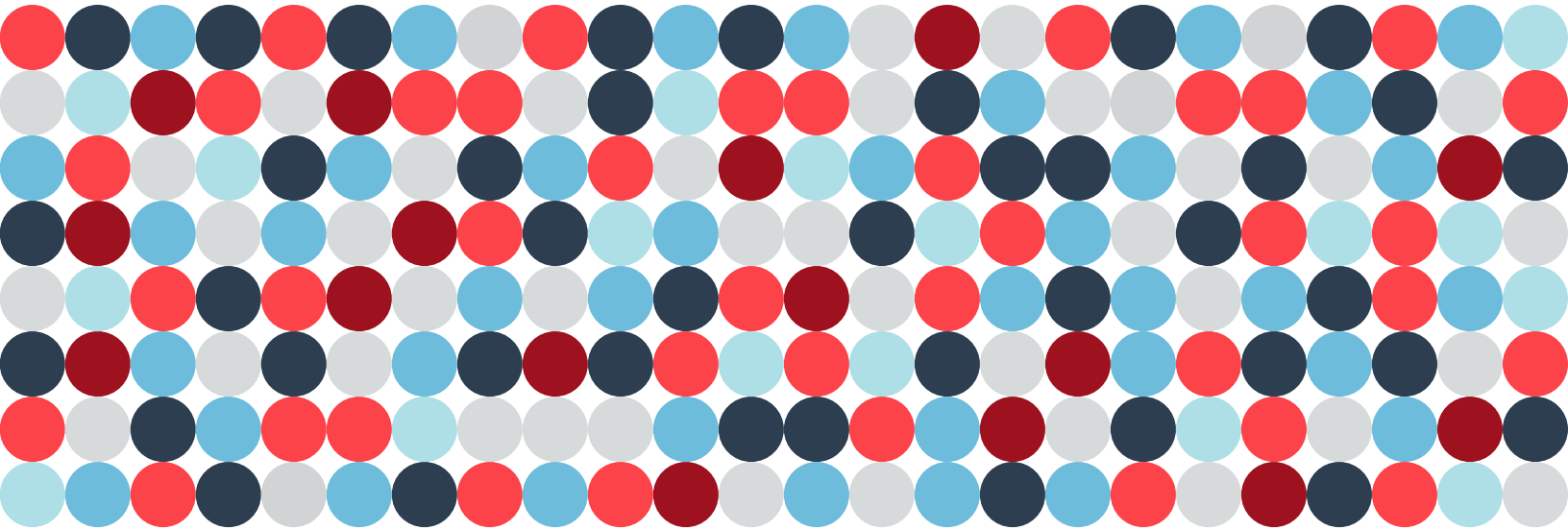


# IMPACT REPORT

## **CORONAVIRUS:**

### **How the COVID-19 Pandemic is Impacting Direct Mail Fundraising**

Transactions through March 22, 2020



MERKLE RMG'S

COVID-19 IMPACT  
REPORT

**AS THE SITUATION CONTINUES TO EVOLVE AT THE STATE**

and federal levels, Merkle Response Management Group (RMG) remains vigilant in our support to the nonprofit community. We hope you and your families are staying healthy and safe during these precarious times. This is the second installment of our **Impact Report**. This report shares transactional information based on the pieces we process for nonprofit organizations. This installment covers the last seven weeks, February 3 - March 22. A few notes to keep in mind as you review:

- This report shares mail processing statistics based on the mail that Merkle RMG processes. The report does not account for any changes made by nonprofits to mail schedules or volumes. Any opinions shared are solely our own and not the views of our nonprofit partners.
- Remaining consistent with other industry reports, the industry sectors follow those used in Target Analytics' **donorCentrics® Index of Direct Marketing Fundraising**; sector definitions are modified from the Foundation Center's National Taxonomy of Exempt Entities.
- Political organizations are **not included** in this report.
- This report is published every Monday, reporting the prior week's transactions.
- The format of this report will evolve as new trends and insights come to light.

**ABOUT MERKLE RMG**

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.

# THE NONPROFIT INDUSTRY

**AVERAGE GIFT REMAINS STRONG** . In the last week, we have seen the number of donations slow and the amount of donations stall as our country begins to feel the full effect of the Coronavirus (COVID-19) pandemic. Since the first week in February, the volume of donations has increased in the **Health** and **Human Services** sectors — average gift and donation revenue have followed suit. As the country's efforts to contain and slow the spread of this virus continue and anxieties of the unknown grow, this trend will likely taper over the coming weeks.

**-3.1%**  
VOLUME OF  
DONATIONS

YEAR-OVER-YEAR CHANGE

- The overall mail volume, donation and non-donation mail pieces, is down -6.8% compared to the volumes during this period in 2019. The year-over-year decline during this time is primarily due to non-donation mail volume dropping -18.2%. The decline in donation mail volume has increased from -1.9% to -3.1% over the last week.

**24.5%**  
AMOUNT OF TOTAL  
DONATIONS

YEAR-OVER-YEAR CHANGE

- Donation revenue was 24.5% higher this year compared to last year during this reporting period. However, this past week was the first week since the beginning of February that there was a significant decline in donation revenue compared to the same week in 2019.

**28.4%**  
AVERAGE GIFT

YEAR-OVER-YEAR CHANGE

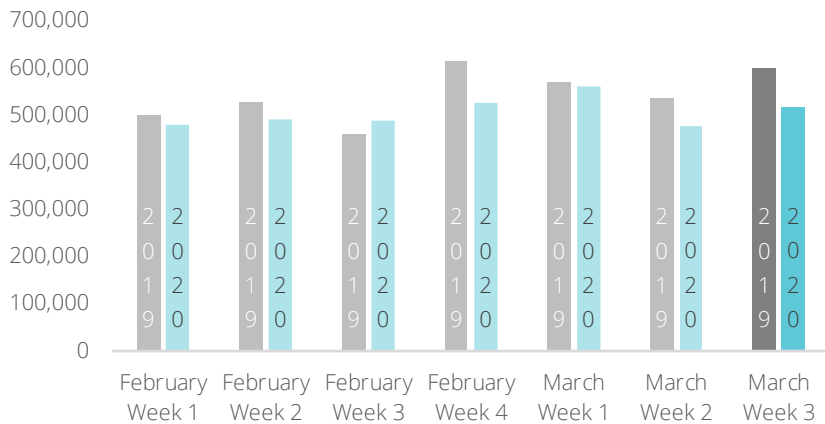
- This year, average gift was up 28.4% since the first week of February through the third week of March compared to the same timeframe last year. Due to an exceptional week, during the second week of February, credit card average gift was up 361.2% compared to last year. Excluding that week, credit card average gift was flat year-over-year while the check average gift increased 6.9% compared to 2019.

# NONPROFIT INDUSTRY

## WEEKLY YEAR-OVER-YEAR COMPARISON

### TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

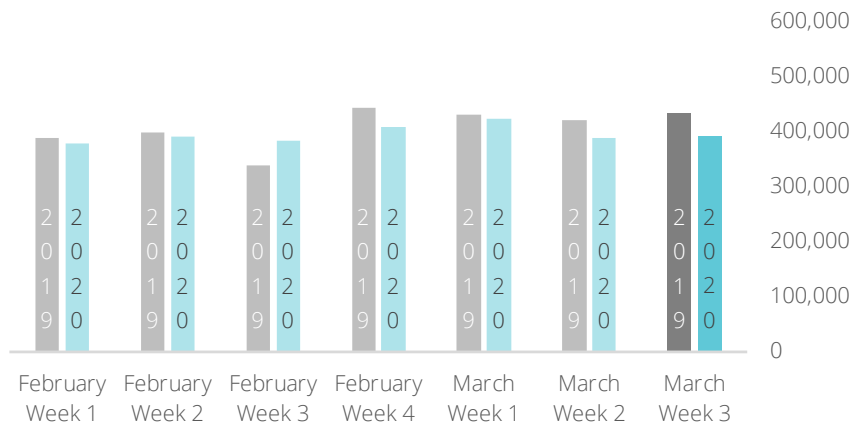


- Between the first week of February through the third week of March, total mail volume declined -6.8% compared to this period in 2019. Through the second week of March, total mail volume declined -5.8% year-over-year.
- This past week compared to the third week of March in 2019, there was a -13.7% decrease in total mail volume.
- Non-donation mail volume was the driver, as it declined -24.2% compared to last year. There was also a year-over-year decline in donation mail volume.

- For this seven-week period, donation mail volume was down -3.1% in 2020 compared to this period in 2019. Through the second week of February, we reported a year-over-year decline of -1.9% in donation volume.
- Declines in the **Animal Welfare, Arts & Culture**, and **Societal Benefit** sectors were major contributors to the drop in donations volume last week compared to the same week in 2019.
- The **Human Services** sector was the only sector with a significant increase in donation mail volume in the third week of March.

### # OF DONATIONS | Year-Over-Year Comparison

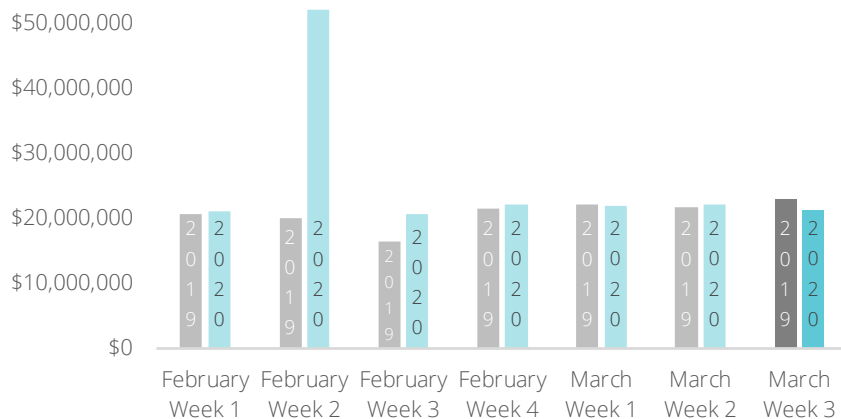
Comparing the number of donations processed each week



- Donation revenue remained higher in 2020 than the amount raised during this period in 2019 — compared to last year, donation revenue is 24.5% higher due to significant year-over-year increases in the **Health, Human Services**, and **Societal Benefit** sectors.
- This past week, there was a -7.9% decline in donation revenue compared to the third week in March 2019.
- Average gifts continued to exceed those for these weeks in 2019; this past week there was a 2.0% increase compared to this week last year.

### TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

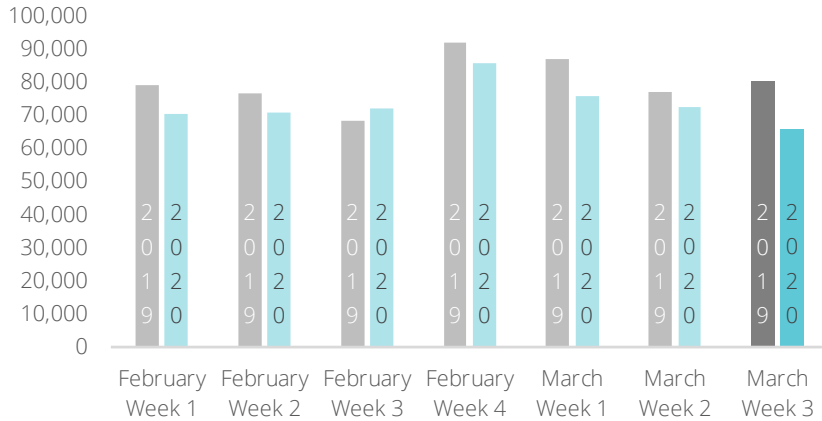


# ANIMAL WELFARE

## WEEKLY YEAR-OVER-YEAR COMPARISON

### TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

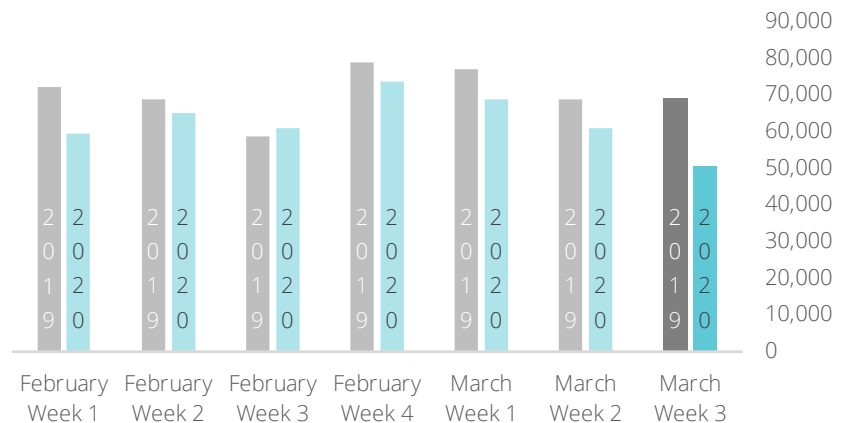


- This sector experienced an overall decline of -8.4% in total mail volume compared to this seven-week period in 2019.
- Last week alone, total mail volume was down -18.1% compared to the same week last year. This decline was due to a substantial drop in donation volume, as non-donation mail volume increased by 35.2% compared to the third week of March last year.

### # OF DONATIONS | Year-Over-Year Comparison

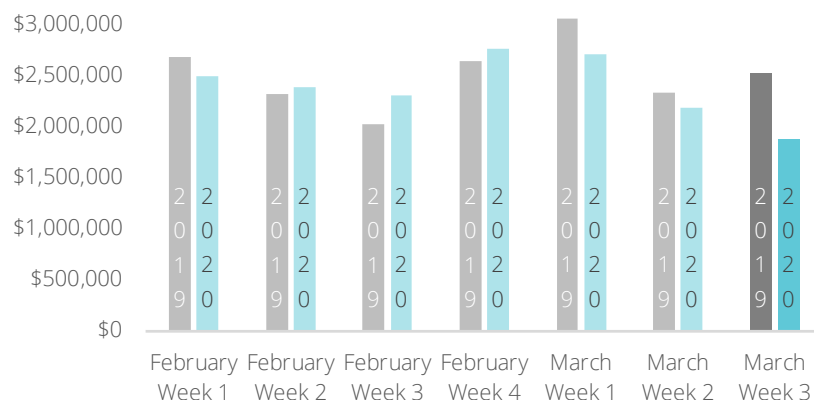
Comparing the number of donations processed each week

- Compared to these weeks in 2019, the donation volume for this reporting period was down -10.9%.
- The donation volume last week declined by -27.0% compared to the third week of March last year.
- Week-over-week, donation volume dropped -8.8% this year; in 2019, donation volume increased 4.6% from the second to the third week in March.



### TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



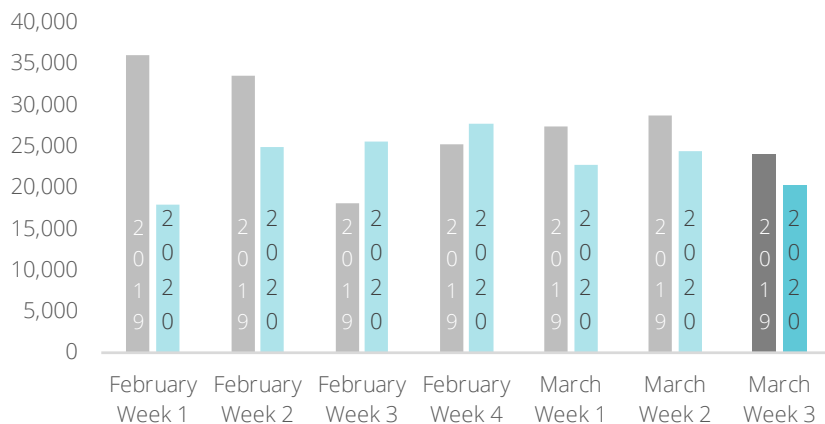
- Through the third week of March, donation revenue was down -4.9% year-over-year.
- In the third week of March, donation revenue dropped -25.6% compared to the same week in 2019.
- Week-over-week, from the second to the third week of March, donation revenue dropped -13.8%.
- These donation revenue declines were donation volume-related not related to average gift. Average gift the third week of March was up 2.0% this year compared to last, and average gift was up 4.3% this past week compared to the previous week this year.

# ARTS & CULTURE

## WEEKLY YEAR-OVER-YEAR COMPARISON

### TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

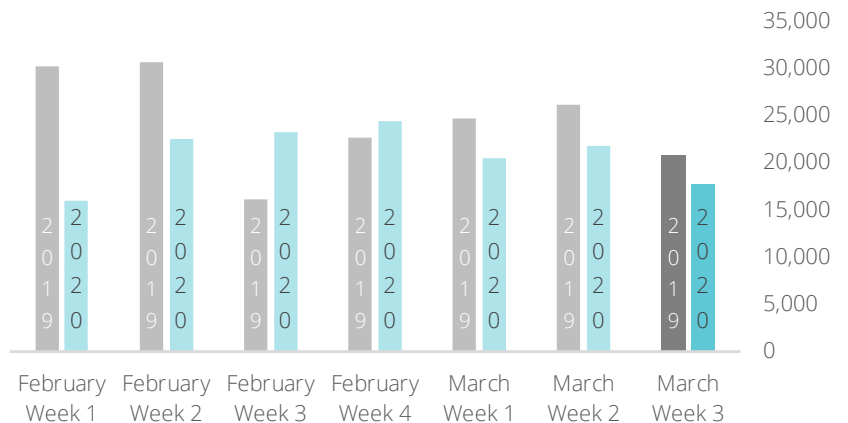


- The total volume remained -15.3% down compared to this reporting in 2019.
- Last week, there was a -15.6% decline in total mail volume compared to the third week of March last year. This decrease in volume stemmed from drops in the donation and non-donation mail volumes — a -15.3% decline and a -17.8% decline, respectively.

- This year, donation volume decreased -14.9% from the first week of February through the third week of March compared to the same timeframe last year.
- The number of check donations was the primary factor for the decline in donation volume. Check donations accounted for roughly 94% of the donation volume, and during this period, the volume of check donations dropped -13.8% year-over-year.
- During this last week, donation volume declined by -15.3% compared to the same week in 2019.

### # OF DONATIONS | Year-Over-Year Comparison

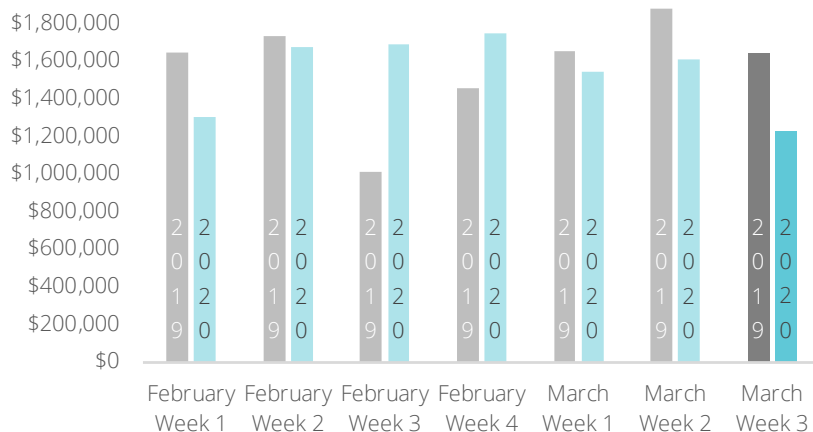
Comparing the number of donations processed each week



- Despite the declines in donation volume, donation revenue during this reporting period was only down -2.0% this year compared to last.
- The 15.2% year-over-year increase in average gift during this time was the reason why revenue did not follow the same steep, downward trend as donation volume. This increase was driven by a 15.5% increase in the average gift for check donations.
- This past week compared to this week last year, donation revenue was down -25.0%.
- Donation revenue was down 23.5% from the second to the third week of March. In 2019, the week-over-week variance was only -12.4%.

### TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week

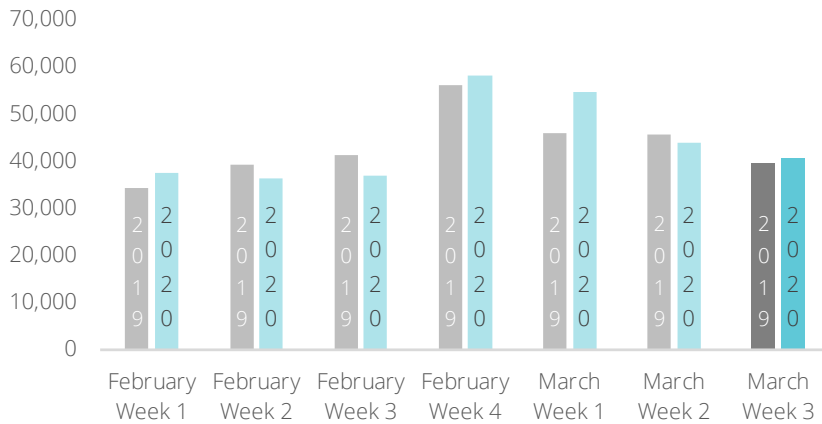


# ENVIRONMENTAL

## WEEKLY YEAR-OVER-YEAR COMPARISON

### TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

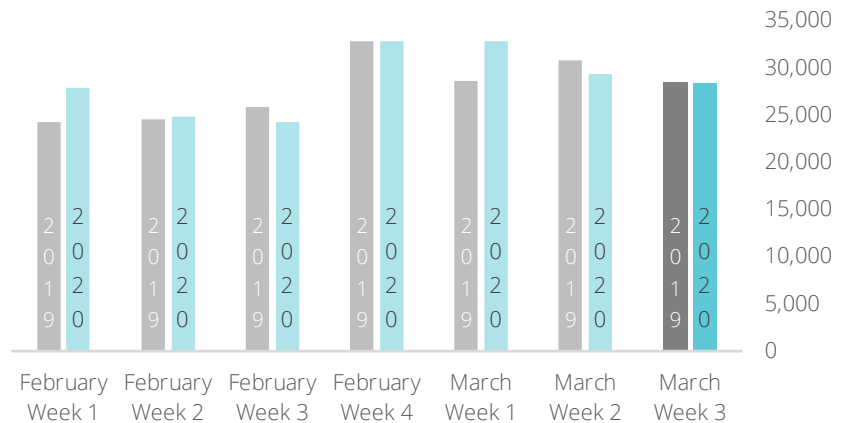


- Compared to this reporting period in 2019, total mail volume was 2.0% higher this year. There were year-over-year increases in donation and non-donation mail volume.
- This past week, there was an increase of 3.1% in total mail volume compared to the same week in 2019. The increase was due to the 11.5% year-over-year increase, as donation volume was flat compared to 2019.

### # OF DONATIONS | Year-Over-Year Comparison

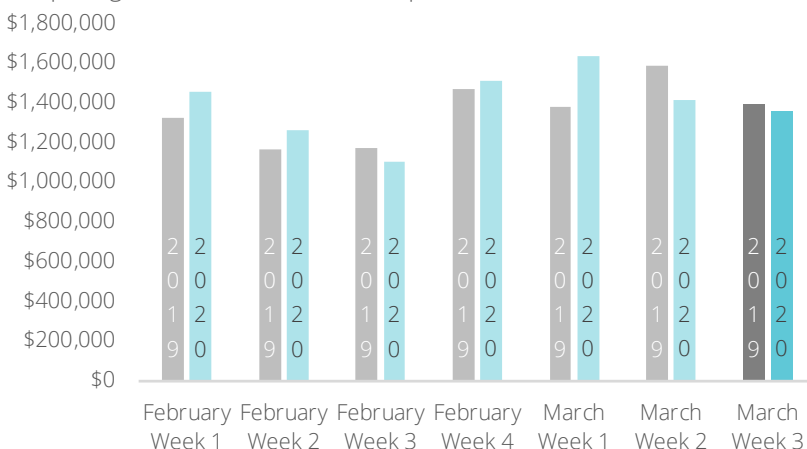
Comparing the number of donations processed each week

- During this reporting period, donation volume was virtually flat this year compared to last.
- Year-over-year, the composition of donations remained flat. Checks accounted for roughly 88.0% of donation volume, credit cards 10%, and cash 2.0%.
- This third week of March nearly mirrored the donation volume for this same week in 2019.



### TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



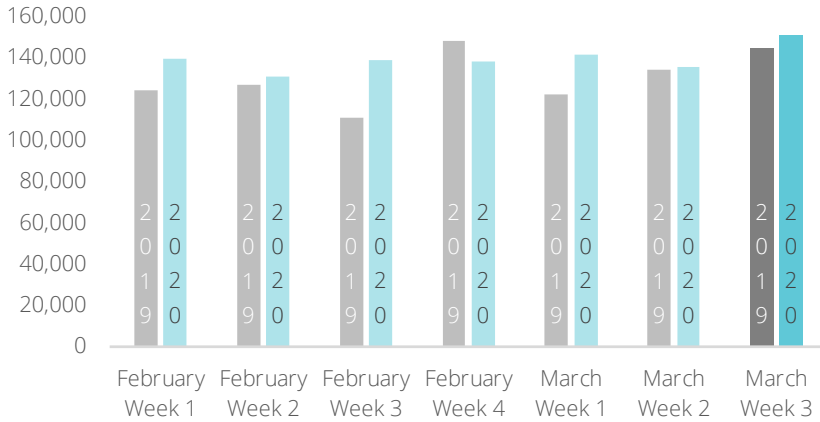
- Donation revenue remained higher than the revenue in 2019 for this period. Through the second week in March, donation revenue was up 3.5% compared to last year, over this past week this year-over-year variance dropped to a 2.6% increase compared to 2019.
- The average gift for this period was flat with its value in 2019, suggesting that the uptick in year-over-year revenue was due to the slight increase in donation volume.
- The week-over-week change was favorable to 2020, only a drop of -3.7%. In 2019, the week-over-week change was -12.5%.

# HEALTH

## WEEKLY YEAR-OVER-YEAR COMPARISON

### TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

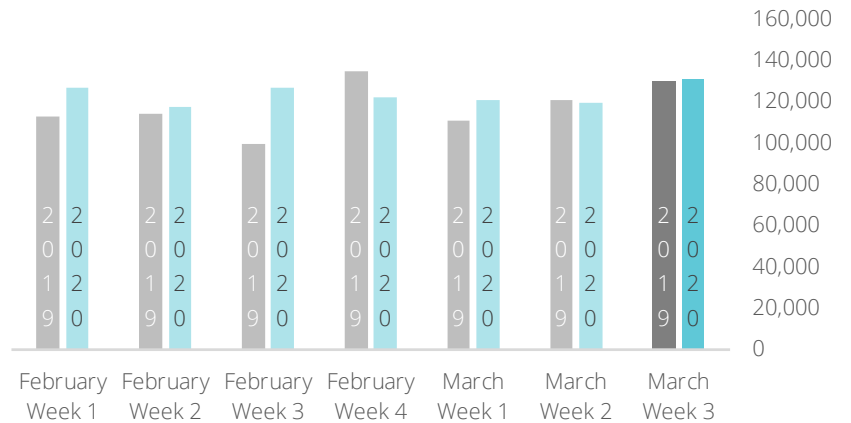


- Total mail volume increased by 6.9% during these seven weeks compared to this period last year.
- Non-donation volume remained the primary driver, as there was a 25.1% year-over-year increase in non-donation volume.
- In the third week of March, there was a 4.2% increase in total mail volume compared to this week in 2019. This overall increase was driven by a 38.5% increase in non-donation volume. This was a 22.0% week-over-week increase versus a week-over-week increase of 6.6% in 2019.

### # OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week

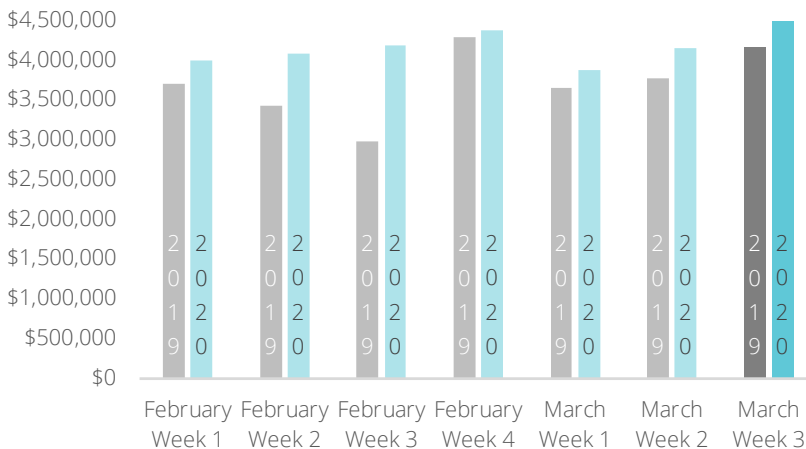
- During this reporting period, donation volume was up 5.0% year-over-year compared to this time last year.
- Week-over-week, there was a 9.7% increase from the second to the third week in March. In 2019, that week-over-week increase was only 8.0%.
- Donation type composition remains consistent year-over-year.



- This was one of the few sectors where there was a significant increase in donation revenue during the past seven weeks compared to the same period in 2019 — an increase of 12.1% year-over-year.
- The increase in donation revenue during this time was due to the combination of increased donation volume, and a 6.8% increase in average gift compared to last year.
- In the third week of March, donation revenue increased 8.4% compared to this week in 2019, and average gift was up by 7.9%.
- From the second to the third week of March donation revenue increased 8.8%, this slowed from the 7.1% week-over-week growth from the first to the second week of March.

### TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



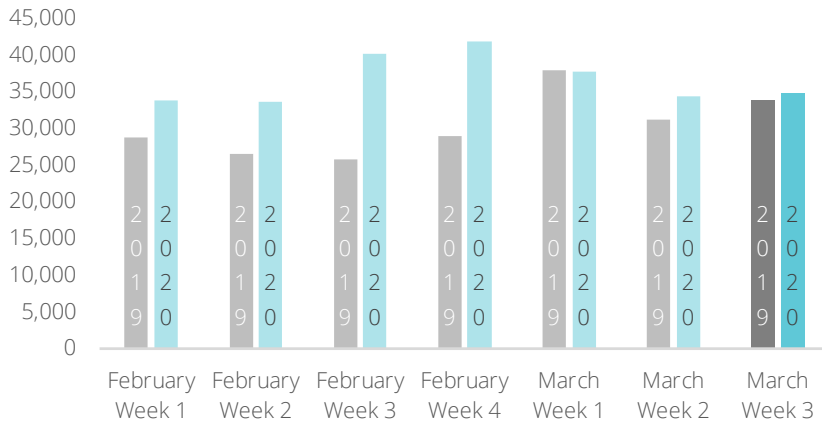


# HUMAN SERVICES

## WEEKLY YEAR-OVER-YEAR COMPARISON

### TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

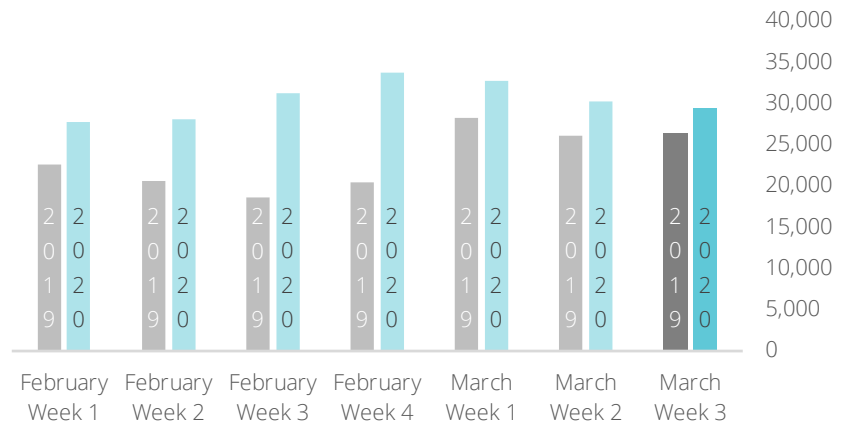


- Compared to the other sectors, the Human Services sector had the greatest increase in total mail volume with an increase of 20.4% compared to this reporting period in 2019.
- It appears that the year-over-year increase in total volume was beginning to slow as this year-over-year variance was 23.8% from the first week of February through the second week of March. In the second week of March, there was a 10.1% increase year-over-year, and this past week there was only a 2.7% increase compared to the same week in 2019.

- Donation volume was 30.7% higher during the last seven weeks this year compared to these same weeks last year.
- In the third week of March, donation volume was 10.9% higher this year than it was in 2019.
- Despite increases in donation volume, the composition of the payment type remained fairly consistent year-over-year. The majority of these additional donations were check donations.

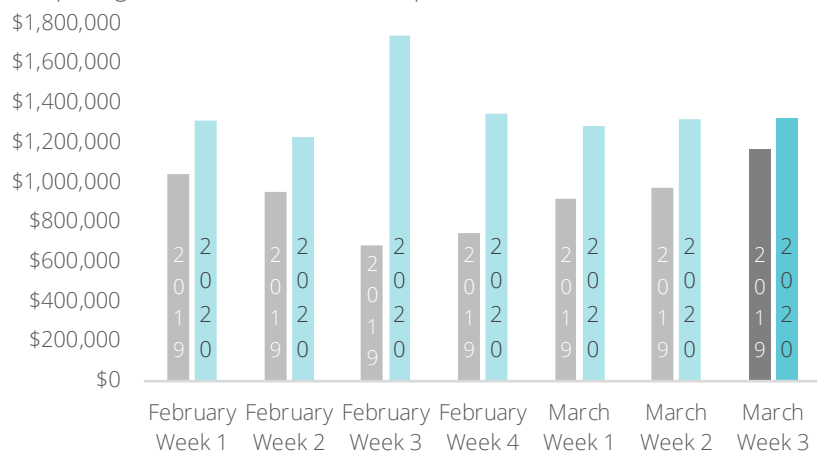
### # OF DONATIONS | Year-Over-Year Comparison

Comparing the number of donations processed each week



### TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



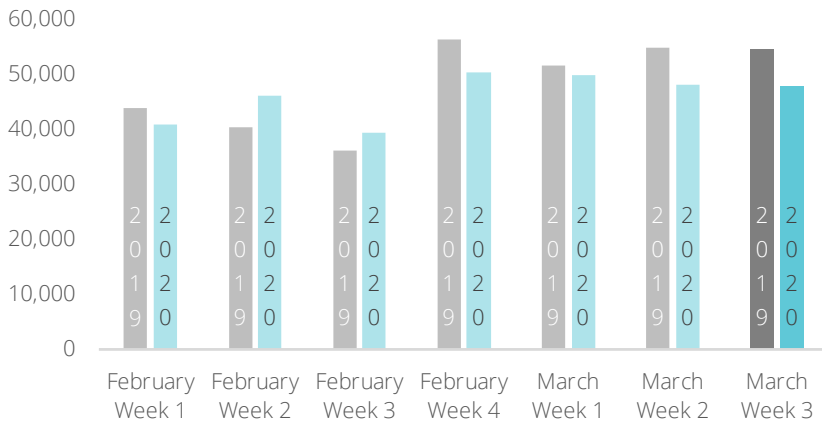
- There was a 47.5% increase in donation revenue over the past seven weeks in 2020 compared to the same period in 2019. This increase was driven by increases in both volume and average gift. During this period, average gift was up 12.9% this year compared to last.
- Last week, donation revenue was 13.0% higher than the same week in 2019. The increase was volume-driven, as average gift was only 1.9% this year than last year.

# INTERNATIONAL RELIEF

## WEEKLY YEAR-OVER-YEAR COMPARISON

### TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

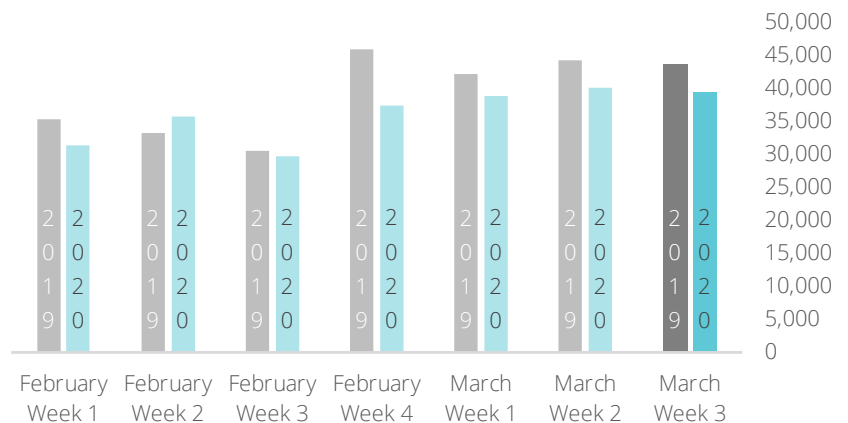


- Total mail volume decreased -4.6% from the first week of February to the third week in March compared to the same timeframe last year.
- Non-donation mail volume increased 11.4% during this period compared to 2019. Non-donation mail accounted for 16.7% more of the mail volume compared to the same time last year.
- Over the last three weeks, total mail volume declined week-over-week this year. Whereas in 2019, total mail volume increased week-over-week over these same weeks.

### # OF DONATIONS | Year-Over-Year Comparison

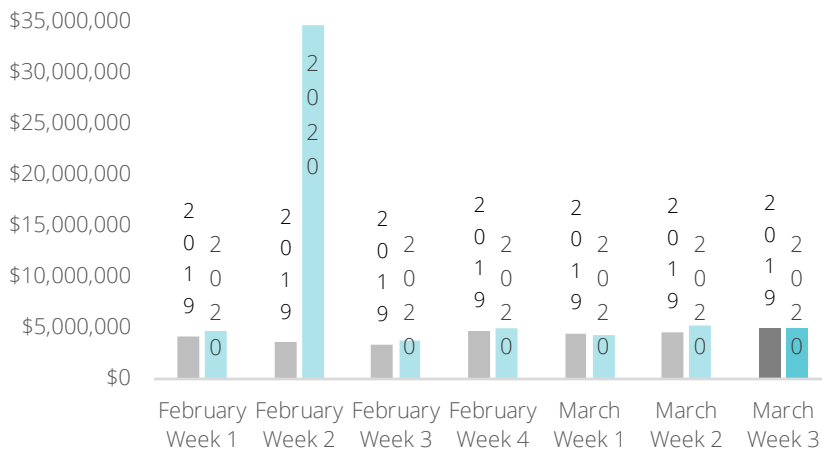
Comparing the number of donations processed each week

- The decline in total mail volume was driven by a -8.2% year-over-year decline in donation volume. This drop in donation volume increased since the last reporting period, growing from -7.9% to -8.2%.
- Week-over-week donation volume remained lower than the volumes for the corresponding weeks in 2019. In the third week of March, donation volume was 9.7% lower than in 2020.



### TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



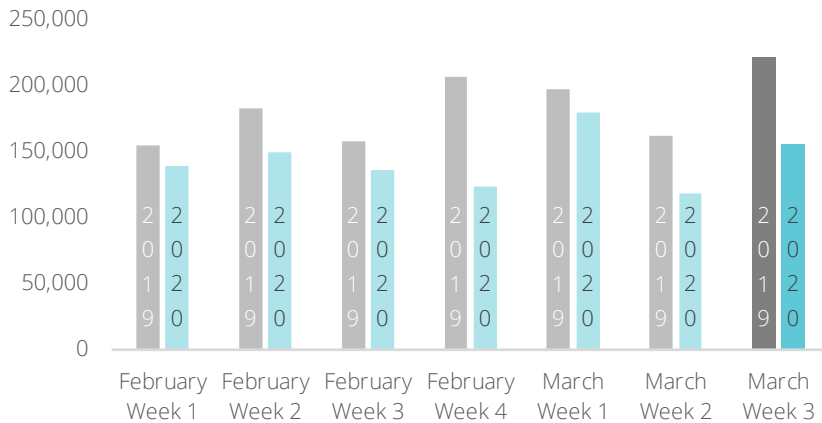
- Donation revenue was up 110.8% during the last seven weeks compared to these same weeks in 2019. Average gift was the driver, as it was up 129.7% during this period compared to last year.
- The increase in donation revenue slowed the third week of March; There was only a 1.1% increase compared to last year. In the second week of March, there was a 14.3% increase over the donation revenue for this week in 2019.
- From the first week in March to the second, donation revenue jumped 20.7% week-over-week; from the second week to the third week of March, donation revenue declined -5.5%. For these periods in 2019, the week-over-week changes were increases of 3.3% and 6.9%, respectively.

# SOCIETAL BENEFIT

## WEEKLY YEAR-OVER-YEAR COMPARISON

### TOTAL MAIL PIECES | Year-Over-Year Comparison

Comparing the number of mail pieces processed each week

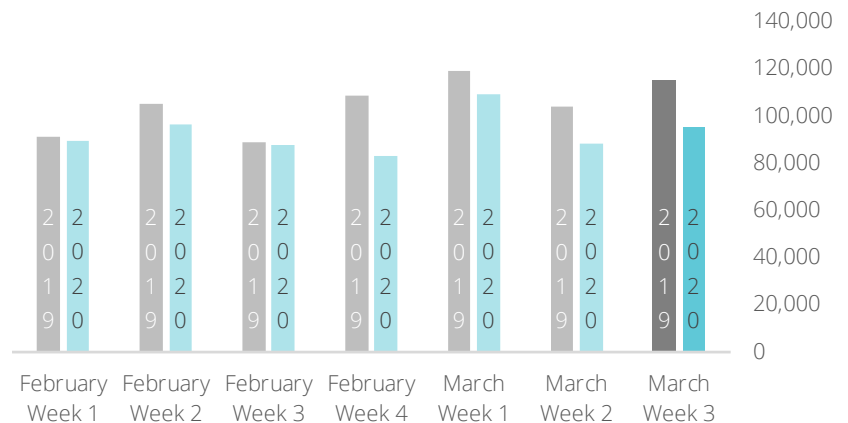


- Compared to last year, the Societal Benefit sector declined 21.9% over the previous seven weeks.
- The decline is primarily due to a -36.0% drop in non-donation volume compared to the same period in 2019.
- This past week, total mail volume was down -29.4% compared to the same week last year; the non-donation volume for this week was down -42.8% year-over-year.

- The volume of donation mail was down 11.2% compared to this reporting period in 2019. This decrease in donation volume grew since the last report, which was down -10.1% year-over-year.
- In the third week of March, donation volume was down -17.0% year-over-year; the previous week, donation volume was down 15.5% compared to the same week in 2019.
- Donations were down proportionally across the three payment types, as the composition remained consistent year-over-year.

### # OF DONATIONS | Year-Over-Year Comparison

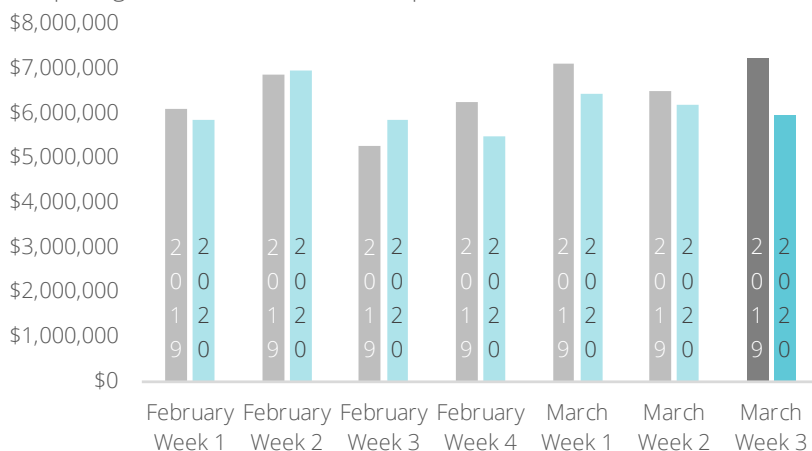
Comparing the number of donations processed each week



- While average gift was 6.1% higher during this reporting period than the same period last year, donation revenue was down -5.8% over the last seven weeks year-over-year.
- Last week, donation revenue was down -17.8% compared to this week in 2019.
- Week-over-week, donation revenue declined -3.9% from the second to the third week of March. In 2019, the week-over-week change was an increase of 11.6%.

### TOTAL REVENUE | Year-Over-Year Comparison

Comparing the amount of donations processed each week



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BE SAFE

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