Welcome!
A few housekeeping items

This webinar is being recorded.

Can’t hear us?
Try joining by phone. Hit the ^ next to the microphone icon in the bottom left corner and select Switch to Phone Audio for dial-in.

How do I ask questions during the session?
Type your questions in the chat box anytime. Or, ask your question aloud when we pause for questions. Questions will be addressed thought out the webinar.

Can I get the slides?
Yes! The slides and full recording will be emailed to everyone after the session.
Financial Storytelling and Communication
An interactive webinar

Presented by:
Claire Knowlton
Director
Bre Onna Mathis
Manager
July 27, 2021
Land Acknowledgement

What do I know about the ambitions and efforts of the indigenous people on whose land I reside?

How can we be in solidarity?
Agenda

Opening

Financial Storytelling Overview
How can we craft a compelling story that links money and mission? How can we adjust our story to reach different stakeholders?

Communicating Your Story
Practice using a financial story telling framework to tell your own story in your own words. Learn by hearing how others tell their stories.

Closing
Nonprofit Finance Fund
Where Money Meets Mission

NFF envisions a world where money and knowledge come together to support just and vibrant communities

Advancing missions and social progress through

- Financing
- Consulting and partnerships
- Knowledge sharing

Guided by our Core Values

- Equity in Action
- Rigor Without Attitude
- Responsiveness
- Generosity of Spirit
- Leading By Doing
- Core Values
Planning Beyond Covid-19 Webinar Series
Join any or all. Catch-up with the recordings and resources later.

The Current State and Immediate Needs
July 13, 2021
Know your financial position and cash flow
Determine your priorities

Budgeting and Scenario Planning
July 20, 2021
Identify risks and opportunities
Bolster budget visibility to enable nimble decision-making
Add scenarios to navigate the uncertain

Financial Storytelling and Communication
July 27, 2021
What do your staff, board, funders, and community need to know to best support the organization?
Ice Breaker – In Groups of 5
Once upon a time, not long ago...

• Start with introductions
  ▪ Name
  ▪ Organization

• Ask one person to start the story

• Each person in the group will add to the story

• The last person will conclude the story
Telling the Story of How Money, Mission and Values Align

- **Vision**: Aspirations and goals for tomorrow
- **Mission**: Core purpose
- **Values**: Core beliefs to guide decisions
- **Priorities and financial decisions**
What is a Financial Story?

**Using numbers** to explain where you are today, how you got there, and where you want to go. It connects the numbers to mission, context, actions, and needs.

When stakeholders understand your financial story, they can make better decisions to support your organization.

Financial storytelling can take many forms:
- Crafting a narrative for a funder proposal
- Developing the financial narrative in a business or strategic plan
- Elevating the financial urgency in the annual report
- Conveying financial planning and decisions in internal financial statements
Why Focus on Storytelling?
Stories influence people, their emotions, behaviors, and actions.

Stories find their way to human hearts and heads in a way that very few (if any) other communication methods can.

- Create context
- Provide meaning and purpose
- Create connection, helping us relate on a personal level
- Move others to act

Source: https://donorbox.org/nonprofit-blog/nonprofit-storytelling-guide/
Three Financial Stories We Could Tell

### Trends
- What were the trends?
- What was the response?
- What effect were you aiming for?

### Business Model
- How do you make and spend money in support of your mission?
- How does [insert audience] fit into this business model?

### Evolution
- How is the organization and its business model evolving?
- What will you need to realize the vision for the future?

A Comprehensive Narrative Captures All Three Stories
The Financial Part of the Story: Where To Find The Data

<table>
<thead>
<tr>
<th>Questions to Address</th>
<th>The Past</th>
<th>The Present</th>
<th>The Future (3, 6, 9 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>What have been the biggest events or changes (positive or negative) in the past 1-2 years?</td>
<td>• What is your current business model?</td>
<td>• What are your future needs?</td>
<td></td>
</tr>
<tr>
<td>Effect of events on your financial health?</td>
<td>• How are you addressing COVID-19?</td>
<td>• How will changes affect your income statement or balance sheet?</td>
<td></td>
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<tr>
<td>• What has been the impact of safety protocols on your organization?</td>
<td>• What has been the impact of reopening on your organization?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Past income statements, past balance sheets</td>
<td>Current/revised budget, cash flow projections, most recent balance sheet</td>
<td>Future projected budgets, scenario budgets</td>
<td></td>
</tr>
</tbody>
</table>

The Present

The Future (3, 6, 9 months)
Know Your Audience

Internal Audiences: Board, Staff, Volunteers
- Focuses everyone on the priorities
- Transforms culture and practice
- Increases confidence in management

External Audiences: Patrons, Funders, Partners
- Demonstrates need and context
- Supports reporting and compliance
- Increases confidence in management
What Conversations Are You Having? What Questions Are You Asking? Being Asked?

**Talk to your funders and donors:**
- Understand the financial impact of today’s evolving reality on your business model and share the specific needs you have.

**Talk to your board:**
- Outline organizational priorities
- Discuss how you might use reserves or debt to support short- and long-term needs

**Talk to your staff:**
- Discuss personal and professional impact
- Keep everyone up to date on response and recovery efforts

**Talk to your community/partners:**
- Discuss how your services and collaboration may need to change to respond to community needs
Boast About Your Strengths
Know what you bring to the table and the history of how you got here. Connect how your organization’s strengths have met the challenges of today.

- **Relationships & Reputation** – our partnerships, networks and reputation, and access to community resources

- **People & Skills** – the skills, expertise, experiences of staff, board and volunteers

- **Data & Know How** – how we know what we do works, how we understand our mission impact

- **Financial** – the alignment of financial resources to pay for what we do - delivering and supporting the mission in the immediate and longer term
Contextualize The Challenges

How has COVID-19 Affected Your Organization?

▪ Increased and new needs in the community
▪ Limited funding
  ▪ Reduced earned income
  ▪ Strained philanthropic and government budgets
▪ Staff and volunteer fatigue or shortage

How do Inequitable Systems Contribute to Challenges?

▪ Lack of philanthropic support to community-based organizations led by and serving people of color
▪ Highly restricted funding stops nonprofits from having the resources to invest in their infrastructure, sustainability, and adaptability
▪ Disinvestment in and stripping of resources from communities of color
▪ Barriers to entering philanthropic networks
Financial Storytelling

1) Lead with mission

2) What happened?

3) How did you respond?

4) Effect on mission?

5) What do you need?
Telling Your Financial Story
Funder Example: Flexibility

1) Lead with mission
Since 2000, Awesome Organization has demonstrated growth in performance revenue and attendance through arts and cultural programming offered in the communities. We have also successfully advocated for more public spaces, which has transformed the Corridor.

2) What happened?
City-mandated Covid-19 closures interrupted programs. This, combined with the cancellation of our gala, resulted in a 50% loss in revenue in 2020.

3) How did you respond?
Performance programs are now online. We have translated Covid-19 materials for local communities. We’ve asked ticket holders to convert advance commitments into donations and have changed it into a giving drive, which helped recoup 25% of the losses. We also secured a PPP loan.

4) Effect on mission?
We’ve deepened our connections to our community, but we had to reduce operations by almost one-half. We haven’t been able to pivot quickly due to grant restrictions. Even now, the restrictions on our grants are making it challenging for us to consider necessary adaptations to the way we deliver programming to our community.

5) What do you need?
Given the uncertainty, we need flexibility. Can you release the restrictions on the ABC grant? Based on what we know right now, that will allow us to meet safety guidelines and respond to changing community needs with our programs.
Telling Your Financial Story
Staff Example: Specific Action

1) Lead with mission
Since 2000, Awesome Organization has demonstrated growth in performance revenue and attendance. We have also successfully grown our mission in advocacy, transforming the Corridor through the arts.

2) What happened?
City-mandated Covid-19 closures interrupted programs. This, combined with the cancellation of our gala, resulted in a 50% loss in revenue.

3) How did you respond?
We worked quickly to put performance programs online. We translated Covid-19 materials for local communities. We asked ticket holders to convert advance commitments into donations and have changed it into a giving drive, which closed the gap by 25%. We secured a PPP loan.

4) Effect on mission?
Your quick actions allowed us to deepen community relationships and avoid drastic reductions in our operations. I think we’ve gotten closer as a team. I have heard great ideas from you on how we can build. I really appreciate how adaptable you’ve been.

5) What do you need?
We need to ask ABC Foundation to release restrictions on the grant. Could you share the budget progress to-date for XYZ program, based on what we know today? Without a release, we may need to give some of the funds back or be unable to spend it until next year. This will also help me with scenario planning and help build a case to the funder.
It’s Story Time!

1. **5m (silent time) to **craft your financial story**
   
   About your organization, with a **specific audience** in mind
   
   This template may be a useful guide but is not a requirement. Financial stories should be in **your own voice and style**.

2. **Share and receive feedback** (triads, 6m per person)
   
   Share your story (aim for 2m)
   
   Receive feedback from your triad (aim for 4m)
   
   **Feedback prompts:**
   
   I liked…
   
   I was looking for/wanted to hear…

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**MATH LIBS!**

**Complete the Financial Story**

**CONTEXT:** Who is your audience? ____________________________

What is the purpose of the story? ____________________________

**LEAD WITH MISSION:** Over the past ____ year(s), our organization has _________________________________.

**WHAT HAPPENED?:** Due to ________________________________, ________ occurred, ________ took place.

**HOW DID YOU RESPOND?:** As a result of ________________________________, ________ (actions or steps taken).

**EFFECT ON MISSION?:** _________________________________.

**WHAT DO YOU NEED?:** We need your help to _________________________________.

by _________________________________.

what do you want them to do?
Financial Storytelling: Alternate Structure

1) Lead with a single, impactful moment

2) What were all the components that made the moment possible?

3) What was the 'full cost' of the moment of impact?

4) What impact will funding full cost have on your mission?

5) What do you need?
Telling Your Financial Story
Funder Example: Alternate Structure

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Lead with impactful moment</td>
<td>Last week, one of our dance students received a scholarship to their dream school. With tears in her eyes, she shared how having access financial assistance to achieve higher education will change her entire life.</td>
</tr>
<tr>
<td>2)</td>
<td>What was behind this moment?</td>
<td>This seemingly small moment required a village of support. Our Development Director and Admissions Director work hard to secure funding for several student scholarships a year. Awesome Organization witnesses life-changing moment in the lives of many of the 300 dance students we cultivate each year.</td>
</tr>
<tr>
<td>3)</td>
<td>What was the cost of this ‘village?’ And impact on mission.</td>
<td>Our community has been especially hard hit by COVID-19. We have seen a 20% increase in demand for financial support. At the same time, we’ve experienced a 15% reduction in funding. Our dance program, including scholarships, costs $2MM per year to run in normal times.</td>
</tr>
<tr>
<td>4)</td>
<td>Impact and need</td>
<td>We have reduced expenses as much as possible and now we need your help. Your unrestricted contribution of $XXX,XXXX will help keep dance in the lives of 300 students to give them the connections, physical outlet, confidence, and stability they need during these turbulent times.</td>
</tr>
</tbody>
</table>
Communicate & Advocate

• Communicate early and often!

• Maintain a dialogue with staff, board, partners and constituents about what’s known, unknown and options

• Stay in front of funders — don’t pull back

• Share your experience and insights with the networks, peers and stakeholders

• Advocate for a more equitable and effective system and supporting policies

Download Financial Storytelling Resources at NFF.org
Questions
Head, Heart, Feet

**Head**
What did you learn from this workshop?

**Heart**
How did this workshop make you feel?

**Feet**
What actions will you take?
Thank You!

Discover more resources

https://nff.org/covid-19-tools-and-resources-nonprofits

Keep in touch

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