COVID-19 IMPACT REPORT

How the Coronavirus Pandemic is Impacting Direct Mail Fundraising

2019 and 2020 Transactions February 1 through May 31

MERKLE RESPONSE MANAGEMENT GROUP
This is the twelfth installment of Merkle Response Management Group's (Merkle RMG) Impact Report, rounding out the third full month of reporting. This updated report includes transactions deposited between February 1–May 31 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.
DESPITE LAST WEEK BEING A SHORT WEEK, REVENUE SOARED. The performance in the last week of May was a great way to end a three-month reporting period. Since the beginning of February, there have been ups and downs across the industry and within each sector. The last three to four weeks have been fascinating as different giving behaviors and trends are emerging in the various sectors. There is no way to know what the next weeks and months have in store, but given where the industry closed last month, it should give us some confidence as we push into the second half of the year.

8.5% DONATIONS
YEAR-OVER-YEAR CHANGE

- Cumulative year-over-year donations increased over three percentage points since last week’s report. In the last week of May, all sectors were up year-over-year. The health, international relief, and societal benefit sectors nearly doubled in donations. And the human services sector was close to having three times as many donations this year compared to last.

- When we first started this report, donations in 2020 were behind 2019. Where 2019 donations trended down across the reporting period, 2020 donations have had an upward trajectory.

34.6% REVENUE
YEAR-OVER-YEAR CHANGE

- Year-over-year revenue was higher this reporting period compared to last due to an increase in donations and a higher average gift this year. In last week’s report, revenue was 31.4% higher than in 2019. The increase from last week to this week was due to a year-over-year 105.3% jump in donations in the last week of May.

- The human services and international relief sectors continue to have the most significant year-over-year variances.

24.0% AVERAGE GIFT
YEAR-OVER-YEAR CHANGE

- This was the second week in a row that year-over-year average gift dropped from the previous week’s report. The health sector contributed to the week-to-week decline.

- From the third to the fourth week of May, the average gift declined by -6.5%.
The year-over-year increase in total responses in the fourth week of May was due to donations. While non-donations increased by 92.1%, these responses accounted for only 18.4% of total responses.

Total responses increased week-over-week due to donations and non-donation responses.

May ended ahead of last May by 27.3% in donations.

Revenue increased from the third to the fourth week of May due to the increase in donations, as the average gift dropped -6.5%. This year, May’s revenue was ahead of May 2019 by 38.1%.
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

Another Revenue Spike
There was another year-over-year jump in revenue the fourth and fifth weeks of April, which were primarily due to donations and the average gift increases in the human services and international relief sectors.

International Relief Sector
Spike due to an increase of nearly $30MM in credit card donations.
**NONPROFIT INDUSTRY**

**YEAR-OVER-YEAR CUMULATIVE COMPARISON**

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

![Graph showing year-over-year cumulative donations comparison between 2019 and 2020.](image)

*2020 Donations Surpass 2019*
Substantial year-over-year donation increases in the health, human services, and international relief sectors contributed to 2020 donations exceeding 2019 donations.

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

![Graph showing year-over-year cumulative revenue comparison between 2019 and 2020.](image)

*The Second Revenue Jump*
Year-over-year increases in donations and the average gift for the human services and international relief sectors drove another surge in revenue.
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: -0.6%
In last week’s report, this year-over-year variance was -4.4%. An increase in donations was the reason for the improvement reported this week.

MAY WEEK 4: 104.5%
Non-donation responses in the last week of May were 80.7% higher this year compared to the same week in 2019 but accounted for only 12% of the total responses. The increase in donations was the driver for the year-over-year growth.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: 36.0%
Both donations and non-donation responses contributed to the week-over-week gain.

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 1.5%
This past week was the first time since the first week of March that year-over-year donations for the period were ahead.

MAY WEEK 4: 108.3%

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: 34.3%
May ended the month with 20.5% more donations than last May.

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 7.4%
Year-over-year revenue for the reporting period increased from 7.4%, as reported in last week’s report. The 5.8% higher average gift for this period was the driver for the higher revenue.

MAY WEEK 4: 61.0%
The year-over-year increase in revenue was due to the higher number of donations, as the average gift was -22.7% compared to the same week in 2019.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: 36.2%
May closed 19.9% ahead in revenue compared to May last year. The improvement was donation-driven, as the average gift was -0.5% lower.
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

Exceeds 2019 Donations
Cumulative donations for the period exceeded the 2019 volume the last week of May.

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

A Change in Revenue Driver
The last two weeks of May, the higher revenue reported in 2020 was due to the higher number of donations, as the average gift fell.

Bump in Average Gift
The increase in the average gift that started the fifth week of April and continued into the first couple of weeks in May was the driver for the higher revenue.
YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: **-5.8%**

In last week’s report, this year-over-year variance was -9.0%. This week’s increase in total responses was due to donations.

MAY WEEK 4: **86.1%**

Total responses this week compared to the same week in 2019 were higher due to donations. Non-donation responses increased by 82.6% but accounted for only 10.3% of the total responses.

WEEK-OVER-WEEK VARIANCE

MAY WEEK 3 TO WEEK 4: **21.7%**

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

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YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: **-5.7%**

Donations were reported as -9.0% down in last week’s report. This was the seventh consecutive week, where this variance has improved.

MAY WEEK 4: **86.5%**

WEEK-OVER-WEEK VARIANCE

MAY WEEK 3 TO WEEK 4: **29.8%**

Donations through the end of May were 16.3% ahead of May 2019.

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YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: **6.2%**

The 12.6% increase in the average gift during this reporting period was the driver for the higher year-over-year revenue.

MAY WEEK 4: **101.0%**

The year-over-year increase in revenue this week was due to donations and the 7.7% increase in the average gift.

WEEK-OVER-WEEK VARIANCE

MAY WEEK 3 TO WEEK 4: **16.5%**

Compared to last year, revenue this month closed 28.9% ahead of last May.
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
**ARTS & CULTURE**

**YEAR-OVER-YEAR CUMULATIVE COMPARISON**

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

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**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.

**States Begin to Reopen**
Donors may be renewing annual memberships to museums and other institutions as states begin to reopen slowly.

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**REVENUE | Year-Over-Year Cumulative Comparison**
Comparing the 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: 8.0%

MAY WEEK 4: 63.8%
The year-over-year increase in total responses this week was due to a 76.5% increase in non-donation responses and an increase in donations. Non-donation responses accounted for 32.3% of the total responses.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: -8.0%
The week-over-week decline in total responses was due to non-donation responses.

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 7.4%
The year-over-year variance in cumulative donations increased from 5.1%, as reported in last week's report.

MAY WEEK 4: 58.3%

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: 3.2%
Donations were 7.0% ahead for May this year compared to last year.

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 12.9%
The year-over-year revenue increase for the reporting period was due to donations, and the average gift—the average gift was 5.1% higher than last year.

MAY WEEK 4: 76.6%
The increase in year-over-year revenue this week was driven by donations and the 11.5% increase in the average gift.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: -4.2%
Revenue for the month closed 26.1% ahead compared to 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

**Widening the Gap**
Beginning the second week of May, revenue started to accelerate compared to 2019. This was a function of the higher year-over-year average gift.
YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 7.4%
Since the last report, the total responses for the reporting period increased from 4.7%. This increase was donation-driven.

MAY WEEK 4: 95.7%
Both donations and non-donation responses contributed to the increase in total responses. Non-donation responses were up 70.2% this week compared to the same week last year but only accounted for 10.6% of the total responses.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: 4.2%
The week-over-week increase was due to donations.

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 6.8%
In last week’s report, this year-over-year variance for donations during the reporting period was only 3.8%.

MAY WEEK 4: 99.3%

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: 6.7%
Through the end of May, donations closed 15.2% ahead compared to May 2019.

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 6.5%
From last week’s report, year-over-year revenue jumped from 3.3% for the reporting period. Donations drove this revenue increase, as the average gift remained flat.

MAY WEEK 4: 99.1%
The substantial year-over-year revenue increase in the last week of May was due to the rise in donations, as the average gift was flat with the previous year.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: 36.4%
Revenue for May 2020 was 11.5% ahead of last May.
HEALTH
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

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

Comparing the cumulative revenue for this reporting period

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**More and More Donations**

Starting the second week of May, there were significant year-over-year increases in donations compared to 2019. This increase has driven the higher revenue.

**Average Gift Declines**

As donations increased the second week of May, the average gift began to decline. The number of donations drove the year-over-year revenue bump.
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: 42.5%
MAY WEEK 4: 176.1%
Donations remained the reason for the year-over-year increase in total responses the fourth week of May.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: 3.7%
The week-over-week decline was donation-driven.

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 60.2%
MAY WEEK 4: 182.3%
This was the sixth week in a row where 2020 donations were more than double the donations in 2019.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: 0.2%
The month closed with donations 107.4% ahead of May last year.

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: 151.7%
The year-over-year increase in revenue for this reporting period was driven by donations and the 57.2% increase in the average gift.

MAY WEEK 4: 277.9%
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 3 TO WEEK 4: -40.9%
For the month, revenue closed 296.4% ahead of May 2019.
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

Donations Increase
Since the fourth week of April, donations were at least double the numbers in 2019.

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

A Revenue Bump
In addition to the year-over-year increase in donations, there were significant increases in the average gift starting the fifth week of April.
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: **15.8%**
MAY WEEK 4: **99.4%**
The year-over-year increase this week was donation-driven. Non-donation responses were 101.4% higher this year compared to last but accounted for only 19.9% of total responses.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: **29.0%**
The week-over-week increase was due to an increase 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: **17.2%**
Since last week’s report, the year-over-year variance for the reporting period increased by more than three percentage points.
MAY WEEK 4: **99.0%**

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: **18.4%**
May closed with 33.6% more donations than May last year.

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

YEAR-OVER-YEAR VARIANCES
REPORTING PERIOD: **95.9%**
The average gift and donations were the reasons for the year-over-year revenue increase during this period.
MAY WEEK 4: **165.7%**
The increase in donations and the 33.5% higher average gift drove the higher revenue in the last week of May compared to the same week in 2019.

WEEK-OVER-WEEK VARIANCE
MAY WEEK 3 TO WEEK 4: **-3.8%**
Revenue for May was 47.6% ahead of 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

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.

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

Comparing the cumulative revenue for this reporting period

Increase in Average Gift

The fourth week of April began a nearly weekly trend, where there were sizable increases in year-over-year average gift. This coupled with the increase in donations drove higher revenue.
YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: -11.8%

This year-over-year variance improved from -15.5%, as reported in the previous report. The increase was primarily due to donations.

MAY WEEK 4: 107.5%

Donations and non-donation responses drove the year-over-year increase in total response in the fourth week of May.

WEEK-OVER-WEEK VARIANCE

MAY WEEK 3 TO WEEK 4: 15.7%

The week-over-week increase in total responses was primarily due to donations, as non-donation responses increased only 7.0% week-over-week.

TOTAL RESPONSES | Year-Over-Year Comparison

Comparing responses processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: 2.0%

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 -2.0%.

MAY WEEK 4: 109.7%

WEEK-OVER-WEEK VARIANCE

MAY WEEK 3 TO WEEK 4: 19.4%

Donations closed 29.7% ahead compared to donations in May last year.

TOTAL DONATIONS | Year-Over-Year Comparison

Comparing donations processed weekly for the last 6-weeks

YEAR-OVER-YEAR VARIANCES

REPORTING PERIOD: 7.0%

Year-over-year revenue increased for the reporting period. In last week’s report, revenue contracted from 5.8% to 3.1%. Donations drove the recovery from last week to this week.

MAY WEEK 4: 110.5%

The year-over-year increase in the last week of May was donation-driven, as the average gift was only 0.4% higher.

WEEK-OVER-WEEK VARIANCE

MAY WEEK 3 TO WEEK 4: 31.5%

Through the end of May, revenue was 16.4% ahead of May 2019.

REVENUE | Year-Over-Year Comparison

Comparing the revenue processed weekly for the last 6-weeks
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

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**

**YEAR-OVER-YEAR COMPARISON**

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

Comparing the cumulative donations for each sector

![Graph showing the comparison of total donations across sectors for 2019 and 2020.](image)

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

Comparing the cumulative revenue by sector

![Graph showing the comparison of revenue across sectors for 2019 and 2020.](image)

**AVERAGE GIFT | Year-Over-Year Comparison**

Comparing the average gift for each sector

![Graph showing the comparison of average gifts across sectors for 2019 and 2020.](image)
APPENDIX: SECTOR REVIEW
2020 BY MONTH

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
ENDING ON A HIGH NOTE

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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