

WHAT IS PAY FOR SUCCESS?

Pay for Success (PFS) is an innovative contracting model that drives government resources toward high-performing social programs in areas such as poverty, education, child welfare, recidivism, homelessness, and wellness. PFS contracts track the effectiveness of programs over time to ensure that funding is directed toward programs that succeed in measurably improving the lives of people most in need.

PAY FOR SUCCESS PROJECTS ARE ABOUT MEASURABLY IMPROVING THE LIVES OF PEOPLE IN NEED.

WHO BENEFITS FROM PAY FOR SUCCESS?

Underserved Individuals gain access to the high-quality support they need to thrive.

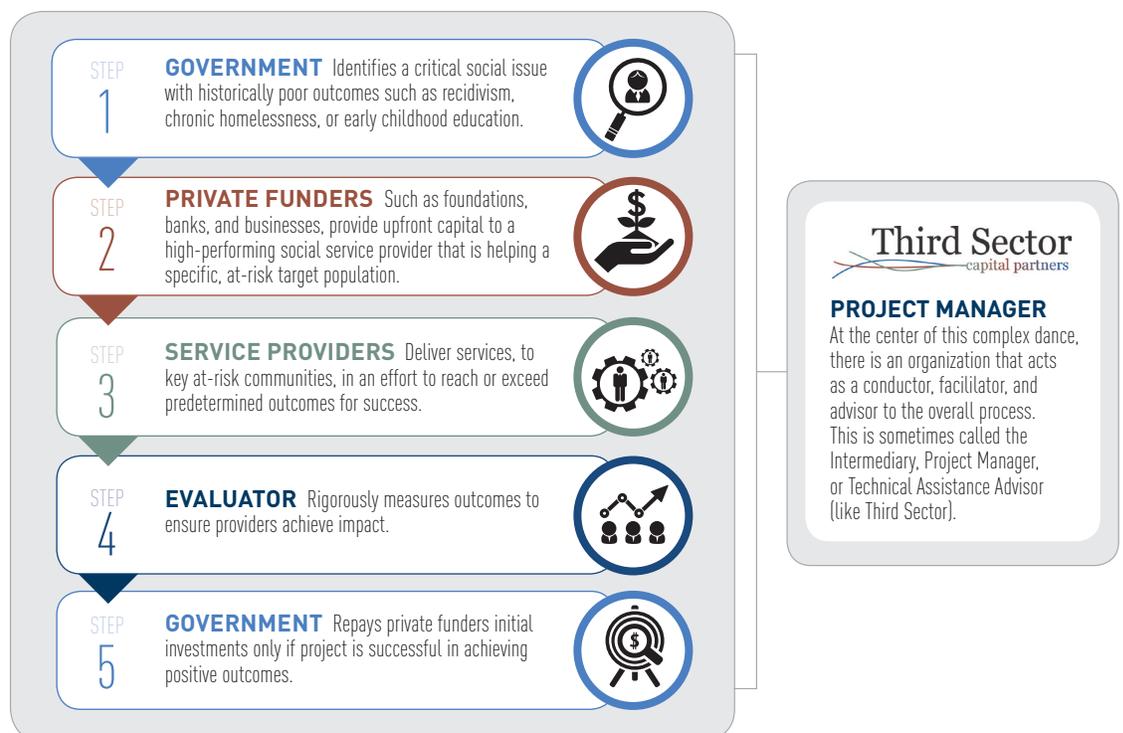
Social Service Providers achieve the stability of upfront, flexible funding that enables them to scale and focus on delivering proven, outcomes-focused services.

Governments obtain the flexibility to support preventive services that lead to reduced costs, better outcomes in the long term, and more effective data to identify what works.

Taxpayers are secure in knowing that government resources are directed toward programs that produce demonstrated results for society.

Funders seek innovative and meaningful ways to make a difference in their communities. PFS gives them an opportunity to support high-quality programs with the opportunity for both a financial and social return.

PAY FOR SUCCESS MECHANICS



Third Sector is an architect and builder of some of the nation's most promising PFS projects.

SELECT ENGAGEMENTS

Commonwealth of Massachusetts: Third Sector constructed and manages Massachusetts' \$28 million Juvenile Justice Pay for Success Initiative, the largest financial investment in a PFS contract to date.

Cuyahoga County, Ohio: As government advisor and transaction coordinator, Third Sector helped launch the nation's first county-level PFS project. The Partnering for Family Success Program aims to reduce time in foster care for children whose caregivers are homeless.

County of Santa Clara, California: As government advisor and transaction coordinator, Third Sector helped launch the first PFS project in the State of California. Project Welcome Home will serve chronically homeless individuals that are also frequent users of the County's emergency rooms, acute mental health facilities, and jail.

Salt Lake County, Utah: Third Sector is leading the simultaneous construction of two PFS projects in the areas of criminal justice and homelessness. This portfolio approach, the first in the country, aims to increase the efficiency of PFS development.

State of Illinois: Third Sector and a network of six service providers are constructing a PFS project that aims to reduce time in costly institutional placement for youth dually-involved in the child welfare and juvenile justice systems.

ABOUT THIRD SECTOR CAPITAL PARTNERS, INC.

Third Sector leads governments, high-performing nonprofits, and private funders in building evidence-based initiatives that address society's most persistent challenges. As experts in innovative public-private contracting strategies, Third Sector is an architect and builder of the nation's most promising Pay for Success projects. A 501(c)(3) nonprofit, Third Sector is supported through philanthropic and government sources, including a grant from the Corporation for National and Community Service's Social Innovation Fund.

OUR WORK: A TRUSTED ADVISOR TO ADVANCE PAY FOR SUCCESS

Third Sector offers a variety of advisory services for government, service providers, funders, and other stakeholders at all phases of the Pay for Success continuum.



OUR TEAM: AN EXPERIENCED MIX OF THE BRIGHTEST MINDS

Our team brings extensive experience in developing innovative financing and contracting across the public and private sectors. We are highly versed in managing projects with diverse groups of stakeholders, economic modeling, fundraising, and evaluation/data analysis. Third Sector has offices in Boston, San Francisco, and Washington, D.C., and has clients across the United States.

FEDERAL SOCIAL INNOVATION FUND GRANT

In 2014, Third Sector was awarded \$1.9 million to deliver federally funded PFS technical assistance and feasibility assessments to governments interested in performance-based solutions. Third Sector has since held two national competitions, selecting a total of 14 sub-recipients.

The Workforce Innovation and Opportunity Act (WIOA) provides an opportunity to shift nearly \$300 million in government funding into outcomes-based contracting. As part of its second national competition, Third Sector selected five awardees to develop PFS blueprints that will be national models for WIOA. Awardees include: Austin, TX; Boston, MA; Denver, CO; Northern Virginia; and San Diego, CA.