



UNITED STATES
DEPARTMENT OF
THE TREASURY



Pay for Success

A Federal Perspective

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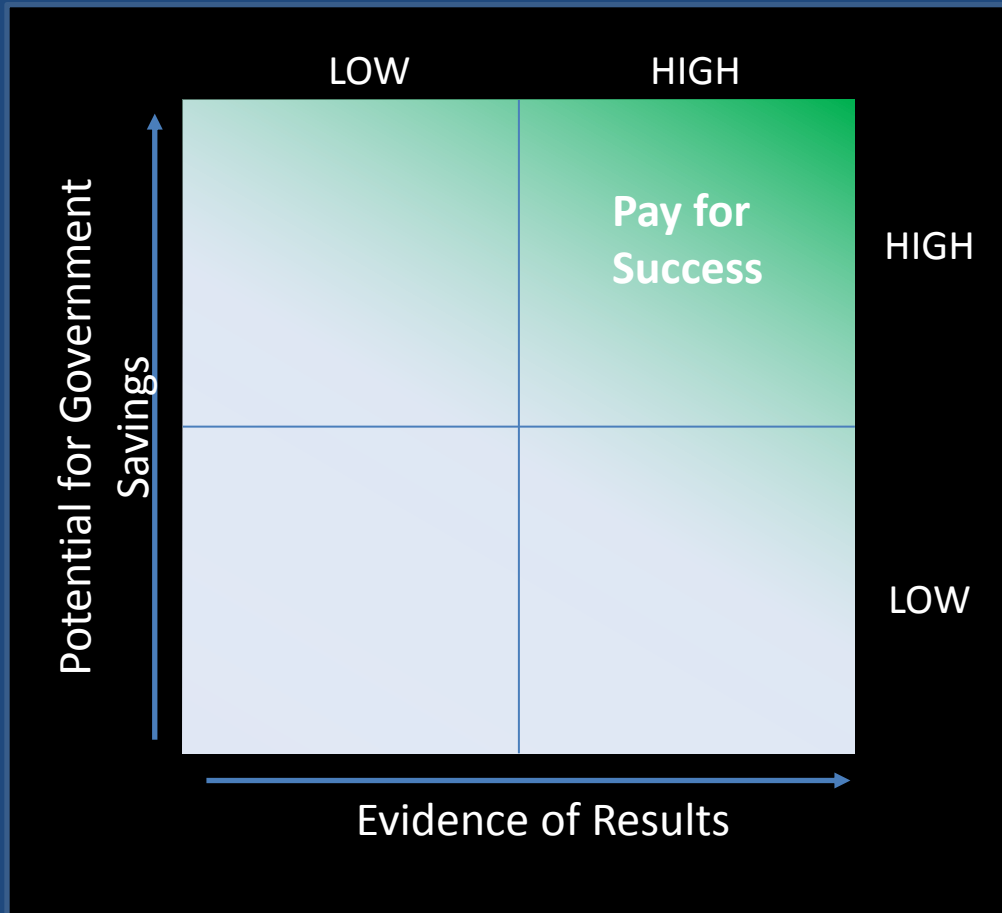
What is Pay for Success?

- Innovative way for the government to partner with philanthropic and private investors to fund proven and promising practices
- Investors provide the up-front capital for social services with a strong evidence base that, when successful, achieve measurable outcomes that improve the lives of families and individuals and reduce their need for future services.
- Government pays when these measurable results are achieved.

Why the Interest?

- Part of Administration's Evidence and Innovation Agenda to improve program performance by applying existing evidence about what works, generating new knowledge, and using experimentation and innovation to get better results.
- Potential to unlock new sources of capital to meet pressing social needs.
- Focus on outcomes, rigorous measurement, and return on investment.

Where Can PFS be Applied?



- Criminal Justice and Reentry
- Supportive Housing
- Health
- Disconnected Youth
- Workforce Development
- Early Childhood Education
- Environment
- International Development
- Traffic Safety

PFS in the President's Budget

Initiative	Agency	Funding (millions)
Incentive Fund	Department of the Treasury	\$300
Workforce Innovation Fund	Departments of Labor and Education	\$10
Investing in Innovation (i3)	Department of Education	\$10
Fund for the Improvement of Education	Department of Education	\$8
Career and Technical Education	Department of Education	\$10
Second Chance Act (Supportive Housing and Offender Re-entry)	Department of Justice	\$30
Social Innovation Fund	Corporation for National and Community Service	\$14
Project-Based Rental Assistance	Department of Housing and Urban Development	Demonstration Authority
Total		\$382

PFS Incentive Fund

- \$300 million administered by Treasury
- Addresses key needs in market today:
 - Lack of Investor Experience to Price Risk
 - Wrong Pockets
 - Technical Assistance
- Available to State, local, tribal, and non-governmental intermediaries
- Focus on using and building evidence