LIVING CITIES
Pay for Success Initial Screening Criteria

CATEGORY 1: IMPACT
We believe Pay for Success projects should help improve the lives of low-income people in American cities.

Outcomes, Not Outputs
- Is this project paying for outcomes?
- If a targeted outcome is achieved, will it result in better life outcomes for low-income people, such as increased income or wealth?
- If a proxy is used, does the proxy have a strong connection to better life outcomes?

Evaluation
- Is the evaluation designed to measure impact on better life outcomes for participants?
- Is the evaluation long enough to effectively evaluate project outcomes?

Total Population Impacted
- Does this project serve a significant proportion of the individuals eligible for treatment and/or who are affected by the issue?
- If the project serves a small proportion of the population, is it building an evidence base, or does it have potential to be scaled after the PFS project?

Replicability of a Project
- Can the PFS project be replicated for other populations or scaled to serve the entire population eligible for those services?
- Can the PFS project be replicated in or scaled to other geographies?
- Can the financing structure be replicated without grant funds?

Low-Income or Underserved People
- Does the PFS project focus on serving low-income people?
- Does the project serve a population that has traditionally been underserved?

Racial Disparities
- Does the program recognize and address current racial disparities?
- Is data being disaggregated by race and/or ethnicity?
- Will the intervention lessen current racial disparities?
CATEGORY 2: INNOVATION
We believe that Pay for Success provides a forcing mechanism for driving innovation in the public sector, for service providers and in private capital funding.

Private Capital
- Is there commercial capital being used in the transaction?
- Is the transaction leveraging new investors or new types of investors?

Resource Alignment
- Is PFS being used to finance the intervention for the right reasons or is it being used because it’s trendy?
- Is PFS supplanting an existing financing vehicle?
- Is the transaction getting more resources to low-income people in a new way?

Aligned Incentives
- Does the PFS project structure align interests by providing incentives to all actors? Is there any financial incentive offered to the service provider to go above and beyond project targets?

Data
- Is this project improving the public sector’s ability to account for and track outcomes of government programs, especially social service programs?
- Are new data systems being built or existing systems improved?
- Are new data-sharing agreements created that weren’t previously in place? Will they survive beyond the life of the project?
- Will this project create the ability to contract based on outcome/performance moving forward?

Systems Change
- Is government making changes that will endure beyond the life of this project?
- Has the project set up or led to changes in policies, practices, procedures, or culture that participants are committed to institutionalizing, if successful, beyond the project and the next political term?
- Do we see the breaking down of silos, and agencies working together that previously weren’t?
- Does the PFS project use an approach that redirects existing government funds towards better outcomes?
- Will the intervention continue to get government support after the PFS transaction has been repaid?
- Is there flexibility within the service provider’s contract with government for the provider to innovate within their existing processes?

Data-Driven
- Does the service provider have a history of using data to drive its decision-making processes?
- Is there a feedback loop in place?
- Is the service provider contract flexible enough to allow the provider to make ongoing adjustments to its model to get better outcomes?
- Did evidence inform the intervention design?
- Is the provider using elements of human-centered design by seeking input from its clients on the program model?
- Is the monetary value assigned to an outcome data-driven?
- What is the quality of the evidence used to inform the intervention design and monetary value of outcomes?
CATEGORY 3: COLLABORATION
We believe projects that re-align existing partners, funds, and organizations will achieve large-scale, enduring change.

Cross-Sector Partnerships
- Does the project involve all organizations and/or systems that influence the problem, or does it attempt to work around an existing system by creating something new?
- How are cross-sector leaders acting differently as a result of organizing the PFS transaction?
- Are systems beyond the public sector acting differently? Are service providers acting differently? Are funders? Are systems interacting in a way that they haven’t before?
- Can, and will, this work continue beyond just this project?
- Does the PFS project align all project partners’ interests to achieve outcomes?
- Does the project have local support? Are any local/community foundations involved in the project?
- Are there other outcomes that are not necessarily quantified in the transaction, but that are beneficial to the participants or the parties involved in the project?

CATEGORY 4: GOVERNMENT CHAMPION
We believe that government must be integrally involved in a Pay for Success project in order to create enduring change.

Government Leader
- Is there an individual or entity within government that is advocating for and leading the project? What evidence do we have to indicate that they will be a champion for the PFS project?
- Will this individual or entity continue to advocate for the PFS project and its implementation beyond the project structuring phase?
- Is government a mayer?
- Is the project receiving support from all levels of government? For example, if the project is located in a city, is it receiving support from federal, state, and local government?

CATEGORY 5: PROGRAMMATIC SIGNIFICANCE
We select projects that align with the programmatic priorities of Living Cities.

Prepare, Connect, Create
- Does the intervention prepare low-income people for 21st century economic opportunities?
- Does this intervention help connect low-income people to available 21st century economic opportunities?
- Will this intervention create jobs that will help low-income people build income and wealth, or connect low-income people to income and wealth in another way?

Geography
- Is the project focused on a city and/or its metropolitan area?
- Is it a city that we are already working in?

Knowledge
- Are we able to learn from and share knowledge by being a part of the project?
- Is there an opportunity to learn about how capital flows to PFS projects?