

Quarterly Index of National Fundraising Performance

2006 Fourth Calendar Quarter Results

By Helen Flannery and Rob Harris
Target Analysis Group, Inc.

April 3, 2007

The Target Analysis Group Quarterly Index of National Fundraising Performance

The Index of National Fundraising Performance is produced by Target Analysis Group, Inc. For the twelve months ending Q4 2006, Target Analysis Group evaluated transactions from 68 organizations, including over 38 million donors and more than 68 million gifts totaling over \$1.8 billion in revenue.

Quarterly results are reported on a calendar year basis. This report includes results through December 2006. Index findings are based on analysis of actual donor transactions, not survey responses from fundraisers. All calculated measures have been reviewed by participants for accuracy.

Q4 2006 Participants

Animal Welfare

American Humane Association
ASPCA
Humane Society of the United States
International Fund for Animal Welfare

Environment

Earthjustice
Environmental Defense
Greenpeace U.S.A.
National Parks Conservation Association
National Wildlife Federation
Natural Resources Defense Council
The Nature Conservancy
The Ocean Conservancy
Sierra Club
Trout Unlimited
The Wilderness Society
World Wildlife Fund

Health

ALSAC / St. Jude Children's Research Hospital
Alzheimer's Association
American Cancer Society
American Diabetes Association
American Health Assistance Foundation
American Heart Association
American Lung Association
Arthritis Foundation
Children's Cancer Research Fund
Children's National Medical Center
Easter Seals
The Foundation for AIDS Research
Cystic Fibrosis Foundation
Juvenile Diabetes Research Foundation
March of Dimes
Mayo Clinic
National Foundation for Cancer Research
National Multiple Sclerosis Society
Special Olympics

Human Services

America's Second Harvest
American Indian Relief Council
Covenant House
Missionary Association of Mary Immaculate
Paralyzed Veterans of America
St. Labre Indian School
Veterans of Foreign Wars

International Relief

AmeriCares
CARE
Catholic Relief Services
Doctors Without Borders
Habitat for Humanity International
International Rescue Committee
Oxfam America
Project HOPE
Save the Children
U.S. Fund for UNICEF

Societal Benefit

American Association of University Women
American Civil Liberties Union
Amnesty International
Anti-Defamation League
Brady Campaign to Prevent Gun Violence
Center for Science in the Public Interest
Common Cause
Human Rights Campaign
Nat'l Committee to Preserve Social Security & Medicare
People for the American Way
Planned Parenthood
Public Citizen
Southern Poverty Law Center

Unassigned

National Law Enforcement Officers Memorial Fund
National Trust for Historic Preservation
The Smithsonian Institution

Post-Disaster Correction of 2006 Is Over

Declining Donor Counts Are a Longer-Term Concern

Summary of Q4 2006 Results

Positive revenue growth in the fourth quarter of 2006 may signal an end to the post-tsunami and post-hurricane declines that dominated revenue trends over the past year.

Within the last two years, a pair of significant natural disasters had a profound effect on national charitable giving. The Indian Ocean tsunami of December 2004 and the U.S. Gulf Coast hurricanes in the fall of 2005 generated unprecedented non-profit giving.

Within the national index, donors directed most of their tsunami-related giving to international relief organizations and most of their hurricane-related giving to animal welfare and human services organizations, and the increase in giving related to both disasters was large enough to create a noticeable lift in median revenue for the entire national index in 2005.

Throughout much of 2006, after the immediate effects of the tsunami and hurricanes on giving subsided, index revenue and donor numbers declined. As expected, declines were particularly severe for the three sectors that had received the most disaster-related giving, but showed up to some extent for most other industry sectors as well. The entire index had generally negative trends across all key measures during the first three quarters of 2006 as organizations experienced a correction from the disaster-related spike back to more typical giving levels.

In the fourth quarter of 2006, for the first time in over a year, median revenue growth for the index was slightly positive. As a result, revenue for the entire year of 2006 grew a median 0.7% over 2005.

This is an encouraging sign and could be an indication that donors have returned to their pre-disaster giving patterns and capacities.

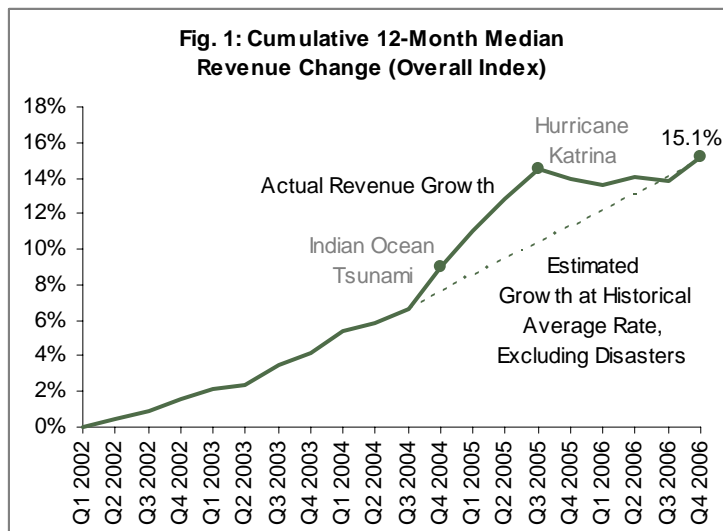
One longer-term trend that causes concern, however, is a general decline in donor populations over the past five years.

Organizations have generally been able to compensate for these donor declines so far with increases in revenue per donor. If, as the index data indicates, non-profits are now in a period of relatively normal revenue growth, it will still be important to monitor donor growth rates as further declines could jeopardize revenue over the long term.

Rolling Quarterly Analysis Shows Recent Return to Normal Revenue Growth in the Fourth Quarter of 2006

Examining median rolling twelve-month revenue growth from one quarter to another provides information about what has happened in recent quarters and how those trends fit into a longer-term context.

A rolling twelve-month analysis compares the twelve months of revenue ending in a quarter to the twelve months of revenue ending in the previous quarter. This smooths out seasonal differences and allows us to see continuous relative movement in revenue from one quarter to the next, instead of simply from one full year to the next full year.



The rolling quarterly approach shows that throughout most of 2002, 2003, and 2004, index revenue grew at an average 1% per quarter. Beginning in the fourth quarter of 2004, there was unusually strong revenue growth for four quarters, and then essentially flat revenue for about the same length of time. And in the fourth quarter of 2006, revenue once more grew at a rate similar to that of pre-tsunami giving (See Fig. 1).

These trends suggest that the tsunami and hurricanes prompted

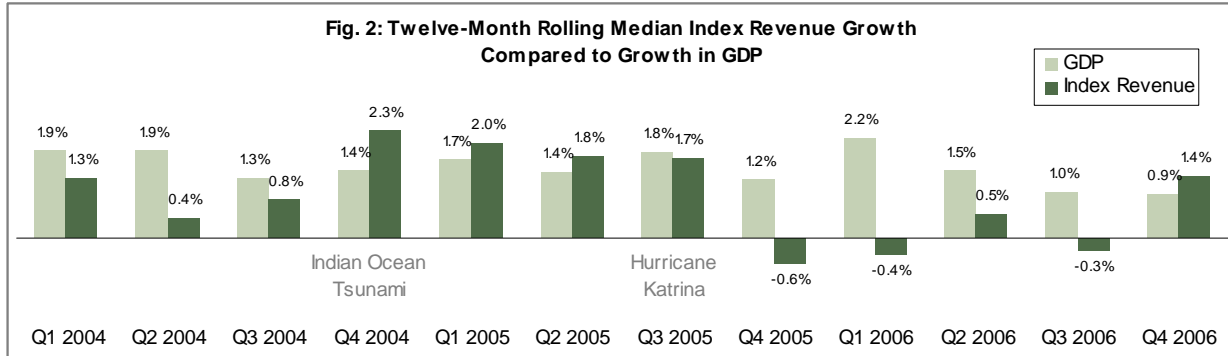
a temporary spike in revenue from Q4 2005 to Q3 2006 and that, following these disasters, revenue returned to a more typical growth rate.

The analysis suggests that organizations should not be overly concerned by the declines in key fundraising measures that result when comparing performance from 2006 to 2005. The record-breaking growth experienced in 2005, prompted primarily by major natural disasters, appears to have been a temporary phenomenon, followed by relatively normal giving. The disaster bubble of 2005 apparently led to no sustainable long-term increase in giving – at least for most industry sectors – but neither is the post-disaster correction leading to a long-term revenue decline.

Another Sign of an End to the Post-Disaster Correction: Q4 2006 Index Revenue Beat GDP Growth for First Time Since Hurricane Katrina

Another way to evaluate the strength of revenue growth in each quarter is to compare median index rolling twelve-month revenue growth against the growth in Gross Domestic Product (GDP) for the same quarter. For the past five years, Target index median revenue has generally lagged slightly behind GDP. Since Q1 2002, index revenue has grown about 1.0% per quarter, and GDP has grown about 1.3% per quarter¹.

During the last quarter of 2004 and the first three quarters of 2005, rolling twelve-month index revenue growth matched or beat GDP growth as large amounts of tsunami- and hurricane-related giving came in (see Fig. 2).



Over the next four quarters, rolling twelve-month index revenue declined relative to 2005 as donors returned to more usual giving patterns. In the most recent quarter, Q4 2006, almost all effects of 2005 disaster giving in the rolling twelve-month revenue figures have faded into the past, and revenue growth has returned to a more typical quarter-to-quarter growth rate.

One way of interpreting GDP is as a rough proxy for the total national income of all residents of the United States. Essentially, this means that people spent a relatively higher proportion of their income than usual on charitable giving during 2005.

A Longer-Term Concern: Declining Donor Populations

Recent Disaster Giving May Mask A Worrying Trend

As we have seen above, the declines in key index measures over the past year were expected and were likely a sign of reversion to typical giving patterns.

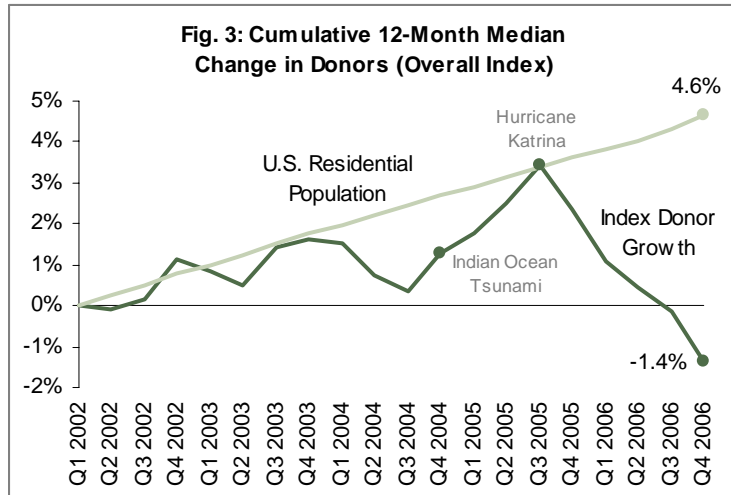
However, focusing solely on the trends immediately surrounding the 2005 disaster giving spike may distract from a more concerning longer-term trend in charitable giving – a cumulative decline in donor populations over the past several years.

As with overall revenue, it can be helpful to look at rolling twelve-month donor counts on a quarterly basis to get a true sense of donor population changes over time. A rolling twelve-month quarterly analysis compares the number of donors giving within the twelve months ending in a quarter to the number of donors giving within the twelve months ending in the previous quarter. As with rolling revenue, this smoothes out seasonal differences and allows us to see continuous relative movement in donor counts from one quarter to the next, instead of simply from one full year to the next full year.

Since the overall U.S. residential population increases every year at an essentially constant rate², we might expect that, all other factors being equal, donor populations would increase at a roughly regular rate as well.

But this is not what has happened. Over the past five years, median donor numbers for the Target index have fallen cumulatively 1.4% since Q1 2002 (See Fig. 3).

Donor numbers did rise during the disaster giving spike of 2005, and the decline in donors over the next four quarters is likely largely explainable as a return to normal from that period. But donor numbers have continued to decline in Q4 2006.



Net Two-Year Change from 2004 to 2006 Indicates That Donor Declines Are Long-Term And Not Solely Disaster-Related

Donor numbers in the index are flat or down when results from the whole year of 2006 are compared to 2005 (See Fig. 4). Overall donors are down 1.9% and new donors are down 10.4%. These trends are expected, since these figures compare the entire year of 2006 – a relatively typical giving year – with the entire year of 2005, which had significant disaster giving.

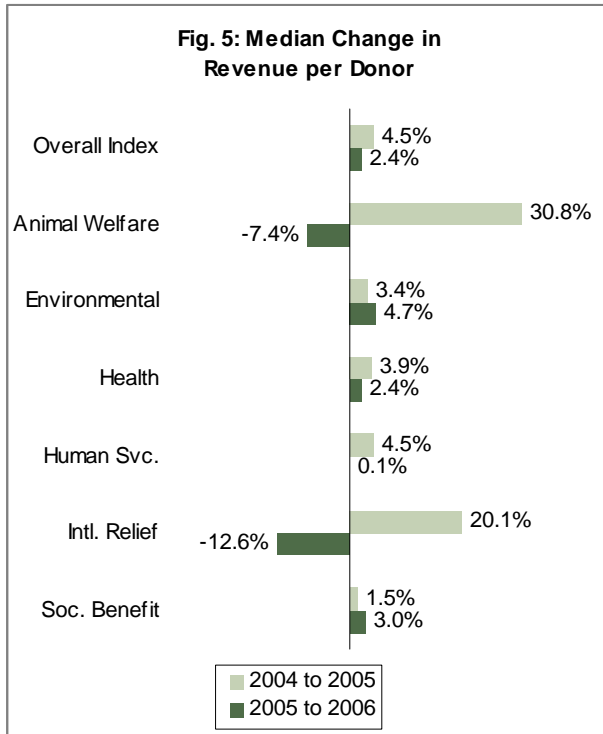
Fig. 4: Two-Year Change in Key Measures (Overall Index)

	Median Change Last Year (2004-2005)	Median Change This Year (2005-2006)	Median Two-Year Net Change (2004-2006)	% of Orgs with Positive Two-Year Growth (2004-2006)
Revenue	↑ 4.7%	↑ 0.7%	↑ 5.2%	65%
Revenue per Donor	↑ 4.5%	↑ 2.4%	↑ 7.1%	75%
Revenue per New Donor	↑ 5.3%	↑ 1.5%	↑ 5.2%	66%
All Donors	↑ 2.1%	↓ -1.9%	↓ -2.8%	41%
New Donors	↑ 4.7%	↓ -10.4%	↓ -6.7%	38%

However, if we remove 2005 giving from the picture and look only at change from 2004 (primarily a pre-disaster year) to 2006 (primarily a post-disaster year), the declines in donor numbers persist. The median-performing organization had a decline in donors of 2.8% from 2004 to 2006. In addition, new donor acquisition is down a median 6.7% since 2004. Only one third, or 38%, of the 68 organizations in the index experienced two-year increases in new donor acquisition.

Two-year increases in revenue and revenue per donor from 2004 to 2006 illustrate that organizations have, at least in recent years, been able to overcome these donor declines with increases in donor value, as we will discuss further in the next section.

Organizations Are Compensating for Donor Loss With Increased Revenue per Donor



Over the long term, revenue has continued to rise while donor numbers have been generally flat or declining.

This indicates that organizations have so far been able to compensate for a decline in donor growth with an increase in revenue per donor.

This trend has been consistent for the past several years. Median growth in revenue per donor was up 2.4% from 2005 to 2006, on top of 4.5% growth the year before (see Fig. 5).

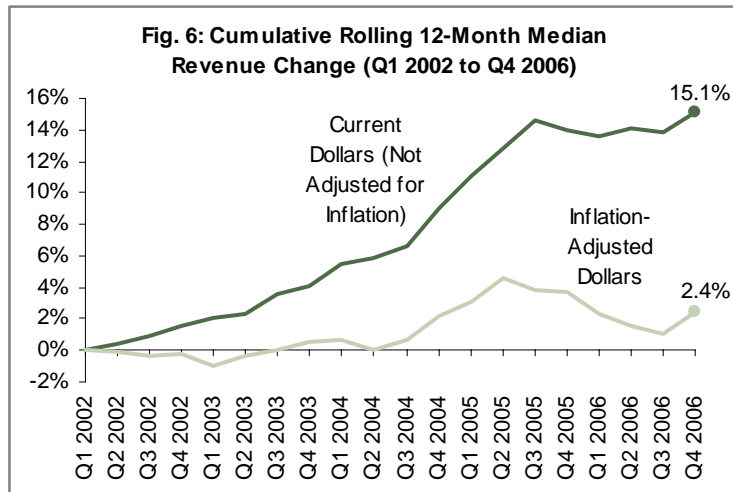
This is generally true across all industry sectors in the index. Most sectors have seen two consecutive years of increases in revenue per donor.

The exceptions are animal welfare and international relief organizations, which both

saw declines in revenue per donor in 2006. This is likely because disaster-related fundraising by organizations in both of these sectors in 2005 generated unusually large gifts, while 2006 giving was at more typical dollar levels. The comparison of 2005 to 2006 manifests itself as a decline, when actually it is a return to relatively usual giving behavior.

It is important to note that although gross revenue numbers have been rising, revenue growth is significantly smaller when inflation is taken into account.

Median revenue growth for the index has been a cumulative 15.1% over the past five years. But when adjusted for inflation³, median revenue growth has been just 2.4% over the same period (see Fig. 6).



New Donor Growth and First-Year Retention

Declining Acquisition in Q4 2006 Is Evidence of Correction, But Also May Be a Sign of Longer-Term Donor Declines

New donor acquisition numbers are down quite a bit in 2006 compared to 2005. New donors are down 10.4% from 2005 to 2006, following a rise of 4.7% the previous year (see Fig. 7).

At least some of the declines in new donor acquisition 2006 can be explained by the comparison to the success of disaster-related acquisition in 2005. 2006 declines are particularly steep for international relief, animal welfare, and human services organizations, the three sectors which experienced the greatest disaster-related acquisition increases in 2005.

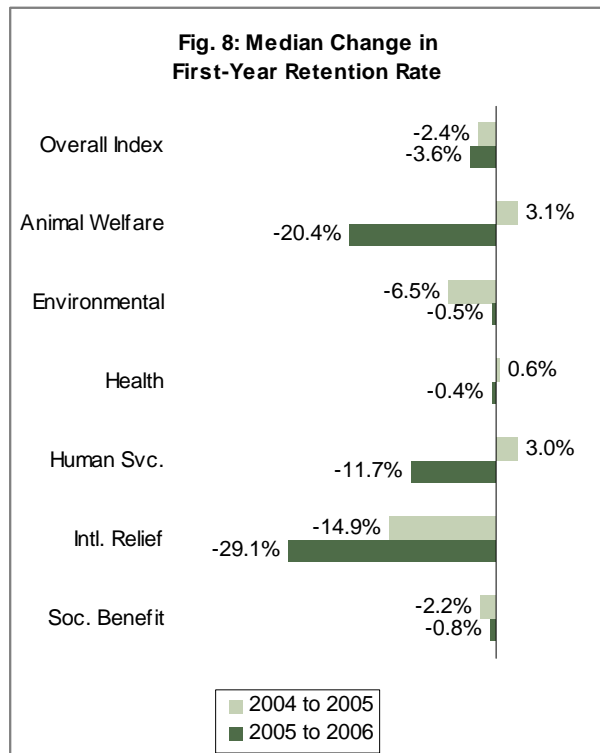
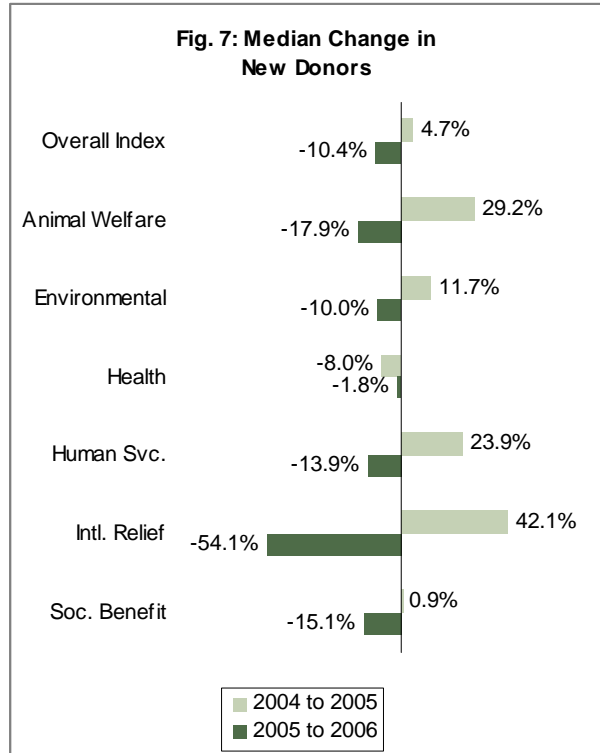
It is notable, however, that the health and societal benefit sectors also experienced declines in acquisition in 2006, even though those sectors did not perceptibly benefit from disaster fundraising the year before.

Trends in acquisition are important to watch for the future, because of the dampening effect that declines here will have on donor populations and revenue in subsequent years.

Disaster Acquisitions in 2005 Led to First-Year Retention Declines in 2006

New donors acquired as a result of fundraising around natural disasters are not as loyal as typical acquisitions. We would therefore expect to see declines in first-year retention the year after an unusually large influx of new disaster-related donors. Indeed, median first-year retention for the overall index is down 3.6% from 2005 to 2006 (see Fig. 8).

International relief, animal welfare, and human services organizations are all seeing particularly large drops in first-year donor retention in 2006 – likely a reflection of the



unusually large number of new donors these sectors received the year before.

International relief organizations have experienced two consecutive years of first-year retention rate declines. But this may be at least partly due to the fact that the tsunami occurred in December 2004. International relief groups received a large number of new donors in the last week of 2004, which may contribute to their 2005 first-year retention being lower than in 2004.

Most Industry Sectors Mirror Overall Index Trends of Increasing Revenue and Declining Donors

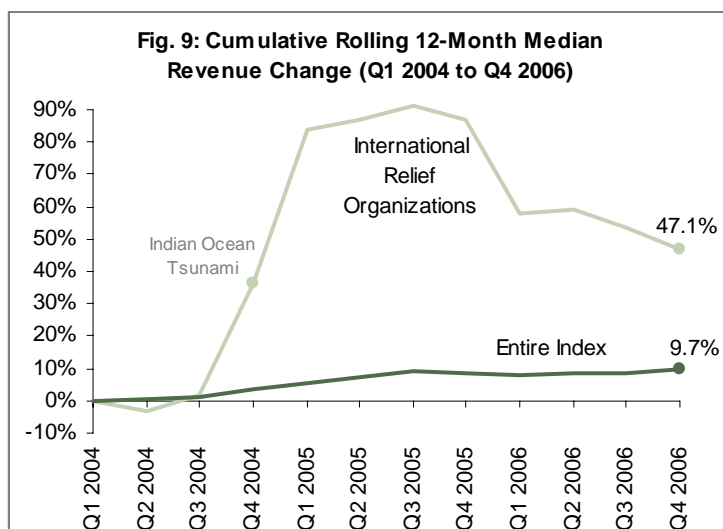
International Relief Organizations after the Indian Ocean Tsunami

The international relief sector is one of the most encouraging stories in the national index. This sector had a significant spike in both donors and revenue in 2005 after the Indian Ocean tsunami of December 2004. One year after the tsunami, their donor and revenue numbers declined. Relief revenue declined 35.3% and relief donors declined 27.5% from 2005 to 2006.

But these year-to-year numbers do not tell the whole story. Looking at rolling quarterly revenue, as we did with revenue for the entire index, shows that relief organization revenue is somewhat settling out at a cumulative three-year growth rate of 47.1% (see Fig. 9).

Even with relatively steep declines in first-year retention rates in 2006 due to large numbers of disaster-acquired donors in 2005, these organizations have still been able to retain a significant number of their disaster-related donors and their associated revenue.

International relief donor growth has followed a similar path to that of revenue growth. Although the immediate effects of the tsunami fundraising efforts are now well over, relief organizations have still managed to have a 25.9% cumulative donor growth rate over the past three years.



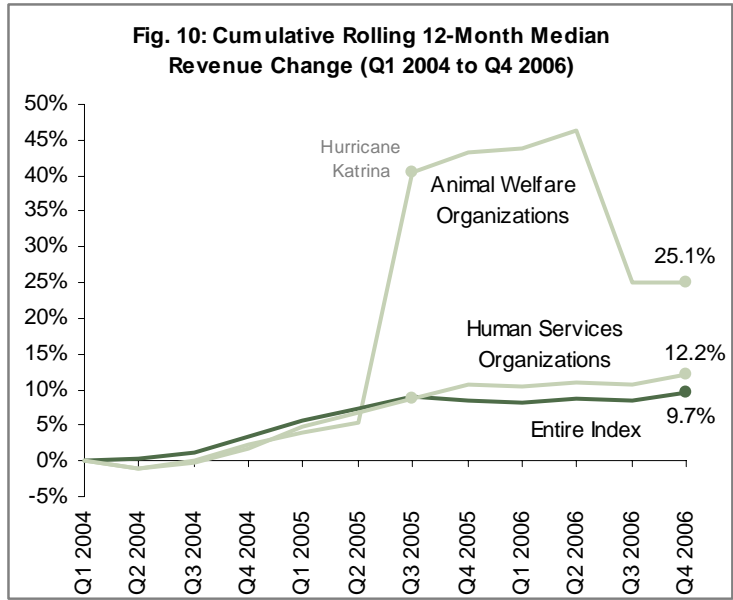
Animal Welfare and Human Services Organizations after the Gulf Coast Hurricanes

Animal Welfare and Human Services organizations both experienced a giving bubble in 2005 and a subsequent downturn in giving one year later. Based on the timing of the revenue spike, the increase for these two sectors was likely largely due to fundraising efforts around the U.S. Gulf Coast hurricanes in the fall of 2005, particularly Hurricane Katrina.

Animal welfare organizations saw the largest hurricane-related increase in revenue and, as the

international relief organizations did with tsunami-related giving, have been able to retain a significant amount of this disaster-acquired revenue. The animal welfare sector is currently flattening out at a cumulative 25.1% revenue growth over the past three years (see Fig. 10).

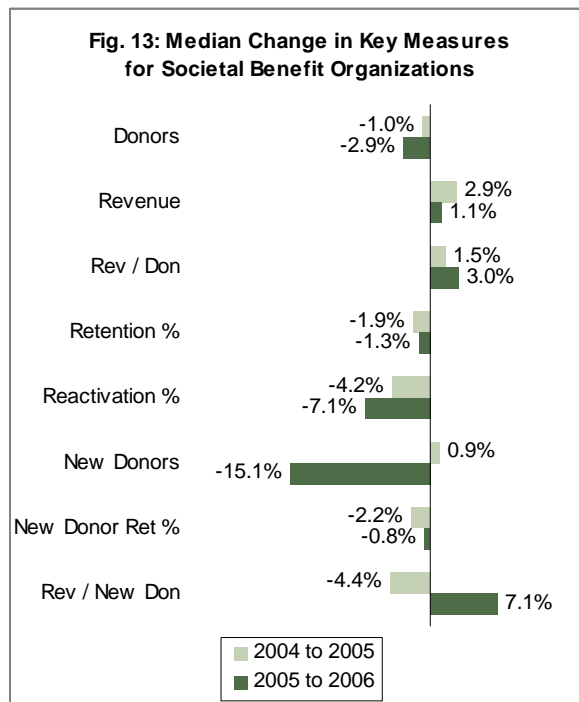
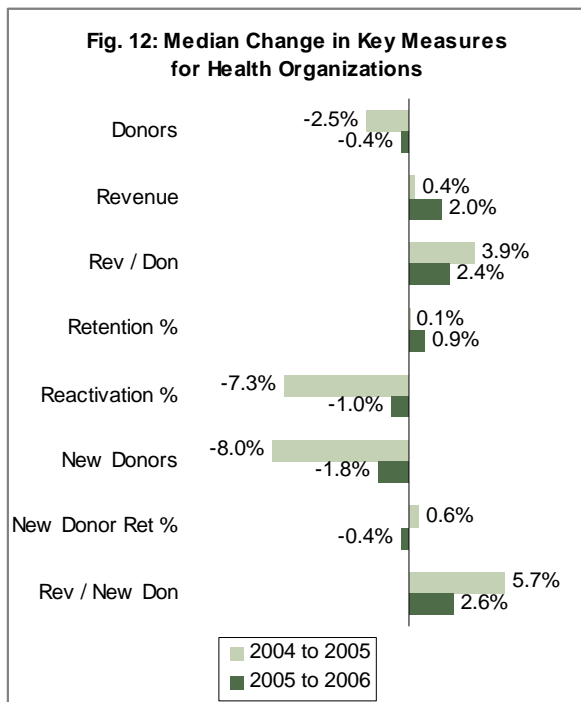
Human services organizations saw a less extreme spike and, accordingly, less of a post-disaster correction. They have been able to maintain a 12.2% cumulative growth in revenue over the past three years. And, in fact, they experienced a revenue increase in the last quarter of 2006.



Sectors of Concern: Health and Societal Benefit Organizations

Health organizations and societal benefit organizations have now both experienced two consecutive years of year-to-year declines in several key measures. Health organizations saw median declines of 2.5% and 0.4% in donors over the past two years; societal benefit organizations saw declines of 1.0% and 2.9% (see Fig. 12 and Fig. 13).

Although neither of these sectors benefited noticeably from disaster-related giving in 2005, they are nevertheless seeing weaker performance this year relative to last.



It is important to note that these sectors contain a diverse group of organizations, and that not all of them experienced the declines that the sector experienced as a whole. In the health sector, 37% of the organizations had donor increases from 2004 to 2005 and 47% had donor increases from 2005 to 2006. In the societal benefit sector, 46% had donor increases from 2004 to 2006 and 23% had increases from 2005 to 2006.

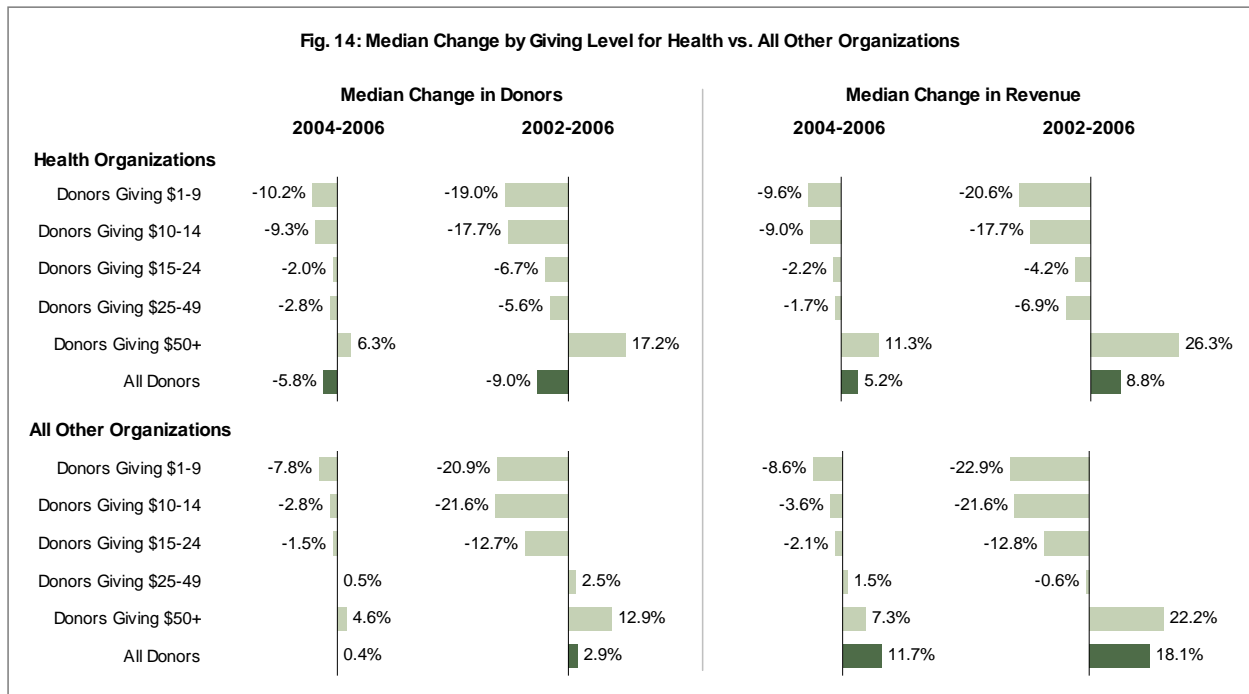
Nevertheless, organizations in these sectors should monitor declining donor numbers closely – especially declining donor acquisition. Health groups in particular are experiencing the largest long-term drop-off in donor numbers of any sector. Several years of year-to-year declines in total donors and new donor acquisition have led to a cumulative decline in health sector donors of 5.8% over the past three years and 9.0% over the past five years.

Donor Declines by Giving Level and Effects on the Health Sector

Several health organizations reported that they have purposely shifted their direct marketing investments away from lower-dollar donors and towards higher-dollar donors, and that this could have precipitated the donor declines. An analysis of revenue and donor change by dollar level shows that there has indeed been a median decline in donor numbers at lower dollar levels and a median increase in donor numbers at higher dollar levels for health organizations.

For example, the number of donors giving less than \$10 has declined a median 10.2% over the last three years and 19.0% over the last five years. At the same time, the number of donors giving \$50 or more has increased a median 6.3% over the last three years and 17.2% over the last five years (see Fig. 14).

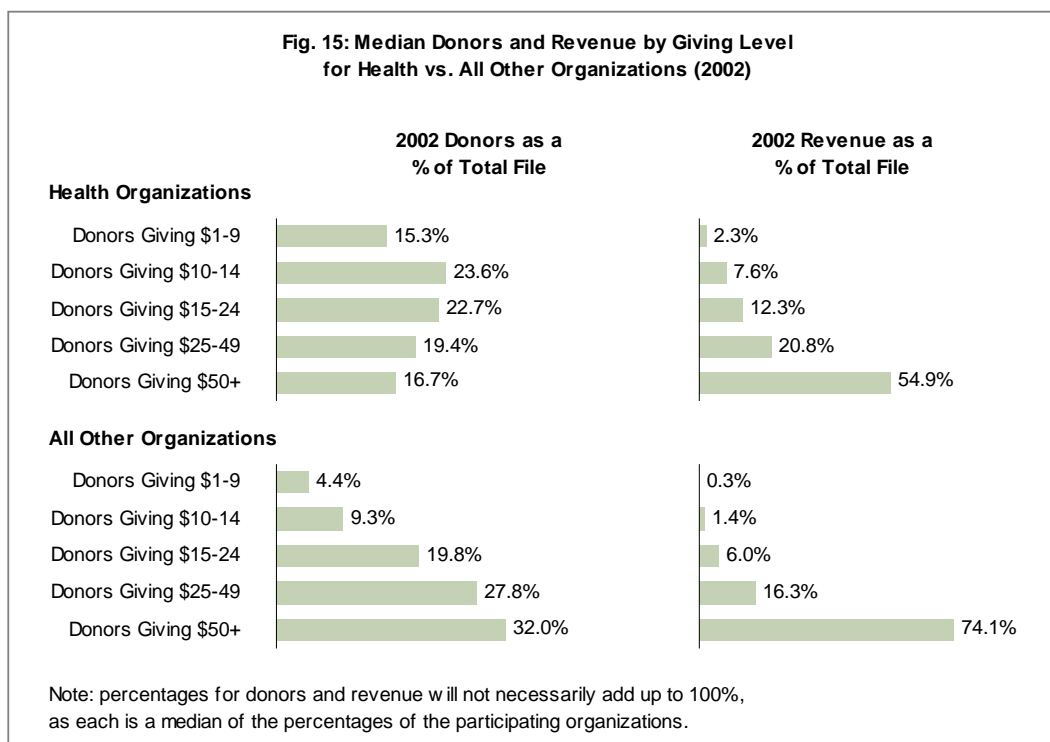
The other sectors in the index, however, also have a similar pattern of declines in lower-dollar donors and increases in higher-dollar donors. This pattern holds true even when disaster-affected sectors are removed from the calculations.



There are several possible explanations for these trends. They may be partly due to conscious investment decisions – although, since the declines appear across all index sectors, they are unlikely to be primarily a result of changes in fundraising strategy. They are likely at least partly inflationary; donors will naturally move to higher giving levels over time as the value of the dollar decreases. And they may be partly a result of a cultural shift, as a loyal population of older donors gives way to other generations that are predisposed to give at higher levels.

Whatever the reasons, declines in low-dollar donors are affecting the health sector more negatively than the other sectors in the index. This is because, in general, lower-dollar donors comprise a larger proportion of total donors and revenue for health organizations than they do for organizations in other sectors.

In 2002, for example, donors giving \$50 or more made up only a median 16.7% of total donors for the health sector but 32.0% of total donors for all other organizations. Similarly, these donors made up only 54.9% of all revenue for the health sector but 74.1% of all revenue for all other organizations (see Fig. 15).



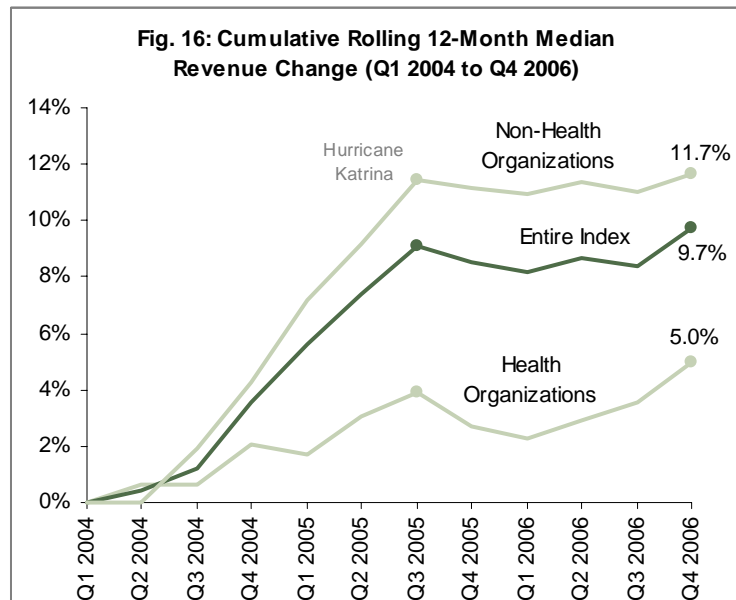
Since lower-dollar donors make up a relatively large proportion of total health organization donors, their low-dollar donor declines resulted in an overall 9.0% decline in total donors from 2002 to 2006, compared to a 2.9% increase for other sectors (see Fig. 14).

In addition, since gifts from lower-dollar donors make up a relatively larger proportion of total health organization revenue, this loss in donors has negatively affected health sector revenue to a greater degree than for the rest of the index.

While revenue for organizations in the health sector rose a cumulative median 8.8% from 2002 to 2006, revenue for organizations in the other sectors in the index rose a cumulative median 18.1% over that same time period (see Fig. 16).

This resulted in a total overall index median growth rate of 15.1%.

These trends bear watching to understand and monitor how declines in donors affect long-term revenue growth.



Environmental Sector Generally Matches Overall Index Trends

Over the past three years, the performance of environmental organizations has roughly paralleled that of the overall national index.

Environmental groups saw a slight lift in revenue in 2005 but not a noticeable disaster-related bubble like that experienced by animal welfare, human services, and international relief organizations.

As did most other sectors, environmental organizations experienced declining donors this past year; donor numbers fell a median 3.0% from 2005 to 2006. Revenue per donor increased 4.7% over the same period, compensating for the loss of donors and leading to a year-over-year increase of 4.2% in overall revenue. This revenue increase was relatively widespread across the sector; 67% of the environmental organizations in this sector had a positive increase in revenue in 2006.

Future Quarters

Fourth-quarter 2006 revenue results are encouraging and indicate that post-tsunami and post-hurricane giving declines are now over. Updates of the Target index in 2007 will continue to provide an ongoing assessment as to whether giving has indeed returned to pre-disaster patterns.

Perhaps the greatest challenge on the horizon for non-profits will be that of declining donor populations. While gains in revenue per donor have so far been able to compensate for the long-term declines in donors, it is likely that at some point this will not sustain overall revenue growth.

The largest declines are among lower-dollar donors. This may be partly due to conscious

changes in fundraising strategy; it is likely somewhat due to inflation; and it may be partly due to a cultural shift in the U.S. population. Many non-profit direct-mail programs rely heavily on an older generation of highly-loyal, lower-dollar donors that is diminishing, and this could have important implications for revenue growth over the next several years.

One promising growth area for acquisition is internet giving. There is evidence that donors who give online are a rapidly-growing group of relatively young, upper-income donors who tend to give at higher giving levels than traditional donors. Fundraising programs that are able to use the internet to effectively solicit, engage, and cultivate their donors will be well positioned to attract this important new set of constituents.

Sources

- 1. Gross Domestic Product:** U.S. Department of Commerce, Bureau of Economic Analysis. Seasonally adjusted quarter-end GDP growth, indexed to 2006 dollars. <http://www.bea.gov/bea/dn/home/gdp.htm>
- 2. Population Growth:** U.S. Census Bureau. Monthly resident U.S. population estimates. <http://www.census.gov/>
- 3. Consumer Price Index:** U.S. Department of Labor – Bureau of Labor Statistics. Seasonally adjusted month-end, U.S. city average, all items. <http://www.bls.gov>

Industry Sectors Used in the Index

Animal Welfare Organizations

Organizations that focus on the care, protection, or understanding of pets or specialty animals, other than livestock. Includes humane societies, veterinary services, aquariums, and zoos.

Environmental Organizations

Programs that focus on the preservation and protection of the environment, including pollution control and abatement programs; conservation and development of natural resources (land, plant, water, energy); control or elimination of hazardous and toxic substances (including pesticides); solid waste management programs; botanical gardens and societies; urban beautification and open spaces programs; and environmental education. Also includes programs that focus primarily on the protection and preservation of wildlife or fisheries.

Health Organizations

Programs which help people achieve and maintain physical well-being through prevention, screening, evaluation and treatment; programs that promote mental health and treatment of mental illness; voluntary health organizations that are organized on a national, state or local basis and supported primarily by voluntary contributions from the public at large, which are engaged in a program of service, education and some research that is related to a particular disease, condition or disability, or group of diseases, conditions or disabilities; research institutes and other organizations whose primary purpose is to promote the advancement of knowledge about specific diseases, disorders, or medical disciplines.

Human Services Organizations

Organizations that promote or provide a broad range of social or human services to individuals or families; organizations that focus on protecting the public from antisocial elements; organizations that help individuals to find and sustain gainful employment; organizations that focus on the development and improvement of food resources; organizations that focus on promoting adequate housing for individuals, families and communities; organizations which aim to prevent, predict or control the effects of domestic disasters (e.g., floods, earthquakes, fires, tornadoes); organizations that work to build character and develop leadership and social skills among children and youth.

International Relief Organizations

Organizations that provide development and relief services to foreign countries and/or organizations that raise and distribute funds for the benefit of overseas institutions.

Societal Benefit Organizations

Programs that focus on protecting and promoting the broad civil rights and civil liberties of individuals, improving relations between racial, ethnic, and cultural groups, and promoting voter education and registration; advocacy and citizen action groups that work to change public policy and opinion in a variety of areas; organizations that work to strengthen, unify, and build community spirit and increase the capacity of various community organizations to improve the quality of life for all.

Most sector definitions based on a modification of the Foundation Center's National Taxonomy of Exempt Entities.

<http://fdncenter.org/ntee/index.html>

Looking Ahead

The next installment of the index, to be released in June 2007, will examine the first quarter activity for calendar 2007. Findings from past and future reports can be found at www.targetanalysis.com.

Index Methodology

Target Analysis Group applied the following rules to standardize data from each of the organizations participating in the Index of National Fundraising Performance:

Individual payments greater than \$5,000, soft credits, and matching gift payments are excluded. Direct mail is the dominant or only revenue source for most organizations; however, web, telemarketing, event, and other sources are included. Indicators are calculated on a cash payment basis, as opposed to a pledge basis. Gifts or donors are defined as new, retained, or reactivated according to relative gift dates rather than organization-specific business rules or source codes. Retention rates for quarterly analysis are calculated by dividing the number of donors giving in the current year-to-date quarter(s) who also gave during the previous calendar year by the total number of donors who gave in the previous calendar year. Revenue per donor refers to the cumulative giving per donor per current period.

About Medians

Unless otherwise noted, index trends are measured by using the median percent change among a group of organizations. The median is the middle value in a ranked order of numbers. Using this statistic to describe historical trending minimizes distortion caused by the wide range of organizations' file sizes or extreme changes at a few organizations.

Participation

Participation in the index is limited to organizations that meet size and geographic requirements as well as other terms and conditions. For information about index eligibility contact Sue Rock Tully at srocktully@targetanalysis.com. Please direct questions or requests to reproduce these findings to info@targetanalysis.com.

Online Resources

Participating organizations are granted access to an online, interactive graphical system where they can chart their own performance results against overall and sector-specific medians. Please contact your account representative for your password and for more information.

About Target Analysis Group

Target Analysis Group delivers data-driven, collaborative solutions designed to help non-profit organizations maximize their fundraising potential. Founded in 1989, Target Analysis Group was the first company to bring forward-thinking non-profit organizations together to establish industry-standard benchmarking and openly discuss successful strategies and practices. Target Analysis Group, Inc., became a subsidiary of Blackbaud, Inc., in January 2007.

Change in Key Measures (Q4 YTD 2005 and Q4 YTD 2006)

	National Index		Animal Welfare		Environmental		Health		Human Services		International Relief		Societal Benefit		
Donors	04-05	2.1%	12.4%	2.5%	-2.5%	15.2%	28.2%	-1.0%							
	05-06	-1.9%	-9.5%	-3.0%	-0.4%	-0.4%	-27.5%	-2.9%							
Revenue	04-05	4.7%	40.5%	4.4%	0.4%	6.1%	53.5%	2.9%							
	05-06	0.7%	-16.3%	4.2%	2.0%	2.4%	-35.3%	1.1%							
Revenue Per Donor	04-05	4.5%	30.8%	3.4%	3.9%	4.5%	20.1%	1.5%							
	05-06	2.4%	-7.4%	4.7%	2.4%	0.1%	-12.6%	3.0%							
Gifts Per Donor	04-05	0.7%	6.7%	-0.1%	1.2%	-3.0%	-1.4%	1.5%							
	05-06	1.3%	3.1%	1.7%	0.4%	-1.7%	11.4%	3.0%							
Number of New Donors	04-05	4.7%	29.2%	11.7%	-8.0%	23.9%	42.1%	0.9%							
	05-06	-10.4%	-17.9%	-10.0%	-1.8%	-13.9%	-54.1%	-15.1%							
New Donor Revenue	04-05	10.5%	104.7%	8.3%	-2.6%	48.4%	106.4%	-4.4%							
	05-06	-4.6%	-38.7%	-3.9%	3.3%	-14.9%	-76.8%	-9.0%							
Revenue Per New Donor	04-05	5.3%	77.3%	-0.5%	5.7%	10.8%	35.1%	-4.4%							
	05-06	1.5%	-24.8%	7.3%	2.6%	-2.3%	-34.3%	7.1%							
Donor Retention Rate	04-05	-0.8%	2.4%	-1.6%	0.1%	4.6%	-6.4%	-1.9%							
	05-06	-0.9%	-10.5%	0.5%	0.9%	-7.0%	-17.3%	-1.3%							
1st-Year Retention Rate	04-05	-2.4%	3.1%	-6.5%	0.6%	3.0%	-14.9%	-2.2%							
	05-06	-3.6%	-20.4%	-0.5%	-0.4%	-11.7%	-29.1%	-0.8%							
Multi-Year Retention Rate	04-05	-0.2%	0.6%	1.0%	-0.1%	0.2%	-0.5%	-2.4%							
	05-06	-0.6%	-6.3%	0.6%	0.8%	-1.2%	-8.4%	0.1%							
Donor React Rate (1-5yrs)	04-05	0.5%	15.2%	2.1%	-7.3%	8.8%	9.6%	-4.2%							
	05-06	-1.9%	0.7%	1.2%	-1.0%	1.4%	-26.1%	-7.1%							
		-20%	0%	20%	-20%	0%	20%	-20%	0%	20%	-20%	0%	20%	0%	20%
		Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	Q4 YTD (Jan-Dec) Median % Change	