# Pay for Success As an Impact Investment

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The Social Innovation Fund (SIF), a program of the Corporation for National and Community Service (CNCS), combines public and private resources to grow the impact of innovative, community-based solutions that have compelling evidence of improving the lives of people in low-income communities throughout the United States. The SIF invests in three priority areas: economic opportunity, healthy futures, and youth development.

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# I. Introduction

*Impact investing*, which is investing with the intent to make positive social or environmental change, is a large and growing field.[i] According to a survey of impact fund managers, development finance institutions, and foundations, $46 billion in impact investments were managed worldwide as of 2014, up almost 20 percent from the prior year. More importantly, that same survey projected such investments could grow by tenfold to nearly $500 billion by 2020, primarily fueled by private investors.[ii] The rapid increase of impact investing, combined with declining government funding for tackling many social issues, highlights the opportunity to solve the world's most difficult problems through a combination of public, philanthropic, and private sector capital.

Investors interested in playing a role in solving these problems are motivated by a "*double bottom line*"[iii]—they would like to earn a return on their investment, but they also want to put their portfolio to work to accomplish social goals such as increasing access to clean drinking water or improving educational outcomes for children with special needs.

Investment in Pay for Success (PFS) projects[iv] is one component of this large and growing impact investment sector.[v] PFS is an innovative approach to tackling social problems that ties funding for an intervention to its outcomes and impacts in the community. PFS offers a way to catalyze philanthropic and private sector investments to deliver better outcomes, enabling government and other "payors" (such as school districts or hospitals) to pay only for outcomes achieved—that is, to pay only for what works. In doing this, the PFS model transfers much of the risk that an intervention may fall short of its target, or fail to perform as intended, from the payor to other parties.

This sharp focus on the outcomes to be achieved means that rather than being paid for providing a social service, the service provider is paid for achieving the target outcomes set for the intervention. Service providers, however, rarely have the resources needed to independently fund a multi-year intervention or absorb the risk of financial loss that would occur if the intervention were to fall short of its target. PFS investors solve this problem by providing capital up-front to the service provider and taking on the risk that the intervention may not succeed. In return, payors who benefit from the project reimburse the investors and potentially provide a return to the investors per agreements made beforehand, if target outcomes are achieved.

The purpose of this brief is to inform new and diverse investors about the benefits and challenges of financing PFS initiatives. It will also provide valuable information for any PFS project implementers looking to educate or motivate current or potential investors about PFS. The brief first discusses the basic elements of PFS, followed by some key lessons learned from early investors in the PFS field. It concludes with a discussion of the motivations of current PFS investors and the challenges they have faced, and potential solutions to these challenges. Additional resources are available in the **Appendix.**

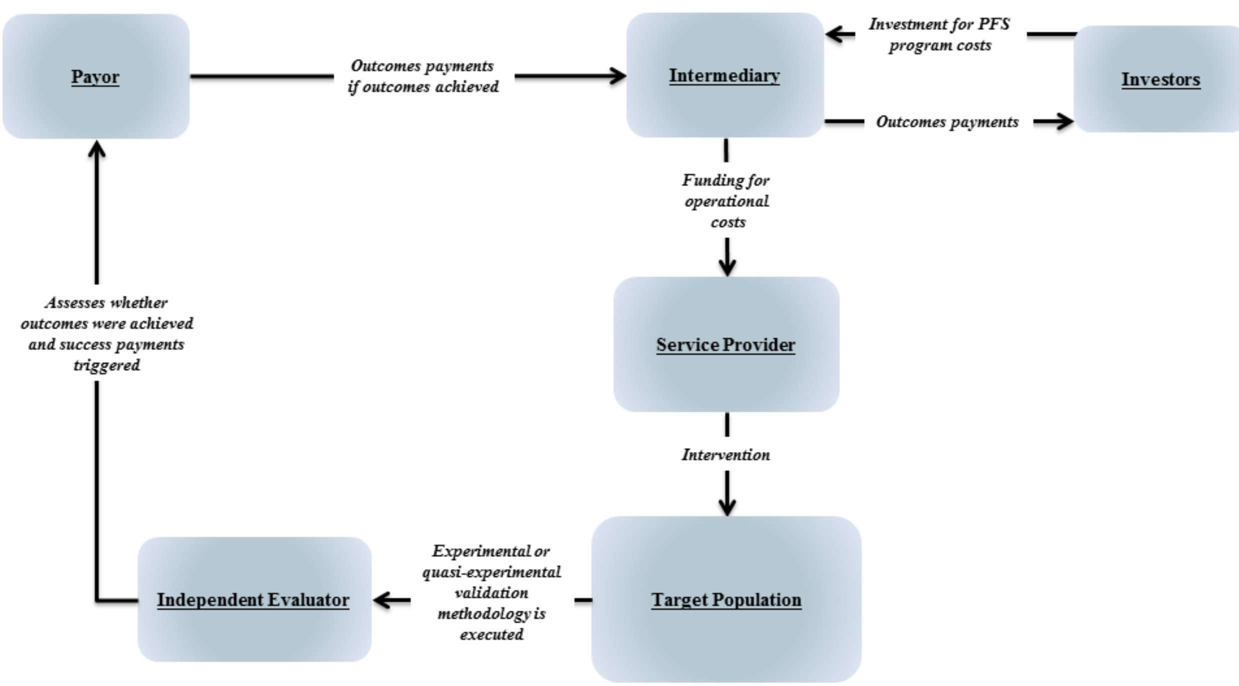
# II. Pay for Success 101

PFS is a relatively recent development in impact investing. The first PFS project was launched in the United Kingdom in 2010. The first domestic PFS project did not launch until 2012, and less than a dozen of these projects are currently operating in the United States.

A typical PFS arrangement involves four principal stakeholders in addition to the population receiving the services being funded. These are shown in Figure 1:

- The **payor** (e.g., federal or state agency, county government, school district, or hospital) enters into a binding agreement with a service provider. If the outcome targets are met, the payor will make "outcome payments" that cover the cost of the intervention, plus a modest bonus, often from savings the payor realizes from the intervention.
- Under the binding agreement with the payor, the **service provider** delivers the intervention to the **target population**, with the goal of achieving the outcomes specified. For example, a PFS project launched in Denver in early 2016 is providing housing and other services with a goal of reducing or preventing homelessness in the city.[vi]
- After an appropriate period over which outcomes are expected to occur, an **independent evaluator** measures the impact of the service delivered and determines whether the outcomes were achieved. Evaluating the effects of the intervention is a critical component of PFS.
- Often the payor contracts with an **intermediary** to structure and coordinate the PFS project. The intermediary's responsibilities may include facilitating agreements between partners (including defining outcome targets), overseeing project implementation, and commissioning an independent evaluation.

Figure 1. Principal Stakeholders in a PFS Project



These stakeholders are involved in the essential elements of a PFS project: payments for services that are tied to intervention outcomes, which are independently verified. **Investors**, a fifth type of stakeholder, are included in a *PFS financing project*. Investors can play a crucial role by providing capital up front to cover the cost to the service provider of delivering the intervention. Investors are repaid with the "outcomes payments" made by the payor if and when the outcomes are achieved.

**Drawing Lessons from PFS Pioneers**

To identify lessons learned from early investor experiences in this newly emerging field, discussions were held with 25 individuals representing 18 organizations. Eleven of these discussants represent investor organizations in PFS projects; the remaining discussants were experts in the PFS field and/or involved in one or more PFS projects in other ways. Other reviewed reports, articles, websites, and other literature pertaining to PFS investing also informed this special topic brief. The purpose of this brief is to help potential investors learn from those experiences.

## III. Investor Roles in Pay for Success

A wide range of investor types are involved in PFS financing[vii]. These include:

- **Philanthropic foundations**: A number of foundations make non-recoverable grants to help develop, pilot, and implement PFS projects. As investors, however, they also make *program-related investments (PRIs)* and *mission-related investments (MRIs)*. Examples of foundation investors in PFS include the J.B. & M.K. Pritzker Family Foundation, the James Irvine Foundation, and Bloomberg Philanthropies.

- **High net worth individuals**: Individual investors have invested in PFS projects both directly, in response to *offering documents* soliciting for a specific project, and indirectly, by investing in a *social impact fund* managed by an investment bank or other financial institution, such as that managed by Goldman Sachs.

- **Investment institutions**: Financial institutions such as Goldman Sachs manage social impact funds (also called *social investment funds*) that pool money from individual investors (often high net worth individuals) and organizations to finance PFS projects.

- **Commercial banks**: Examples of banks that have invested in early PFS projects include Northern Trust and Santander Bank.

- **Community development financial institutions (CDFIs)**: These are private financial institutions dedicated to investing responsibly in their local communities. Examples include the Nonprofit Finance Fund (NFF), the Corporation for Supportive Housing (which also operates as a nonprofit), and The Reinvestment Fund (TRF).

- **Nonprofits**: Organizations such as Living Cities and the Corporation for Supportive Housing have also invested in PFS projects.

Although a wide range of PFS investors have participated in financing the earliest U.S. projects, a handful of philanthropies and investment funds have provided the largest share of the total amount invested. The investors involved in the first 10 PFS projects implemented in the U.S. as of March 31, 2016 are shown in Figure 2.

Goldman Sachs and the Laura and James Arnold Foundation have been the most frequent investor in PFS projects, with investments in four projects to date. In addition to Goldman Sachs, three other for-profit private investors are represented in the exhibit: Bank of America Merrill Lynch, Northern Trust, and Santander Bank. Nonprofits, other foundations, and CDFIs comprise the remaining primary lenders.

Other types of investors might emerge as the PFS field continues to develop. For example, although private-sector capital invested in PFS projects in the United States to date has come primarily from socially motivated investors, profit-motivated investors could begin to play an increasing role in financing PFS projects, particularly if government policies are adopted that support PFS investment.[viii]

## Figure 2. Investments in Early Pay for Success Projects in the U.S.

| **Project Name** | **Primary or Senior Lenders*** | **Secondary or Subordinate Lender or Grantor*** |
|---|---|---|
| The New York City ABLE Project for Incarcerated Youth | • Goldman Sachs | • Bloomberg Philanthropies |
| Utah Pre-K Project | • Goldman Sachs | • J.B. & M.K. Pritzker Family Foundation |
| New York Increasing Employment and Improving Public Safety Pay for Success Project | • Bank of America Merrill Lynch<br>• Laura and James Arnold Found.<br>• Robin Hood Foundation | • Rockefeller Foundation |
| Massachusetts Juvenile Justice Pay For Success Initiative | • Goldman Sachs | • Kresge Foundation<br>• Living Cities<br>• Laura and James Arnold Foundation<br>• New Profit, Inc.<br>• The Boston Foundation<br>• Roca, Inc.**<br>• Third Sector Capital Partners** |
| Chicago's Child-Parent Center Pay for Success Initiative/SIB | • Goldman Sachs<br>• Northern Trust | • J.B. & M.K. Pritzker Family Foundation |
| Cuyahoga County Partnering for Family Success Program | • The Reinvestment Fund | • George Gund Foundation<br>• Nonprofit Finance Fund<br>• Cleveland Foundation<br>• Sisters of Charity Foundation of Cleveland*** |
| Project Welcome Home, Santa Clara, CA | • The Reinvestment Fund<br>• Corporation for Supportive Housing | • The Sobrato Family Foundation<br>• The California Endowment<br>• The Health Trust<br>• The James Irvine Foundation<br>• Google.org<br>• Laura and John Arnold Foundation<br>• Abode Services** |
| Chronic Individual Homelessness Pay for Success, Massachusetts | • Corp. for Supportive Housing<br>• Santander Bank<br>• United Way of Massachusetts Bay and Merrimack Valley | • Santander Bank<br>• United Way of Massachusetts Bay and Merrimack Valley[ix] |
| Denver Housing to Health Initiative | • Northern Trust<br>• Walton Family Foundation<br>• Piton Foundation<br>• Nonprofit Finance Fund<br>• Laura and James Arnold Found.<br>• Living Cities<br>• Colorado Health Foundation<br>• Denver Foundation | • None |
| South Carolina Nurse-Family Partnership | • None | • The Duke Endowment<br>• Consortium of private funders<br>• BlueCross BlueShield of SC Foundation<br>• The Boeing Company<br>• Greenville, SC First Steps |

*Senior lender: A bank or similar financial institution whose loan to a company or individual holds legal claim to the borrower's assets above all other debt obligations.

Subordinate lender: "Subordinate" financing implies that the debt ranks behind the senior lender, and means that the senior lenders will be paid back before subordinate debt holders.

**Provided financial support to the project in deferred fees.

***Provided both subordinate investment and non-recoverable grant.

# IV. Financial Risk and Return in Pay for Success Investments

In the U.S., the structure of PFS financing thus far has generally combined characteristics of both *debt investments* and *equity investments*[x]. Like many debt investments (e.g., bond purchases), which are often conservative investments with a fixed repayment timeline and interest rate, PFS investments provide set interest rates and typically have a cap on returns. Like many equity investments (e.g., stock purchases), PFS investments are dependent upon the service provider's performance and carry the risk of loss. However, many investors consider this to be an acceptable risk.[xi]

The blend of debt investment versus equity investment characteristics typically differs with each PFS project. Oftentimes, senior lenders engage in investments that resemble less risky debt investments, and subordinate lenders engage in investments that resemble equity investments.

Other debt-versus-equity characteristics are still to be determined. It has not been adjudicated as to whether a PFS investor will have a priority claim on cash flows in the case of an outcomes payor bankruptcy (as a debt claim would provide) or whether PFS payments will be treated as ordinary income or capital gains.

## Reducing risk using layers of capital

Most investors and other PFS experts and stakeholders that participated in discussions said that in order to attract private sector capital, PFS projects must have multiple layers of financing from senior lenders and subordinate lenders or grantors. That is, *subordinate debt*, grants, or *investment guarantees* must cushion the senior investor against total loss in the event that the intervention's outcome targets are not met. The greater the level of subordinate debt or guarantees, the more protection against loss there is for the senior lender.

For example, the senior lender in the New York City ABLE Project for Incarcerated Youth, Goldman Sachs, made a loan to the PFS intermediary managing the project to support an intervention serving incarcerated youth. Bloomberg Philanthropies, in a subordinate role, acted as a guarantor, insuring that at least 75 percent of the Goldman Sachs loan would be repaid. The risk of loss to Goldman Sachs thus was cushioned and limited to the unprotected 25 percent of its loan.

As suggested in Figure 2 above, none of the PFS projects in the United States to date has launched without both philanthropic and private sector investors. In each project involving private investors, they are in the senior position and generally take a lower risk of loss of principal. When they aren't in the senior position themselves, philanthropic investors typically take more risk by taking a subordinate position or providing a guarantee to the private investors. The subordinate lenders and grantors are all foundations, other charities, or nonprofits.

## Investor risk tolerance

Philanthropic and private sector investors often view the risks of PFS investment differently, and they tolerate different levels of risk as a result. For example, one philanthropic investor said that any return of the principal invested in a PFS project is viewed as a success, because unlike a grant where no financial return is expected, that portion of the PFS investment is available to re-invest elsewhere. In general, private sector investors take a more conservative view; although they are motivated by social impact and therefore often accept below-market returns on their investment, they are also concerned with preserving their capital.

## V. Motivations of Pay for Success Investors

In addition to an interest in social impact, the PFS investors interviewed reported a number of different motivations for supporting PFS projects:

- **Encourage financial innovation:** Some private sector and philanthropic investors have financed PFS projects as a way to test a new financial model and/or to provide innovative financial products to clients looking for new ways to deploy capital.

- **Encourage policy innovation:** Some investors (particularly philanthropic investors) have financed PFS projects to encourage and test policy innovations. This early investing can provide rigorous evidence that an intervention will yield positive results. That, in turn, may make private-sector investors more willing to participate in financing and scaling up interventions that have a track record of success.

- **Improve how government functions**: Some investors finance PFS projects as a way to try to make the government more effective and efficient. This includes a greater focus on identifying what works, and then shifting the funding patterns of the public sector to drive resources to effective interventions.

- **Performance measurement:** Investors noted that PFS is unique among social impact investments in that they know exactly what intervention their money has funded and what has been accomplished with it; this transparency and accountability was particularly attractive to some investors.

- **Return on investment:** Although most PFS investors are socially motivated, some also do care about return on investment. PFS investors tend to focus more on risk than return, however, meaning that a low or even zero return is acceptable if it is not accompanied by significant risk that the initial investment will not be returned. Many investors want to reinvest their capital in other impact investments.

- **Regulatory obligations:** Banks are required by the Community Reinvestment Act (CRA) to meet the credit needs of people in underserved areas, which can include investments in PFS projects using certain types of interventions. In fact, the CRA has been a driving impetus for several large banks to invest in PFS projects. The fact that PFS projects satisfy the CRA's obligations may drive substantial growth in the amount of private sector capital available for PFS in the future.

## VI. Challenges and Proposed Solutions to Investing in Pay for Success Projects

Investors identified a number of potential challenges in the initiation and completion of PFS investments, including the inherent difficulty in accurately measuring the risk present in each deal and the complexity and expense of completing a deal. Despite these challenges, investors also proposed a number of solutions that could attract more investors and ease the investment process (Figure 3). Organizations that are considering the launch of a PFS project can benefit from understanding these challenges as well as the potential solutions to address these challenges.

Figure 3. Challenges in Pay for Success Investing and Proposed Solutions

| Challenge | Proposed Solution |
|---|---|
| It is difficult to measure the risk of PFS projects, and the level of risk can seem too high. | • Avoid all-or-nothing structures; instead have different levels of payments for different levels of performance toward outcome targets.<br>• Look for smaller impacts, and base the outcome payments on more easily accomplished metrics.<br>• Target PFS projects to evidence-based interventions, which may help reduce the risk in financing untested interventions. |
| Engaging the payor can be the hardest part of a PFS project. | • Secure a payor's commitment before proceeding with the project. |
| It takes too long and too much money for PFS projects to be developed. | • The field needs to develop more scalable solutions to develop PFS projects, including minimizing the role of the intermediary or finding additional ways to reduce the cost of project development. |
| For investment firms, recruiting individual investors can be a challenge. | • Develop clear and simple resources to educate and recruit investors.<br>• Target potential investors based on their issue or geographic areas of interest.<br>• As the field continues to grow, PFS projects will become more well known in the investing community and pricing the cost of a deal may become easier. |

Investing in PFS projects clearly does not follow a one-size-fits-all model. Each project brings its own unique challenges, levels of risk, and financing structures. Investors may want to enter a PFS project as a primary or subordinate lender, depending upon their organizational mission and level of risk tolerance. Organizations that want to launch a PFS project may wish to consider the optimal combination of support from both primary and subordinate lenders – and oftentimes more than one investor will need to fill each role. PFS provides an opportunity to share in both the risks and the rewards of a social innovation, scale up evidence-based interventions, improve government performance, fulfill regulatory obligations, and participate in innovative financing structures. The models of PFS financing presented in this brief will almost certainly evolve in the years to come.

As momentum grows for investing in PFS projects specifically and impact investing more broadly, additional sources of information for potential investors is becoming more available. The **Appendix** provides resources on PFS that are directed toward investors, including websites of current investors and key publications that provide additional detail on investments in the PFS field.

**About this Brief**

This research was commissioned by CNCS as a component of the CNCS Process Evaluation of the SIF PFS Grant Program. This initiative awarded eight grants in 2014, its inaugural year, and another three grants in 2016 to either provide feasibility assessment and capacity building assistance, or to implement transaction-structuring activities for PFS projects.

This brief is one of a series of reports. Other topics have included *Pay for Success Financial Mechanisms* and *Service Provider Capacity Building for a Pay for Success Project* (both published in September 2015). These briefs, and other process evaluation reports, are available online at: http://www.nationalservice.gov/programs/social-innovation-fund/our-programs/sif-pay-success/pay-success-national-evaluation

# Appendix: Resources for Investors

This section provides a list of resources for potential investors, including websites of investment banks that offer PFS social impact funds; publications that can educate investors about PFS; and websites that provide additional detail about PFS generally and investing in PFS specifically.

## Investor Websites

- Goldman Sachs Impact Investing: http://www.goldmansachs.com/what-we-do/investing-and-lending/impact-investing/
- Northern Trust Impact Investing: https://m.northerntrust.com/documents/white-papers/wealth-management/impact_investing.pdf
- Bank of America Merrill Lynch Impact Investing: https://www.ml.com/publish/pdf/impact-investing-the-performance-realities.pdf

## Publications

- State of the Pay for Success Field II: Emerging Literature, Updates, and Tools: http://www.nationalservice.gov/sites/default/files/documents/FR_PFS_Emergent%20Literature%20Review_2016.pdf
- Impact Investments: A Literature Review: http://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/6820/Impact_investments_a_literature_review.pdf?sequence=1
- Does "Pay for Success" Actually Pay Off? The ROI of Social Impact Bonds: https://nonprofitquarterly.org/2014/10/17/does-pay-for-success-actually-pay-off-the-roi-of-social-impact-bonds/
- The Payoff of Pay-for-Success: http://ssir.org/up_for_debate/article/the_payoff_of_pay_for_success
- Solving the Wrong Pockets Problem: How Pay for Success Promotes Investment in Evidence-Based Best Practices: http:/www.urban.org/sites/default/files/alfresco/publication-pdfs/2000427-Solving-the-Wrong-Pockets-Problem.pdf

## PFS Websites

- Corporation for National and Community Service: http://www.nationalservice.gov/programs/social-innovation-fund/our-programs/pay-success
- Federal Reserve Bank of San Francisco: http://www.frbsf.org/community-development/publications/community-development-investment-review/2013/april/pay-for-success-financing/
- Living Cities: https://www.livingcities.org/work/pay-for-success/about
- Nonprofit Finance Fund PFS Learning Hub: http://www.payforsuccess.org/
- Office of Management and Budget PFS Factsheet: https://www.whitehouse.gov/omb/factsheet/paying-for-success
- Urban Institute PFS Web Portal: http://pfs.urban.org/

# Pay for Success Investing Glossary

| | |
|---|---|
| **Debt** | Money borrowed by one party from another. Debt is used by many corporations and individuals as a method of making large purchases that they could not afford under normal circumstances. |
| **Double bottom line** | Double bottom line seeks to extend the conventional bottom line, that measures fiscal performance — financial profit or loss— by adding a second bottom line to measure their performance in terms of positive social impact. |
| **Equity** | A security representing an ownership interest. |
| **Impact investing** | A general term used to describe socially conscious investment of capital to generate both social and financial returns. Social Impact Bonds and the PFS model are both forms of impact investing.<br>**Other Terms Used:** Social innovation financing, social impact investing, socially responsible investing, social financing, social enterprise |
| **Independent evaluator** | An independent organization that assesses performance data and conducts an evaluation of intervention outcomes and impacts, as compared to a counterfactual. |
| **Intermediary** | The entity most often responsible for overall project management/ coordination, investor recruitment, and negotiation of contracts among payors, service providers, and investors in PFS projects. Intermediaries are typically responsible for entering into direct contracts with the government funder, liaising with potential investors to secure capital commitments to the transaction, and serving as the primary liaison among key players in the PFS relationship.<br>**Other Terms Used:** Transaction coordinator, project coordinator, government advisor, placement agent. |
| **Intervention** | A model or program that offers a discrete set of products and/or services to address a specific social issue or challenge.<br>**Other Terms Used:** Program model. |
| **Investment guarantee** | Protection against the risk of loss in connection with an investment. |
| **Investor** | Commercial, philanthropic, or community development organizations providing upfront capital that enables service providers to deliver services over the term of the PFS contract. |
| **Mission-related investments (MRIs)** | Foundation investments that are aligned with its mission and that are expected to generate a financial return. |
| **Offering documents** | Documents which disclose and describe a securities offering to either public or private investors, containing information required under federal and state securities laws. |
| **Payor** | The entity that is ultimately responsible for paying investors proportional to the agreed amount based on the level of measureable impact achieved. In the majority of cases, the PFS payor is a government agency.<br>**Other Terms Used:** Payer, lead organization, outcome payor, back-end payor, government payor. |

| | |
|---|---|
| **PFS financing** | The provision of upfront capital to cover the cost of the intervention deployed through a PFS project and, in some cases, to cover related costs of the PFS project (e.g., evaluation). The principal investment is only returned (and possible additional returns are only distributed) when pre-determined outcome goals are met. |
| **Program-related investments (PRIs)** | Foundation investments that are charitable in purpose and not primarily intended to produce financial returns. |
| **Senior lender** | A bank or similar financial institution whose loan to a company or individual holds legal claim to the borrower's assets above all other debt obligations. |
| **Service provider** | The entity that delivers a specific intervention financed by the PFS transaction in order to achieve predefined and agreed upon outcomes and/or impacts.<br>**Other Terms Used:** Social service provider. |
| **Social impact funds** | Investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return.<br>**Other Terms Used:** Social investment funds. |
| **Subordinate debt** | A loan or security that ranks below other loans and securities with regard to claims on a company's assets or earnings. Subordinated debt is also known as a junior security or subordinated loan. In the case of borrower default, creditors who own subordinated debt won't be paid until senior debtholders are paid in full. |
| **Subordinate lender** | "Subordinate" financing implies that the debt ranks behind the senior lender, and means that the senior lenders will be paid back before subordinate debt holders. |
| **Target population** | People being served by PFS interventions. |

i Impact investing is also called social investing. These investments are distinct from *socially responsible investments*, which instead seek to minimize negative social impacts (e.g., by excluding companies that manufacture weapons or pollute).

ii US National Advisory Board on Impact Investing (2014). Private Capital, Public Good: How Smart Federal Policy Can Galvanize Impact Investing – and Why It's Urgent. http://www.socialimpactinvestment.org/reports/US%20REPORT%20FINAL%20250614.pdf

iii The inclusion of expected environmental outcomes for a project could be referred to as a "triple bottom line."

iv In this document, the term "PFS projects" refers to a project that involves a PFS contract and PFS financing, which is the provision of upfront capital to cover the costs of the intervention, as well as other related projects costs (e.g., evaluation) in some cases.

v For an overview of impact investment generally, see "Insight into the Impact Investment Market: An In-Depth Analysis of Investor Perspectives and Over 2,200 Transactions," J.P. Morgan, Social Finance Research, December 14, 2011. https://www.jpmorganchase.com/corporate/socialfinance/document/Insight_into_the_Impact_Investment_Market_.pdf

vi For more information, see "Fact Sheet: Denver Social Impact Bond program to address homelessness." http://www.csh.org/wp-content/uploads/2011/12/Denver-SIB-FactSheet.pdf

vii Although not a bond, PFS financing is often referred to as a "Social Impact Bond."

viii For examples of supportive government policies, see U.S. National Advisory Board on Impact Investing (2014). Private Capital, Public Good: How Smart Federal Policy Can Galvanize Impact Investing – and Why It's Urgent. http://www.socialimpactinvestment.org/reports/US%20REPORT%20FINAL%20250614.pdf

ix Santander Bank and United Way of Massachusetts Bay and Merrimack Valley are making both an investment and a philanthropic contribution to the PFS project.

x **Debt characteristics of PFS investments:** PFS investments have contractually predetermined interest rate(s) and the instrument has a fixed maturity (like investing in a bond).
**Equity characteristics of PFS investments**: From a risk analysis perspective, PFS investments look much more like equity. Repayment is made at maturity and not at fixed intervals, repayment is a function of the performance of the intervention, and there is the possibility of complete loss of principal (like investing in a start-up).

xi Gustafsson-Wright, Emily, Sophie Gardiner, and Vidya Putcha. The Potential and Limitations of Impact Bonds: Lessons from the First Five Years of Experience Worldwide. Brookings Institution. July 2015. http://www.brookings.edu/~/media/research/files/reports/2015/07/social-impact-bonds-potential-limitations/impact-bondsweb.pdf