Girls' Leadership Guide:

Financial Literacy for Mission-Driven Leaders: What You Need to Understand

Ivy Walker
Serial Entrepreneur, Author & Risk Management Expert
Treasurer, S.H.A.U.N. Foundation for Girls

You didn't start a nonprofit because you love spreadsheets. You started it because you believed girls needed something your organization could provide. So it's tempting to treat financial literacy as a checkbox—hire an accountant, trust your bookkeeper, let your board treasurer handle it. That's how good leaders lose control of their organizations.

Becoming financially literate doesn't mean you need the skills of a CFO. It means understanding the numbers well enough to know whether your organization is sustainable, whether your decisions align with your values, and whether you're solving the problem you set out to solve.

Why this matters beyond the audit

Here's what most nonprofit leaders don't realize: your numbers tell the truth about your priorities. Not your mission statement, your numbers.

If you say girls of color are your focus, but 80% of your program budget goes to staff salaries for administrative functions, your numbers don't support your claim. If you claim to be responsive to the community but you're spending 40% of your budget on a funder's pet project that doesn't align with what you believe girls need, your numbers are revealing a dependency problem.

Your organization's financials are a leadership tool not an accounting formality. They show you where you're allocating resources, where money is leaking, whether you can afford the vision you're claiming, and whether a funding source is worth the strings attached.

Without this knowledge, you're flying blind.

Which numbers matter

You don’t need to try to understand everything. Focus on the vital few.

Cost per girl served. What does it cost you annually to serve one girl? This number should inform program design, pricing decisions, and your ability to scale. If your cost per girl is $5,000 but you're trying to serve 50% more girls on the same budget, your numbers are telling you something impossible is being asked.

Revenue concentration. What percentage comes from your top three funding sources? If a single funder accounts for 60% of your revenue, you don't have a diverse funding base. You have a dependency. This number determines your vulnerability.

Overhead ratio. What percentage of your budget goes to operations (things like rent and staff) versus to direct programs? There's no set number this should be, but there is a range that many charity watchdogs benchmark against: 15% to 35%. Know what your number is. Some overhead is necessary and good. Pretending it's zero means you're underfunding the infrastructure that keeps programs running.

Cash runway. How many months of operating expenses could you cover if funding stopped tomorrow? This number determines how much risk you can take and how much you can invest in growth.

Program delivery cost vs. funder reimbursement. What does it cost you to deliver a program versus what funders are paying you? The gap reveals whether you're subsidizing programs with unrestricted funds or whether funders are covering what they claim to fund.

How to know if you're watching the right numbers

Ask yourself: If this number changed, would I make a different decision? If the answer is no, stop tracking it. You're creating busy work instead of building leadership capacity. The numbers that matter are the ones that change how you lead.

Not sure where to start tracking? Start with those five. Review them quarterly. Let them inform your decisions. That's financial literacy for mission-driven leaders.