

FOR IMMEDIATE RELEASE

Third Sector Capital Partners Advances “Pay For Success” in Cuyahoga County, OH

Boston, MA and Cleveland, OH (July 17, 2012) – Third Sector Capital Partners held three public presentations July 9th through July 11th on advancing Pay For Success initiatives in Cuyahoga County, Ohio. The presentations advanced a strategy laid out in the Western Reserve Plan, Cuyahoga County Executive Ed FitzGerald’s vision for improving county services, lowering taxes and increasing government efficiency.

The Pay for Success mechanism (also referred to as Social Impact Bonds) has emerged as an innovative procurement mechanism that increases investments in effective social interventions. It fundamentally changes the way government allocates and invests its resources, by focusing on the results and outcomes of social programs. Under Pay for Success contracts, philanthropic funders and/or investors pay the initial cost for providing a social service, and are reimbursed by the government only if the service provider achieves a predetermined set of outcomes that reduce government spending. This new mechanism creates savings for government while scaling social programs with demonstrable impact.

“Pay for Success will allow Cuyahoga County to direct its limited budget towards preventive programs that improve the lives of our most vulnerable residents while simultaneously generating visible financial savings,” said County Executive Ed FitzGerald. “My administration is committed to moving rapidly towards the implementation of this promising initiative.”

Over three days, Third Sector Capital Partners held presentations and discussions with senior County Health & Human Services directors; representatives from philanthropic organizations; and more than one hundred service providers, community members and advocates. Marcia Egbert, Senior Program Officer for Human Services at the George Gund Foundation, which supports Third Sector’s engagement in Cuyahoga, was “delighted and gratified to see the community’s enthusiasm and engagement with the Pay for Success concept. The Gund Foundation is excited to support Cuyahoga County’s pursuit of this innovative project.”

Third Sector’s CEO & Co-Founder George Overholser remarked, “Through its exploration of Pay for Success, Cuyahoga County has become a national leader in making government more effective. The commitment demonstrated by Ed FitzGerald, County officials, the Gund Foundation and the broader community has created an opportunity to advance one of the very first Pay for Success initiatives, and to create a replicable model for Counties across the country.”

Third Sector Capital Partners provides advisory and project structuring services for governments, service providers, investors and project intermediaries pursuing Pay for Success and Social Impact Bond initiatives as well as growth capital strategies to nonprofits and other service providers. Founded in 2010, Third Sector’s mission is to deliver capital market solutions that will accelerate America’s transition to an evidence-based social sector. To learn more, visit www.thirdsectorcap.org.

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