COVID-19 IMPACT REPORT

How the Coronavirus Pandemic is Impacting Direct Mail Fundraising

2019 and 2020 Transactions February 1 through May 17
This is the tenth installment of Merkle Response Management Group’s (Merkle RMG) Impact Report. This updated report includes transactions deposited between February 1–May 17 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 we 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.
**THE NONPROFIT INDUSTRY**

**THE UPWARD TRENDS CONTINUES THIS WEEK.** Nearly all sectors reported revenue higher than in 2019 for this reporting period. These year-over-year gains were due to a mix of increases in donations and average gift. The arts & culture sector has not yet exceeded last year’s revenue, it was virtually even with 2019—an impressive feat, as this sector was hit the hardest at the onset of the pandemic and was slower to bounce back compared to others. Some year-over-year improvements may be due to changes in fundraising strategies, which are not account for in this report. Many of our nonprofit partners have included COVID-19 messaging in recent appeals; this includes copy, new inserts, and other creative elements.

<table>
<thead>
<tr>
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<th>4.2%</th>
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<tbody>
<tr>
<td><strong>DONATIONS</strong></td>
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<tr>
<td><strong>YEAR-OVER-YEAR CHANGE</strong></td>
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<tr>
<td>• Donations in the second week of May were 31.0% higher than this week in 2019. All sectors except animal welfare and environmental experienced significant year-over-year donation increases.</td>
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<tr>
<td>• The human services sector had the largest year-over-year variance in donations this year compared to last. The sector continued a trend that started the fourth week of April—weekly donations more than double those of 2019.</td>
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<td><strong>REVENUE</strong></td>
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<td><strong>YEAR-OVER-YEAR CHANGE</strong></td>
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<tr>
<td>• The higher average gift continued to drive the year-over-year revenue increase within the reporting period.</td>
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<tr>
<td>• Starting with the third week of April, each week had sizable year-over-year revenue increases. In the second week of May, revenue was 52.8% higher this year compared to the same week last. The human services, international relief, and societal benefit sectors drove this higher year-over-year revenue.</td>
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<tr>
<td><strong>AVERAGE GIFT</strong></td>
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<td><strong>YEAR-OVER-YEAR CHANGE</strong></td>
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<tr>
<td>• The year-over-year increase in the average gift was the driver for the substantial year-over-year increase in revenue for this reporting period.</td>
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<tr>
<td>• Human services and international relief had the greatest year-over-year increase in this metric. These sectors had the most significant impact on the year-over-year increase in revenue for the nonprofit industry.</td>
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</table>
YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: **-1.6%**

**MAY WEEK 2: 21.8%**

The year-over-year increase in the second week of May was due to donations. Non-donation responses were -6.3% lower this year compared to last.

WEEK-OVER-WEEK VARIANCE

**MAY WEEK 1 TO WEEK 2: 5.0%**

Total responses were up 5.0% week-over-week due to the 33.7% increase in non-donation responses.

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YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: **4.2%**

**MAY WEEK 2: 31.0%**

WEEK-OVER-WEEK VARIANCE

**MAY WEEK 1 TO WEEK 2: 0.0%**

Through May 17, the month was 10.5% ahead of donations compared to the same period in May 2019. This improved from last week where the month was -2.2% behind last year.

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YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: **32.2%**

The year-over-year increase in revenue for this reporting period was driven by donations and the average gift. The average gift during this period was 26.9% higher than in 2019.

**MAY WEEK 2: 52.8%**

Donations were the primary driver for the revenue increase this year compared to the same week last year. The average gift this week increased by 16.7% year-over-year.

WEEK-OVER-WEEK VARIANCE

**MAY WEEK 1 TO WEEK 2: 7.2%**

Revenue increased week-over-week due to donations and the average gift. For the month, revenue was 25.9% ahead of last year through May 17.
NONPROFIT INDUSTRY
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

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**

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**TOTAL RESPONSES | Year-Over-Year Comparison**

Comparing responses processed weekly for the last 6-weeks

![Response Comparison Chart]

**YEAR-OVER-YEAR VARIANCES**

**REPORTING PERIOD:** **-4.7%**

Total responses for the reporting period improved from -5.1%, as reported in last week’s report. This increase was donation-driven.

**MAY WEEK 2:** **2.1%**

The increase in total responses was due to donations as non-donation responses were -42.7% lower this week than in 2019.

**WEEK-OVER-WEEK VARIANCE**

**MAY WEEK 1 TO WEEK 2:** **-10.2%**

The week-over-week decline was caused by drops in both donations and non-donation responses.

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**TOTAL DONATIONS | Year-Over-Year Comparison**

Comparing donations processed weekly for the last 6-weeks

![Donation Comparison Chart]

**YEAR-OVER-YEAR VARIANCES**

**REPORTING PERIOD:** **-2.9%**

Donations made up more ground within the reporting from last week—last week, the variance was -3.8%.

**MAY WEEK 2:** **11.1%**

**WEEK-OVER-WEEK VARIANCE**

**MAY WEEK 1 TO WEEK 2:** **-9.0%**

Through May 17, donations were 3.9% ahead of donations through that date last year.

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**REVENUE | Year-Over-Year Comparison**

Comparing revenue processed weekly for the last 6-weeks

![Revenue Comparison Chart]

**YEAR-OVER-YEAR VARIANCES**

**REPORTING PERIOD:** **4.8%**

The year-over-year increase in revenue was driven by the average gift, which was 8.0% higher this year compared to 2019.

**MAY WEEK 2:** **10.7%**

The year-over-year increase for this week was donation-driven as the average gift was -0.4% lower this year than last.

**WEEK-OVER-WEEK VARIANCE**

**MAY WEEK 1 TO WEEK 2:** **-13.9%**

Revenue was 12.0% ahead through May 17 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.
ARTS & CULTURE
YEAR-OVER-YEAR COMPARISON

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: **-10.4%**
In last week’s report, this year-over-year variance was -13.1%. This week’s increase was donation-driven.

MAY WEEK 2: **-39.1%**
Total responses this week compared to the same week in 2019 were higher due to donations. Non-donation responses increased by 74.7% but accounted for only 14% of the total responses this week.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 1 TO WEEK 2: **10.6%**

YEYR-OVER-YEAR VARIANCES
REPORTING PERIOD: **-10.2%**
Donations were reported as -12.7% down in last week’s report. This upward trend has continued for five weeks.

MAY WEEK 2: **34.6%**

WEEK-OVER-WEEK VARIANCE
MAY WEEK 1 TO WEEK 2: **10.6%**
Donations through May 17 were -2.0% behind May 2019 for the same period. This past week helped lessen the month-to-date gap compared to last year.

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

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: **-0.1%**
The average gift for this reporting period nearly offset the impact of the lower donations this year compared to last.

MAY WEEK 2: **27.9%**
The year-over-year increase this week was donation-driven as the average gift was -4.9% lower.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 1 TO WEEK 2: **-8.0%**
Compared to last year, revenue this month was -2.2% behind last year through the 17th.
TOTAL DONATIONS | Weekly Year-Over-Year Comparison
Comparing donations processed each week within this reporting period

REVENUE | Weekly Year-Over-Year Comparison
Comparing the revenue processed weekly within the 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
REPORTING PERIOD: **4.9%**

**MAY WEEK 2: 6.9%**

The year-over-year increase this week was due to a 17.0% increase in non-donation responses.

**WEEK-OVER-WEEK VARIANCE**

**MAY WEEK 1 TO WEEK 2: -3.0%**

Donations were the reason for the week-over-week decline.

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**REPORTING PERIOD: 5.1%**

**MAY WEEK 2: 2.6%**

**WEEK-OVER-WEEK VARIANCE**

**MAY WEEK 1 TO WEEK 2: -7.6%**

Donations through May 17 were -5.5% behind last year for that time frame.

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**REPORTING PERIOD: 8.7%**

**MAY WEEK 2: 33.5%**

The increase in year-over-year revenue this week was due to the 30.1% increase in the average gift.

**WEEK-OVER-WEEK VARIANCE**

**MAY WEEK 1 TO WEEK 2: 11.9%**

Revenue for the month was 11.3% ahead compared to that point in the month last year.
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
**YEAR-OVER-YEAR VARIANCES**

**REPORTING PERIOD: 4.3%**

**MAY WEEK 2: 10.2%**

The increase in responses this week compared to the same week last year was primarily donation-driven. Non-donation responses increased by 71.6% but accounted for only 11.4% of the total responses.

**WEEK-OVER-WEEK VARIANCE**

**MAY WEEK 1 TO WEEK 2: 3.8%**

The week-over-week increase was due to the rise in donations.

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**YEAR-OVER-YEAR VARIANCES**

**REPORTING PERIOD: 3.5%**

Since the fourth week of April, the year-over-year variance for the respective reporting period has improved. Last week, this was 2.1%.

**MAY WEEK 2: 28.4%**

**WEEK-OVER-WEEK VARIANCE**

**MAY WEEK 1 TO WEEK 2: 1.4%**

Through May 17, donations were flat compared to that same period in May 2019.

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**YEAR-OVER-YEAR VARIANCES**

**REPORTING PERIOD: 3.7%**

From last week’s report, the year-over-year jumped a full percentage point due to increased donations this year compared to this time frame last year.

**MAY WEEK 2: 20.7%**

The year-over-year increase in the second week of May was due to more donations. The average gift was -6.0% lower this year than last.

**WEEK-OVER-WEEK VARIANCE**

**MAY WEEK 1 TO WEEK 2: 8.9%**

The 7.4% higher average gift drove the week-over-week increase. For the month, through the 17th, revenue this year was -2.9% behind where it was at that 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
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: 35.3%

MAY WEEK 2: 93.1%

Donations were the reason for the year-over-year increase in the first second of May. Non-donation responses declined.

WEEK-OVER-WEEK VARIANCE

MAY WEEK 1 TO WEEK 2: -8.4%

The week-over-week decline was donation-driven.

YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: 52.2%

MAY WEEK 2: 124.0%

There was a significant year-over-year increase in donations starting the fifth week of April. Last week the year-over-year increase was 128.3%.

WEEK-OVER-WEEK VARIANCE

MAY WEEK 1 TO WEEK 2: -5.6%

Through the 17th of the month, donations were 88.5% ahead of where they were at that time in May last year.

YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: 132.6%

The year-over-year increase in revenue for this reporting period was driven by donations and the 52.8% increase in the average gift.

MAY WEEK 2: 309.0%

Since the third week of April, revenue each week was substantially higher than its corresponding week in 2019. These year-over-year increases were due to donations and the average gift.

WEEK-OVER-WEEK VARIANCE

MAY WEEK 1 TO WEEK 2: -12.7%

May was 269.0% ahead of May last year seventeen 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

[Graph showing the comparison of total donations (in thousands) for 2019 and 2020 over weeks from February to May.]

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

[Graph showing the comparison of cumulative revenue (in millions) for 2019 and 2020 over weeks from February to May.]
INTERNATIONAL RELIEF
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: **12.4%**
MAY WEEK 2: **52.6%**
Both donations and non-donation responses were up this week compared to this week in 2019. Donations were the primary driver for the year-over-year increase.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 1 TO WEEK 2: **-6.6%**

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: **13.4%**
MAY WEEK 2: **35.2%**
Beginning the third week of April, donations each week were significantly higher compared to their respective week last year. In the fifth week of April, the variance was 90.3%.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 1 TO WEEK 2: **-18.8%**
Through the 17th, donations were 20.3% ahead compared to that point in May 2019.

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: **96.4%**
The 73.1% higher year-over-year average gift for this reporting period drove the increase in revenue. The higher average gift was due to a year-over-year bump in the average gift of check donations.

MAY WEEK 2: **57.1%**
Going back to the first week of April, revenue each week was higher than its respective week in 2019. The third to the fifth weeks of April had the most substantial year-over-year increases.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 1 TO WEEK 2: **17.9%**
The week-over-week increase was due to the average gift increasing by 16.2%. Revenue through the 17th was 25.3% higher than revenue at that 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

Credit Card Donation Jump
This tremendous YOY increase was due to an increase of almost $30MM of credit card donations.
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.

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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 VARIANCES

REPORTING PERIOD: **-16.9%**

The improvement in total responses was donation-driven.

**MAY WEEK 2: 3.8%**

WEEK-OVER-WEEK VARIANCE

**MAY WEEK 2 TO WEEK 2: 30.2%**

The week-over-week increase in total responses was due to donations and non-donation responses.

YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: **-3.7%**

Since the second week in April, this sector made up ground in donations each reporting period. In last week's report, this year-over-year variance was -5.9%.

**MAY WEEK 2: 28.3%**

WEEK-OVER-WEEK VARIANCE

**MAY WEEK 1 TO WEEK 2: 18.7%**

Donations were 8.9% ahead compared to donations through May 17 last year.

YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: **5.8%**

The average gift increased by 9.8% from last year for this reporting period and was the reason for the year-over-year increase in revenue.

**MAY WEEK 2: 48.3%**

WEEK-OVER-WEEK VARIANCE

**MAY WEEK 1 TO WEEK 2: 20.2%**

Through May 17, revenue was 16.9% ahead compared to that time in May 2019.
SOCIETAL BENEFIT
WEEKLY YEAR-OVER-YEAR COMPARISON

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

![Graph showing weekly total donations comparison between 2019 and 2020.]

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

![Graph showing weekly revenue comparison between 2019 and 2020.]

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**

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

![Graph showing cumulative donations from February to May with a comparison between 2019 and 2020.

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

![Graph showing cumulative revenue from February to May with a comparison between 2019 and 2020. Revenue was down YOY between the first and third weeks of April due to a drop in donations.

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**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
YEAR-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
ON THE UP (AND UP).

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