Pay for Success

An innovative model to impact social change

Solving challenges effectively
Pay for Success social impact bonds allow government to draw in greater resources to help solve significant social challenges.

Governments work with nonprofits, like the Rhode Island Coalition for the Homeless, and intermediary organizations, like Social Finance, to identify targets for measurably improving outcomes through a Pay for Success contract.

If the program is successful in delivering services that improve the lives of program participants, then the government repays project funders, plus a modest return. Simply put: government pays if the policy works.

States such as CA, MA, CO, CT, and UT, have realized significant savings as well as solutions to social challenges through Pay for Success.

Addressing chronic homelessness in RI
This program will create 75 new vouchers and leverage existing resources for a total of 125 permanent supportive housing vouchers to support chronically homeless Rhode Islanders, meaning they have experienced homelessness for at least a year – or repeatedly – while struggling with a disabling condition such as a serious mental illness, substance use disorder, or physical disability.

Chronically homeless Rhode Islanders incur a disproportionate amount of criminal justice, Medicaid, and shelter costs. These “high utilizers” incur on average $44,100 per year; $5.5M to $7M in total.

By connecting these individuals with permanent housing and access to case management & other critical resources, RI could see an estimated annual savings of $15,000-$20,000 per individual, $1.8M-$2.6M in total.

Who benefits from Pay for Success?

Pay for Success is about measurably and meaningfully improving the lives of Rhode Islanders in need by responsibly directing government resources to effective programs

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