the average gift for the period.
- The year-over-year increase is due to a higher check average gift. Checks comprise over 93% of the donation revenue and there was a 14.4% increase compared to last year.
- Last week, there was only a -2.8% drop in donation revenue compared to the same week in 2019. There was a 10.4% jump in the average gift compared to last year. For April, donation revenue was behind 2019 by -33.0%.
- There was an increase of 66.6% in donation revenue from the second to the third week of April.

TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

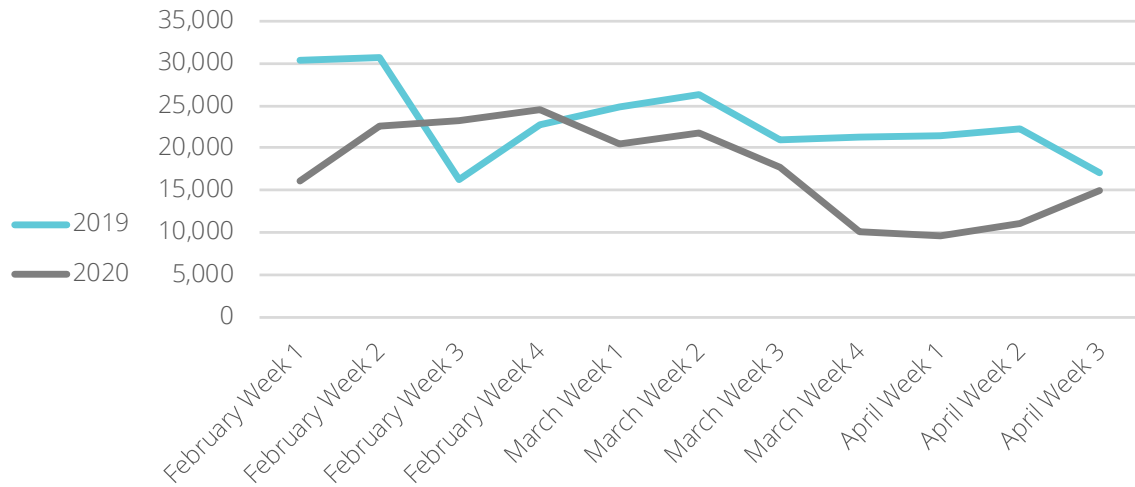


ARTS & CULTURE

REPORT PERIOD YEAR-OVER-YEAR COMPARISON

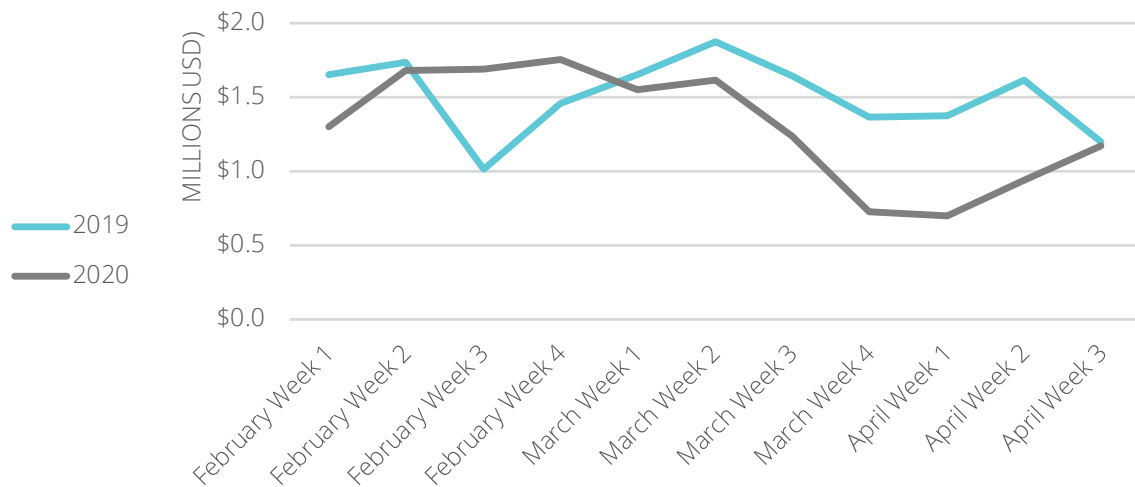
OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

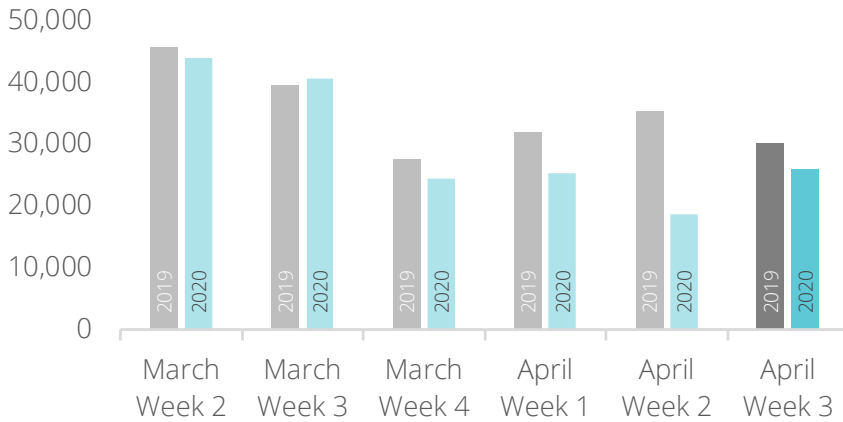


ENVIRONMENTAL

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

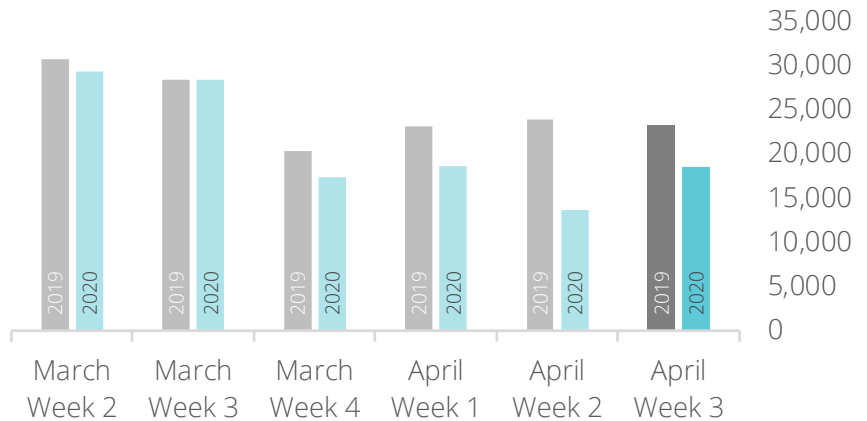


- Over the last eleven weeks, total mail volume declined by -5.7% compared to these same weeks last year. The volume for non-donation mail was down -5.0%.
- In the third week of April, total mail volume was -13.8% lower than the same week in 2019. The decline was due to donation mail volume, as year-over-year non-donation mail volume was 8.6% higher.
- From the second to the third week of the month, total mail volume increased by 38.4%. Month-to-date, April was -28.1% behind compared to this point last year.

OF DONATIONS | Year-Over-Year Comparison

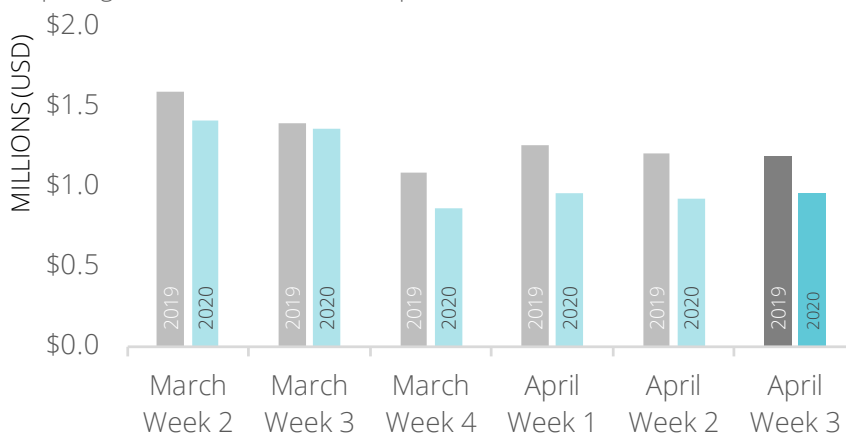
Comparing the number of donations processed each week

- Donation mail volume was down -6.0% for this reporting period this year compared to last.
- Last week, donation mail volume was down -20.3% compared to the same week in 2019. For the month, this year was -27.6% behind last year.
- Week-over-week, donation mail volume was up 36.0%.



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



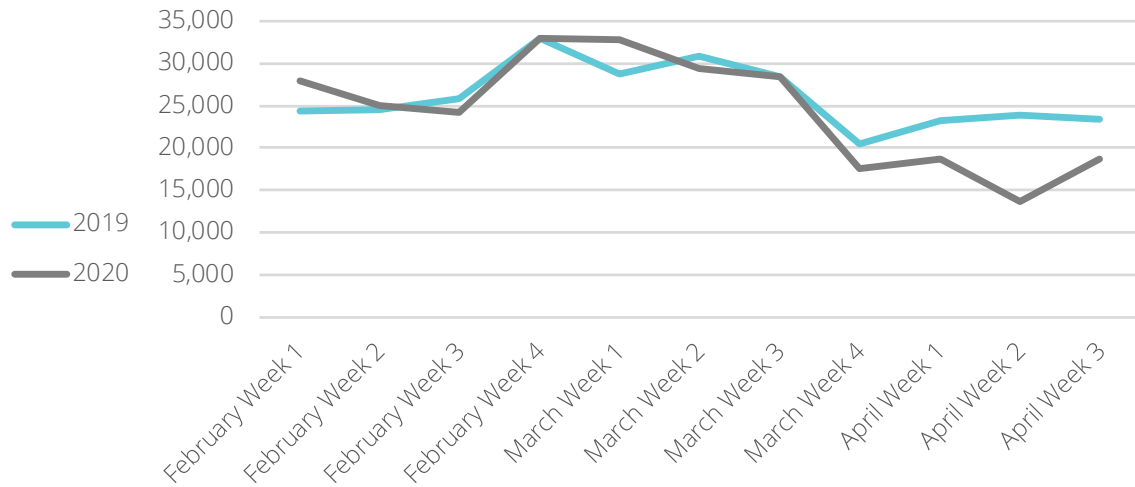
- For this reporting period, donation revenue was down -5.9% compared to the same period in the previous year. This grew from last week, where the year-over-year variance was -4.3%.
- In the third week of April, donation revenue decreased by -19.8% this year compared to this week last year. The decline was driven by volume, as average gift was 0.6% higher than in 2019.
- Donation revenue was -22.5% down this month compared to this time last April.
- From the second to the third week of April, donation revenue increased by 3.5%.

ENVIRONMENTAL

REPORT PERIOD YEAR-OVER-YEAR COMPARISON

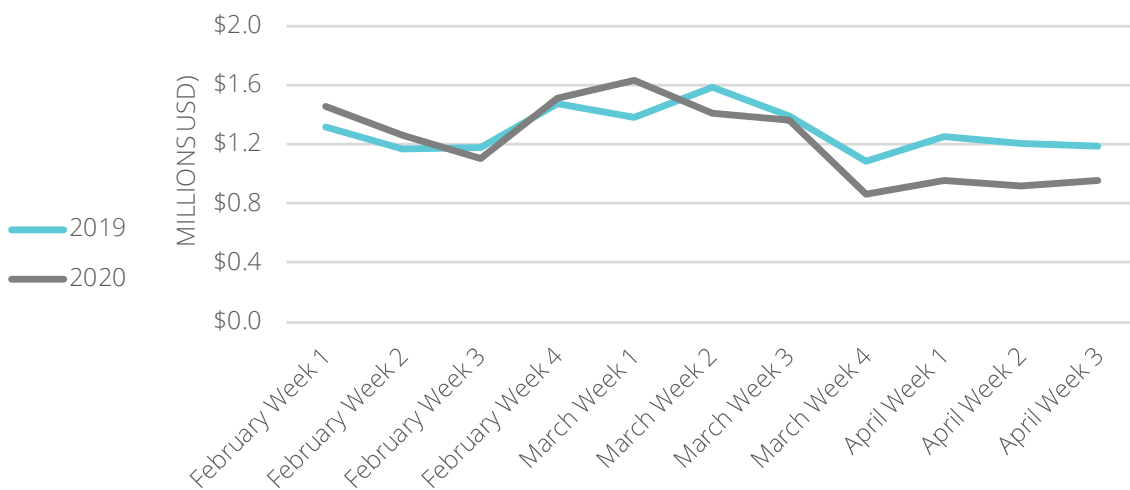
OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

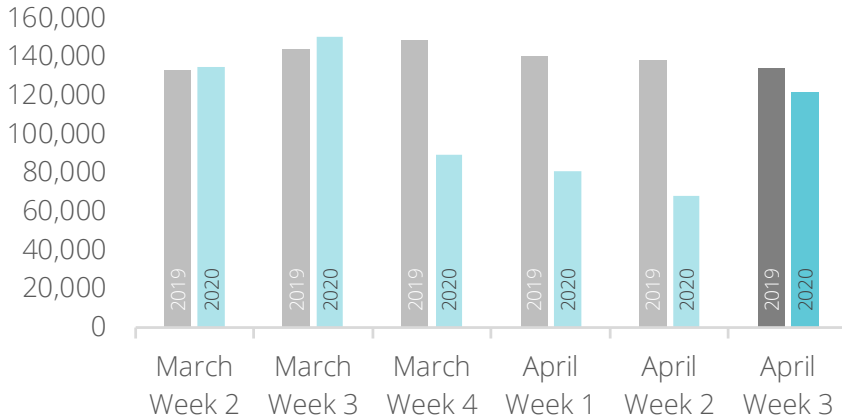


HEALTH

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

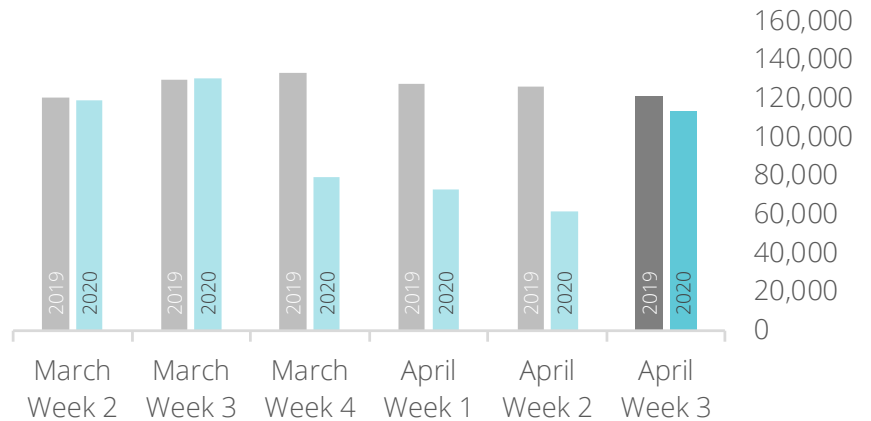


- The total mail volume was down -9.4% over the last eleven weeks compared to this same period in 2019. Non-donation mail volume increased by 1.1% year-over-year.
- Last week, total mail volume decreased by -8.8% compared to the same week the previous year. Through the third week of April, the total volume for the month was -34.3% behind compared to this point in April 2019.
- The week-over-week increase was 79.4%. Catching up from last week's power outage was a factor in this substantial spike.

OF DONATIONS | Year-Over-Year Comparison

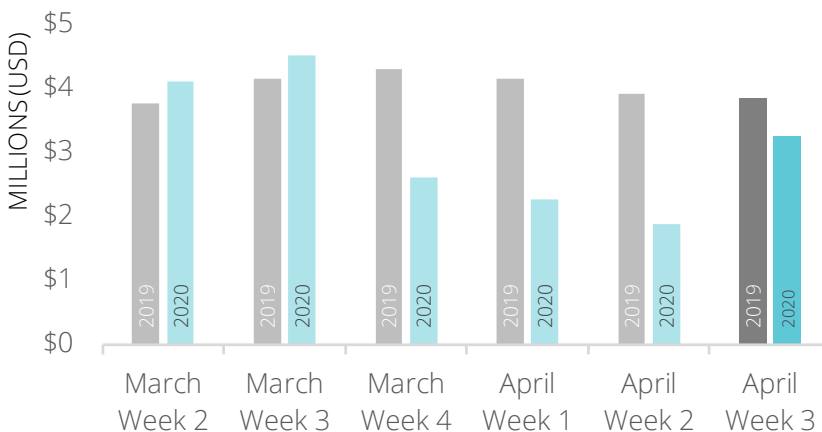
Comparing the number of donations processed each week

- From the first week of February through the third week of April, donation mail volume decreased by -10.5%.
- In the third week of April, donation mail volume was down -6.4% compared to this week in 2019. Donation mail volume for the month was -33.8% behind where it was at this point last April.
- There was an 82.8% increase in donation volume from the second to the third week of April. Again, this increase was due, in part, to catch up from the power outage the previous week.



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



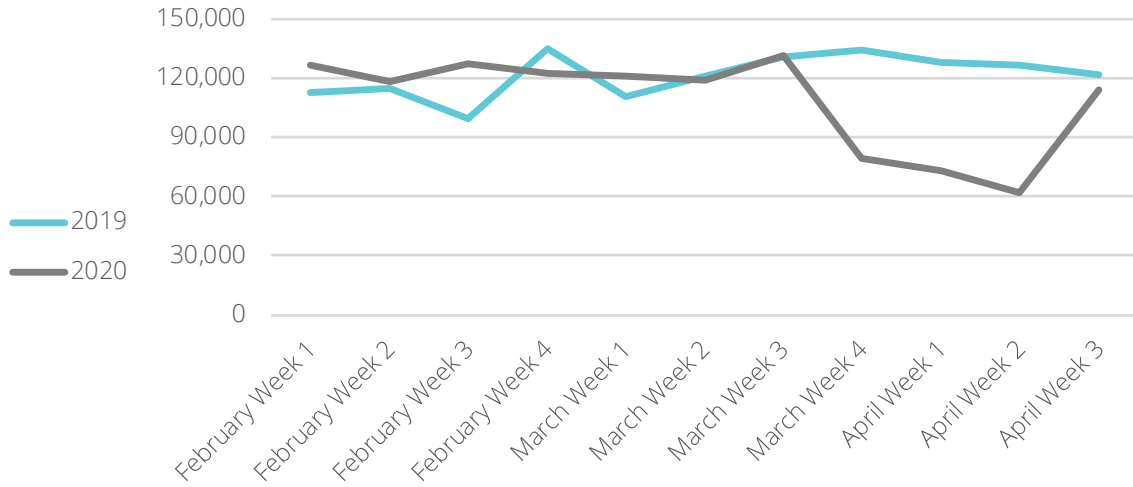
- There was a -7.2% decline in donation revenue during this reporting period compared to the same time frame last year.
- The drop in donation revenue was caused by the decline in volume, as the average gift was 3.7% higher this period this year than in 2019.
- For April, donation revenue was -38.1% lower through the third week compared to the same point last year.
- Week-over-week, donation revenue increased 43.6%, which was a function of volume.

HEALTH

REPORT PERIOD YEAR-OVER-YEAR COMPARISON

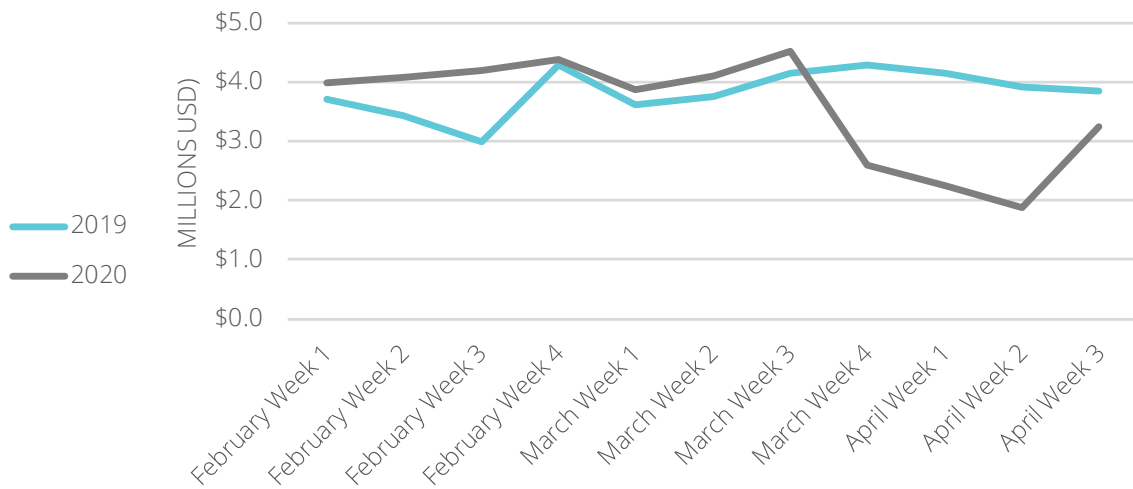
OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

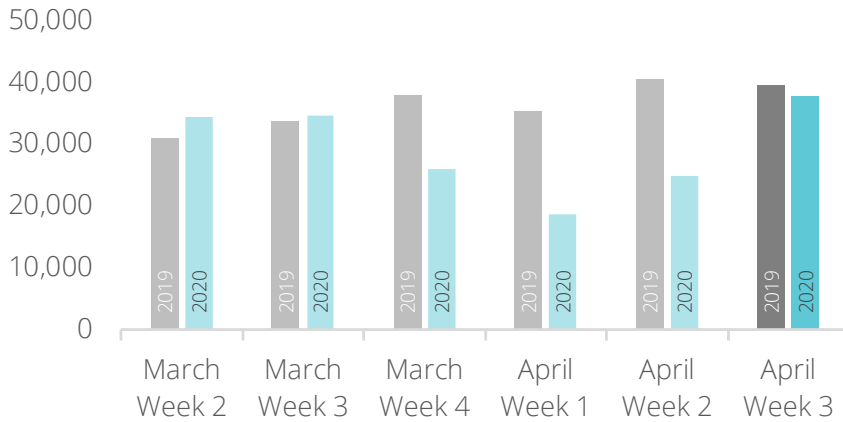


HUMAN SERVICES

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

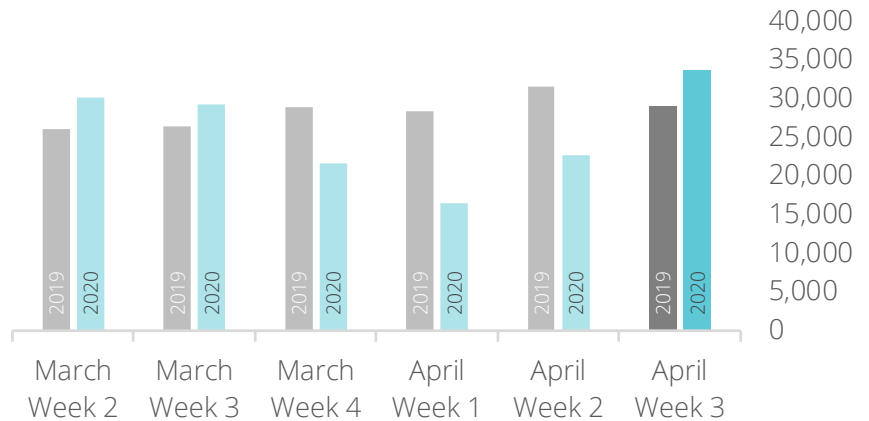


- Overall, year-over-year total mail volume was down -0.8% from the first week of February through the third week of April.
- In the third week of April, the total mail volume decreased -4.8% compared to this week last year.
- Week-over-week, total mail volume was up by 51.4%.
- Non-donation mail volume was -34.4% lower throughout the reporting period this year compared to the same time last year.

OF DONATIONS | Year-Over-Year Comparison

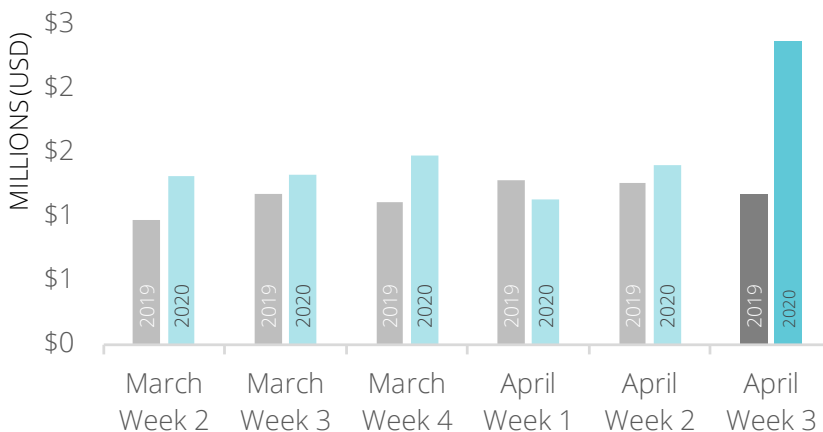
Comparing the number of donations processed each week

- Donation mail volume remained higher this reporting period compared to the time frame in 2019 — a year-over-year increase of 9.4%.
- Last week, donation mail volume was higher by 15.7% compared to the third week of April in the previous year. However, for the month, donation volume was -18.2% lower compared to this point in April 2019.
- From the second to the third week of April, donation mail increased by 48.6%.



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



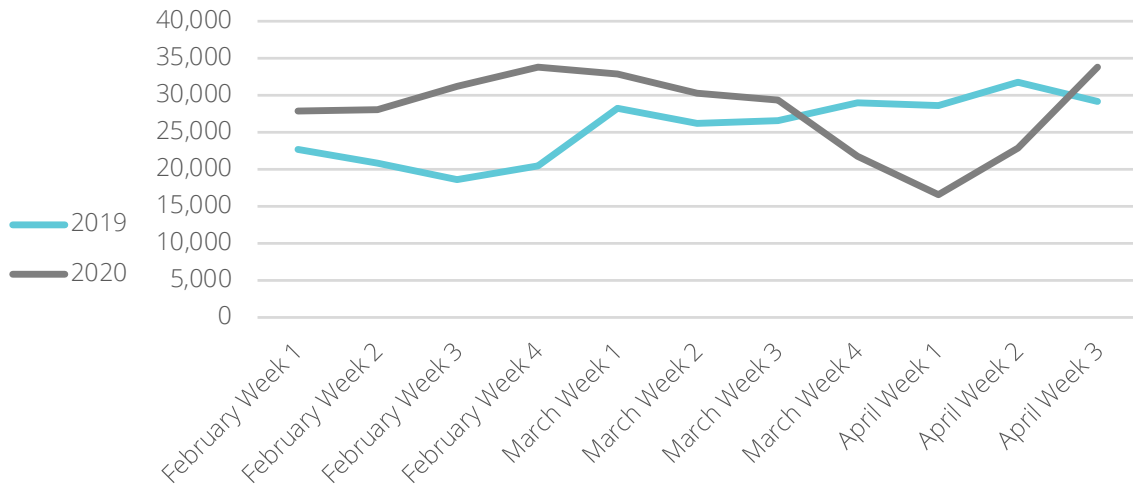
- From the first week of February to the third week of April, donation revenue was 40.8% more this year compared to the same period the previous year. This was due to both volume and average gift — the average gift was 28.6% higher year-over-year.
- Month-to-date, donation revenue was 31.6% higher compared to this same point in April of last year.
- Week-over-week, there was a 69.3% increase in donation revenue.

HUMAN SERVICES

REPORT PERIOD YEAR-OVER-YEAR COMPARISON

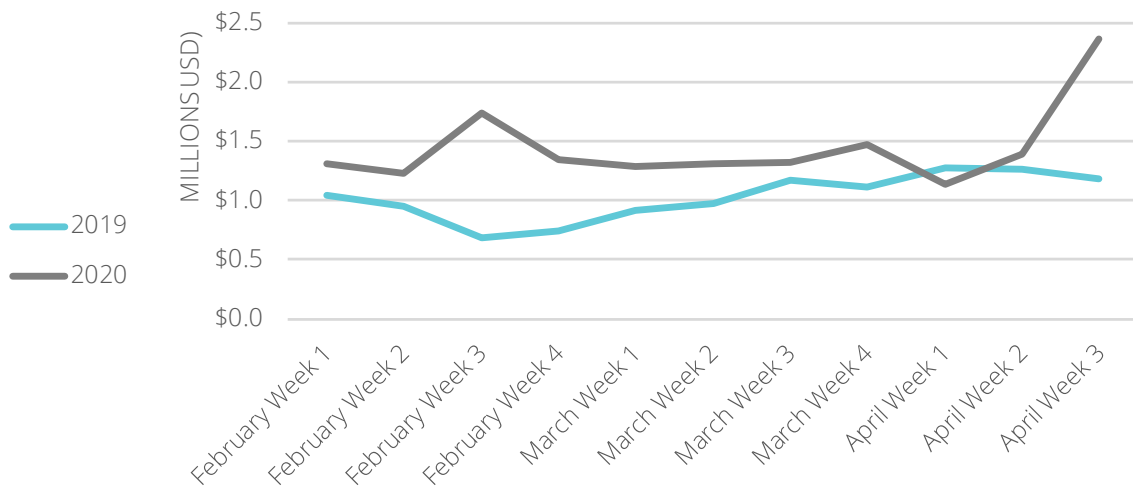
OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

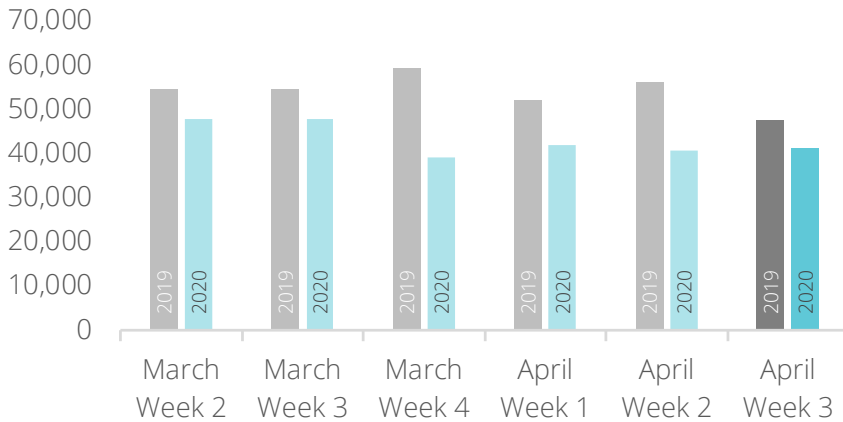


INTERNATIONAL RELIEF

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

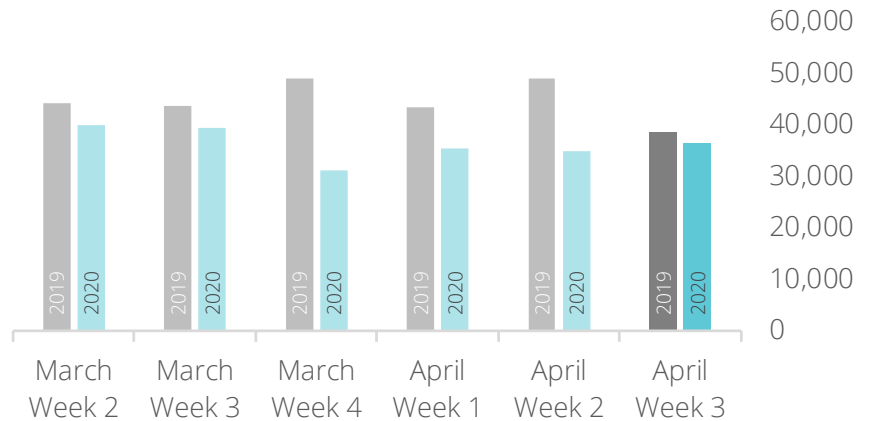


- Total mail volume decreased by -12.2% from the first week of February through the third week of April.
- Non-donation mail volume during this reporting period decreased by -2.9% compared to the same period last year.
- Week-over-week, total mail volume increased by 1.6%. This increase was due to donation mail, as non-donation mail volume declined by -15.3%.

OF DONATIONS | Year-Over-Year Comparison

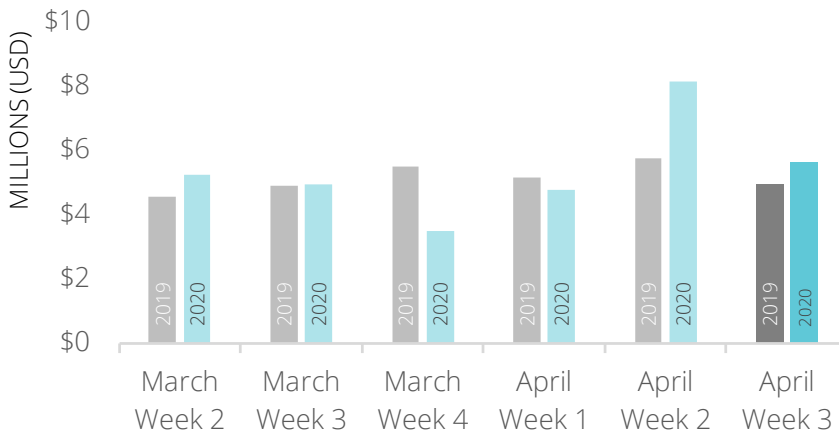
Comparing the number of donations processed each week

- There was a decline of -14.2% in donation mail volume during this period this year compared to last. This improved from the last report, where year-over-year donation volume was down -15.0%.
- For April, donation mail volume lagged behind 2019 by -18.5%. In the third week of April, there was a drop of -6.0% compared to the same week in 2019.
- From the first to the second week of April, donation mail volume increased 4.3%.



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



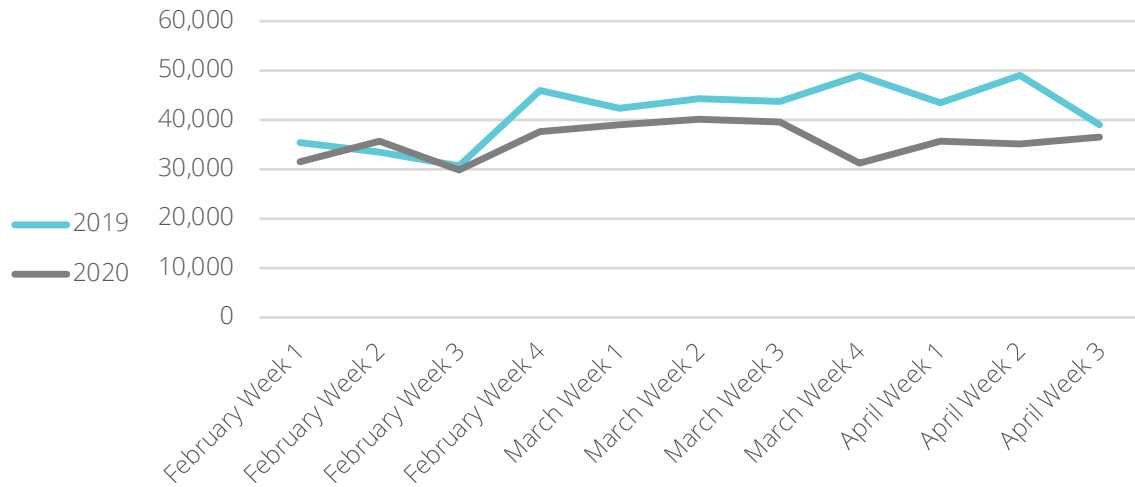
- Overall, there was a 65.8% increase in donation revenue for this reporting period compared to the same period the previous year.
- Last week, donation revenue was 13.8% higher than the same week in 2019. This increase was due to the 21.0% increase in average gift.
- Through the third week of April, the monthly donation revenue was 17.1% more than this point in April 2019.
- Donation revenue was down -31.1% from the second to the third week of April. The power outage was a factor in this week-over-week variance.

INTERNATIONAL RELIEF

REPORT PERIOD YEAR-OVER-YEAR COMPARISON

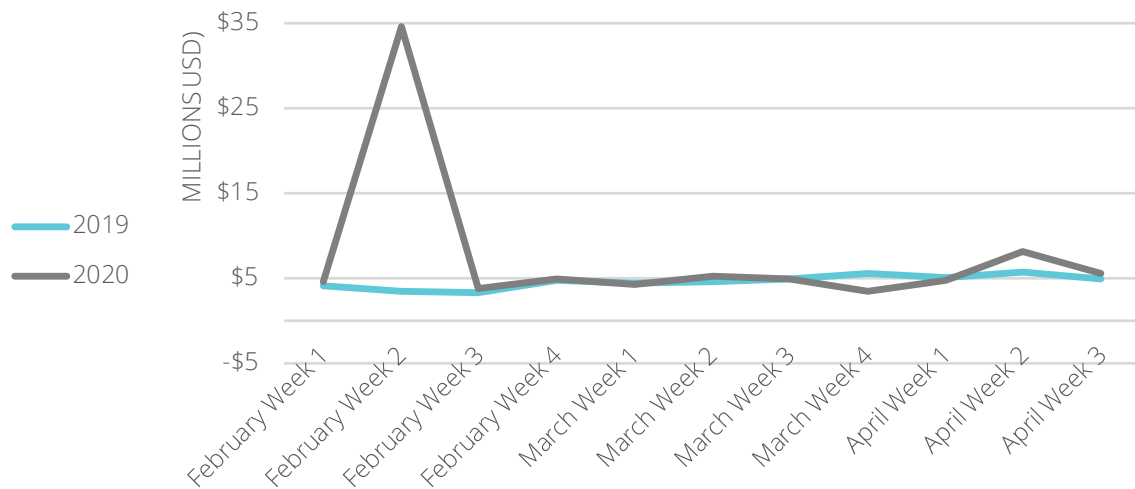
OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

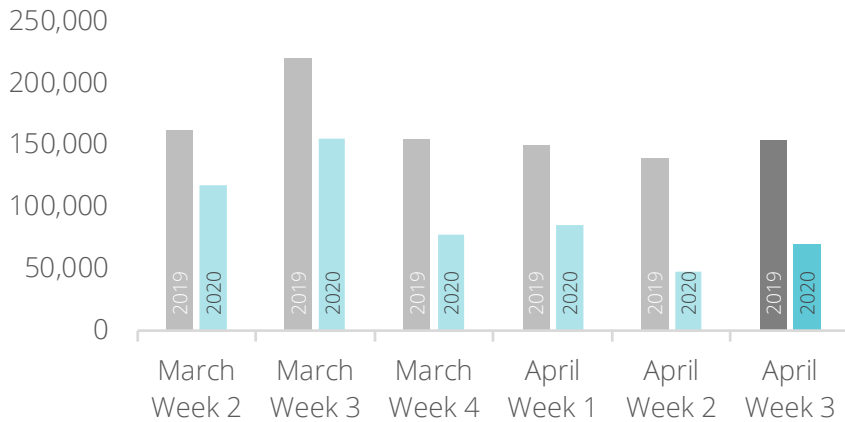


SOCIETAL BENEFIT

WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

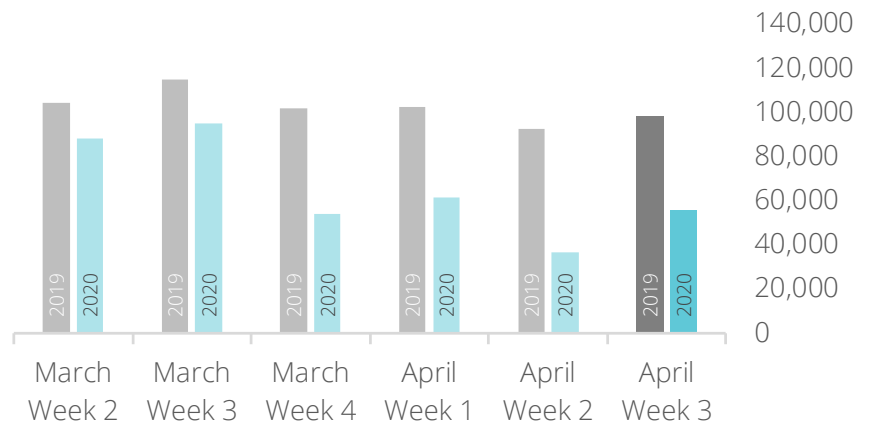


- The total mail volume for this reporting period decreased by -31.7% compared to these eleven weeks in 2019.
- Non-donation mail volume was down -43.6% this year compared to last year during this time frame.
- Last week, total mail volume was down -42.8% and non-donation mail volume was down -74.8% compared to the volumes reported for this week last year.
- From the second to the third week of April, total mail volume increased by 45.8%. Again, some of this week-over-week variance was due to the power outage at our facility the previous week.

OF DONATIONS | Year-Over-Year Comparison

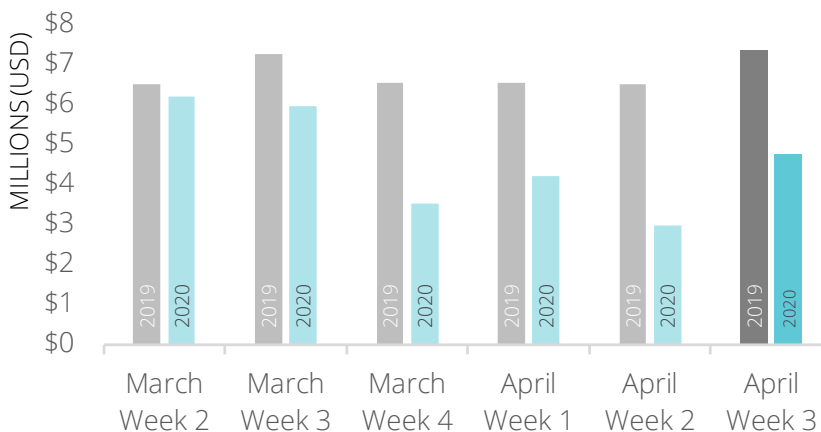
Comparing the number of donations processed each week

- Donation mail volume declined by -23.8% from the first week in February through the third week in April this year compared to last.
- In the third week of April, the donation mail volume was -42.8% lower than the same week in 2019. For the month, donation mail volume was -47.3% lower than it was at this point in April 2019.
- Week-over-week, donation mail volume increased by 51.5%.



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



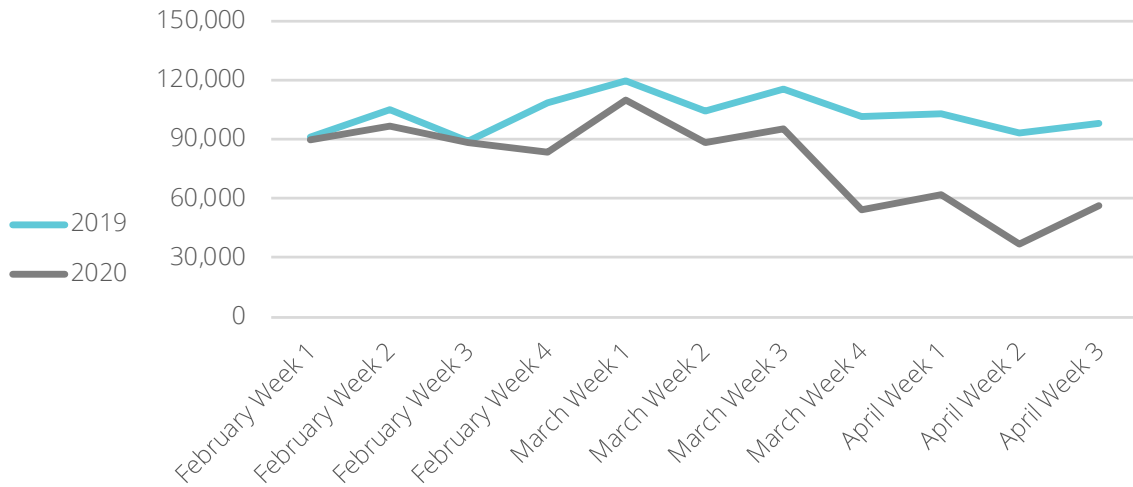
- Compared to this reporting period last year, donation revenue declined by -19.5%. This decline was volume-driven, as the average gift during this period was 5.7% higher this year than it was last year.
- In the third week of April, donation revenue was -35.4% less than the donation revenue for this period in 2019. The 12.9% year-over-year increase in average gift helped lessen the impact of the lower donation mail volume.
- Month-to-date, donation revenue was -41.6% lower than it was at this juncture in April 2019. The decrease was due to volume, as the average gift was 10.9% higher.

SOCIETAL BENEFIT

REPORT PERIOD YEAR-OVER-YEAR COMPARISON

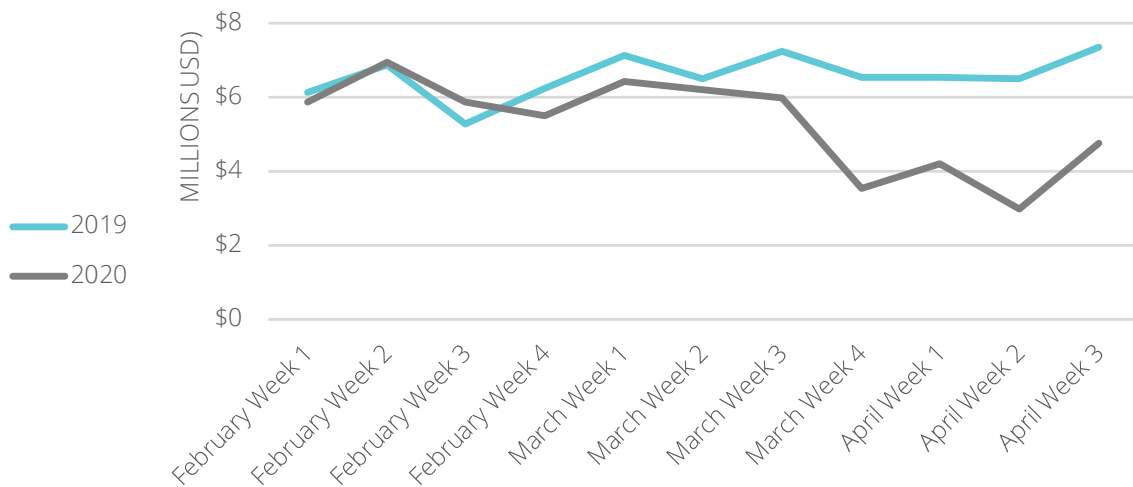
OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week



TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



A NEW WEEK, A NEW CHALLENGE.

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.

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