



Nonprofit Financial Management

UNDERSTANDING THE MISSION-MONEY MATRIX

Name: _____

Organization: _____

Nonprofit Financial Management

Understanding the Mission-Money Matrix

To make informed decisions, nonprofit leaders must understand how their programs contribute to both financial and mission objectives. This workbook will guide you through using NFF's Program Economics Analysis to see how your mission can inform financial decisions, explore where well-placed subsidy can maximize your organization's impact, and determine how to adapt your programs in response to the current moment.

Learning Goals

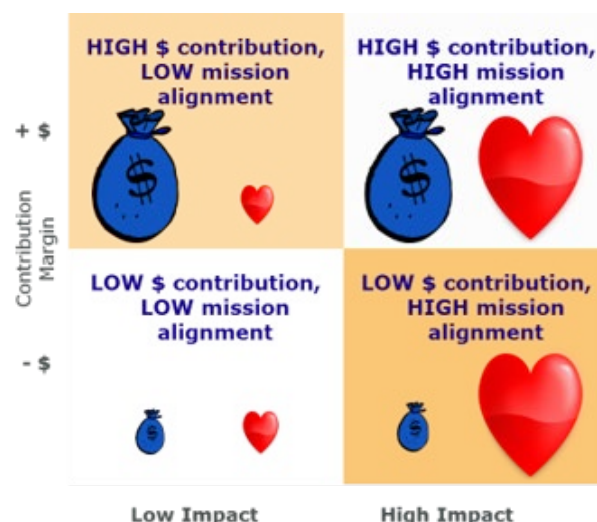
- Learn to analyze programs in terms of both mission alignment and economic impact
- Gain familiarity with the Mission Money Matrix
- Apply the Mission Money Matrix using mission data and program-specific financial information

Getting to Know the Mission Money Matrix

The Mission Money Matrix is a simple 2x2 matrix that can be a powerful aid to your strategic decision-making process. At a high level, it contributes to understanding how each of your programs contributes to your organization's mission and profitability.

Take a moment to reflect: How might this type of analysis be useful in facilitating strategic decision making?

The following exercises will help you assemble the information you'll need to populate the matrix.



Part I: Mission Alignment

In this section, you'll have the opportunity to examine your programs through the lens of mission alignment. As you complete each part of the exercise, remember that we're just gathering data. Just because a program is not 100% mission aligned does not mean that it automatically deserves to be cut!

Taking an Inventory

1. List your organization's programs. In this case 'programs' do not include activities such as fundraisers or internal administrative activities, just client facing work (e.g. a summer camp program, theatrical productions, food pantry, etc.)
2. Decide what criteria you will use to determine the level of mission alignment of each program. Here are a few different options; choose at least three.
 - a. Alignment with core mission
 - b. Implementation (e.g. how well do you implement this program?)
 - c. Scale (e.g. how many participants does this program reach?)
 - d. Relationship building
 - e. Fills a gap in service within the community
 - f. Importance to contributors

Depending on the size of your organization, you may want to gather feedback on your programs from key stakeholders including staff, clients, board members, and volunteers. Survey Monkey or Google Forms both work well for this type of data gathering!

Mission Alignment Analysis

Rank your programs according to your chosen criteria using a scale of 1 to 5, where 1 is 'least aligned' and 5 is 'most aligned.' You can modify the template below, filling in your programs and criteria:

Scale: From 5 (most aligned) to 1 (least aligned)

	Criteria 1: _____	Criteria 2: _____	Criteria 3: _____	Average Score
Program 1: _____				
Program 2: _____				
Program 3: _____				
Program 4: _____				

Financial Analysis

Now that we have a sense of the mission alignment associated with each of your programs, let's turn our attention to the 'money' side of the matrix. The key to this part is to identify revenue and expenses directly tied to each program.

Working from your most up to date budget, [complete this template](#) (will download an Excel file from nff.org) for your programs. If exact numbers are challenging to derive, estimates also work well for this analysis.

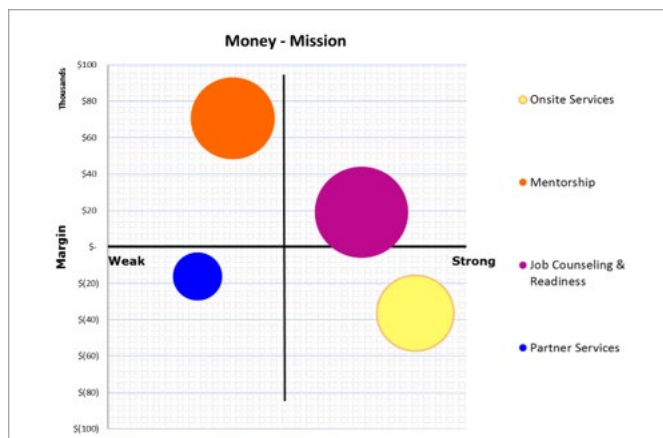
Putting the Pieces Together

At this point, we have a sense of how each program is aligned with your mission and how each program performs financially. The next step is to put the pieces together.

On the matrix below, 'Money' is on the Y axis and 'Mission' is on the X axis. So if a program has a high value in both financial performance and mission alignment, it would be on in the upper right quadrant.

Using the information you have gathered, replace the sample programs, revenue/expenses, and mission alignment in this file with your own programs. ([this link downloads an Excel file from nff.org](#)).

As you do this, watch the circles on the matrix grow, shrink, and move around in real time! A program with a larger budget will be reflected by a larger circle, smaller programs by smaller circles. Your goal is to have more programs toward the top right (more mission-aligned, more revenue-generating) and fewer toward the bottom left (less mission-aligned, less revenue-generating). The end result will look like this:



Reflection Questions: Working with Your Mission-Money Matrix

Looking at your matrix, consider the following questions:

- Which programs are core to your mission?

- Which are positive financial contributors?
- Which programs require subsidies from other programs?
- How critical are these subsidized programs to your mission?
- What are the non-negotiables in your budget and programs?

Once you have considered the above, explore the questions below:

- What must we do to achieve our mission?
- What should we do to achieve our mission?
- What might we want to do to achieve our mission?

The purpose of these questions is less to make a quick decision and much more to facilitate generative strategic conversations around how to best support your work in the long, middle, and near term.

Key Takeaways

- The Mission-Money Matrix helps you focus and prioritize.
- First, revisit your programs and mission:
 - 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

Notes