COVID DID WHAT?

HOW THE MARKET REALLY PERFORMED IN 2020.

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WHAT OUR SESSION COVERS

The Impact of COVID on Mail Trends

- Amy Bobrick

Online Benchmarking Findings

- Deb Ashmore

Net New Donors During COVID

- Katie Valvo

2020 Q1/Q2 EVENTS IMPACTING GIVING

January 2020

Australian Bushfires

February 2020

President Impeached

March 2020

COVID 19
Shutdowns and Quarantines
CARES Act Passage

April 2020

Stimulus Checks Distributed

May/June 2020

#GivingTuesday Now
Racial Justice Protests

2020 Q3/Q4 EVENTS IMPACTING GIVING

July 2020
Facebook Boycott

August/Sept 2020
Schools/Universities Re-Open

Fall 2020
Hurricane Season
California Wildfires
RBG Passing

November 2020
Presidential Election

December 2020
#GivingTuesday – December 1, 2020
Year End Giving

THE IMPACT OF COVID ON MAIL TRENDS

MAIL VOLUME BENCHMARKING

Total Nonprofit Organizations*

135

Sectors Represented**

Animal Welfare (8)
Arts & Culture (24)
Environmental (11)
Health (25)
Human Services (16)
International Relief (15)
Societal Benefit (36)

** The organizations included in this analysis are those who were fully onboarded by January 1, 2019 and remained a client through the end of 2020.*
*** This analysis does not include political campaigns or committees.*

COVID-19 IMPACT ON OPERATIONS

SAFETY FIRST

Established safety and screening protocols for on-site team members; this included sanitization supplies and cleaning protocols.

THE FLOOR

Reconfigure some work areas to accommodate CDC guidelines for a safe work environment.

MOVE TO REMOTE

For those who could work remotely, laptops were distributed, and other security protocols were established.

ADJUSTING TO THE NEW NORM

Employees returning to the facility are adjusting to new on-site protocols and procedures to maintain safe working conditions.

2020 AT A GLANCE

6.6%

YOY Change
# of Donations Processed

- Human Services consistently higher every quarter in 2020.
- For all sectors, Q2 (16%) and Q4 (15%) had the most significant year-over-year change.

18.9%

YOY Change
$ of Revenue Processed

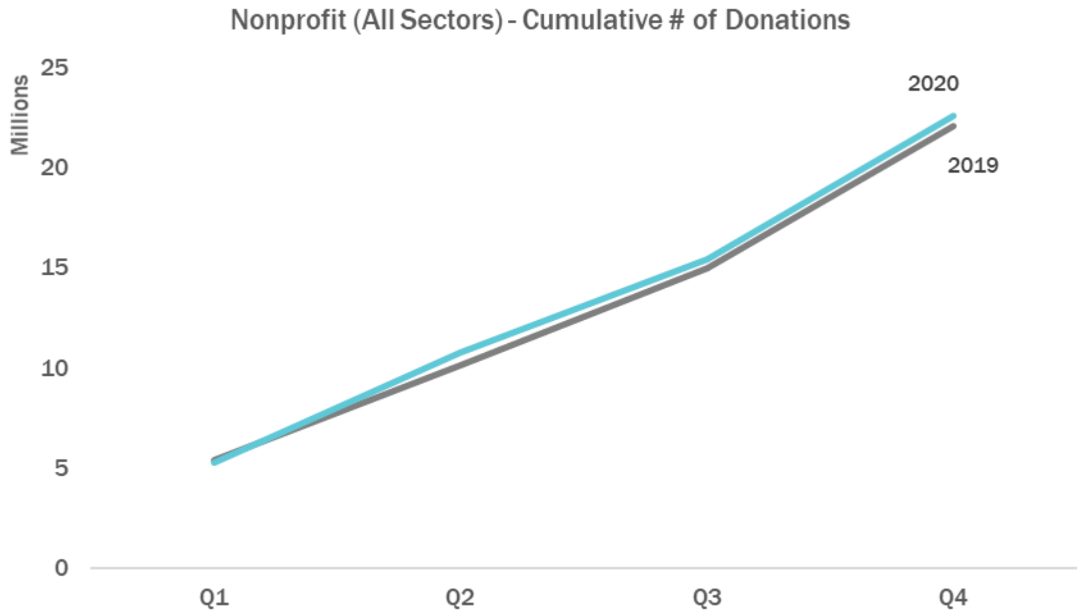
- Revenue was higher every quarter in 2020 compared to 2019.
- Human Services and International Relief sectors had the greatest year-over-year increases.

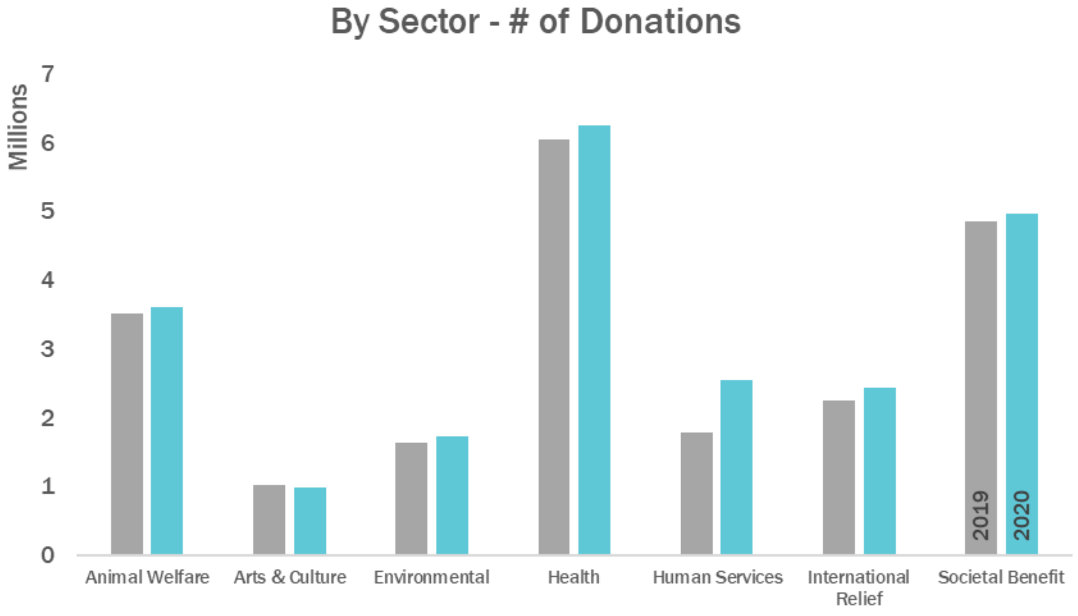
11.5%

YOY Change
Average Gift

- In the first half of the year, the variance in average gift to 2019 was greater than in the second half of year.
- The Health sector is the only sector where average gift did not increase compared to 2019.

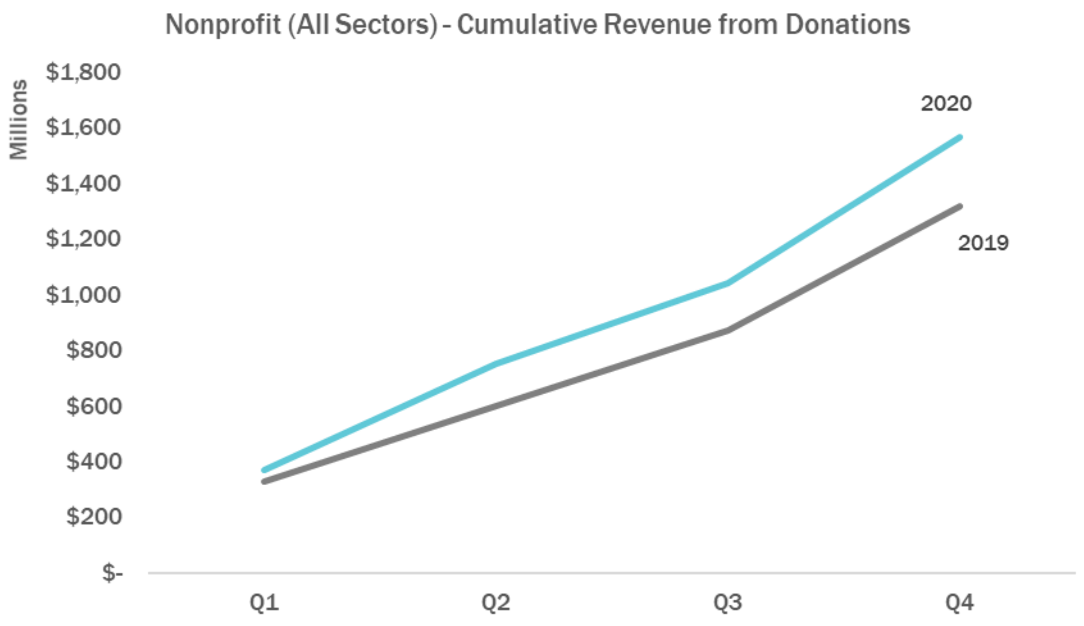
DONATIONS REMAIN RELATIVELY CONSISTENT

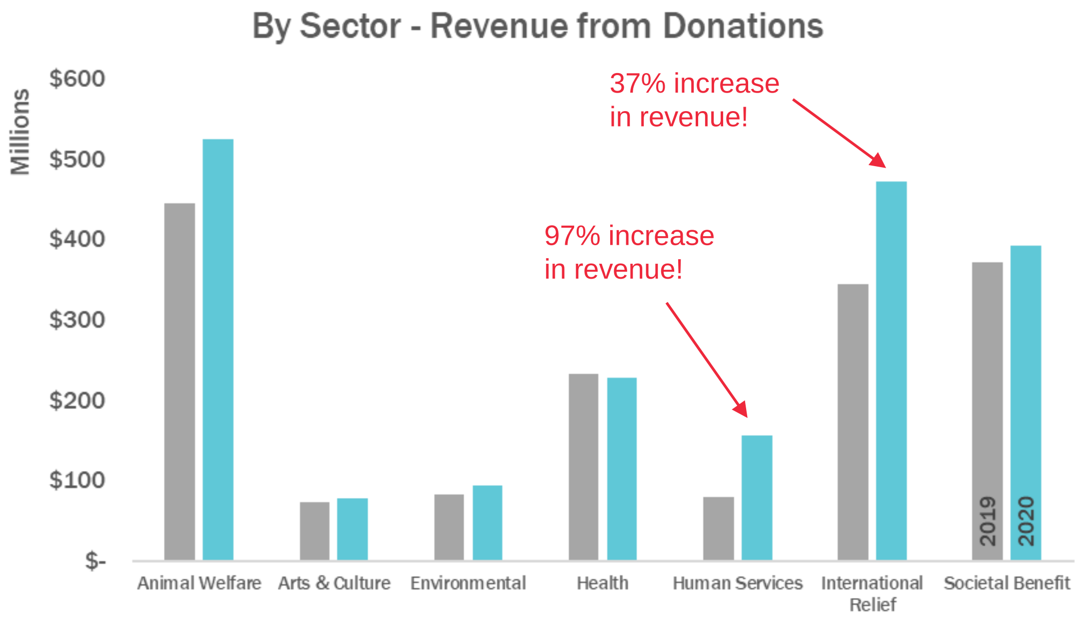




Source: Merkle Response Management Group, Processing Data

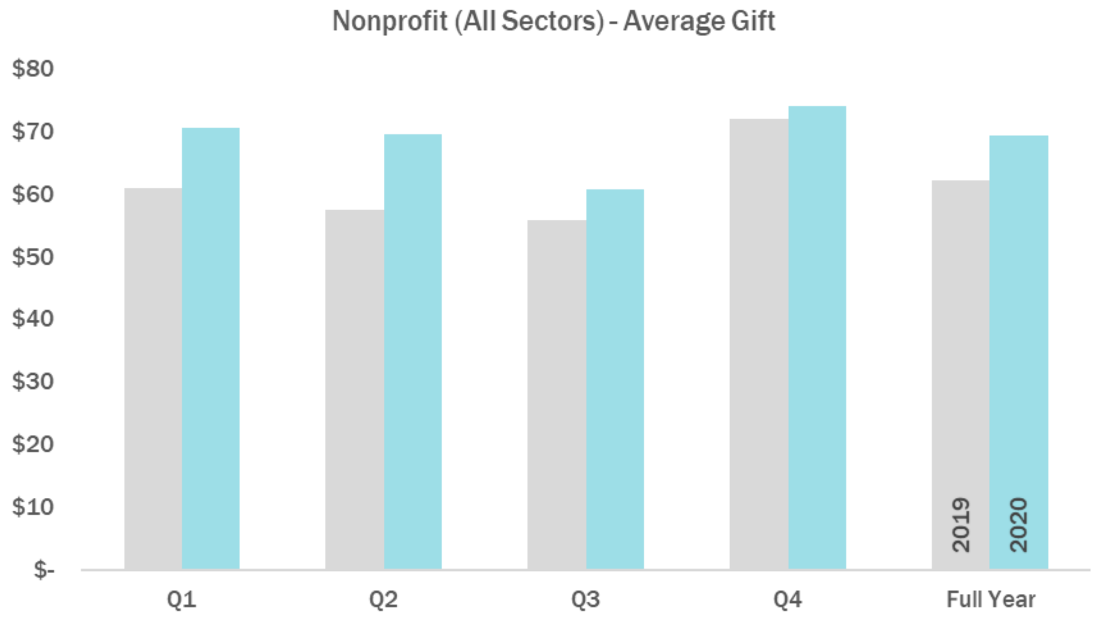
REVENUE CONTINUED TO INCREASE IN Q3/Q4

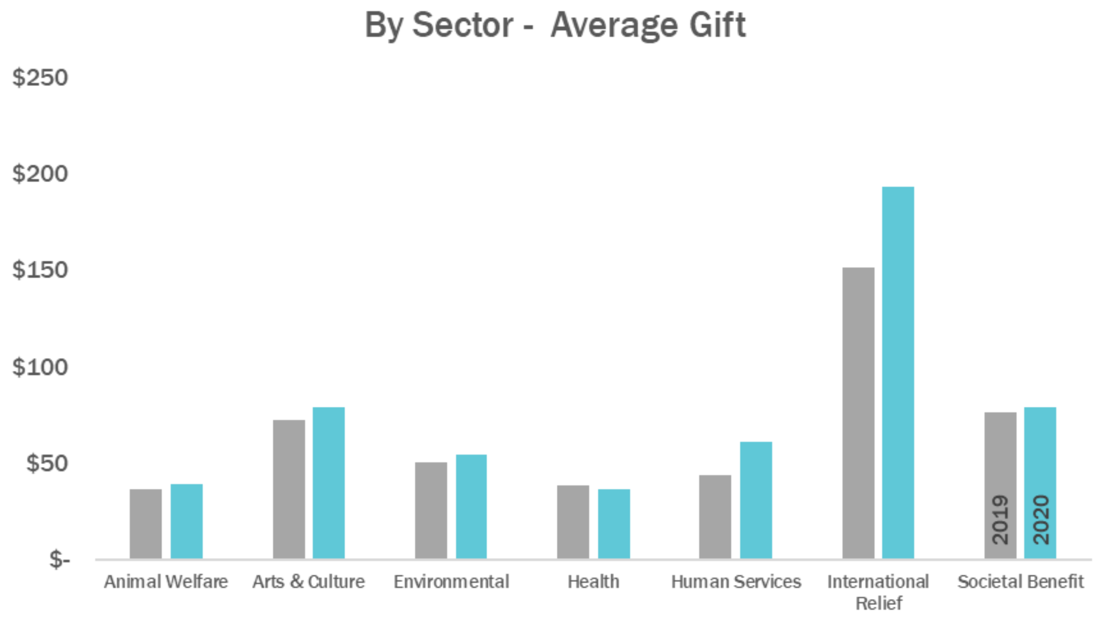




Source: Merkle Response Management Group, Processing Data

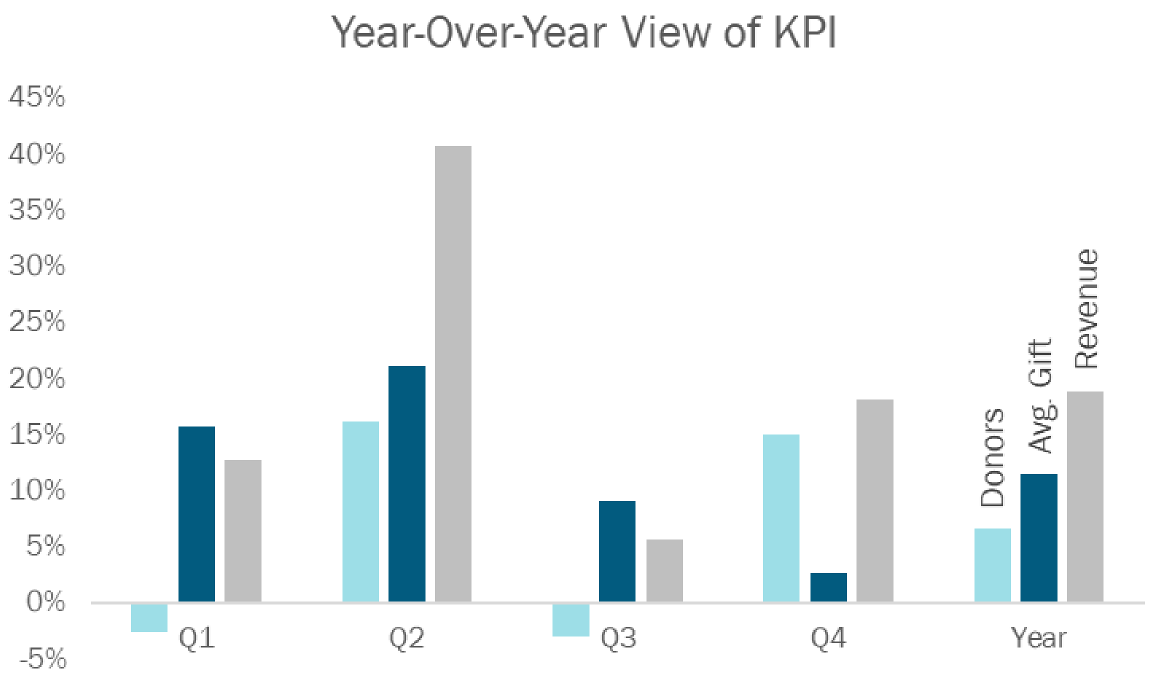
AVERAGE GIFT DRIVES YEAR-OVER-YEAR INCREASE IN REVENUE





Source: Merkle Response Management Group, Processing Data

INCREASE IN DONORS DROVE Q4 REVENUE



Source: Merkle Response Management Group, Processing Data

donorCentrics
Online Benchmarking Findings

donorCentrics® ONLINE BENCHMARKING

Sharing and Learning

Sharing and learning from 18 large national organizations representing a variety of fundraising sectors.

Data and Analysis

Analysis of giving from a total of 8.5 million donors and a total of $1 billion in FY2020.

CHANNELS INCLUDED IN THE ANALYSIS

Online Channels

E-Mail

Digital Advertising

SMS Marketing

Web Other

Offline Channels

Direct Mail

Telemarketing

Canvassing

DRTV

How have overall donors and revenue shifted in the last year?

TOTAL ACTIVE DONORS AND REVENUE INCREASED AT THE MEDIANS IN FY2020

3%

3% increase in the median number of active donors.

7%

7% increase in median revenue.

DONOR GROWTH BY ONLINE GIVING STATUS

Offline Giving Only

0%

0% change in the median number of active donors giving only Offline Gifts.

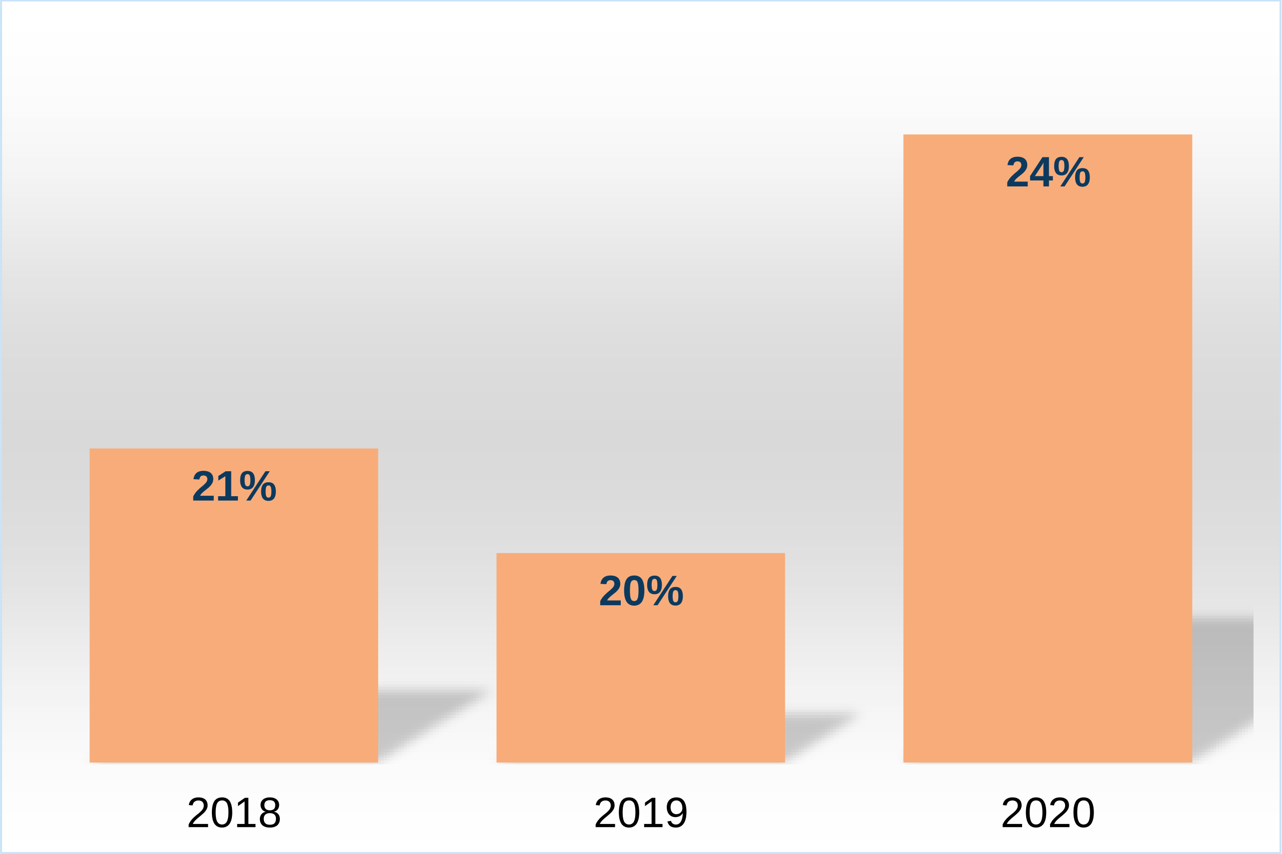
Online Giving Only

11%

11% increase in median number of active donors giving only Online Gifts.

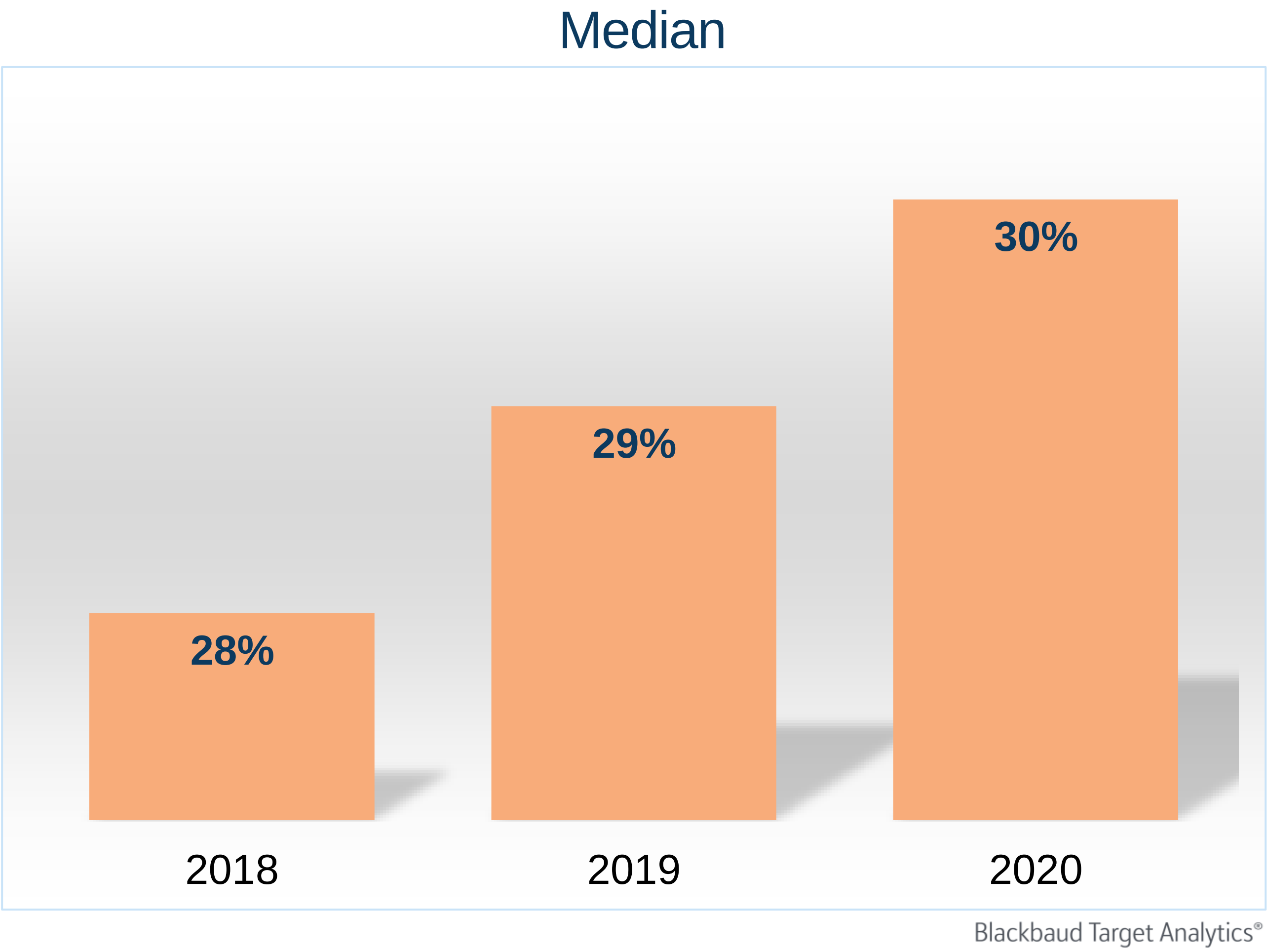
TREND IN SHARE OF DONORS GIVING ONLINE

Median

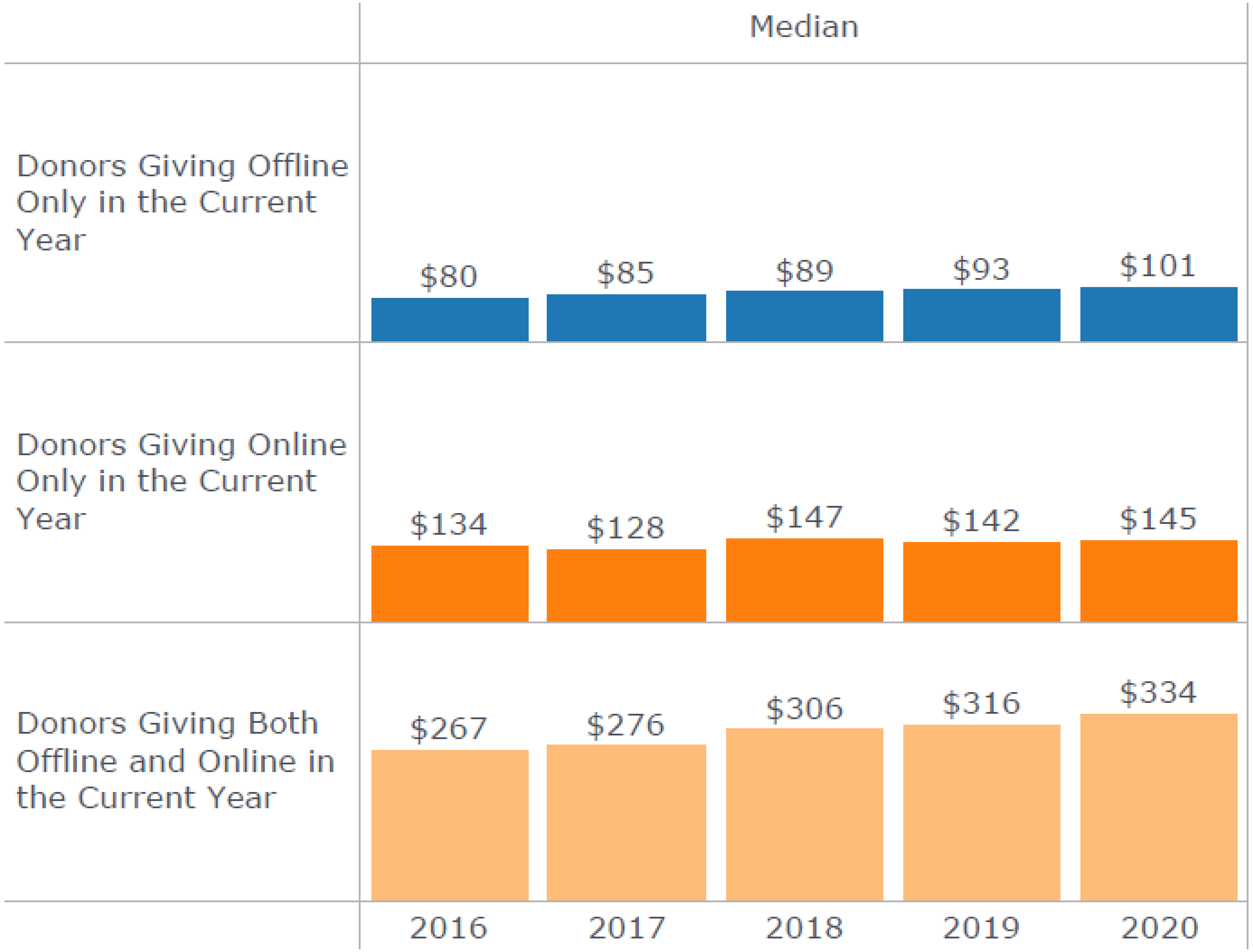


Blackbaud Target Analytics®

TREND IN SHARE OF REVENUE FROM ONLINE GIFTS



REVENUE PER DONOR TRENDS



26% Increase since 2016

8% Increase since 2016

Blackbaud Target Analytics®

ONLINE DONORS AND RECURRING GIVING

18%

Median Share of Online Donors Making Recurring Gifts in 2020

$203

Median Revenue per Donor for Recurring Donors Giving Online in 2020

Over the five-year period, online donors making recurring gifts have nearly doubled.

New Donor Trends

TOTAL NEW DONORS AND REVENUE INCREASED AT THE MEDIANS IN FY2020

6%

6% increase in median number of new donors.

16%

16% increase in median revenue from new donors.

NEW DONOR GROWTH BY ONLINE GIVING STATUS

Offline Giving Only

7%

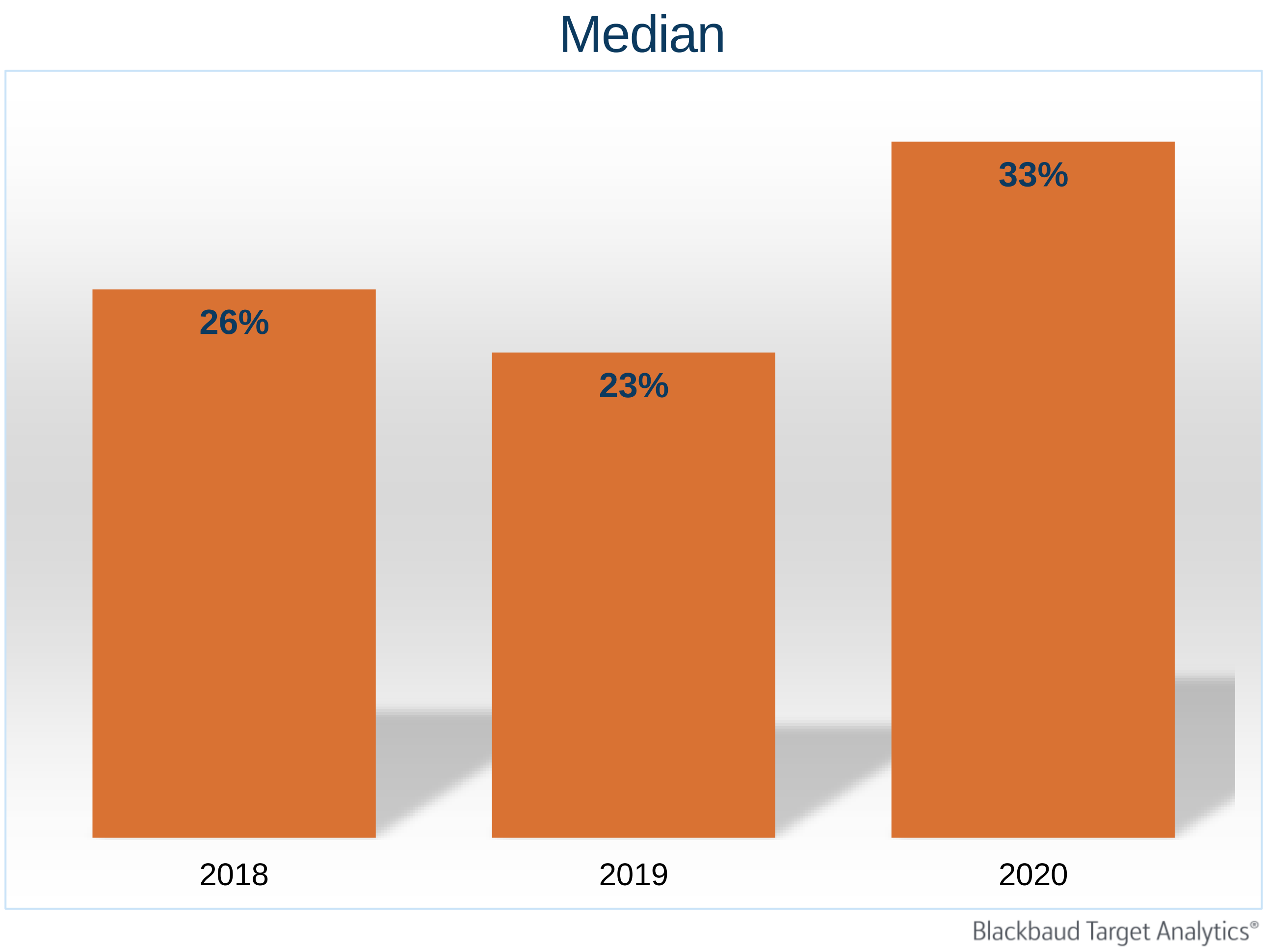
7% increase in median number of new donors giving only Offline Gifts.

Online Giving Only

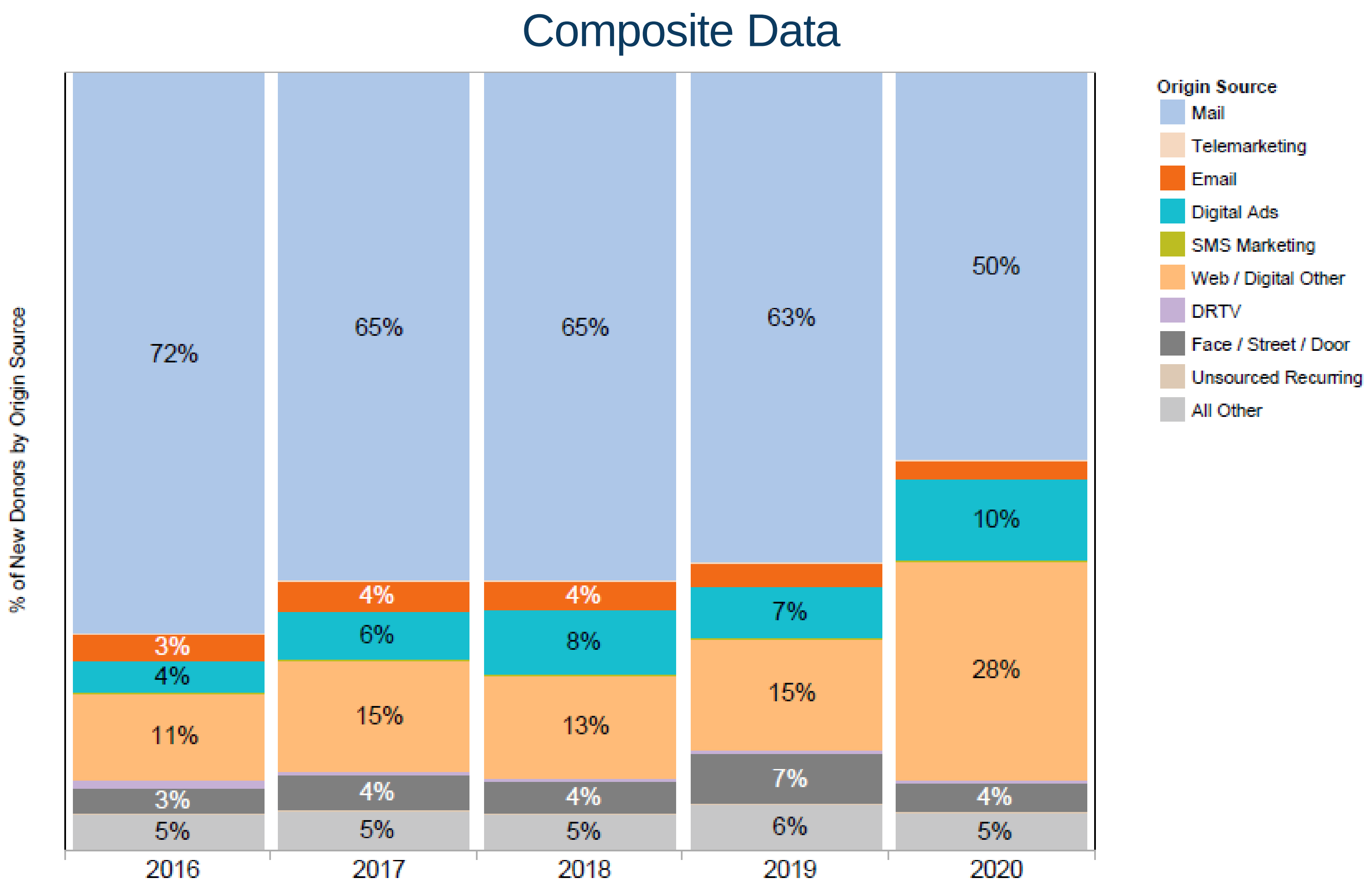
23%

23% increase in median number of active donors giving only Online Gifts.

TREND IN SHARE OF NEW DONORS GIVING ONLINE



NEW DONORS BY SOURCE



NEW DONOR AVERAGE GIFT

Offline Giving Only	Online Giving Only
$39	$71

New Donor Online Average Gift 82% Greater than New Offline Donor Average Gift

NEW ONLINE DONORS AND RECURRING GIVING

8%

Median Share of New Online Donors Making Recurring Gifts in 2020

The share of ALL new donors that made a recurring gift in 2020 was 3%.

What were the top 3 sources for converting single gift donors to recurring donors in 2019?*

49%

Of all donors that converted from single to recurring did so via **web/digital** sources

20%

Of all donors that converted from single to recurring did so via **telemarketing**

9%

Of all donors that converted from single to recurring did so via **mail**

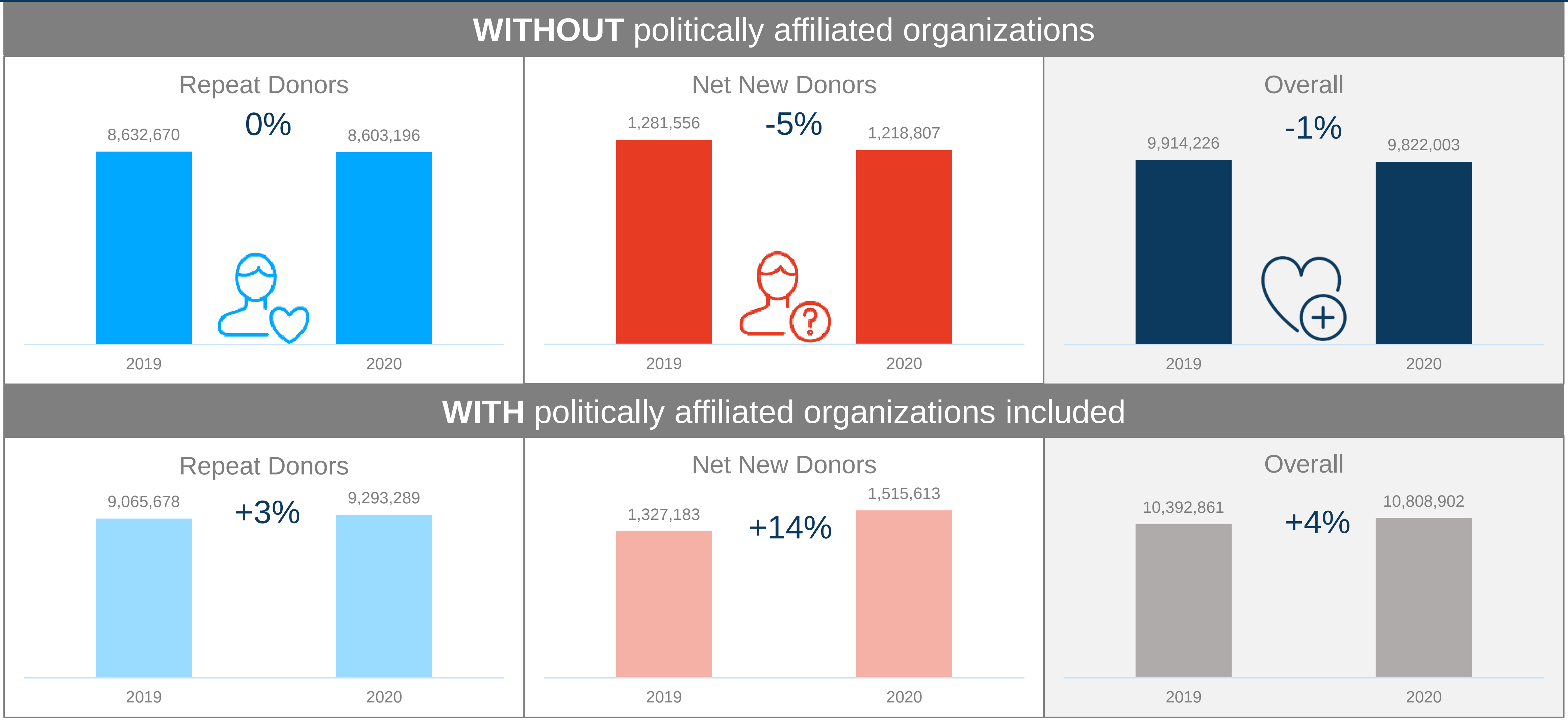
*Data from the donorCentrics Sustainer Summit

NEW DONORS BY AGE AND GIVING CHANNEL

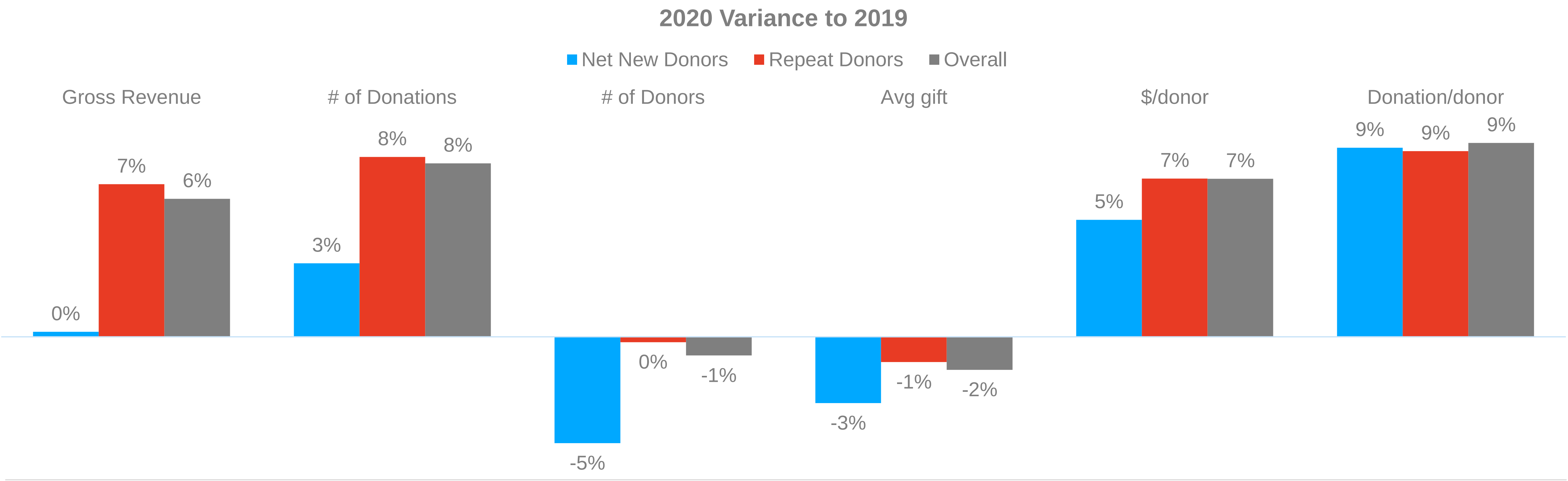
	% of Donors Under 35	% of Donors 65+
New Offline Donors	7%	60%
New Online Donors	15%	30%

NET NEW DONORS
DURING COVID

HOW MANY NET NEW AND REPEAT DONORS WERE THERE FROM MARCH THROUGH AUGUST 2020 AND 2019?



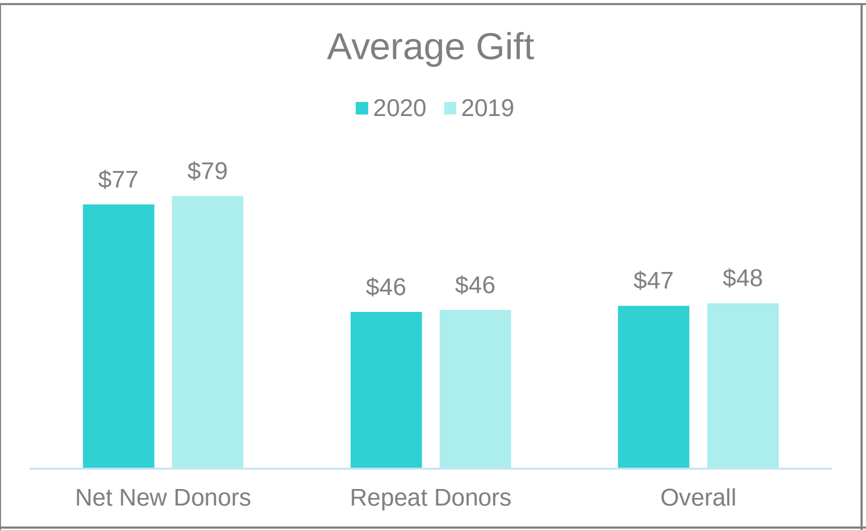
WHAT IS THE CONTRIBUTION OF NET NEW VS REPEAT DONORS?

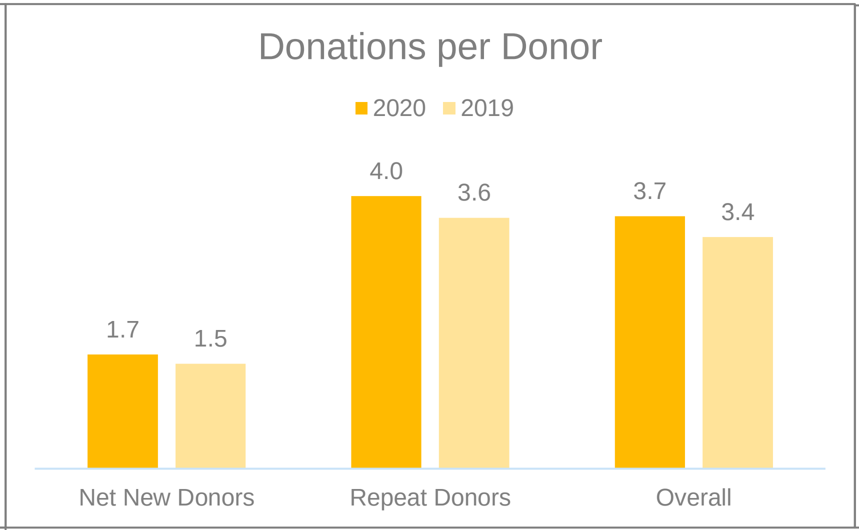


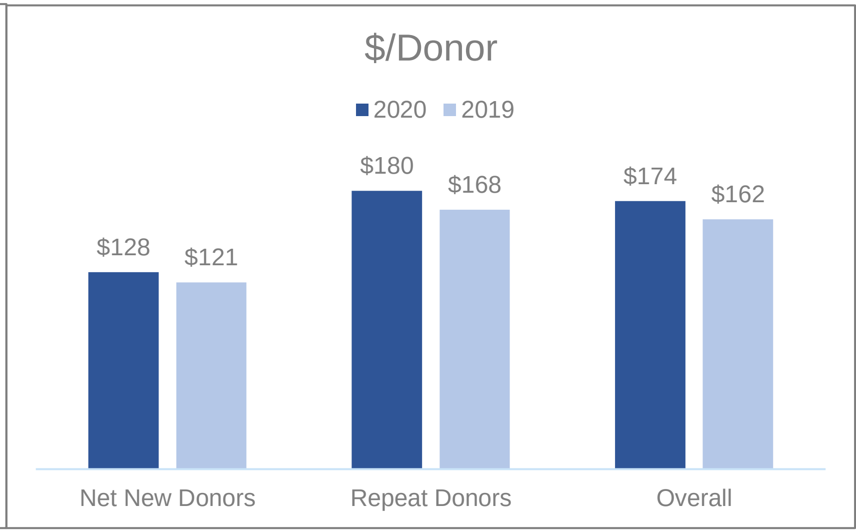
Highlights:

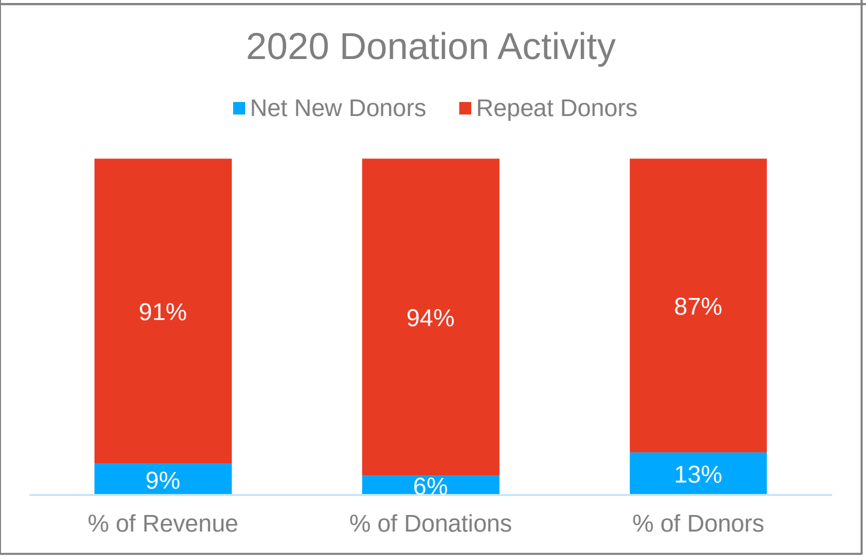
- Repeat donors are driving the growth in gross revenue with a 7% increase from 2019 to 2020.
- Donation frequency was up for Net New and Repeat Donors.
- Average gift shrunk for Net New and Repeat donors – as well as the combination of the two (Overall).

WHAT IS CONTRIBUTION OF NET NEW VS. REPEAT DONORS?





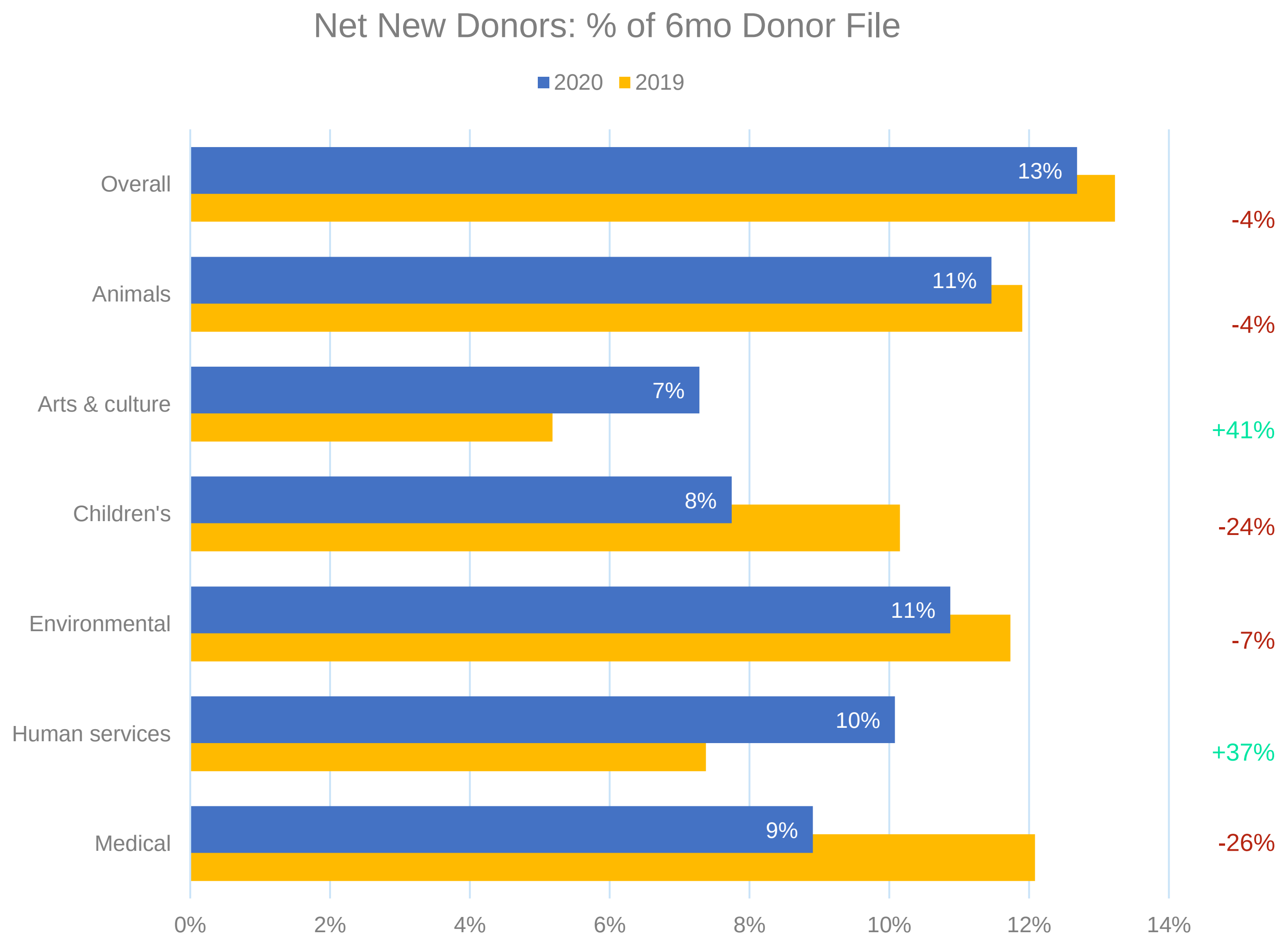




Highlights:

- Net New donors have a much higher average gift compared to repeat donors.
- Net New donors' donation frequency went up in 2020 as average gift declined.
- Net New donors in 2020 contributed to 9% of gross revenue for nonprofits overall and made up 13% of donors during this time.
    - This was fairly consistent with 2019 trends.

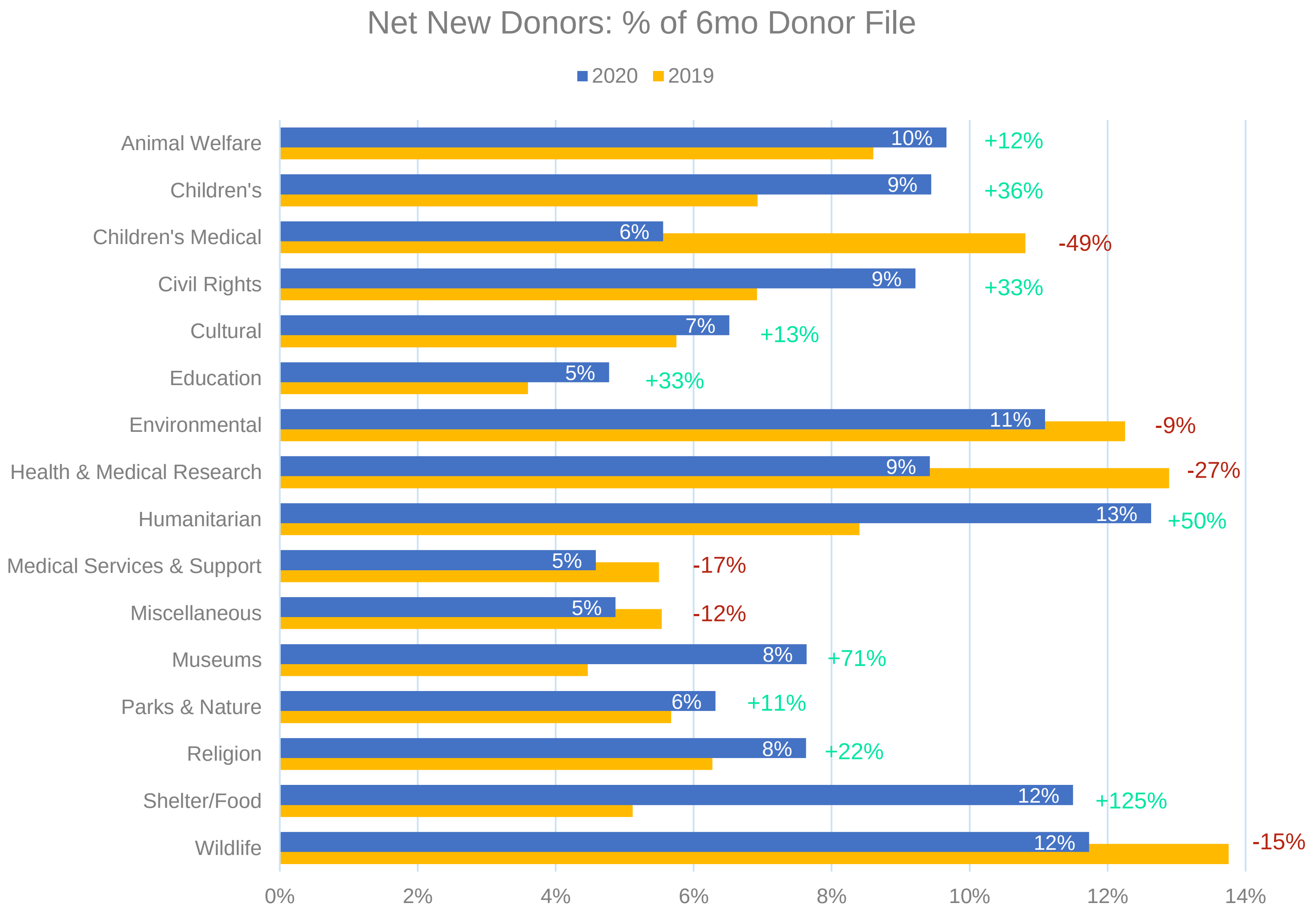
WHAT SECTORS ARE DRIVING THE GROWTH IN NET NEW DONORS?



Highlights:

- Across all nonprofit organizations, 13% of donors in 2020 were New to donating. This was down 4% from the same time in 2019.
- There was a shift in 2020 and two sectors saw double-digit increases – Arts & culture and Human services.
- Children’s and Medical causes experienced the reverse with a declining portion of Net New donors on their house file in 2020.

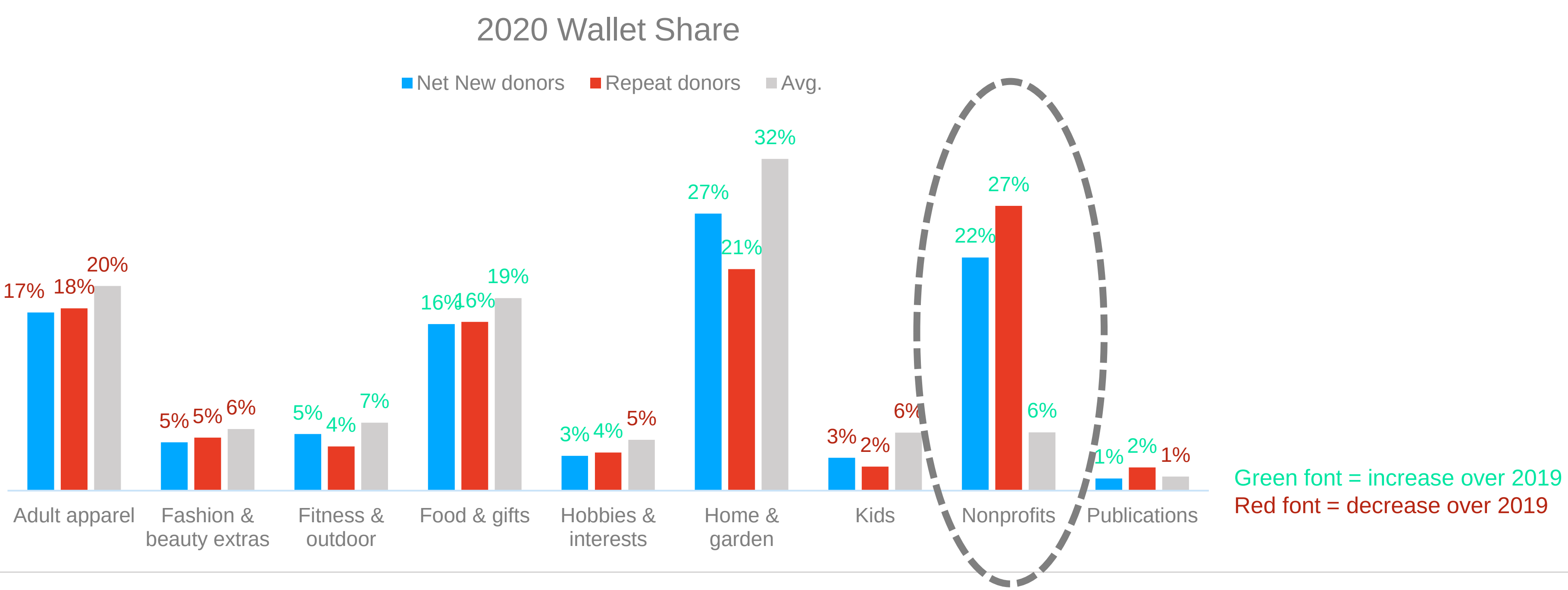
WHAT SECTORS ARE DRIVING THE GROWTH IN NET NEW DONORS?

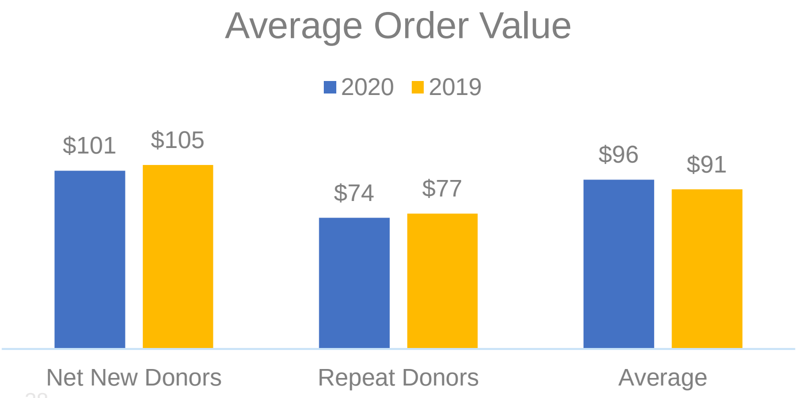


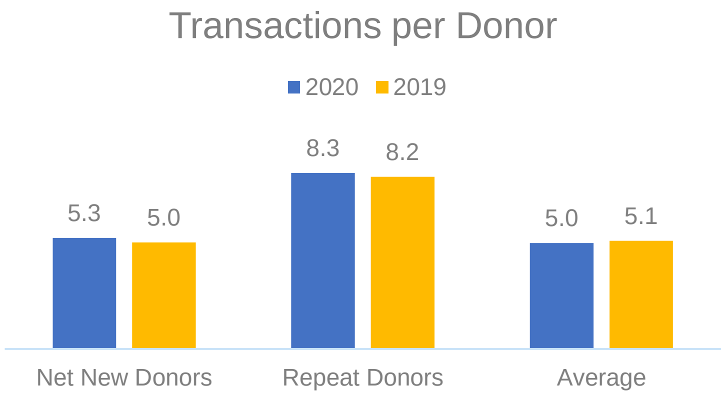
Highlights:

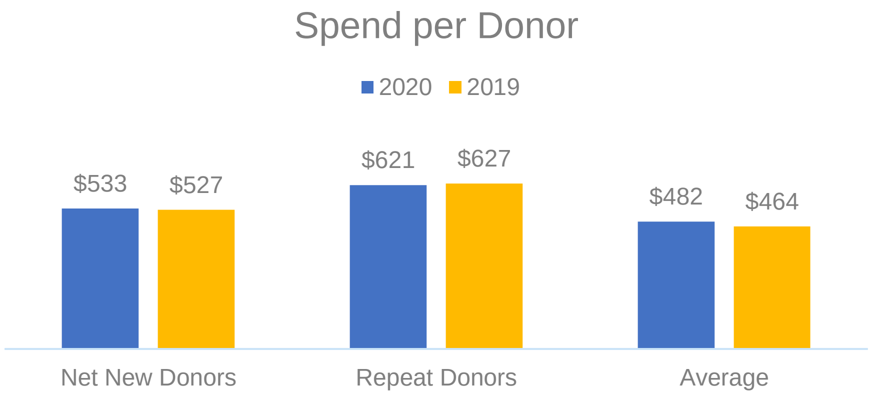
- Shelter/Food organizations increased their proportion of net new donors by 125%!!
- Museums grew by 71%!
- Humanitarian organizations also saw an increase of 50%.
- Medical-related causes have struggled to gain net new donors during this time – as well as Environmental and Wildlife causes, but to a lesser extent.

2020 WAS A YEAR OF DISRUPTIONS WITH CONSUMER SPEND PATTERNS SHIFTING MORE THAN EVER SEEN BEFORE.
DONORS WERE NO DIFFERENT.

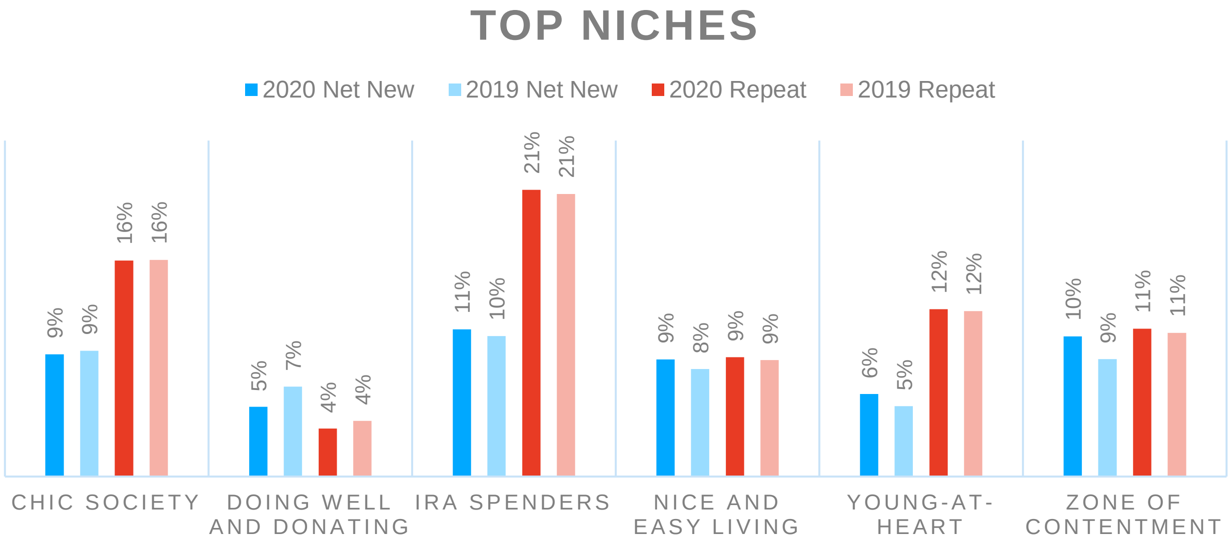


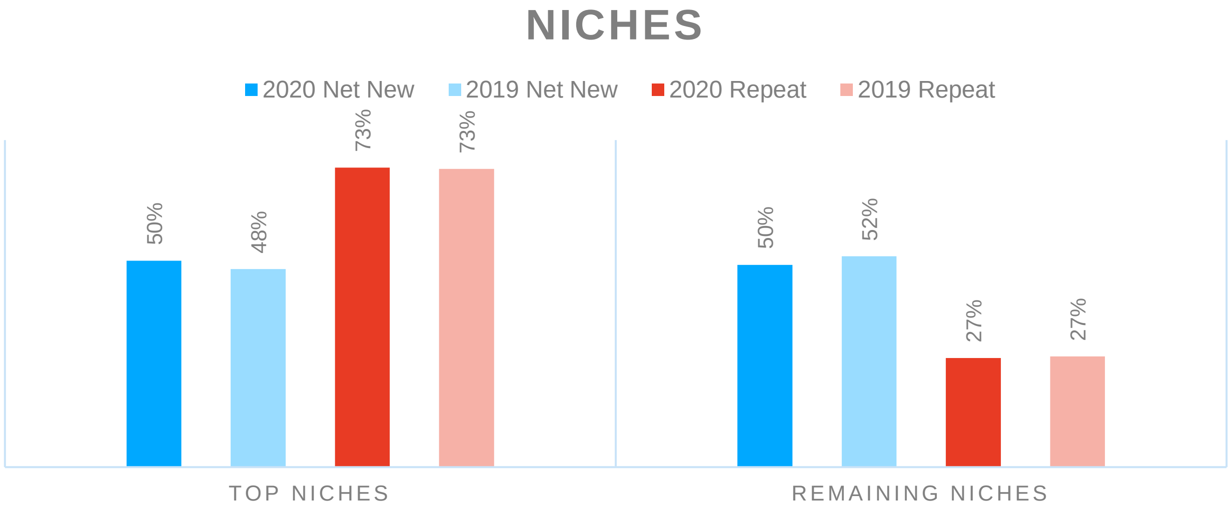






WHAT ARE THE TOP LIFESTYLES OF THE RECENT DONORS?





Chic Society

These households lead high-society lives characterized by high amounts of disposable income and an affinity for travel and luxury. They're typically in their late 50s and don't have children. They own high-end vehicles, are active donors and spend via multiple channels across many categories.

$204,200 average income
58 average age
14 years average length of residence
Less likely to have children

Doing Well and Donating

These families are led by adults in their prime earning years. They're typically homeowners who spend 3x more than the average population and donate to a wide variety of charitable causes. They're career-oriented and enjoy traveling, fitness and investing, and own newer full-size and luxury vehicles.

$250,500 average income
46 average age
13 years average length of residence
Likely to have children

IRA Spenders

These retirees are longtime homeowners who are unlikely to have children still living with them. They're above-average spenders and favor traditional channels like direct mail, phone and in-store retail over online shopping.

$120,700 average income
67 average age
17 years average length of residence
Less likely to have children

Nice and Easy Living

These households are generally retired empty-nesters who enjoy spending time with their grandchildren. They're active investors and concentrate their limited spending on home improvement merchants, enjoy domestic travel and stay up-to-date with news and current affairs.

$78,000 average income
66 average age
13 years average length of residence
Less likely to have children

Young at Heart

These older retirees are well-established homeowners who enjoy spending time with their grandchildren and watching daytime TV. They purchase clothing and other items via direct and phone/mail channels, and are active donors to different causes.

$31,800 average income
70 average age
17 years average length of residence
Less likely to have children

Zone of Contentment

These empty-nest homeowners are often retired and enjoy spending time with their grandchildren. Their interests include daytime TV, bird feeding, quilting and sewing, and they spend their limited discretionary funds on apparel, personal care and publications.

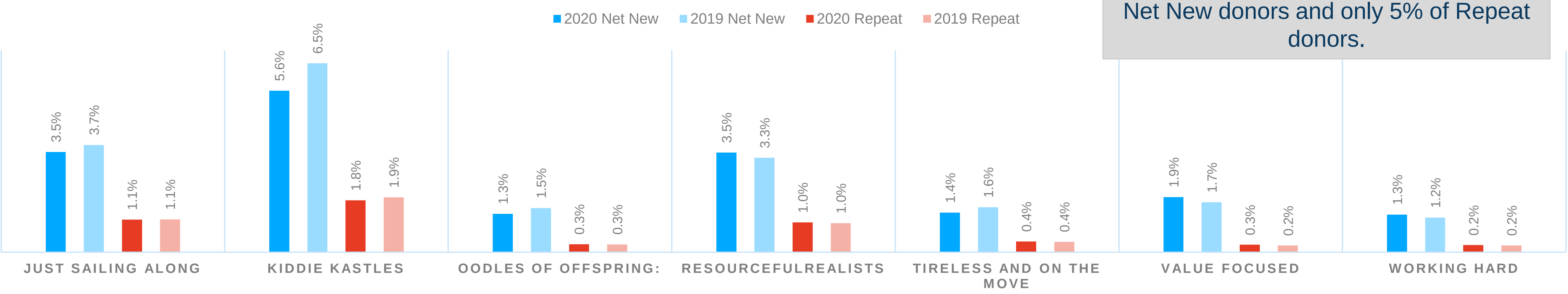
$28,200 average income
68 average age
13 years average length of residence
Less likely to have children

- These are the top niches for the various segments.
- These 6 niches make up nearly three-quarters of the Repeat donors, but around half of the Net New Donors for the last 2 years.

WHAT ARE THE TOP LIFESTYLES OF THE RECENT DONORS?

NET NEW DONORS ARE 3X+ MORE LIKELY TO BE IN THESE NICHES THAN REPEAT DONORS

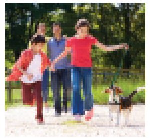
These 7 Niches account for 18-19% of Net New donors and only 5% of Repeat donors.



Just Sailing Along

These 30-somethings are either working on their degree or climbing the corporate ladder. As they work to establish themselves and build for the future, they're renters and savvy spenders, opting for used vehicles and financial providers with rewards programs.

$78,000 average income
35 average age
5 years average length of residence
Less likely to have children



Kiddie Kastles

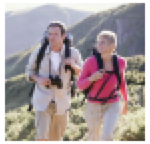
These middle-aged professionals are parents and homeowners. The majority of their limited spend goes toward their children, and they value price and convenience as they juggle family and work demands.

$83,000 average income
42 average age
10 years average length of residence
Likely to have children

Oodles of Offspring

This niche contains a mix of renters, homeowners, professional workers and college students who have children. These households spend their limited funds predominantly on apparel, merchandise and learning materials for their children, but also donate to a variety of causes and visit theme parks with their families.

$48,300 average income
29 average age
7 years average length of residence
Likely to have children



Resourceful Realists

These middle-aged households usually don't have children and tend to work in hourly clerical jobs that may come and go. They donate to liberal and cultural causes and enjoy R&B music, fashion, thrifting and the internet.

$52,700 average income
44 average age
7 years average length of residence
Less likely to have children

Tireless and on the Move

These young adults are a mix of students and working professionals less likely to have children. Despite their limited income, they donate to a variety of charitable causes. They enjoy connecting with brands and receiving offers and discounts via social media.

$27,900 average income
28 average age
4 years average length of residence
Less likely to have children

Value Focused

These highly mobile renters usually don't have children and are a mix of college students and working professionals. Their discretionary spend falls significantly below the average. Therefore, they favor discount merchants; they highly value offers, coupons and discounts; and they're very disciplined about their spending overall.

$24,400 average income
36 average age
5 years average length of residence
Less likely to have children

Working Hard

These hardworking households usually have children and rent their homes. They strive to achieve a high social status and enjoy changing brands for the sake of variety and novelty. They're receptive to coupons, offers and discounts.

$26,900 average income
40 average age
8 years average length of residence
Likely to have children

WHAT DOES IT ALL MEAN?

- **Catastrophe = Donations**
- **Catastrophe + Lock-Down = A Shift in Priorities**
- **Future Opportunities**
    - Younger donors showed up. Why?
    - How do we continue to engage these groups v. viewing them as one-off ‘disaster’ donors?
- **38% of new donors were sourced through web/digital channels; for the first time only 50% of new donors were sourced through the mail;**
    - We saw younger, more diverse donors engage through digital channels. How should we harness this trend moving forward?

THANK YOU.