



Direct Mail Success for Nonprofits

Tues., May 5, 2026, 11:00 – 12:00

Today's Panel



Jerry Mathis
Postal Affairs Manager
ALSAC - St. Jude
Children's Research
Hospital



Dan Ball
Stewardship Director
Disabled American Veterans



Turner Scott
Team Leader
Production Management Group



Kathleen Siviter
Executive Director
Alliance of Nonprofit Mailers

The Value of Nonprofit Organizations

- “America’s **charitable nonprofits** feed, heal, shelter, educate, nurture, and inspire people of every age, gender, race, and socioeconomic status, from coast to coast, border to border, and beyond” [*National Council of Nonprofits*]
- For 2024, charitable giving in the United States reached an estimated **\$592.5 billion**
- Nonprofit organizations benefit the U.S. economy, with over 1.9 million recognized 501(c)3 organizations in the U.S. employing **over 13 million people**, representing 9.9% of all private sector employment.

The Value of Nonprofit Mail

Direct mail was one of the top 3
most effective fundraising strategies

[*The Rome Group's 2025 Philanthropic Landscape
Survey*]



The Value of Nonprofit Mail

- **\$2.12 billion** of the USPS' FY2025 revenue came from nonprofit mailpiece
- And that doesn't include the mail in other categories (e.g., First-Class Mail, Business Reply Mail, parcels, etc.) that is generated as a result of a direct mail donation or subscription response.



The Scope of Nonprofit Mailers

- According to the USPS, there currently are **115,000 organizations** authorized to mail (and actively mailing) at Nonprofit rates
- There are about **100,000 more** that have not mailed in the past 2 years and are pending revocation of nonprofit authorization
- For FY2025, the USPS processed **11.1 billion** pieces of mail sent at Nonprofit rates (nearly 10% of all mail)
 - 10.2 billion pieces were sent as **Marketing Mail** (18% of all MM)
 - 877 million were sent as **Periodicals** (36% of all Periodicals)
 - 8.6 billion were letters (78% of total Nonprofit volume)

PRC & USPS Actions Have Significantly Impacted Nonprofits

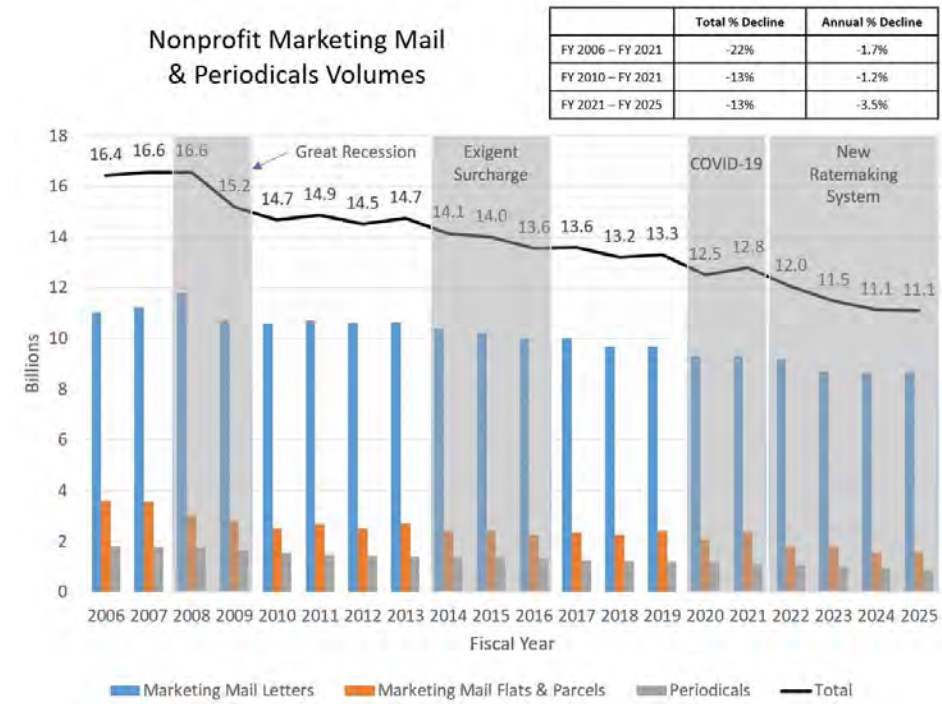


- The PRC, after completing its statutorily-required 10-year review of the rate system implemented in 2006 from PAEA, implemented changes to the rate system in 2021
 - Density additional rate authority (has ranged from 0.5% to over 4%)
 - Retirement additional rate authority (ranged from 0.8% to 2.3%; now ended)
 - Non-compensatory additional rate authority for products/classes not covering their costs (2%)



- Beginning in FY2021, the USPS generally began increasing rates twice per year

Greater-than-CPI Price Increases Have Accelerated Nonprofit Mail Volume Declines



- Under the PRC rules implemented in 2021, nonprofit mail volumes declined by an average of **3.5% annually** from FY 2021 to 2025. Over the prior 15 years, nonprofit mail volumes declined by an average of **1.7% annually**. The annual rate of decline since implementation of higher price cap has **more than doubled**.
- Nonprofits want to mail more, but they can't afford to keep up with the USPS price increases, so they have reduced volumes.

PRC is Conducting Another Review of the Rate System



- PRC in 2023 began another review of the USPS rate system to see if the changes implemented in 2021 are achieving the statutory Objectives
 - PRC started this “5-year” review early due to the USPS financial condition as well as concerns from stakeholders
- PRC in 2025 issued its findings that the modified rate system was NOT achieving the statutory Objectives; said it would be making changes in Phases
- First proposed change issued by PRC: Limit USPS to one price change per fiscal year; tighten loophole on workshare passthrough rules.

PRC Limits Price Changes to one Per USPS Fiscal Year



- PRC in Jan 2026 ordered that USPS price changes for Market Dominant (mail) products can only be made once per Fiscal Year from March 2026 until Sept. 2030.
 - Does not apply to Competitive Services
 - Exception – de minimis price changes
 - USPS has appealed the PRC Order in court

PRC Invites Proposals on Changes to Rate System



- The PRC invited the USPS and stakeholders to submit proposals for changes to the rate system
 - USPS proposed elimination of price cap, no pre-implementation PRC review, other changes OR a 23% increase over 5 years in addition to Density and Non-Compensatory rate authorities; and a likely January 2027 implementation
 - Industry groups proposed a variety of changes, mostly centered around a return to CPI-cap price changes, some proposing rate authority based on USPS achievement of service or productivity metrics



Industry Groups Oppose the USPS' Proposals



- A long list of industry groups filed comments at the PRC opposing both the USPS' proposals
- ***What comes next?*** The PRC will issue proposed changes to the rate system (no time limit on how long it could take to do so). Stakeholders will have another opportunity to comment on those proposed changes

Uncertain Times Ahead...



- The outcome of the PRC's rate system review will determine postage rates for the next 5 years



- Also going on...the USPS says it will run out of \$ within the next year, and Congress is mulling over how to prevent that – could result in changes to the USPS' business model

Old School Direct Mail Still Works for Nonprofit Fundraising!

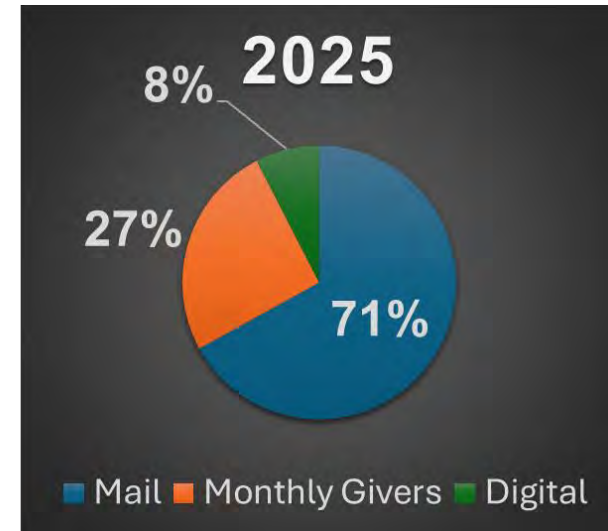
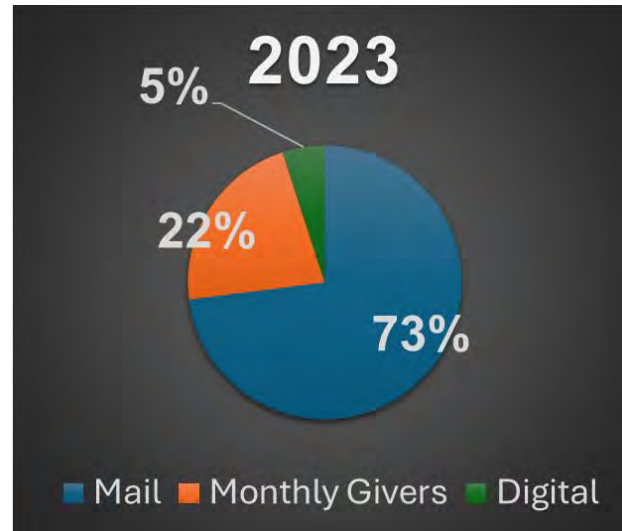
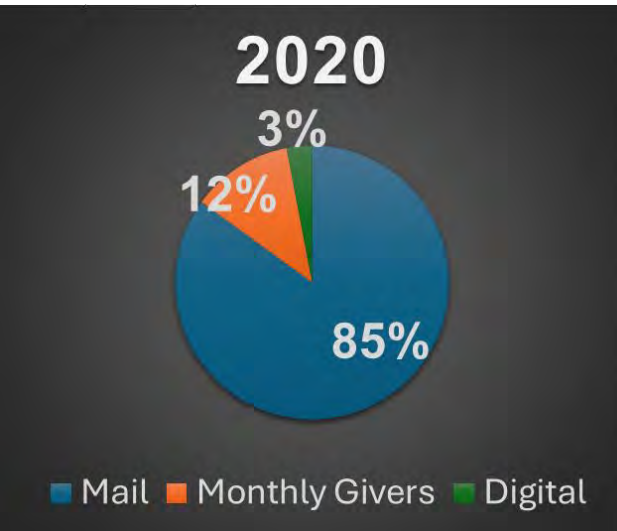
- Personal
- Tactile & Interactive
- Shareable in the household
- Perceived value
- Physical presence vs. ephemeral email
- Works even harder integrated with other channels
- Remains the largest source of fundraising revenue for many nonprofits and serves as a critical pipeline to major and legacy gifts



Nonprofits Need the USPS – DAV Experience



An affordable, reliable means of communication is vital to fulfilling our mission.



Large National Fundraising Program Integrated Channel Marketing



Direct mail program delivers the largest percentage of fundraising revenue.

Direct Mail Drives Online Donations

Customers and donors shop and consider support by reading direct mail, but often make the purchase or donation transaction online



**Attribution:
Post-campaign online donation matchback analysis identifies digital gifts that are being driven by direct mail.**

Proves the ROI of direct mail.

Direct Mail Challenges

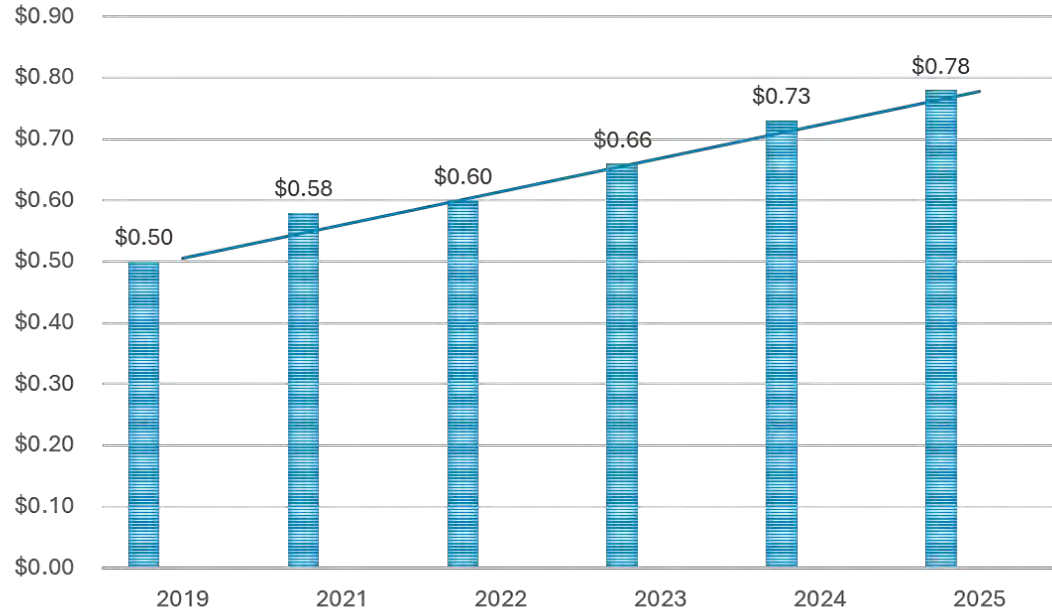
Rising Costs

Delivery & Processing Challenges

Lack of Support and Clarity

Market oversaturation

COST OF A STAMP

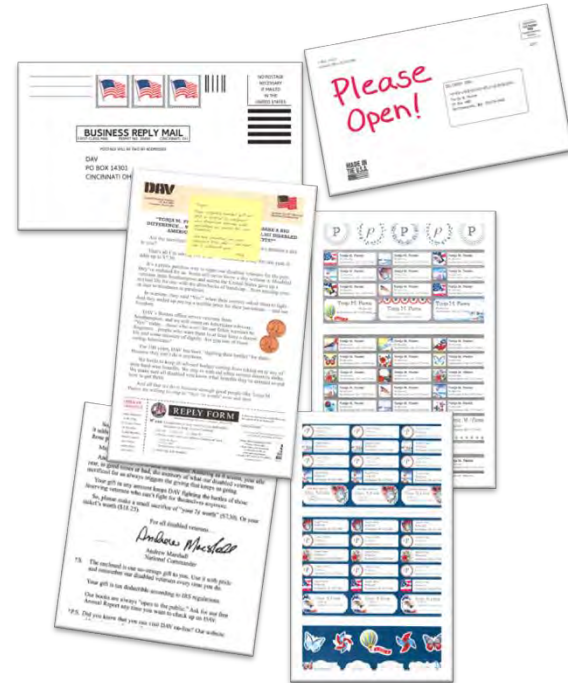


 56%!!

*Instability in paper markets and delivery issues in late 2022 and early 2023 created additional challenges.

So What's a Fundraiser To Do... TEST, TEST, TEST!

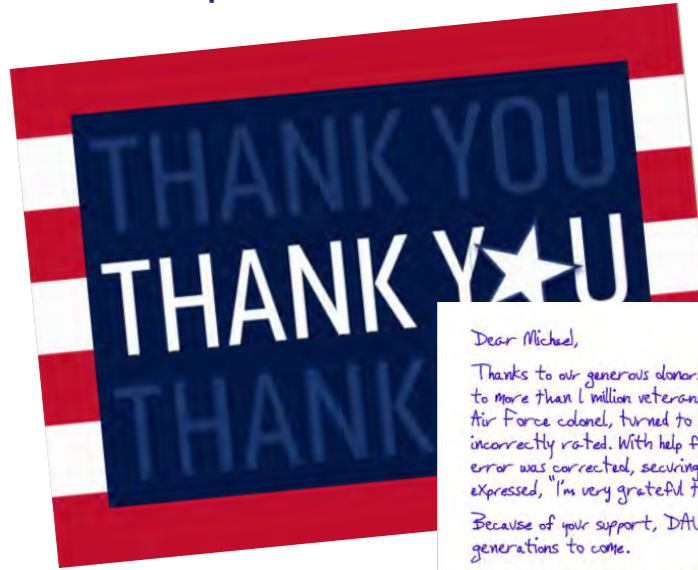
- Postage Treatment Tests (pre-paid vs BRE)
- Know Your Audiences (and how to speak to each)
- Emphasize *Quality* over *Quantity*
- Find Package Efficiencies (in-line; fewer premiums)
- Upgrade Strategies
- Use Your Resources (Alliance of Nonprofit Mailers, ANA)
- Take advantage of USPS Promotions & Incentives



Don't Forget to say *Thank You*

Stewardship & Retention

- Acknowledgements
- Thank You cards
- Holiday Cards
- Mid-Level Giving
- Honor specific requests timely



Dear Michael,

Thanks to our generous donors, DAV provides life-changing support to more than 1 million veterans every year. Steve Visco, a retired Air Force colonel, turned to DAV after his VA disability claim was incorrectly rated. With help from a DAV benefits advocate, the error was corrected, securing the benefits he earned. Visco expressed, "I'm very grateful to DAV."

Because of your support, DAV will continue helping veterans for generations to come.

If I can be of assistance, please contact me at 857-442-2350.

With sincerest gratitude,

Stewardship Director

Offsetting Disruptions – What Else?

Backend Premiums

Operational Efficiencies

Automation

Consider Inventory Levels & Material Costs

What's old can be new again

Omni-channel approach

Your Data – is it clean?

Partnerships & Awareness Opportunities

Monthly Givers



5 Promotions

Integrated Technology



Tactile, Sensory, Interactive

Continuous Marketing

First-Class Mail Advertising

Catalog Insights

2026 PROMOTIONS CALENDAR

 Registration Period
  Promotion Period

PROMOTIONS

2025 JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC

INTEGRATED TECHNOLOGY

5% Discount

Marketing Mail First Class Mail

 NOV 15, 2025 DEC 31

 PICK YOUR START DATE FOR 6 CONSECUTIVE MONTHS DEC 31

TACTILE, SENSORY & INTERACTIVE

5% Discount

Marketing Mail First Class Mail

 OCT 15, 2025 JUN 30

 JAN 1 JUN 30

CONTINUOUS CONTACT

5% Discount

Marketing Mail

 FEB 15 DEC 31

 APR 1 DEC 31

FIRST-CLASS MAIL ADVERTISING

5% Discount

First Class Mail

 JUL 15 DEC 31

 SEPT 1 DEC 31

CATALOG INSIGHTS

10% Discount

Marketing Mail

 AUG 15, 2025 JUN 30

 OCT 1, 2025 JUN 30

Add-on & Upgrade | Additional discount to base/primary promotion all year long

INFORMED DELIVERY

- + 1% to mailer
- + 0.5% credit to eDoc submitter

SUSTAINABILITY

+ 1%

Integrated Technology

- ❑ Encourages mailers to integrate technologies that enhance mail's performance such as AI, Augmented, Mixed or Virtual Reality, NFC, Video in Print, Dynamic QR, voice assistants, and more.
- ❑ **Discount:** 5%
- ❑ **Eligibility:** First-Class® and Marketing Mail
- ❑ **Registration Period:** Begins November 15, 2025
- ❑ **Time Period:** Pick your start date for 6 consecutive months

Tactile, Sensory, Interactive

- ❑ Encourages mailers to enhance customer engagement through innovations in paper and stock, substrates, inks, interactive elements, and finishing techniques.
- ❑ **Discount: 5%**
- ❑ **Eligibility:** First-Class and Marketing Mail
- ❑ **Registration Period:** October 15, 2025 – June 30, 2026
- ❑ **Promotion Period:** January 1 – June 30, 2026

Continuous Contact

- ❑ Incentivizes mailers to mail more frequently to the same household
- ❑ **Discount: 5%**
- ❑ **Eligibility:** Marketing Mail
- ❑ **Registration Period:** February 15 – December 31, 2026
- ❑ **Promotion Period:** April 1 – December 31, 2026

First-Class Mail Advertising

- ❑ Encourages the use of First-Class Mail as an opportunity to promote their other offerings.
- ❑ **Marketing Messages:** Discount Offers, Limited Time Offers, New Products, Loyalty Rewards, Events, Personalized Offers
- ❑ **Discount:** 5%
- ❑ **Eligibility:** First-Class Mailers
- ❑ **Registration Period:** July 15 – December 31, 2026
- ❑ **Promotion Period:** September 1 – December 31, 2026

Catalog Insights

- ❑ A catalog is a bound (stapled, stitched, glued or fastened together along one edge) mailpiece with at least 12 pages, providing an organized listing of products or services offered for sale.
- ❑ A catalog mailpiece may be letter-shaped, flat-shaped or parcel-shaped, and is mailed at USPS Marketing Mail.
- ❑ The product listing must include images, photographs or illustrations of the products or services, descriptive details, fulfillment information and prices or contain an alternate method for the reader to determine prices.
- ❑ Catalogs must contain enough information to allow an order to be placed, e.g., an order form, a phone number, a web address, or the means to access a web address. Catalogs will also enable fulfillment options for the products or services offered for sale.
- ❑ **Discount:** 10%. **Eligibility:** Marketing Mail
- ❑ **Registration Period:** August 15, 2025 – June 30, 2026
- ❑ **Promotion Period:** October 1, 2025 – June 30, 2026

Add - Ons

Informed Delivery[®]

- Allows customers to leverage USPS Omnichannel feature by giving their mailpiece a digital element when using Informed Delivery campaigns.

Discount: 1% to mailer

Sustainability

- Gives mailers the chance to show they are environmentally conscious by demonstrating the paper used in the mailing came from responsible sources

Discount: 1%

2027 PROPOSED PROMOTIONS CALENDAR

Registration Period
Promotion Period

Promotions	2027	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Integrated Technology 5% Discount Marketing Mail <small>First Class Mail</small>	NOV 15, 2026 DEC 31												
	PICK YOUR START DATE FOR 6 CONSECUTIVE MONTHS DEC 31												
Tactile, Sensory & Interactive 5% Discount for complex finishes 3% Discount for standard finishes Marketing Mail <small>First Class Mail</small>	OCT 15, 2026 JUN 30												
	JAN 1 JUN 30												
Direct Mail Discovery 40% Discount off first 5,000 pieces 5% Credit to eDoc submitter Marketing Mail	FEB 15 SEPT 30												
	APR 1 SEPT 30												
Impact Messaging 5% Discount Marketing Mail <small>First Class Mail</small>	MAR 15 SEPT 30												
	MAY 1 SEPT 30												
First-Class Mail Advertising 5% Discount First Class Mail	FEB 15 DEC 31												
	APR 1 DEC 31												

NEW

NEW

- **TSI** discounts will now differentiate based on finishes, with a 5% discount for Complex finishes; 3% for Standard finishes.
- **Direct Mail Discovery** is a discount for new mailers. A new mailer can receive the discount on up to 100,000 pieces total during the promotion period. A new mailer is defined as a mailer that has never mailed with USPS or has not mailed in the past 2+ years.
- **Impact Messaging** provides a discount to mailers that include messaging that promotes the impact of direct mail.
- **FCM Advertising** duration has been expanded to 9 months and will now allow a separate coupon to be included in the piece.

Add-Ons Additional discount applied to Promotions all year round.			
Informed Delivery	+	1% to Mailer	Sustainability
	+	0.5% Credit to eDoc Submitter	
		1% to Mailer	

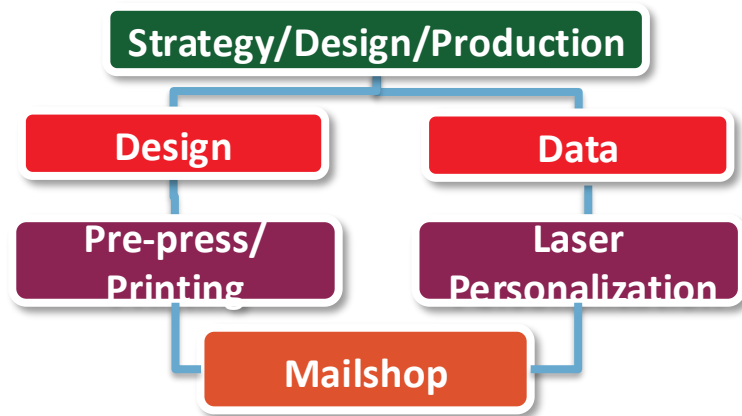
Taking Advantage of Opportunities to Reduce Postage Rates

For more detailed information on Promotions & Incentives

- <https://postalpro.usps.com/promotions/2026guidebooks>
- Visit USPS Sales Booth on the Exhibit Floor

Other Ways to Cut Direct Mail Costs

- Consult direct mail production management partner for a production audit to identify savings opportunities. *There are potential cost savings at every step in the process:*



- Practice excellent, ongoing data hygiene
- Take advantage of Postal Logistics savings

Practice Excellent and Ongoing Data Hygiene

- **Clean and accurate direct mail data:**
 - Improves mail deliverability
 - Gets your mail delivered faster
 - Reduces your postage rates
 - Reduces printing and mailing costs
 - Improves your campaign and program performance

Maintaining excellent data hygiene is an ongoing process that requires constant vigilance.

Take Advantage of Postal Logistics

Postal logistics solutions such as **Commingling** and **Drop Shipping** can reduce your postage costs, improve delivery consistency, and allow you to track the mail as it travels through the system for both outgoing and return mail.



Contact Info



Jerry Mathis, MDC
Sr. Advisor, Postal Affairs
Phone: 901-578-2386
Jerry.Mathis@ALSAC.StJude.org



The PMG Family

Turner Scott
Production Team Leader
Production Management Group
turner.scott@pmgdirect.net



Dan Ball
Stewardship Director
Disabled American Veterans
DBall@DAV.ORG



Kathleen Siviter
Executive Director
Alliance of Nonprofit Mailers
Kathy@nonprofitmailers.org

