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Effective Use of Waterfall Charts

Purpose	This tool provides guidelines and tips on how to effectively use waterfall charts to communicate research findings.
Format	This tool provides guidance on waterfall charts and their purposes, and shows examples of preferred practices and practical tips for waterfall charts.
Audience	This tool is designed primarily for researchers from the Model Systems that are funded by the National Institute on Disability, Independent Living, and Rehabilitation Research (NIDILRR). The tool can be adapted by other NIDILRR-funded grantees and the general public.

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Waterfall Charts

- ▶ Waterfall Charts are used to visually illustrate how a starting value of something (say, a beginning monthly balance in a checking account) becomes a final value (such as the balance in the account at the end of the month) through a series of intermediate additions (deposits, transfers in) and subtractions (checks written, drafts from the account, ATM cash out).
- ▶ Illustrates the cumulative effect of sequential or categorical positive and negative values applied to the starting value.
- ▶ The additions and subtractions can either be time-based (values in and out by month) or category-based (various sources of revenues and various sources of expenses for a given time period).
- ▶ Totals and major Sub-Totals are represented by full columns, while sub-components of the incoming and outgoing streams are represented by color-coded floating blocks.
- ▶ Such a chart has the appearance of a Waterfall.

Waterfall Charts

- ▶ Waterfall Charts are most often used in business applications, but can be used to illustrate any process with additions and subtractions to a starting value.
- ▶ Waterfall charts can be created in Excel using Stacked Column Charts and by removing shading and outline on the “hidden” building blocks.
- ▶ Waterfall Charts are also called Bridge Charts.

Waterfall Charts

Chatham Food Bank - Operations Account Cash Flow - December 2014

