
University of Virginia

PAY FOR SUCCESS

Lab

Fairfax County Innovation Challenge | May 18, 2017

Agenda

- What is Pay for Success?
- Why Pay for Success?
- Pay for Success Mechanics
- Projects Developed To-Date
- Step One: Problem Definition
- Pay for Success Lab
- Resources



What is Pay for Success?

“Pay for Success is an innovative way of partnering with philanthropic and private sector investors to provide resources for service providers to deliver better outcomes—producing the highest return on taxpayer investments. Through Pay for Success, the government agrees to pay for concrete, measurable outcomes, but taxpayer funds are spent only if those outcomes are achieved.”

- U.S. Department of Education

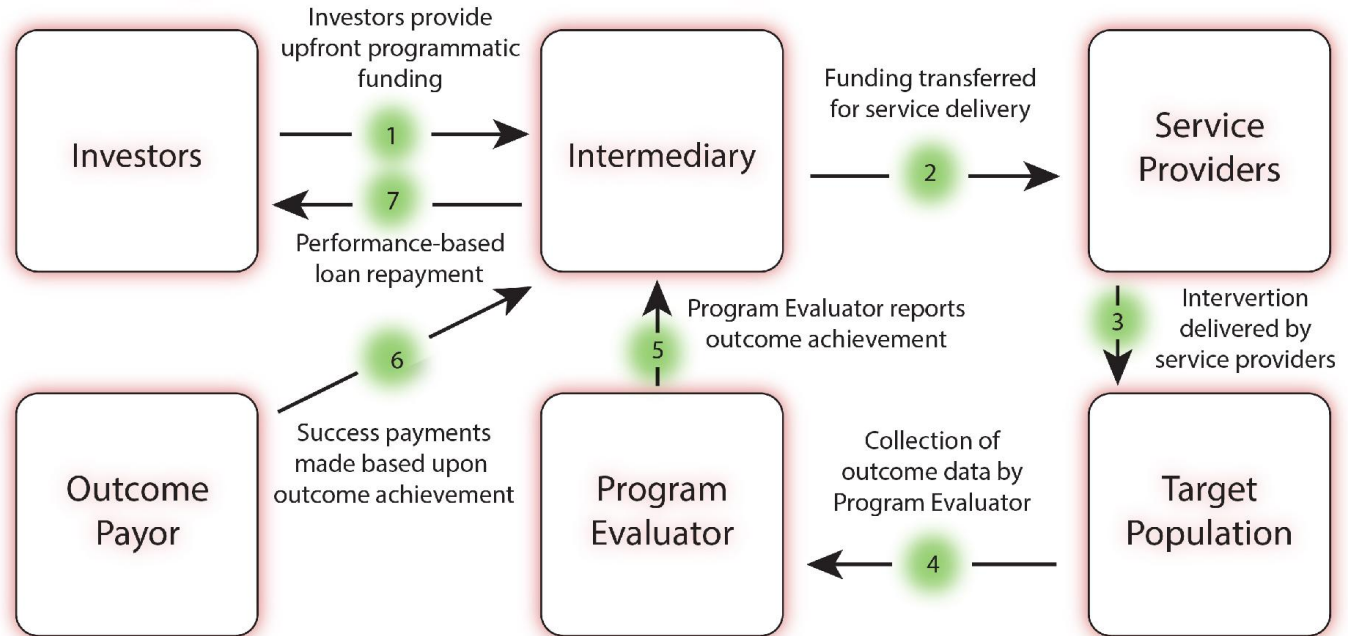
Related terms: Social Impact Bond, Social Innovation Finance



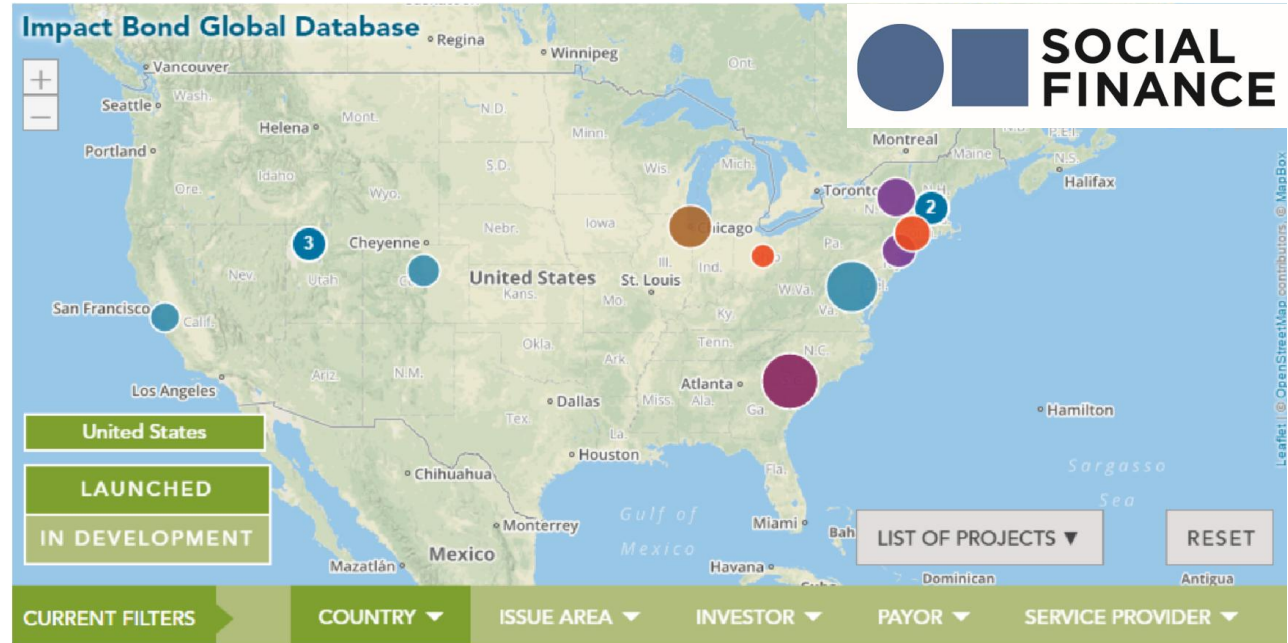
Why Pay for Success?

- **Paying for Outcomes, not Inputs or Outputs**
- **Focus resources on high-quality interventions**
- **Allows external parties to assume project risk**

Pay for Success Mechanics



Projects Developed To-Date



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14
IMPACT BONDS

\$163M
CAPITAL RAISED

19,112
LIVES TOUCHED

Step One: Problem Definition

1. Using state/local data, identify a clear **problem** to address.
2. Using state/local data, identify a specific **target population**.
3. Develop a sense of what **outcomes** stakeholders would like the program to affect amongst the target population.
4. Assess how much the different levels of government are **spending** to address this problem by agency and activity.



Modeled after: Milner, J., Eldridge, M., Walsh, K., & Roman, J. K. (2016). *Pay for success project assessment tool* (Rep.). Washington, DC: Urban Institute Pay for Success Initiative.

Pay for Success Lab

Mission: Identify and advance impactful Pay for Success project models in localities across the nation.

1. **ENGAGE** with local stakeholders to identify a public issue that is a priority for the community to address
2. **RESEARCH** the social and financial benefits that different results-based policy solutions could provide
3. **CONNECT** local stakeholders with external organizations and resources that can assist with developing the project



Resources

Getting Started

Joshua Ogburn, University of Virginia Pay for Success Lab

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General Resources

Nonprofit Finance Fund

www.payforsuccess.com

Weekly Newsletter

Social Impact Bond Review

www.sibreview.com



Projects Developed To-Date

| # | Project Name | Year Launched | Issue Area |
|----|---|---------------|---------------------------|
| 1 | NYC ABLE Project for Incarcerated Youth | 2012 | Recidivism |
| 2 | Salt Lake Utah High Quality Preschool Program | 2013 | Early Childhood Education |
| 3 | New York Increasing Employment and Improving Public Safety | 2013 | Recidivism |
| 4 | Massachusetts Juvenile Justice PFS Initiative | 2014 | Recidivism |
| 5 | Chicago Child-Parent Center Pay for Success Initiative | 2014 | Early Childhood Education |
| 6 | Cuyahoga Partnering for Family Success Program | 2014 | Child Welfare |
| 7 | Massachusetts Chronic Homelessness Pay for Success Initiative | 2014 | Homelessness/Housing |
| 8 | Santa Clara Project Welcome Home | 2015 | Homelessness/Housing |
| 9 | Denver Housing to Health Initiative | 2016 | Homelessness/Housing |
| 10 | South Carolina Nurse Family Partnership | 2016 | Maternal and Child Health |
| 11 | Connecticut Family Stability Project | 2016 | Substance Abuse |
| 12 | DC Water Environmental Impact Bond | 2016 | Green Infrastructure |
| 13 | Salt Lake Utah Criminal Justice REACH Project | 2016 | Substance Abuse |
| 14 | Salt Lake Utah Home Not Jail Program | 2016 | Homelessness/Housing |