COVID-19 IMPACT REPORT

How the Coronavirus Pandemic is Impacting Direct Mail Fundraising

2019 and 2020 Transactions February 1 through May 10
This is the ninth installment of Merkle Response Management Group’s (Merkle RMG) Impact Report. This updated report includes transactions deposited between February 1–May 10 of 2019 and 2020. Our report shares transactional data reflecting the mail pieces processed at our facility during the stated reporting period. We do our best to update and post this report every Monday evening and appreciate your patience and understanding when we are delayed. Each weekly update adds transactions from the prior week (Monday–Sunday). All reports are available on our website (www.merkleresponse.com/covid-19reports).

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 1, 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 due to COVID-19 that cannot be quantified.

• This report shares 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 our own and not the views of the organizations included in this report.
AS OF MAY 10, THE KEY PERFORMANCE INDICATORS tracked in this report were ahead of 2019 for the respective reporting period. Directionally, this week's update follows the industry's upward trends reported in the past few weeks. The magnitude of change from last week to this week was significant. A combination of factors contributed to the surge in donation mail volume and revenue reported in this week's update. These factors include our internal COVID-19 precautions, and its impact on staffing, some delays with mail delivery, and system challenges experienced last week. Mail projections in March and April were higher this year compared to last. This factor created a natural surge in response as well. As we continue to adjust and accommodate our "new normal," data content may shift. The reopening of businesses will also affect data.

### DONATIONS

- Donations in the first week of May were 28.8% higher than this week in 2019. All sectors except for arts & culture experienced significant year-over-year donation increases.
- Human services and international relief had the largest year-over-year variance in donations this year compared to last. There have been steady and significant year-over-year increases beginning the third week of April in both sectors.

### REVENUE

- The year-over-year revenue increase for this reporting period was driven by the year-over-year increase in the average gift.
- Aside from the third week in February, the industry experienced sizable year-over-year revenue increases each week starting in the third week of April. The human services, international relief, and societal benefit sectors were the primary causes for the year-over-year revenue increase in the first week of May.

### AVERAGE GIFT

- The year-over-year increase in the average gift was the driver for the large year-over-year increase in revenue for this reporting period.
- Again, health and human services had the greatest year-over-year increase in this metric. The average gift for the environmental and health sectors remained virtually flat compared to 2019; there were modest increases in the animal welfare and societal benefit sectors. Arts & culture was the only sector where the average gift during the reporting period declined this year compared to last.
The year-over-year increase in the first week of May was due to donations. Non-donation responses were 13.2% lower this year compared to last.

Total responses remained relatively flat week-over-week. The slight increase was due to a 24.4% increase in non-donation responses.

Through May 10, the month was 2.2% behind in donations compared to the same period in May 2019.

Additional gifts drove the surge in 2020 revenue for this reporting period in prior weeks. The average gift during this period was 29.4% higher than last year. In last week’s report, the average gift reported was 27.4% higher than in 2019 for that reporting period.

The higher year-over-year revenue in the first week of May was driven by donations and a 12.0% higher average gift.

Revenue declined because of the -21.7% drop in the average gift from the fifth week of April to the first week of May. For the month, May was 8.7% ahead in revenue compared to the cumulative first ten days in May last year.
TOTAL DONATIONS | Weekly Year-Over-Year Comparison
Comparing donations processed weekly within this reporting period

REVENUE | Weekly Year-Over-Year Comparison
Comparing revenue processed weekly within this reporting period

International Relief Sector
Spike due to an increase of nearly $30MM in credit card donations.
TOTAL DONATIONS | Year-Over-Year Cumulative Comparison
Comparing the cumulative donations for this reporting period

Donation Decline
A small contraction in donations the third week of April, but the industry has since caught up.

REVENUE | Year-Over-Year Cumulative Comparison
Comparing the cumulative revenue processed for this reporting period

YOY Revenue Increase
The significant revenue increase in the international relief sector accelerated 2020 revenue growth compared to 2019. This initial increase padded softer weeks in April.
ANIMAL WELFARE
YEAR-OVER-YEAR COMPARISON

TOTAL RESPONSES | Year-Over-Year Comparison
Comparing responses processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: **-5.1%**

MAY WEEK 1: **15.9%**
The increase in responses was due to donations as non-donation responses were -23.5% lower this week than in 2019.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: **-4.8%**
The week-over-week decline was caused by drops in both donations and non-donation responses.

TOTAL DONATIONS | Year-Over-Year Comparison
Comparing donations processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: **-3.8%**

MAY WEEK 1: **23.4%**

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: **-3.5%**
Through May 10, donations were virtually even with the donations processed through that date last year.

REVENUE | Year-Over-Year Comparison
Comparing revenue processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: **4.5%**
The year-over-year increase in revenue was driven by the average gift, which was 8.6% higher this year compared to 2019.

MAY WEEK 1: **39.4%**
The combination of more donations and a 12.9% higher average gift drove the year-over-year increase for this week.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: **-7.5%**
Revenue was 12.9% ahead through May 10 this year compared to the same point in May 2019.
ANIMAL WELFARE
WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL DONATIONS | Weekly Year-Over-Year Comparison
Comparing donations processed weekly within this reporting period

REVENUE | Weekly Year-Over-Year Comparison
Comparing revenue processed weekly within this reporting period
ANIMAL WELFARE
YEAR-OVER-YEAR CUMULATIVE COMPARISON

TOTAL DONATIONS | Year-Over-Year Cumulative Comparison
Comparing the cumulative donations for this reporting period

REVENUE | Year-Over-Year Cumulative Comparison
Comparing the cumulative revenue for this reporting period

Despite the decrease in donations, the average gift increased 8.8% to match and then exceed 2019 revenue.
YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: **-13.1%**

MAY WEEK 1: **-2.5%**

WEEK-OVER-WEEK VARIANCE

APRIL WEEK 5 TO MAY WEEK 1: **3.2%**

Week-over-week responses increased due to an increase in non-donation response.

YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: **-12.7%**

In the last four reports, donations for the reporting period increased each week.

MAY WEEK 1: **-4.3%**

WEEK-OVER-WEEK VARIANCE

APRIL WEEK 5 TO MAY WEEK 1: **0.7%**

Donations up to May 10 were -22.5% behind May 2019 for the same period.

YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: **-1.8%**

The 12.5% higher average gift helped mitigate the negative impact of the lower donations on revenue.

MAY WEEK 1: **12.5%**

The average gift was 20.4% higher this week compared to the same week last year and was the reason for the increase in revenue.

WEEK-OVER-WEEK VARIANCE

APRIL WEEK 5 TO MAY WEEK 1: **19.6%**

Again, the week-over-week revenue increase was driven by the average gift, which jumped 18.8%. Compared to last year, revenue this month was -12.4% behind last year through the 10th.
ARTS & CULTURE
WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL DONATIONS | Weekly Year-Over-Year Comparison
Comparing donations processed weekly within this reporting period

REVENUE | Weekly Year-Over-Year Comparison
Comparing the revenue processed weekly within this reporting period
TOTAL DONATIONS | Year-Over-Year Cumulative Comparison
Comparing the cumulative donations for this reporting period

Social Distancing Begins
Many states began issuing social distancing and stay-at-home orders, which may have factored into the widening donations gap compared to 2019.

REVENUE | Year-Over-Year Cumulative Comparison
Comparing the cumulative revenue for this reporting period
ENVIRONMENTAL
YEAR-OVER-YEAR COMPARISON

TOTAL RESPONSES | Year-Over-Year Comparison
Comparing responses processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 4.7%
MAY WEEK 1: 11.9%
The year-over-year increase this week was donation-driven.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: 17.5%
Non-donation responses primarily drove the week-over-week increase in response.

TOTAL DONATIONS | Year-Over-Year Comparison
Comparing donations processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 5.3%
MAY WEEK 1: -3.4%

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: 10.3%
Donations slowed from the last week of April to the first week of May. Donations in the first ten days of the months were -11.0% behind last year.

REVENUE | Year-Over-Year Comparison
Comparing the revenue processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 6.8%
In each consecutive week, the cumulative year-over-year revenue for the reporting period has remained consistent since the beginning of April.

MAY WEEK 1: 17.8%
The increased year-over-year revenue this week was due to the 7.7% increase in the average gift.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: 7.6%
Revenue for this month was -2.2% behind compared to this point in the month last year.
WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL DONATIONS | Weekly Year-Over-Year Comparison
Comparing donations processed weekly within this reporting period

REVENUE | Weekly Year-Over-Year Comparison
Comparing the revenue processed weekly within this reporting period
TOTAL DONATIONS | Year-Over-Year Cumulative Comparison
Comparing the cumulative donations for this reporting period

REVENUE | Year-Over-Year Cumulative Comparison
Comparing the cumulative revenue for this reporting period
HEALTH
YEAR-OVER-YEAR COMPARISON

TOTAL RESPONSES | Year-Over-Year Comparison
Comparing responses processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 2.7%
MAY WEEK 1: 10.2%
The increase in responses this week compared to the same week last year was primarily driven by donations. Non-donation responses increased by 8.0% but accounted for less than 10% of all responses.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: -2.2%
The week-over-week decline was due to donations.

TOTAL DONATIONS | Year-Over-Year Comparison
Comparing donations processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 2.1%
MAY WEEK 1: 10.4%
WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: -4.1%
Through May 10, donations were -15.0% down compared to this same period in May 2019.

REVENUE | Year-Over-Year Comparison
Comparing the revenue processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 2.7%
The surge in revenue for this reporting period was donation-driven, as the average gift remained virtually flat compared to 2019.

MAY WEEK 1: 1.1%
The year-over-year increase in the first week of May was due to more donations. The average gift was -8.5% lower this year than last.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: -14.1%
The week-over-week drop in revenue was due to the decline in donations and a -10.4% decline in the average gift. For the month, revenue this year was -16.1% behind where it was at this point in May 2019.
TOTAL DONATIONS | Weekly Year-Over-Year Comparison
Comparing donations processed weekly within this reporting period

REVENUE | Weekly Year-Over-Year Comparison
Comparing the revenue processed weekly within this reporting period
HEALTH
YEAR-OVER-YEAR CUMULATIVE COMPARISON

TOTAL DONATIONS | Year-Over-Year Cumulative Comparison
Comparing the cumulative donations for this reporting period

REVENUE | Year-Over-Year Cumulative Comparison
Comparing the cumulative revenue for this reporting period
YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 31.4%
Both donations and non-donation responses drove the jump in response.

MAY WEEK 1: 92.8%
Donations caused the year-over-year increase in the first week of May. Non-donation responses were -13.0% lower this year.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: 0.0%
From the fifth week of April to the first week of May, there was a difference of three mail pieces.

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 47.2%

MAY WEEK 1: 128.3%

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: -1.3%
The week-over-week change from the fifth week of April to the first week of May slowed, as in the previous period, there was an increase of 12.7%. Through the 10th of the month, donations were 66.8% ahead of where they were at this time in May last year.

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 120.3%
The year-over-year increase in revenue for this reporting period was driven by donations, and the 49.6% increase in the average gift.

MAY WEEK 1: 386.5%
In the last four weeks, the year-over-year variance was over 100% compared to the corresponding week in 2019. These jumps were due to increases in donations and the average gift.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: -7.9%
Despite the week-over-week decline, revenue in the fifth week of April was nearly $5MM. May was 243.1% ahead of May last year at ten days into the month.
**HUMAN SERVICES**

**WEEKLY YEAR-OVER-YEAR COMPARISON**

**TOTAL DONATIONS | Weekly Year-Over-Year Comparison**
Comparing donations processed weekly within this reporting period

Donations Increase
The second week of April started an upward trend in donations and revenue (see below), this increase could have been due to an increase in mail quantity.

**REVENUE | Weekly Year-Over-Year Comparison**
Comparing the revenue processed each week within this reporting period

Corresponding Revenue Increase
Weekly revenue increases mirror the increases in donations those weeks
TOTAL DONATIONS | Year-Over-Year Cumulative Comparison
Comparing the cumulative donations for this reporting period

REVENUE | Year-Over-Year Cumulative Comparison
Comparing cumulative revenue for this reporting period
TOTAL RESPONSES | Year-Over-Year Comparison
Comparing responses processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: **10.1%**
MAY WEEK 1: **39.3%**
The year-over-year response increase this week was due to donations.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: **-13.3%**
The week-over-week decline in response was driven by a decrease in donations from the fifth week of April to the first week of May.

TOTAL DONATIONS | Year-Over-Year Comparison
Comparing donations processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: **12.1%**
MAY WEEK 1: **40.8%**

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: **-15.5%**
Through the 10th, donations were 12.0% ahead compared to this point in May 2019.

REVENUE | Year-Over-Year Comparison
Comparing the revenue processed each weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: **99.8%**
Though donations for this reporting period were up compared to last year, the 78.3% increase in the average gift was the reason for the year-over-year increase in revenue.

MAY WEEK 1: **30.6%**
The average gift was -7.3% lower this year compared to this week in 2019—donations were the cause for the year-over-year revenue bump.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: **-47.8%**
The combination of week-over-week decreases in donations, and the average gift drove this decline. Revenue through the 10th was 4.3% higher than revenue at this time last May.
TOTAL DONATIONS | Weekly Year-Over-Year Comparison
Comparing donations processed weekly within this reporting period

REVENUE | Weekly Year-Over-Year Comparison
Comparing the revenue processed weekly within this reporting period
TOTAL DONATIONS | Year-Over-Year Cumulative Comparison
Comparing the cumulative donations for this reporting period

2020 Donations Surpass 2019
In the fourth week of April, donations exceeded the number of donations for that period in 2019, making up for softness the fourth week of March through the second week of April.

REVENUE | Year-Over-Year Cumulative Comparison
Comparing the cumulative revenue for this reporting period

Credit Card Donations
This tremendous YOY increase was due to an increase of almost $30MM of credit card donations.
YEAR-OVER-YEAR COMPARISON

TOTAL RESPONSES | Year-Over-Year Comparison
Comparing responses processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: -18.5%

MAY WEEK 1: 11.6%
Compared to this week last year, the reason for this increase was due to donations. Non-donation responses declined by -26.2%.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: 17.0%
The week-over-week increase in response was primarily due to non-donation responses, but there was a modest increase in donations, too.

TOTAL DONATIONS | Year-Over-Year Comparison
Comparing donations processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: -5.9%
Since the second week in April, this sector has made up ground in donations within each respective reporting period.

MAY WEEK 1: 29.7%

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: 8.8%
Donations were -5.8% behind compared to donations through May 10 last year.

TOTAL RESPONSES | Year-Over-Year Comparison
Comparing responses processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 3.0%
The 9.5% year-over-year increase in the average gift softened the negative impact of the fewer donations on revenue.

MAY WEEK 1: 37.9%
The average gift was 6.3% higher this week compared to the same week last year. This increase contributed to the year-over-year increase in revenue.

WEEK-OVER-WEEK VARIANCE
APRIL WEEK 5 TO MAY WEEK 1: -6.2%
The week-over-week decline was caused by the -13.8% dip in the average gift. Through May 10th, revenue was -4.0% behind compared to this time in May 2019.
SOCIOETAL BENEFIT
WEEKLY YEAR-OVER-YEAR COMPARISON

TOTAL DONATIONS | Weekly Year-Over-Year Comparison
Comparing donations processed weekly within this reporting period

REVENUE | Weekly Year-Over-Year Comparison
Comparing the revenue processed weekly within this reporting period

64% Average Gift Increase
The increase in the average gift for check donations was a factor in the higher YOY revenue in the fourth week of April.
SOCIETAL BENEFIT
YEAR-OVER-YEAR CUMULATIVE COMPARISON

TOTAL DONATIONS | Year-Over-Year Cumulative Comparison
Comparing the cumulative donations for this reporting period

REVENUE | Year-Over-Year Cumulative Comparison
Comparing the cumulative revenue for this reporting period

Revenue Down Due to Donations
Revenue was down YOY between the first and third weeks of April due to a drop in donations.
APPENDIX: SECTOR REVIEW
YEARS-OVER-YEAR COMPARISON

TOTAL DONATIONS | Year-Over-Year Comparison
Comparing the cumulative donations for each sector

REVENUE | Year-Over-Year Comparison
Comparing the cumulative revenue by sector

AVERAGE GIFT | Year-Over-Year Comparison
Comparing the average gift for each sector
2020 TOTAL DONATIONS | By Sector
Tracking the donations processed for each sector by month

2020 REVENUE | By Sector
Tracking the revenue processed for each sector by month

2020 AVERAGE GIFT | By Sector
Tracking the average gift for each sector by month
SPRING HAS FINALLY SPRUNG.

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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