

# Webinar

## Understanding the Mission-Money Matrix


Facilitated by

Alice Antonelli, Director  
Nonprofit Finance Fund

May 25, 2021  
1 pm ET



# Acknowledgment of Indigenous Territories



*“Land acknowledgments are a stepping stone to honouring broken treaty relationships.”*

We invite you to acknowledge the Indigenous Territory you are joining us from:

<https://native-land.ca/>

# Nonprofit Finance Fund: Where Money Meets Mission

**NFF envisions a world where capital and expertise come together to create a more just and vibrant society**

We unlock the potential of mission-driven organizations through

- **Tailored investments**
- **Strategic advice**
- **Accessible insights**

**Guided by our Core Values**



# Learning Goals



Learn to analyze programs in terms of both mission alignment and economic impact



Introduce the Mission-Money Matrix



Apply the Mission-Money Matrix using mission data and program financial information

# Programmatic Decision Making

To make informed decisions, we must understand how our programs contribute to:

- mission objectives
- financial objectives

Is there a tool that we can use to help us toward this goal?



# Yes! The Mission-Money Matrix!

## What is Behind the Concept of the Mission-Money Matrix?

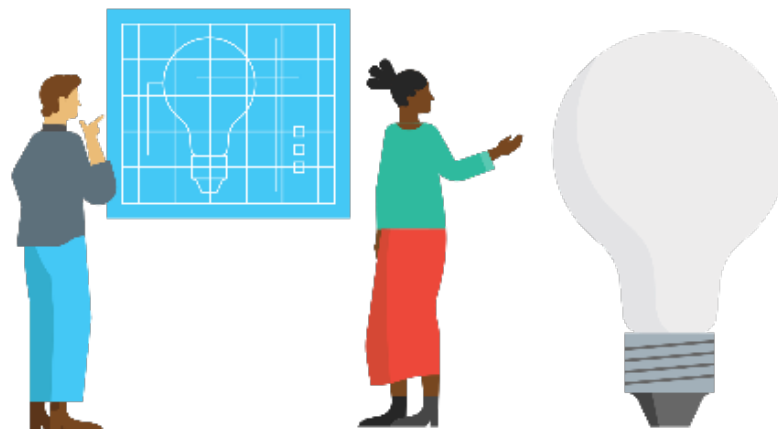
- Provides a comparison of programs that you offer
  - scale
  - mission alignment
  - contribution to the bottom line
- Creates a *visual representation* of programmatic and financial data
  - Makes the conversation accessible to a wider audience
- Combines mission data and financial data

# What is the Mission-Money Matrix?

Simple 2x2 grid to facilitate a discussion about the financial contribution and mission alignment of each of your programs

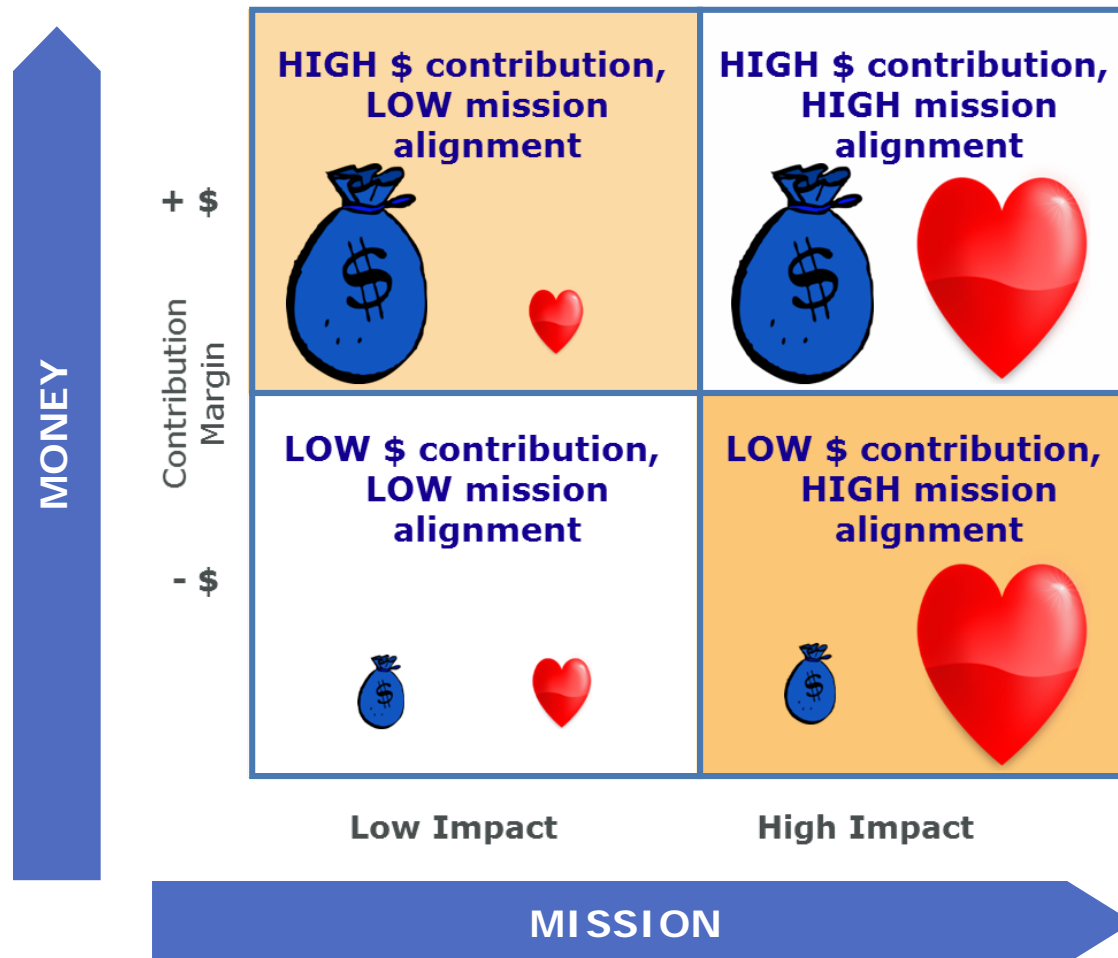
Aids in the understanding of each program's contribution to

- Mission
- Profitability



# Mission-Money Matrix 2x2 Grid

All of the projects, programs, and activities of an organization must work together to post a combined surplus while meeting obligations and serving the mission





# Poll: Have you ever used a Mission-Money Matrix tool at your organization?



Yes!



No.



...Maybe...?

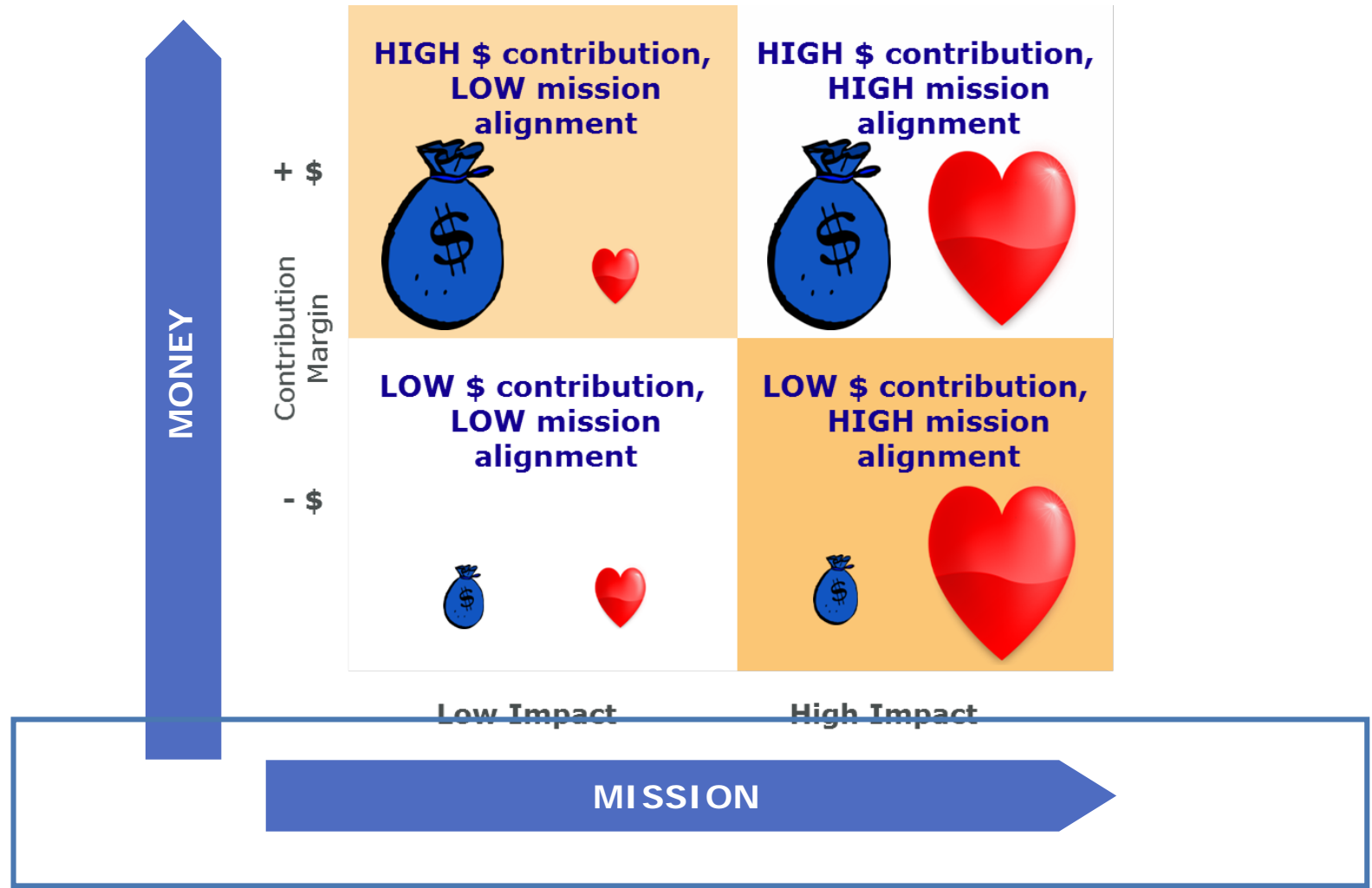
# What if You Were to Undertake a Mission-Money Matrix?

Reflection time (2-3 minutes)

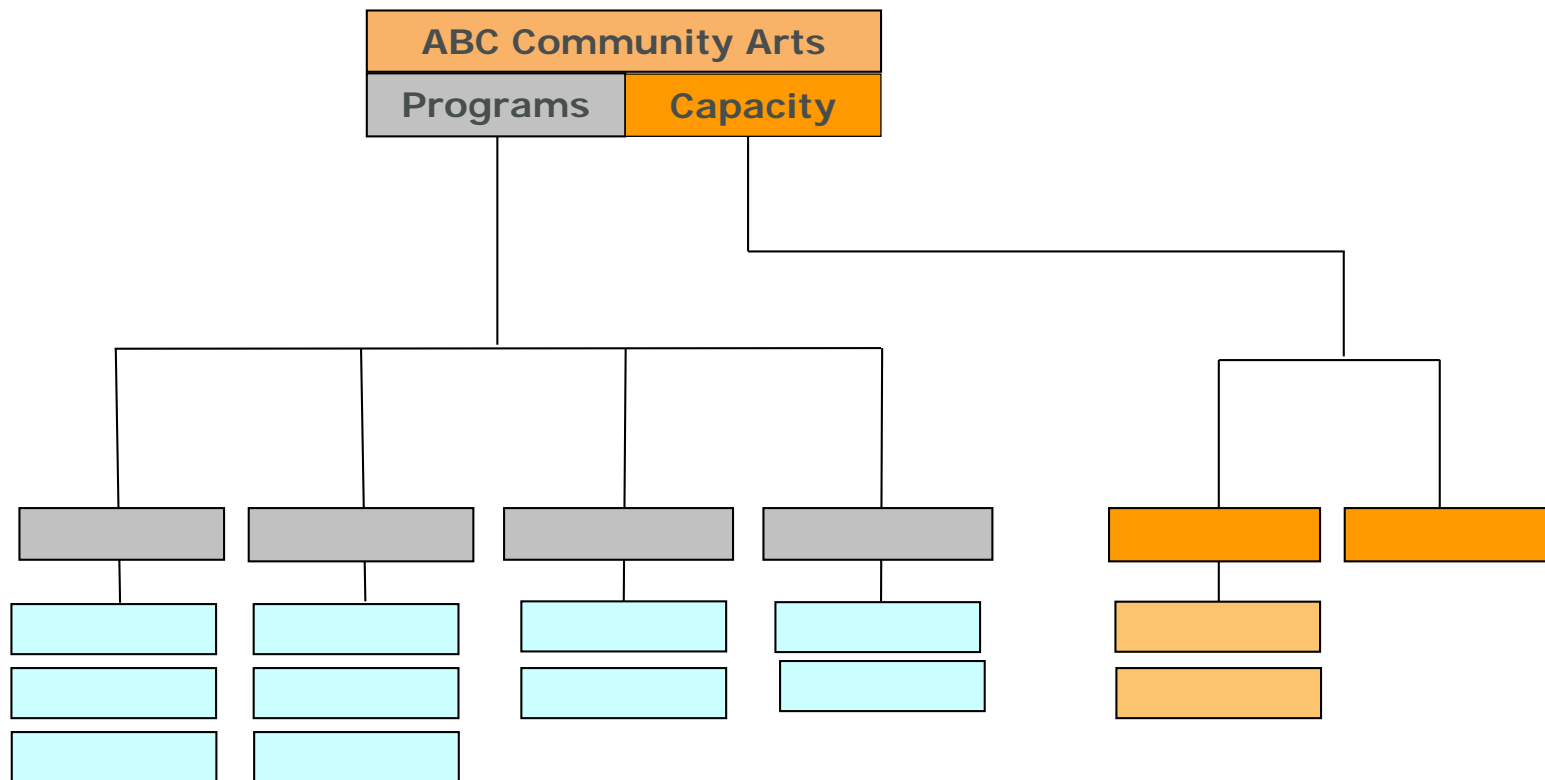
1. What question(s) would you like to answer?
2. Is data available?
3. How do you see the analysis being useful?



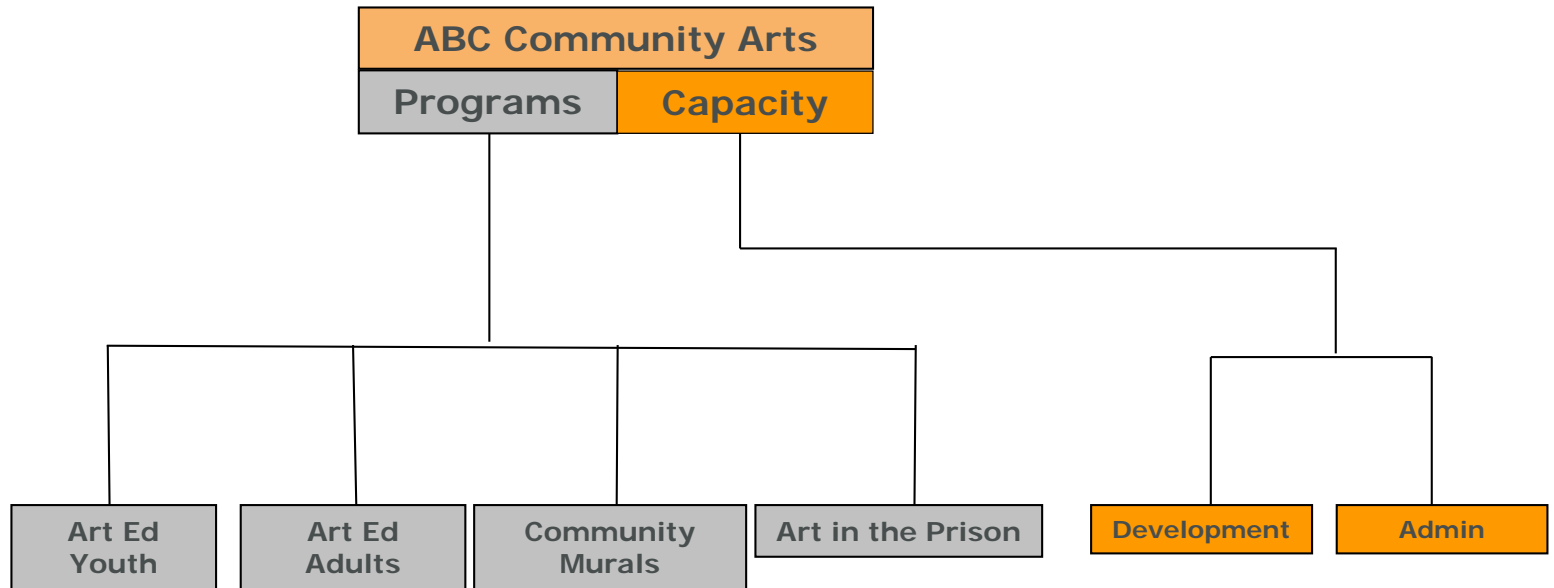
# Mission-Money Matrix



# First: Identify the Programs / Activities



# ABC Community Arts Program / Activities



# Survey Development & Process

## Identify Stakeholders

### Who will you survey?

- Stakeholders can include:
  - staff
  - board
  - organizational partners or collaborators
  - advisors
  - program participants
  - Community members (and neighbors)
- Identify a representative sample
- You can use Zoomerang/Fluid Survey technology

# Understand and Incorporate Mission Impact

## The *Mission* part of the Matrix

**1. Alignment with Core mission:** Rate how well the following programs address and then achieve the core mission.

**2. Implementation:** How well does the organization implement each program?

**3. Scale:** Does the program reach the maximum number of participants?

*Scale: 5 (Aligned with mission)...4...3...2...1 (Not aligned with mission)*

	5	4	3	2	1	Not sure
Art Ed Youth						
Art Ed Adults						
Community Murals						
Art in the Prison						

# Rank Mission Impact

## Some Additional Survey Questions

**4. *Cultivation*:** To what extent does the activity lead participants to other programs in the organization?

**5. *Filling an Important Gap in Service*:** Does the program provide a service that is not readily available?

**6. *Importance to contributors*:** To what extent do you believe the activity motivates funders to contribute to the organization?

*Scale: 5 (Aligned with mission)...4...3...2... 1 (Not aligned with mission)*

	5	4	3	2	1	Not sure
Art Ed Youth						
Art Ed Adults						
Community Murals						
Art in the Prison						

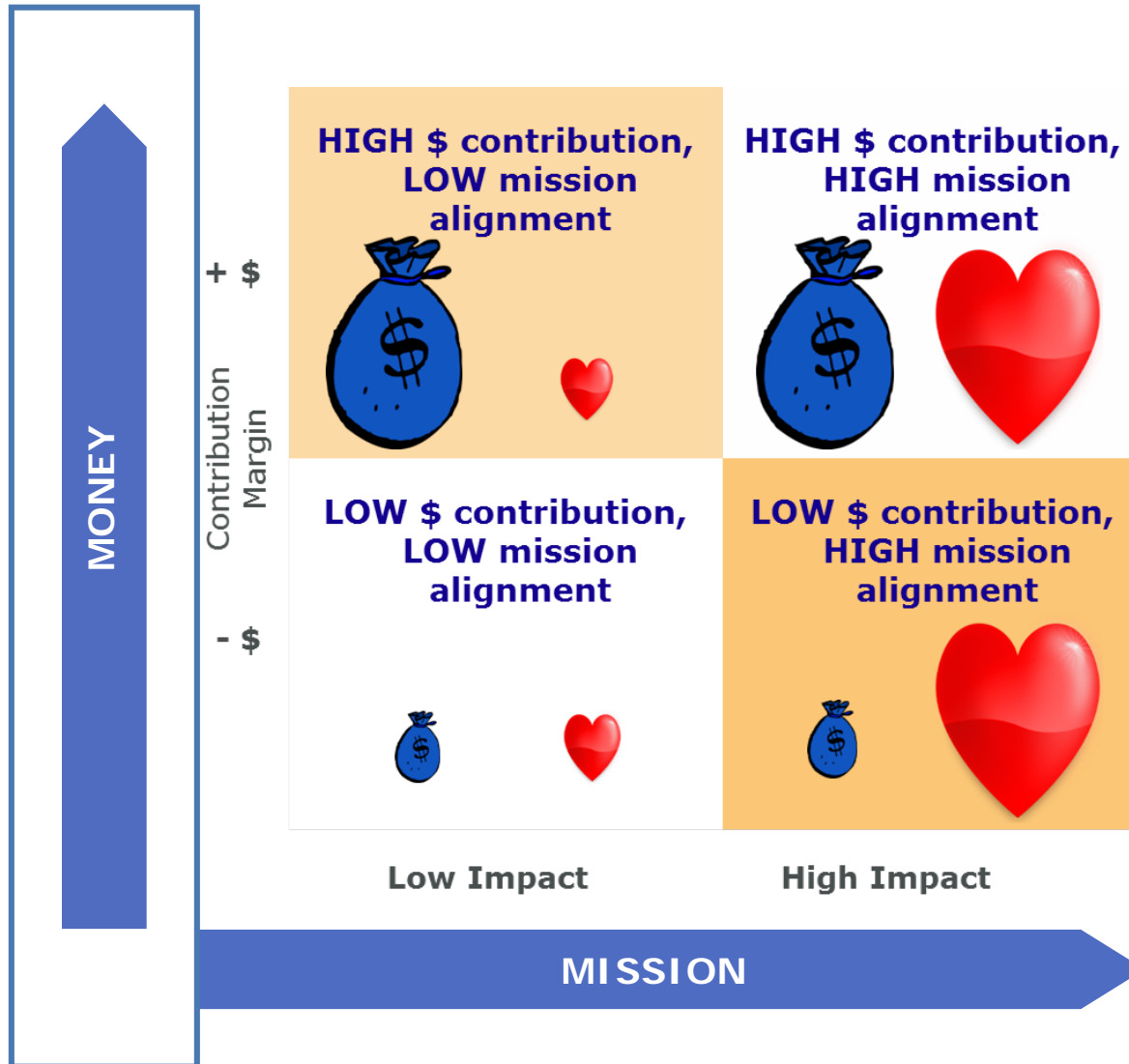


# Quantifying Mission Impact

## Sample survey results

Question	1	2	3	4	5	6	
	Alignment	Implementation	Scale	Cultivation	Fill Gap	Funding	Average
Art Ed Youth	5	4	5	3	3	4	4.0
Art Ed Adults	2	3	3	5	3	2	3.0
Community Murals	4	4	3	4	4	3	3.7
Art in the Prison	5	5	5	5	5	4	4.8
Weighted Average	30%	20%	10%	20%	15%	5%	100%
Art Ed Youth	1.5	0.8	0.5	0.6	0.5	0.2	4.1
Art Ed Adults	0.6	0.6	0.3	1.0	0.5	0.1	3.1
Community Murals	1.2	0.8	0.3	0.8	0.6	0.2	3.9
Art in the Prison	1.5	1.0	0.5	1.0	0.8	0.2	5.0

# Mission-Money Matrix



# Financial Methodology

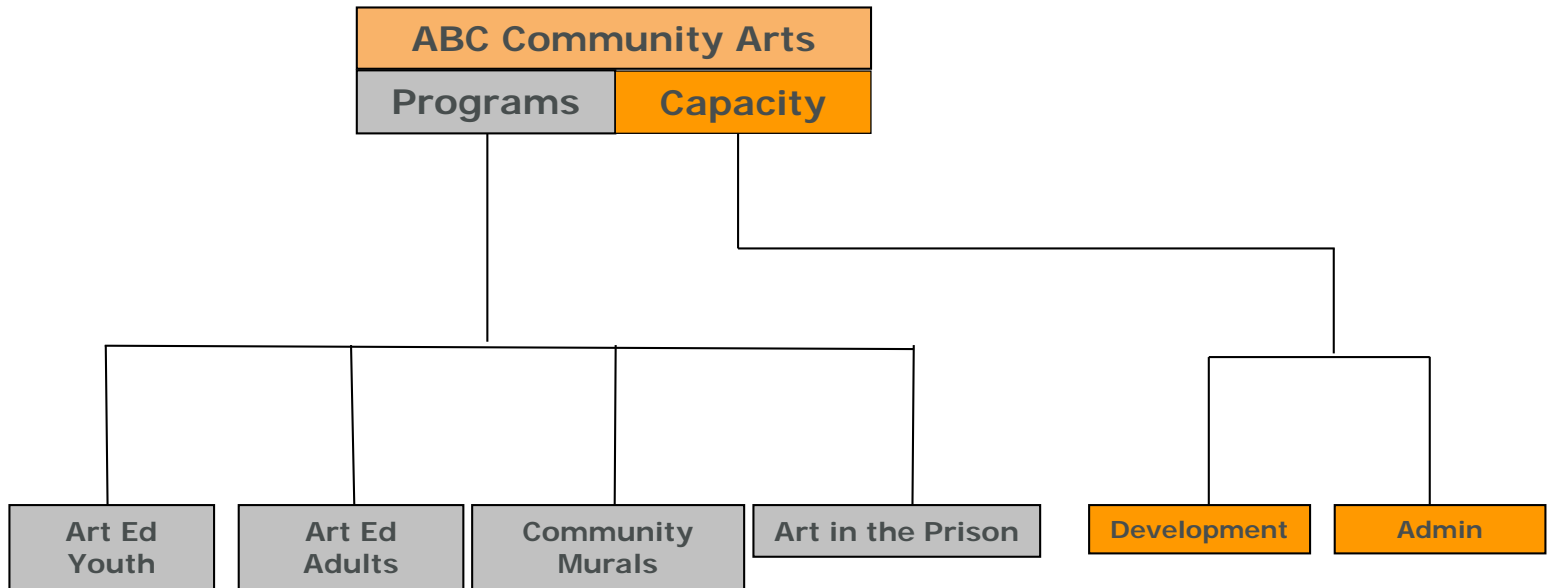
The *Money* part of the Matrix

## Create a spreadsheet that

- Uses the organization's most recent budget or forecast
- Identifies and assigns all revenue and expense directly tied to each program
- Examines all supporting expenses (e.g., management, occupancy, fundraising, administrative, etc.) separately



# Identify the Program / Activities



# Quantify Program Economic Impact

ABC Community Arts

Forecast for 12/31/2021

\$ in Thousands

	Programs					Program Subtotal	Capacity			Capacity Subtotal	Total
	ArtEd youth	ArtEd adults	Community murals & other projects	Art in the prison	New Program		Development	Admin	Special Events		
<b>Revenue</b>											
<b>(A) Earned</b>											
Contract Revenue						\$0				\$0	\$0
Admin Fee on Contracts						\$0				\$0	\$0
Tour Revenue						\$0				\$0	\$0
Merch Sales						\$0				\$0	\$0
<b>Subtotal</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>(B) Contributed</b>											
Individual Support						\$0				\$0	\$0
Institutional Support						\$0				\$0	\$0
Released from Restriction						\$0				\$0	\$0
<b>Subtotal</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenses</b>											
<b>Personnel</b>						\$0				\$0	\$0
Admin and program support						\$0				\$0	\$0
Consulting and professional services						\$0				\$0	\$0
Mural Expenses						\$0				\$0	\$0
Special Events						\$0				\$0	\$0
Tour Expenses						\$0				\$0	\$0
Building and Occupancy						\$0				\$0	\$0
<b>Total Expenses</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Surplus/Deficit</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

# Filling in the Numbers

ABC Community Arts

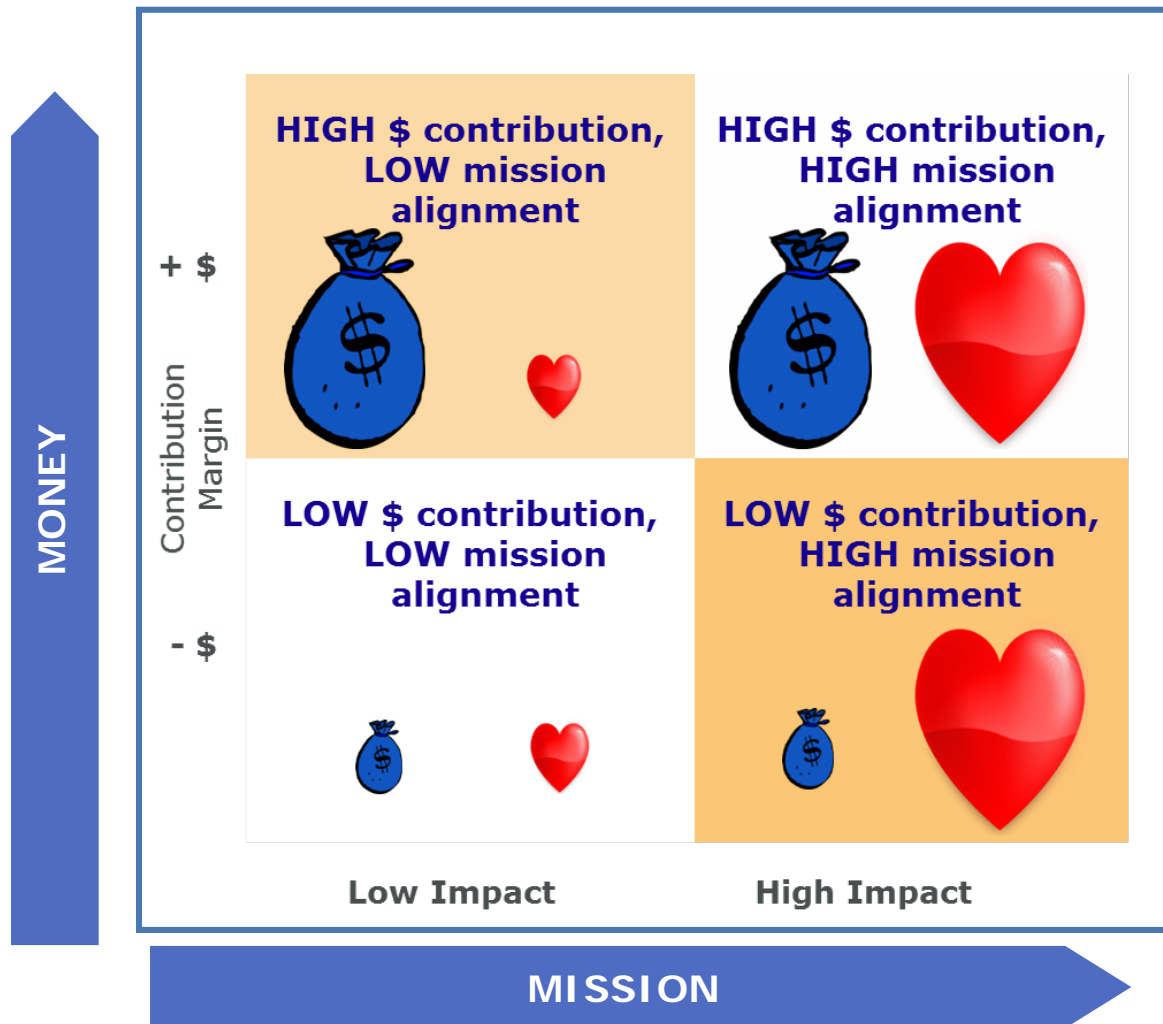
Forecast for 12/31/2021

\$ in Thousands

© Nonprofit Finance Fund

	Programs						Capacity				
	ArtEd youth	ArtEd adults	Community murals	Art in the prison	New Program	Program Subtotal	Development	Admin	Special Events	Capacity Subtotal	Total
<b>Revenue</b>											
<b>(A) Earned</b>											
Contract Revenue	\$458		\$366	\$182	\$0	\$1,006				\$0	\$1,006
Class fees	\$376	\$50			\$0	\$426				\$0	\$426
Merch Sales		\$2			\$0	\$2				\$0	\$2
<b>Subtotal</b>	<b>\$834</b>	<b>\$52</b>	<b>\$366</b>	<b>\$182</b>	<b>\$0</b>	<b>\$1,434</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,434</b>
<b>(B) Contributed</b>											
Individual Support			\$36		\$0	\$79	\$230		\$156	\$386	\$465
Institutional Support	\$168	\$40	\$150	\$14	\$0	\$373	\$300		\$225	\$525	\$898
Released from Restrict	\$37		\$110	\$73	\$0	\$221	\$65			\$65	\$286
<b>Subtotal</b>	<b>\$245</b>	<b>\$40</b>	<b>\$297</b>	<b>\$91</b>	<b>\$0</b>	<b>\$672</b>	<b>\$595</b>	<b>\$0</b>	<b>\$381</b>	<b>\$976</b>	<b>\$1,648</b>
<b>Total Revenue</b>	<b>\$1,080</b>	<b>\$92</b>	<b>\$662</b>	<b>\$273</b>	<b>\$0</b>	<b>\$2,106</b>	<b>\$595</b>	<b>\$0</b>	<b>\$381</b>	<b>\$976</b>	<b>\$3,082</b>
<b>Expenses</b>											
Personnel	\$850	\$118	\$224	\$219	\$0	\$1,411	\$466	\$436	\$0	\$902	\$2,313
Admin and program support	\$184	\$1	\$47	\$12	\$0	\$243	\$160	\$235	\$35	\$430	\$673
Consulting and professional s	\$59	\$0	\$3	\$3	\$0	\$65	\$110	\$139	\$24	\$273	\$339
Mural Expenses	\$0	\$1	\$381	\$57	\$0	\$439				\$0	\$439
Special Events	\$33	\$1	\$7	\$4	\$0	\$44	\$24	\$7	\$97	\$128	\$172
Building and Occupancy	\$19					\$19	\$1	\$51		\$52	\$71
<b>Total Expenses</b>	<b>\$1,145</b>	<b>\$120</b>	<b>\$662</b>	<b>\$294</b>	<b>\$0</b>	<b>\$2,222</b>	<b>\$433</b>	<b>\$866</b>	<b>\$157</b>	<b>\$1,457</b>	<b>\$3,679</b>
<b>Surplus/Deficit</b>	<b>(\$66)</b>	<b>(\$29)</b>	<b>\$0</b>	<b>(\$21)</b>	<b>\$0</b>	<b>(\$116)</b>	<b>\$162</b>	<b>(\$866)</b>	<b>\$224</b>	<b>(\$481)</b>	<b>(\$597)</b>

# Mission-Money Matrix



# Putting it All Together

## Mission-Money Matrix

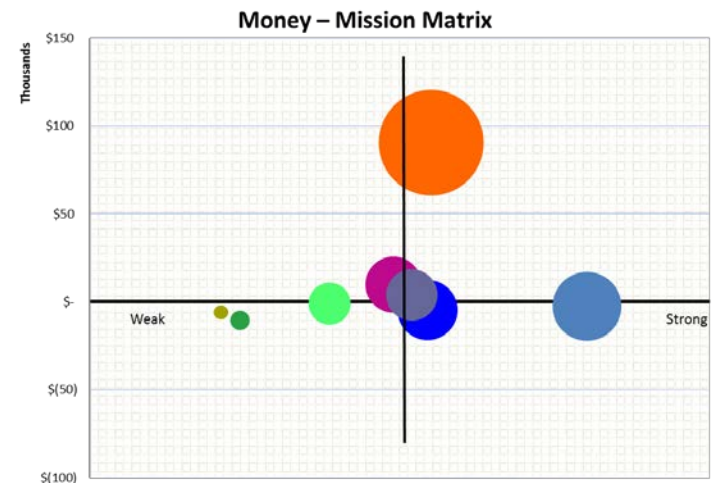
### Mission is located on the horizontal axis

- Programs with high mission would sit over on the right
- Those with lower mission would be closer to the left

### Money is located on the vertical axis

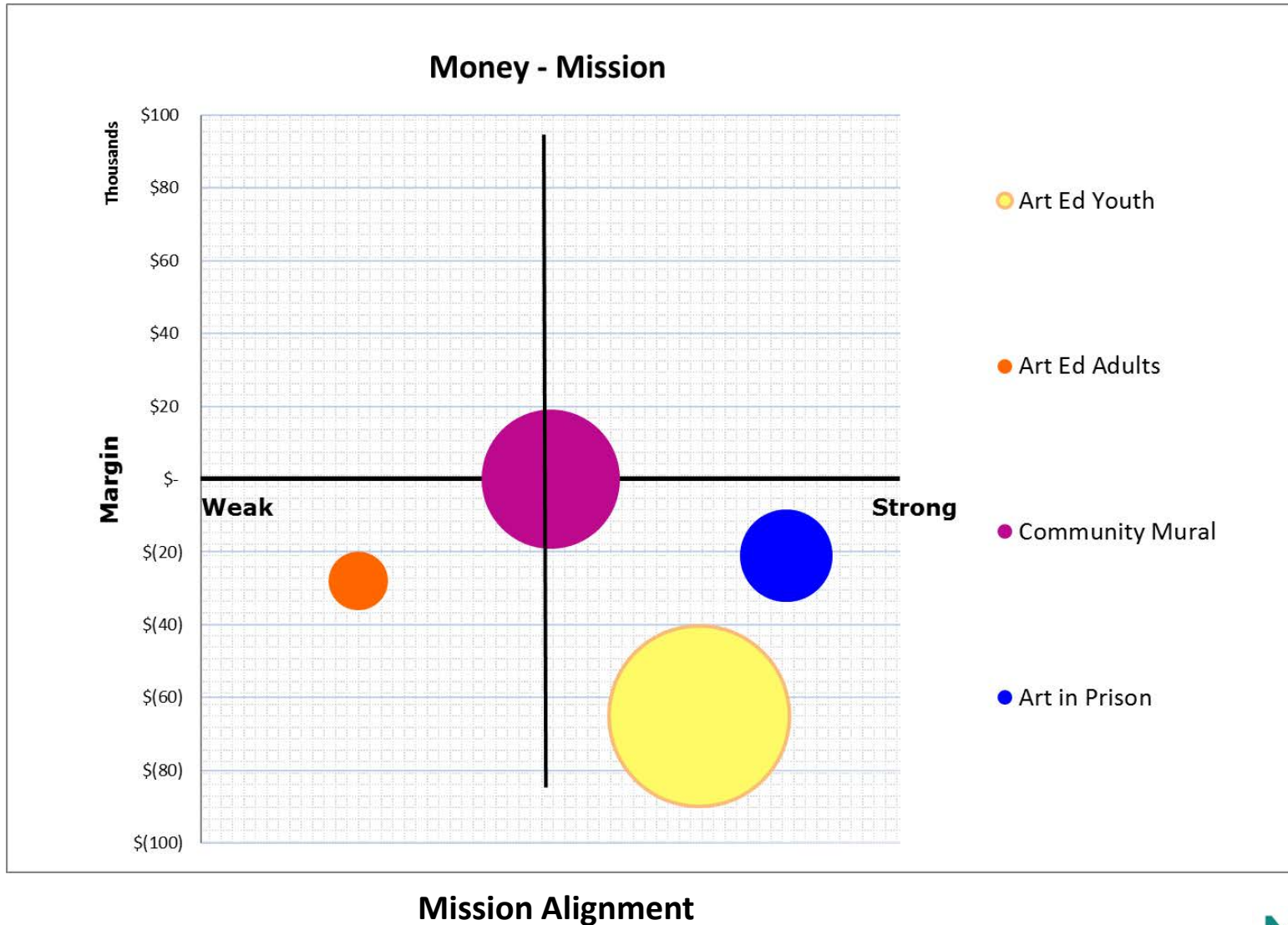
- Programs that generate the largest margins are towards the top
- Those that run deficits or require subsidy are located more toward the bottom

**The size of each circle represents the budget size of each program**

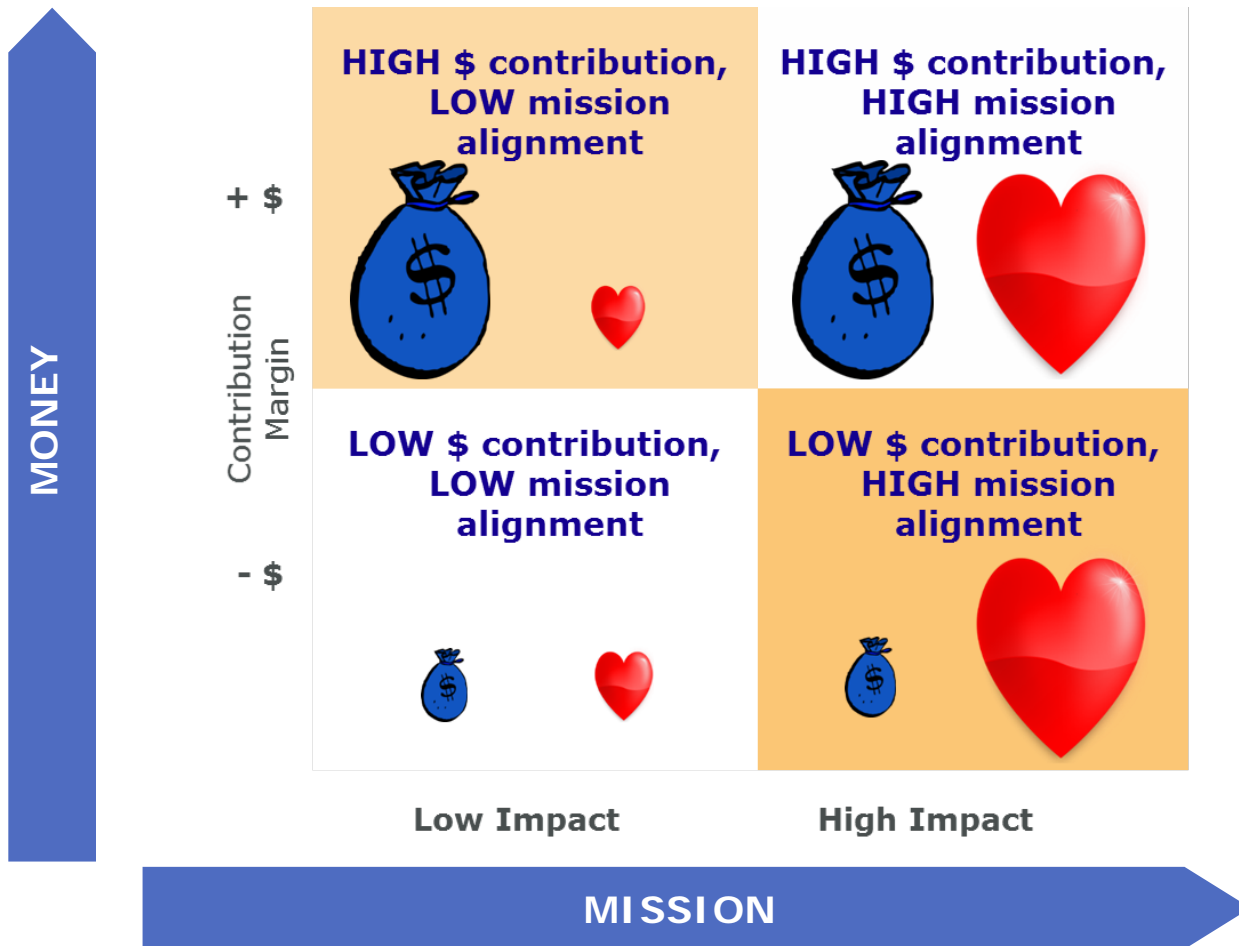




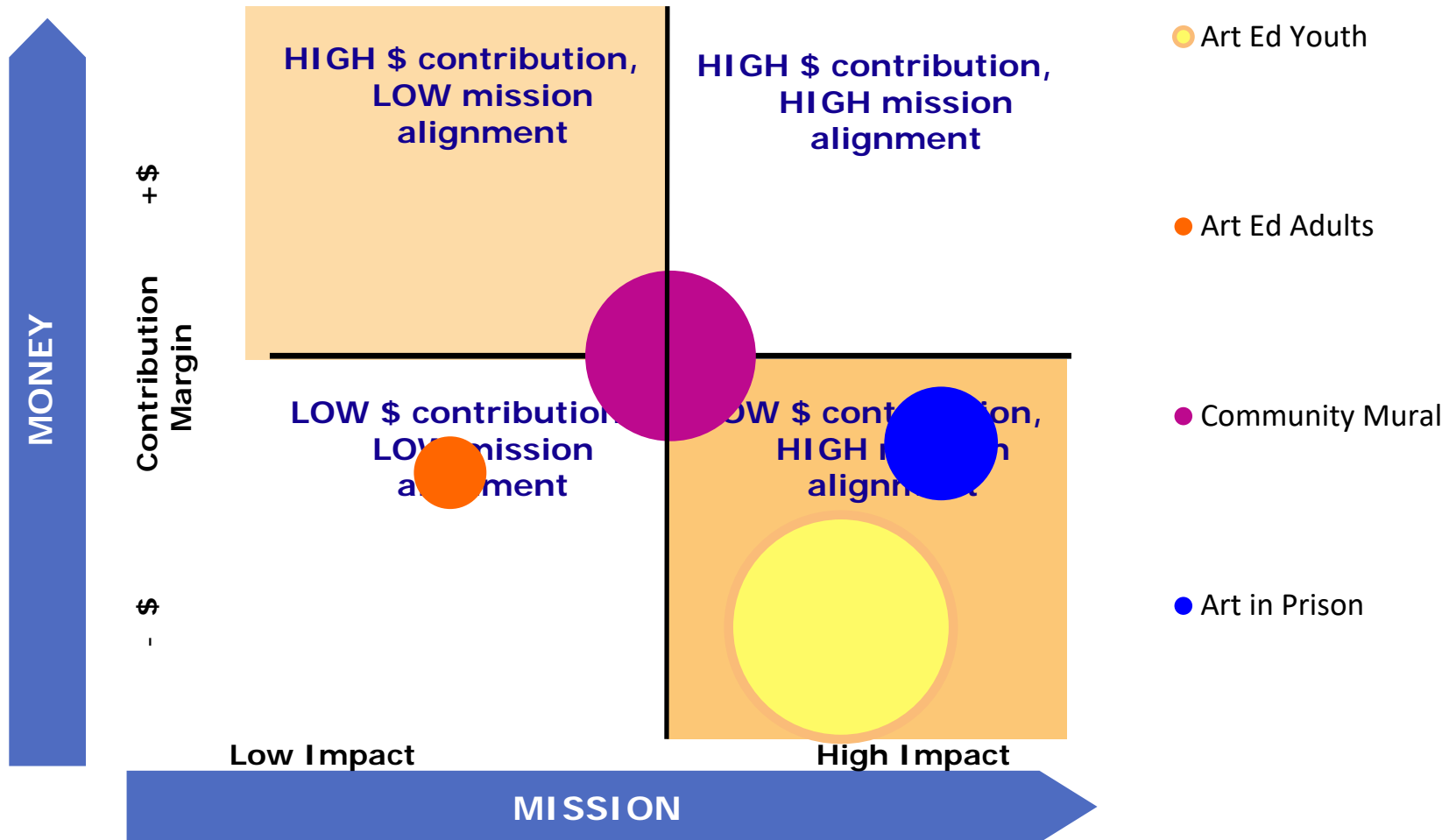
# ABC's Mission-Money Impact Matrix



# Mission-Money Matrix



# Mission-Money Matrix



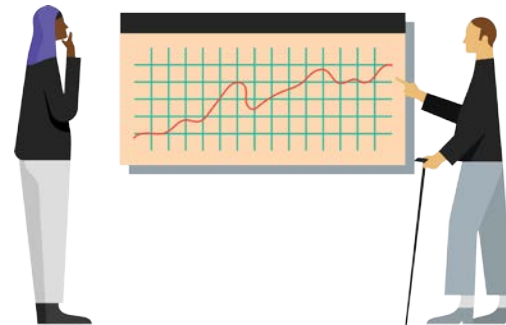
# Mission-Money Matrix Helps Focus and Prioritize

Revisit your mission and define your priorities:

- Which activities are core to your mission?
- Which are positive financial contributors
- Which need subsidy from other sources?
- What are the non-negotiables in your budget?

Once you define what is core to your mission, then prioritize programs / activities as:

- What we **MUST** do
- What we **SHOULD** do
- What we **WANT** to do



## Reflection (2 min)

How can the Mission-Money Matrix help you going forward - highlighting program metrics in a way that allows you to have transparent conversations about your programs?



# Learning Goals



Learning to analyze programs in terms of both mission alignment and program impact



Introduce the Mission-Money Matrix



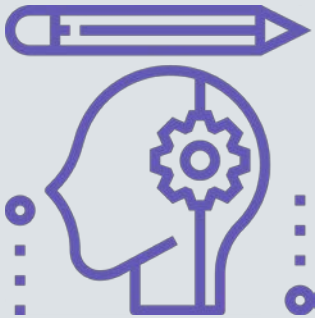
Apply the Mission-Money Matrix using mission data and program financial information

# Check-Out

Please share via voice or chat your response to any of all of the following questions:

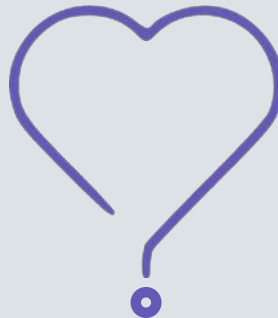
## Head

What did you **learn** from today's session?



## Heart

How did today's session make you **feel**?



## Feet

What **actions** will you take to bring this back to your organization and community?



# Up Next

## Managing Risk and Opportunities

June 1, 2021, 1 – 2 pm EST

Nonprofit leaders are most adaptable when they understand their organization's financial risks and the resources required to manage them. NFF will cover how an organization's capital structure supports financial resilience and how to strengthen capital structure during times of uncertainty. NFF will also introduce the concept of “full cost” – a concept that we will explore in greater detail in the following webinar.





# Thank You!

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