Can Private Capital Be Used to Fund Public Social Innovation? Using Performance and External Capital to Drive Investment in Social Outcomes

Intractable Social Problems Homelessness Recidivism Academic Failure Teen Pregnancy Substance Abuse

Challenges to Addressing These Problems **Competing Public Budget Priorities Tighter Public Budgets Difficulty Sustaining Progress**

How Social Impact Bonds Work

INITIATION Government identifies priority issues and finds Intermediary to establish Social Impact Bond

RECRUITMENT

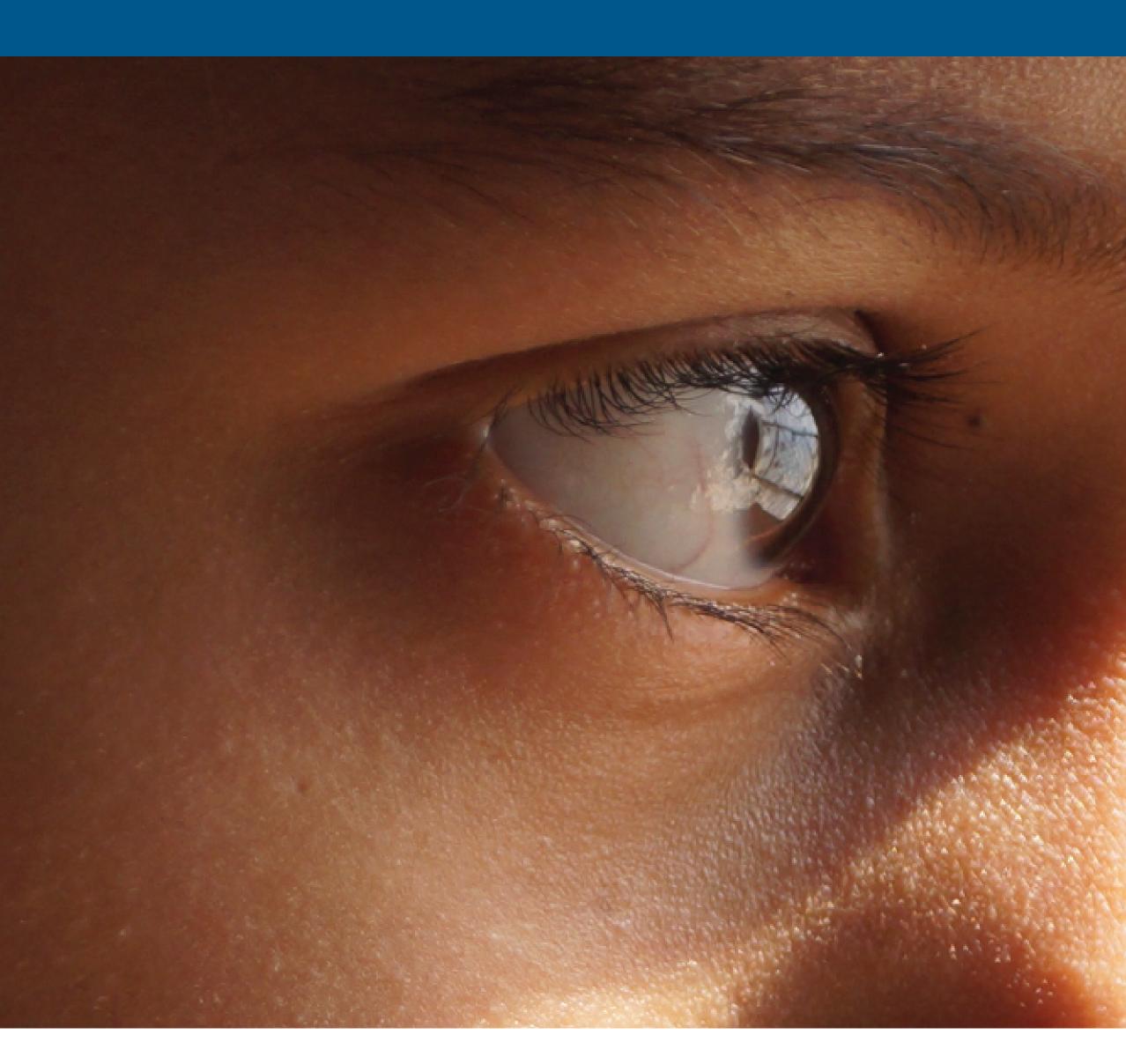
Intermediary recruits Inves who seek social impact and financial return

Intermediary recruits Socia to administer innovative, e

Take a Closer Look:

Population	Effective Intervention	Community Benefit
Chronically Homeless Individuals and Families	Permanent Supportive Housing	Decreased use of shelters, acute medical services, and corrections
Juvenile and Adult Offenders	Community Re-entry Program	Decreased recidivism and increased public safety

Social Impact Bonds Offer a Solution to Improving Lives and Communities:



CONTRACT FINALIZATION All parties agree on terms

PROGRAM EVALUATION Evaluator analyzes program success

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estors nd		PROGRAM IMPLEMENTATION Service Providers use multi-year funding to provide direct services to Program Participants			
ial Service Provic evidence-based			•		

Expand community impact by scaling evidence-based preventive programs.

What is a Social Impact Bond?

Social Impact Bonds ("SIBs") are a form of pay for success contract that combines government insight, non-profit expertise, private sector funding, and rigorous evaluation to provide preventive social programs and interventions.

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Recommendations:

MWCOG Hold Workshops and Panel Discussions

SIB CLOSEOUT Target Outcomes Achieved: Government reimburses Investors, Society benefits, and Governments save

Targets Outcomes Not Achieved: **Investors Assume Costs**

Government Savings

Housing, Medicaid, **Correctional facilities**

Correctional facilities, probation and parole costs

Set-up and Launch Local and Regional Social Impact Bond

Launch broad ranging partnerships between government, community and private funders.



COG Institute for Regional Excellence: Cohort 12 Renee M. Willis, Amanda Campbell, Scott Conlon, Oscar Mendoza, Carol-Lynn Snowden, Will Pickering Art: Pixabay



Encourage multi-year funding for successful projects with the opportunity to reinvest cost savings.