



ReadyNation/America's Edge and Paying For Success

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In this age of deficits and debts and extremely limited public sector funds, what if our tax dollars only went to programs that work? Programs where there is objective evidence that an intervention not only saves lives but saves money?

March 27-28 Charlotte hosts ReadyNation/America's Edge, the voice for America's business community interested in early childhood interventions that strengthen our economy and workforce. With support from the Prtizker Children's Initiative and hosted by Bank of America, public, private, and philanthropic leaders from across the country will descend on the Queen City to learn how to create innovative alternative financing mechanisms to scale up early childhood innovations.

Very recently there has been an explosion of interest in these new financial models, for good reason: they hold the promise of rapidly "scaling up" social innovations. These new models ask government to only pay for interventions that work, saving taxpayer dollars by incentivizing private capital to invest in nonprofits making a difference.

Often referred to as Pay For Success (PFS) contracts or Social Impact Bonds (SIBs), these new financial mechanisms marry the interests of private sector investors with the goals of government agencies.

The Institute for Child Success in Greenville, SC, has been a pioneer in researching the viability of this new investment model for early childhood interventions. ICS recently completed a feasibility study on how the state of South Carolina could use a SIB to grow a home visiting program for first-time mothers known as Nurse-Family Partnership.

Nurse-Family Partnership is an evidence-based model which improves the health of first time mothers and their babies. NFP reverses the cycle of poverty and helps young families move toward self-sufficiency. We know how to implement it and we know it works.

The financial returns of NFP are powerful as well. The RAND Corporation estimates that for every dollar a community invests in NFP, they see nearly \$6.00 in return.

Charlotte has been home to an NFP program for more than five years. Housed at Care Ring, NFP in Charlotte has served hundreds of Charlotte families and is making a measurable impact in our community.

But the needs in Charlotte far outstrip our ability to provide the NFP intervention. More than 2000 mothers could qualify for NFP each year – we reach less than 10% of these families.

Can a SIB help us grow this program that works, improving the lives of thousands of the most vulnerable families while at the same time saving taxpayer dollars?

What kind of projects are the best fit for a SIB intervention?

We have learned from groundbreaking research from the Rockefeller Foundation and other national philanthropies that the SIB model is most appropriate for specific problems that meet key criteria. This includes:

- Strong and committed government leadership with the will and ability to champion the project;
- Proven interventions delivered by experienced service providers with the ability to scale up their work;



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- Potential for high net benefits, such that the anticipated benefits from the program justify the costs of implementation; and
- Robust data availability and analysis, enabling credible outcomes measurement in a reasonable timeframe, based on a well-defined population of sufficient sample size.

In South Carolina, each of these criteria has been met and NFP expansion via a SIB investment model may occur later this year. Private investors are intrigued by the opportunity to partner with the state to “scale up” an early childhood intervention.

As SIBs evolve and are implemented in South Carolina and across the country, Charlotte welcomes the brightest minds from our private, public, and philanthropic sectors to town for the ReadyNation/America’s Edge conference to explore the promise of this new opportunity.