ACCELERATING IMPACT INVESTING INITIATIVE AI3

Financing Social Innovation:

Analyzing Domestic Impact Investing Policy in the United States

JUNE 2015

A discussion paper by Enterprise Community Partners, the Initiative for Responsible Investment, and InSight at Pacific Community Ventures—collaborating partners on the Accelerating Impact Investing Initiative project.

Enterprise

INITIATIVE FOR RESPONSIBLE INVESTMENT

INSIGHT AT PACIFIC COMMUNITY VENTURES

Lead authors:

Katie Grace
John Griffith
Brenna McCallick

Contributing authors:

Tonusree Basu
Abby Jo Sigal
Beth Sirull
Ben Thornley
David Wood
Diane Yentel

AI3 project supported by:

FORDFOUNDATION

SURDNA FOUNDATION

Produced by the Accelerating Impact Investing Initiative (AI3)

The AI3 project is a partnership between Enterprise Community Partners, the Initiative for Responsible Investment, and InSight at Pacific Community Ventures.

Enterprise

Enterprise works with partners nationwide to build opportunity, creating and advocating for affordable homes in thriving communities linked to jobs, good schools, health care and transportation. Enterprise's Public Policy team, based in Washington, D.C. brings valued relationships with key policy leaders, as well as deep expertise in tax policy, CRA, and other areas of housing and community development finance policy.

INITIATIVE FOR RESPONSIBLE INVESTMENT

The Initiative for Responsible Investment at the Hauser Institute for Civil Society at Harvard University is an applied research center that focuses on fundamental issues and theories around the social utility of finance. Through research and ongoing dialogue, the IRI looks at opportunities across asset classes, issue areas, and investor types to engage private sector investment around environmental and social goals, risks and opportunities.

INSIGHT AT PACIFIC COMMUNITY VENTURES

PCV InSight is the impact evaluation and research practice at Pacific Community Ventures. PCV InSight provides information and analysis to investors and policymakers with the goal of driving capital to underserved markets. PCV InSight's work has provided the basis for national and international policy initiatives, including the U.S. National Advisory Board, White House Impact Economy Forum, and the Social Impact Investment Taskforce.

We welcome your feedback and comments. Please direct them to: ai3@pcvmail.org

ACKNOWLEDGEMENTS

We would like to thank all our colleagues and partners who have engaged with us on the Accelerating Impact Investing Initiative (AI3) project. Whether in formal meetings or informal phone calls, your willingness to share your insights was invaluable, and we thank you for your thoughtful contributions to our research and ongoing coalition-building efforts. Special thanks to Chike Aguh, Kate Ahern, Tony Berkley, Michael Chodos, Kimberlee Cornett, Carolien de Bruin, Colby Dailey, Annie Donovan, Allan Emkin, Michael Etzel, Steve Godecke, Paula Goldman, Joshua Gotbaum, Don Graves, Jonathan Greenblatt, Robin Hacke, Jonathan Harwitz, Erik Heyer, Matt HoganBruen, Andrew Jakabovics, Andrew Kassoy, Chuck Laven, Terri Ludwig, Kevin Lynch, Rosita Najmi, Mark Newberg, Stephanie Nieman, Tracy Palandjian, Andrew Park, Matt Patsky, Dan Pedrotty, Ron Phillips, Ed Powers, Luther Ragin, Randy Rice, Tracey Rutnik, Javier Saade, David Sand, Debra Schwartz, Ellen Seidman, Liz Sessler, Sonal Shah, Wayne Silby, Nikita Singhal, Scott Sporte, Brian Trelstad, Erik Trojian, David Wilkinson, Lisa Woll, Ann Yerger, Betsy Zeidman, Kim Zeuli, and all who added their voices to this critical conversation.

In particular, we would like to extend our gratitude to Lisa Davis, Christine Looney and Xavier de Souza Briggs at Ford Foundation and José Garcia at the Surdna Foundation for their continued commitment to furthering the conversation on harnessing more private capital for public benefit, building inclusive, healthy communities, and creating quality jobs—and elevating the crucial role of public policy in enabling these efforts.

CONTENTS

Foreword..1

Introduction...2

Mapping the Landscape..5

Approaches to Prioritization and Design..13

Conclusion...17

FOREWORD

Since the beginning of our partnership in the fall of 2013, Enterprise Community Partners, the Initiative for Responsible Investment, and InSight at Pacific Community Ventures have led the Accelerating Impact Investing Initiative (AI3) project with a shared purpose: to formulate and advance a strategic agenda for policy change in the United States that will appropriately bring private capital to areas of public need.

We launched this project with the understanding that achieving our vision would mean bringing together a united coalition of leaders, representing a wide array of sectors, industries, and areas of expertise. Throughout the first phase of our work, we engaged experts in the fields of policy, philanthropy, finance, and community development through interviews and working meetings, and collaborated with the U.S. National Advisory Board (NAB) to the Social Impact Investment Taskforce.

Over the past year and a half, we examined the impact investing landscape in the U.S. and created tools for understanding its disparate parts and players. These tools include an initial white paper outlining broad areas of need and approaches to policy evaluation and design; a policy "map" illustrating various levels of government involvement in the market; an overview of the domestic impact investing ecosystem (produced for the U.S. NAB); and a series of profiles showcasing key policies—some of which are ripe for reform—that enable impact investing in the U.S.

"Financing Social Innovation: Analyzing Domestic Impact Investing Policy in the United States" brings together the tools we have created thus far, and poses questions to inform the work going forward. It offers a look at historical and present ways the federal government leverages private capital for social and environmental benefit, describes our frameworks for understanding and analyzing various types of policy support, and demonstrates our criteria for evaluating new policy proposals through two particularly relevant examples: updating Department of Labor guidance on ERISA, and instituting federal support for Pay-for-Success projects.

This publication is intended first and foremost as a discussion paper, and as such, we invite comments and questions on any of the ideas presented herein. As we continue our work, we encourage readers to stay involved in the conversation.

—Diane Yentel, David Wood, and Beth Sirull

INTRODUCTION

The promise of impact investing—investments made with the intention to generate measurable social or environmental outcomes alongside a financial return—is appealing to governments and advocates around the world that are wrestling with complex challenges like economic inequality, climate change, natural resource loss and degradation, hunger, homelessness, and failing schools. In the United States (U.S.), the opportunity to attract and apply private capital to address these issues has led to, among other things, an increased focus on the role that public policy can play in incentivizing and shaping the ecosystem for impact investing.

What We Mean By "Public Policy"

In this paper, as in all AI3 publications, the term "public policy" refers not only to legislation, but to any action taken by a government body with executive or legislative powers that enables, improves conditions for, or facilitates the growth of impact investment in the U.S. While we recognize that there are important ongoing policy efforts at the state and local levels to foster impact investing markets that merit significant further attention, we focus this paper exclusively on actions taken at the federal level to support impact investing.

Policy ideas have emerged from within and outside government, at local, state, and federal levels. They have involved legislation, executive orders, and administrative actions, and have been copied, adapted, and borrowed across state and national lines. One well-publicized example is the Social Impact Investment Taskforce—established by the UK presidency of the G8—which released its report in September 2014, laying out opportunities and recommendations for countries around the world to support impact investing through public policy.[1] The report highlights the market-building priorities across participant countries as identified with the help of the different National Advisory Boards, including the U.S. National Advisory Board (NAB), which released its own set of recommendations in June 2014.[2] These National Advisory Boards, in each of the G7 countries and Australia, gathered together multi-stakeholder groups to suggest ways to motivate private investment towards public purpose in their domestic markets, drawing from and calling attention to heightened interest in the topic.

Over the last few years in the U.S., with the creation of the White House Office of Social Innovation and Civic Participation, the introduction of several bills related to impact investing in Congress, and an increasing number of collaborations between federal agencies and investors, we are witnessing renewed interest in opportunities to strengthen and scale impact investing through public policy. In addition, policymakers and stakeholders have the opportunity to meaningfully expand and improve the market for impact investing in the U.S., building on the federal government's history of work in the community development finance sectors that has paved the way with flagship federal programs, including the Community Development Financial Institution (CDFI) Fund, the Low-Income Investment Housing Tax Credit (LIHTC), and the New Market Tax Credit (NMTC).

To optimize the current levels of interest in leveraging more private capital for public good—especially in policy circles—it is important for advocates of impact investing to think critically about some key questions, such as:

- Is impact investing the appropriate tool for the outcomes we are trying to achieve?
- Is public policy appropriately supporting impact investing, and the outcomes practitioners are focusing on?
- How do these impact investing-related policies fit together into a cohesive strategy?
- How do we think about identifying, prioritizing, and advocating for effective and efficient policy opportunities, given the breadth and depth of the possible universe?

To help address these questions, PCV InSight, the Initiative for Responsible Investment, and Enterprise Community Partners spent the last year mapping the existing policy landscape in the U.S. and identifying high-priority opportunities for meaningful reform as part of a collaborative project, the Accelerating Impact Investing Initiative (AI3). This paper provides an overview of several tools and frameworks that the partners on the AI3 project have developed for policymakers or practitioners looking to leverage public policy to support impact investing. This paper also describes next steps in working toward a more holistic agenda for federal impact investing policies. These efforts seek to complement other activities to strengthen the policy infrastructure for this market, such as those led by the U.S. NAB and community development practitioners.

How the Federal Government Supports Impact Investing

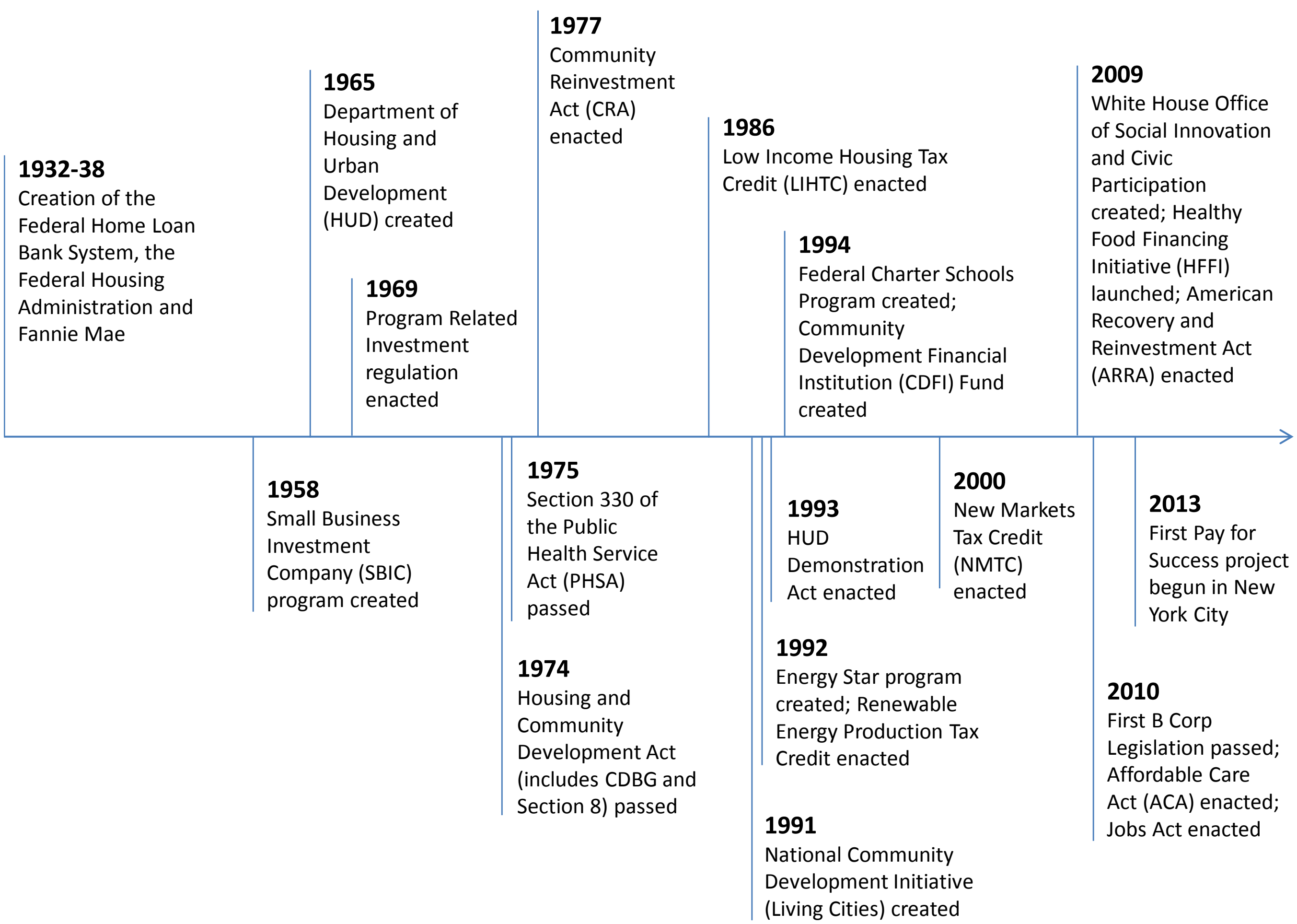
Federal policy plays a key role in attracting private investment to support public goals in a variety of ways—from the creation of an affordable housing market that blends public and private capital to tax credits that support innovative solutions to climate change. In recent years, these efforts have increased in parallel with the emergence of "impact investing" as the new term of art; as the concept becomes more widely used, new policies have emerged employing the terminology and explicitly focused on the topic. Such policies include the creation of the coordinating Office of Social Innovation within the White House,[3] a new impact investing carve-out within the SBIC program,[4] a significantly enhanced private sector and entrepreneurial orientation to policy in international development,[5] and funding for pay for success programs.[6]

As these examples show, while policy in the U.S. has provided notable infrastructure undergirding investments for social and environmental outcomes, most of the actions taken to date have been disparate and uncoordinated. Aside from the few recent examples referenced above, most of the main policy drivers in the existing market do not explicitly target the use of impact investment as a tool for supporting the public good. Because of this fragmentation, understanding the policy environment as it exists today is crucial to inform practitioners, policymakers and advocates in developing a coordinated policy agenda in support of impact investing in the U.S.

An exhaustive history of the federal government's role in driving private capital to public purpose is beyond the scope of this paper. However, thinking about the social and environmental outcomes that have been achieved historically through policy action is useful for contextualizing and analyzing current policy opportunities.

The following policy developments are some of the key milestones in the use of private capital for public purpose in the U.S.:

Figure 1: Highlights of policy activity shaping impact investing in the U.S.



As this timeline indicates, since as early as the 1930s, the government has been involving private investors in the support of discrete social outcomes, including:

- Economic development in underserved markets;
- The provision of social services to low- and moderate-income (LMI) and underserved communities;
- The creation and retention of quality jobs;
- Support for LMI-, women-, and minority-owned businesses;
- The construction and preservation of affordable housing;
- Renewable energy, energy efficiency, and environmental conservation;
- Walkable and/or transit-oriented developments; and
- Sustainable, educated, and healthy communities.

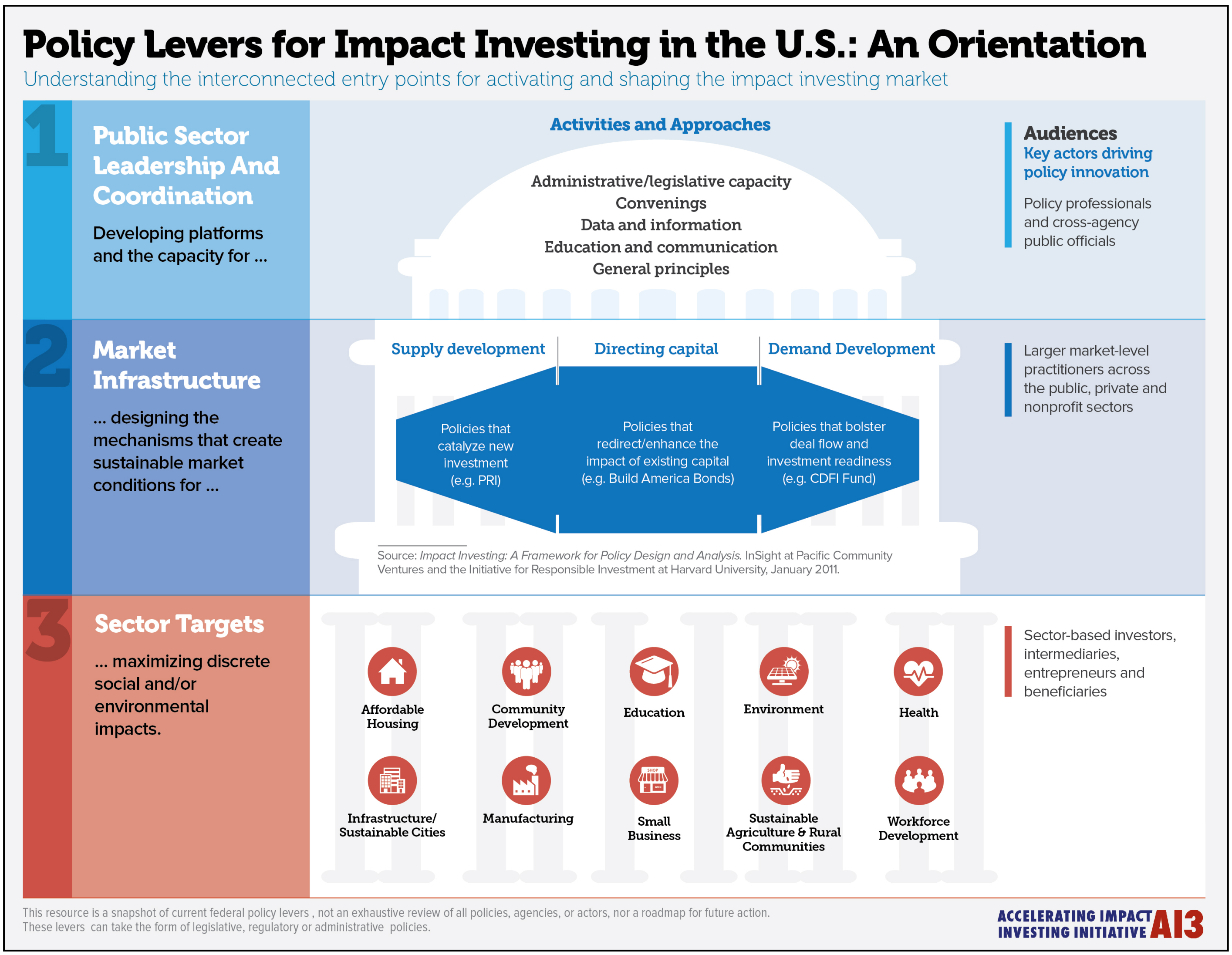
In order to build on this legacy and establish an effective roadmap for public policy that enables and incentivizes private investment for public good, we need to landscape the policy mechanisms that currently exist, whether—and how—they work, and who the relevant players are—not only investors and investees, but policymakers, beneficiaries, intermediary financial institutions, and philanthropic organizations.

MAPPING THE LANDSCAPE

To understand what impact investing-related policy activity currently looks like in the U.S., we began our research by identifying the various levels and types of policy intervention in the market, as well as the actors operating within those levels. We created a policy "map" that offers a broad framework for thinking about the existing policy landscape in the U.S., where policies can be generally grouped into three categories according to the general types of functions they perform:

1. **Public Sector Leadership and Coordination**, including the policy infrastructure and institutionalized capacity of high-level public leaders to educate and disseminate information among other policymakers and the public at large.
2. **Market Infrastructure**, or policies that reshape market conditions by boosting the supply of private capital for impact investment, directing existing investment capital toward more socially beneficial investments, or supporting the development of investable opportunities.
3. **Sector Targets**, or policies that focus on advancing goals and achieving outcomes in particular impact sectors, and that leverage private capital to pursue specific social goals in these sectors.

Figure 2: Policy Map (access larger view)



1 Public Sector Leadership And Coordination

The first level of the policy map, *Public Sector Leadership and Coordination*, encompasses the institutionalized capacity of high-level public leaders to educate and disseminate information among other policymakers and/or market practitioners. Public sector leaders at this level leverage their visibility and influence to draw attention to areas of market need, set national priorities, support information and data collection, and establish action agendas. Such leaders can convene cross-sector stakeholders, set standards of practice, collect and disseminate information, and establish principles and priorities to lead the field. At this level within the policy landscape, public sector functioning could take the form of shaping public opinion using their bully pulpit, stating official priorities through executive orders, agency programs or inter-agency projects, among others.

An example of such activity includes executive capacity to create new offices within the Administration. For instance, the Obama Administration created the White House Office of Social Innovation and Civic Participation (SICP) in 2009, with the goal of using a prominent national platform to unite and further cross-sector, grassroots innovations for solving social and environmental problems. SICP is dedicated to the promotion of three key areas of activity: service, social innovation, and public-private partnerships. Over the past five years, the office has undertaken and supported initiatives to scale impact investing in the U.S., including through the establishment of two innovation funds[7] and several partnerships with private and social sector organizations working to address areas of public need.[8]

SICP's activities demonstrate the impact this level of public sector leadership can achieve. In June 2014, for example, the office co-hosted a roundtable at the White House with the U.S. NAB on public policy innovation in impact investing. The event brought together more than 20 private sector investors to discuss the ideas for scaling impact investing that emerged out of the NAB's year-long research. The event, in addition to shining a national spotlight on the practice of impact investing, spurred a sizable amount of new capital for impact: the investors present announced more than $1.5 billion in new impact investing commitments over the next five years.[9]

When done effectively, activity at this level conveys the legitimacy of impact investing as a financial tool for the creation of social and environmental good—one that enjoys the support of the highest-level officials and private sector leaders—and that such activity has a powerful role to play in national agenda-setting.

2 Market Infrastructure

The second tier of the policy map describes policies that reshape the market conditions for impact investing—boosting the supply of private capital for impact investment, directing existing investment capital toward more socially beneficial investments, or supporting the development of investable opportunities.[10] **Supply development** policies are those that increase the supply of investment capital, and include investment rules and regulations that spur private investment for impact. Policies that **direct capital** influence markets through incentives, such as tax credits and subsidies for entities that meet specific impact goals. On the **demand development** side, policies can develop and support investable opportunities or improve the investment readiness of investee companies, projects, and intermediaries through capacity-building initiatives, including pilot projects and incubators.

Supply Development

An example of a policy on the supply development side is the Community Reinvestment Act (CRA). Enacted in 1977, CRA requires depository banks to demonstrate that they meet the needs of low-income populations in areas where they are located, ensuring that they dedicate resources to local communities in need of capital. The policy has played an instrumental role in fueling the community development sector; banks often supply lending capital to financial intermediaries such as community development financial institutions (CDFIs—independent, specialized financial institutions that direct at least 60 percent of their financial activities to low-income neighborhoods), which are designed to target low-income and/or unbanked populations.

Directing Capital

Policies under this category channel existing private capital toward socially beneficial outcomes. Under the New Markets Tax Credit (NMTC), for instance, investors receive a federal tax break in return for committing capital to underserved businesses and real estate projects in distressed and low-income neighborhoods. Private investors, including individuals and corporate entities, can reduce their federal income tax burden in exchange for a qualified equity investment in a Community Development Entity (CDE), which then invests the capital in businesses and real estate projects in low-income areas.

Demand Development

Policies that support the demand side of the market are those that foster the creation, growth and/or investment-readiness of enterprises or projects that have positive social or environmental outcomes. The CDFI Fund typifies a demand development policy. Administered by the Treasury, the CDFI Fund certifies and awards funding on a yearly basis to qualifying CDFIs. Certified CDFIs receive capital for financial assistance (FA) and technical assistance (TA) to provide loans, financial counseling and other services to support affordable housing organizations, commercial real estate, small businesses, and microenterprises, among other projects in low-income areas.

3 Sector Targets

There are few examples of policies in the U.S. that have been developed with the specific intention of supporting impact investing; many current policies that are relevant for impact investing have not been developed with the explicit goal of growing the field as such. However, there are federal policies that target specific social outcomes and help create investable opportunities in particular sectors. These can and do have relevance for impact investors.

Given the importance of focusing on impact investing as a tool—and not necessarily as a policy goal in and of itself—a sector-specific lens can be useful from a policy development perspective in identifying where impact investing is appropriate and can be usefully supported by public policy. The sector categorization below offers a broad view of specific social and environmental impact areas. It is important to note such areas cannot always be neatly categorized, and policies that fall under one impact sector may influence several.

Examples of the kinds of policies that shape the impact investing ecosystem in some key impact sectors follow. This is a selected list, not intended to be exhaustive, but rather meant to illustrate the complex interactions among policies within and across sectors. It should be noted that several of the policies listed previously in the Market Infrastructure section—like NMTC, CDFI Fund, and CRA—also appear below as they play particularly prominent roles in supporting impact investment in certain impact areas.

Affordable Housing

For decades, America's affordable housing and community development sector has functioned through a public-private model, with private investors, government agencies and local nonprofit organizations working together toward shared goals with mutual accountability. Today affordable housing is delivered through a sophisticated system which includes community development corporations, mortgage lenders, equity investors, and policymakers at the local, state, and federal levels.

Public policy plays a key role in making these partnerships possible. For example, the federal government facilitates the flow of private capital toward affordable housing investments in low-income communities through an array of policies, including tax incentives like the Low-Income Housing Tax Credit (also known as the Housing Credit), regulatory requirements like the CRA, grant programs like the HOME Investment Partnership program, and capacity building programs like the Section 4 Capacity Building for Community Development and Affordable Housing program. Often a single project receives federal support from several sources—e.g. LIHTC equity, a mortgage guaranteed by Fannie Mae or Freddie Mac, and gap financing from HOME—to ensure reasonable return to investors and desired level of affordability.

In the process, the government ensures that certain social benefits are achieved—such as the construction and preservation of an affordable home—while delivering a reasonable financial return to investors. For example, properties financed using Low-Income Housing Tax Credits must be kept affordable to low-income renters for a period of 30 years. If at any point the owner of the building fails to meet the program's requirements, the IRS can recapture the tax credits.

KEY POLICY	DESCRIPTION
Community Reinvestment Act (CRA)	Requires regulated retail banks to direct financing to low-income communities and institutions that serve them, including community development institutions that fund affordable housing projects.
Federal Home Loan Banks: Affordable Housing Program (AHP)	Member banks have access to low-rate capital advances guaranteed by the federal government, but must commit 10 percent of net income to fund the AHP, which is used to support affordable housing projects.[11]
Federal Housing Administration Mortgage Insurance	Government-run mortgage insurer with a focus on affordable housing; makes capital more readily available for private industry to support sustainable homeownership and the construction of affordable rental housing.[12]
Freddie Mac and Fannie Mae	Government-sponsored enterprises that purchase and securitize single-family and multifamily mortgages, with explicit obligations to support affordable housing—both through annual affordable housing goals and mandatory contributions to the Housing Trust Fund and the Capital Magnet Fund. Private investors can then purchase these securities.
HOME Investment Partnership Program	Provides gap financing and other support to local affordable housing and community development projects.
Low Income Housing Tax Credit (LIHTC)	Allows private investors to lower tax obligation by providing equity for affordable housing projects.
Section 4 Capacity Building for Community Development and Affordable Housing Program	Provides grants and technical assistance to enhance capacity at local community development corporations and community housing development organizations.
Section 8 Project-Based Rental Assistance and Project-Based Vouchers	Provides long-term rental assistance funding to privately-owned rental housing inhabited by low-income tenants. Helps cover the difference between the market rent on the unit and a level of rent that is affordable to the tenant.

Education

Thinking about education as a sector puts in sharp contrast some of the questions we raised in the introduction about whether or not impact investing is the best tool to achieve desired outcomes, and if there other policy changes that would, or should, take precedence. Within the education sector, these complex questions have coalesced in the debate over the rise of charter schools, which have provided opportunities for "impact investment in education" through financing of facilities. Whether or not further policy support for such investments is appropriate depends on an assessment of charter schools and their place within the broader education space. Similar questions can be raised about the securitization of student loans—while in theory securitization is an investment that supports educational achievement, it also supports the expansion of student debt and can enable predatory practices by private, for-profit colleges.

For these reasons, impact investing in the U.S. education sector is particularly challenging, with few clear long-term investment opportunities and ongoing disagreements over the appropriate funding of the sector. K-12 education is predominantly funded and operated by government entities, while pre-K and post-secondary education benefits from significant public subsidy but is much more mixed in terms of overall funding and institutional operation. The sector has seen significant interest and flux over the last few decades as stakeholders wrestle with what quality education means and how to improve educational outcomes for American children.

There are some opportunities to harness private capital in support of educational outcomes beyond the financing of charter school facilities. Support for private pre-K or after-school programs, investments in health or housing that ensure kids stay healthy and reduce costs of specialized education, teacher training, curriculum development, and technology all provide current or emerging opportunities to make impact investments in support of better educational outcomes.

Because of complex governance systems and the predominantly public funding model for education, relevant public policies look different than in other sectors—apart from the Charter School Credit Enhancement program, there are few explicit references in existing federal policy to the role that private capital can play in supporting education. As such, policies relevant to impact investing predominantly influence the development of investable opportunities, and are not always obvious. For instance, Race to the Top—a competitive federal grant program intended to support education innovation and reform —included as part of its funding criteria state-level reforms to allow for charter schools and the adoption of common standards, both of which support the development of investable private sector products (charter school facilities and educational materials).

KEY POLICY	DESCRIPTION
Charter Schools Program	Provides funding to create new high-quality public charter schools, as well as to share learnings from about charter schools with proven track records; Federal funds also available for investment in national activities and initiatives that support charter schools.[13]
Credit Enhancement for Charter School Facilities Program	Provides grants to enhance the credit of charter schools so they can access private sector and other non-federal capital sources to acquire, construct, and renovate facilities.[14]
Race to the Top	A competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform.[15]

Environment

Policies that support investment in the development and preservation of a sustainable environment cover a broad variety of sectors and topics, but renewable energy and energy efficiency have been the significant focus to date of efforts to incentivize private investment. These kinds of policies frequently focus on production or installation tax credits, research support, and other subsidies that foster demand development, such as technical assistance programs that enable enterprises to improve energy efficiency. Impact investments can include those in renewable energy (wind, solar, biomass, hydro, geothermal), energy efficiency, clean tech, energy infrastructure, and other energy use reduction efforts.

While great strides have been made over the last twenty years, the clean and renewable energy market is still largely in a start-up and development stage. Government policy—especially under the auspices of the Department of Energy (DOE) —is heavily focused on using subsidized grants, loans, and direct investments to support research and development, as well as the creation and scaling of sustainable small businesses and emerging technologies to develop a more robust clean energy ecosystem. In supporting this ecosystem, policymakers have looked to increase the demand for cleaner and more efficient energy, providing incentives (primarily through tax credits and other financial tools) to end users of clean energy technology such as local governments, corporations, and individuals. While there has been clear interest from private investors in financing clean energy technologies at a seed and venture capital (VC) stage, product availability for investment is limited in later stages.

Some have pointed to foundations to fill the gap in early stage funding, utilizing the Program Related Investment (PRI) allowances in the tax code.[16] However, these types of investments in clean energy technologies are uncommon—a reality linked to a lack of clarity in the IRS determinations around clean energy PRIs.[17] Advocates for increased green investment—especially investments in technologies that benefit populations across socio-economic levels—should continue to engage with foundations, policymakers and investors to determine how best to work together to expand clean and renewable energy.

KEY POLICY	DESCRIPTION
Better Buildings Challenge	Department of Energy provides technical assistance to commercial and industrial building owners, helping to make commercial and industrial buildings 20% more energy efficient by 2021 and accelerate private sector investment in energy efficiency;[18] financial institutions made a public commitment of almost $2 billion in private sector capital to support energy efficiency upgrades in the marketplace.[19]
Business Energy Investment Tax Credit	Corporate tax credits for projects involving renewable energy or energy efficiency, including solar, wind, and geothermal energy; eligible projects include multi-family homes which meet LEED silver standards in New Construction, Core and Shell, or Commercial interiors.[20]
MACRS + Bonus Depreciation	Modified Accelerated Cost-Recovery System (MACRS) incentivizes purchasing of clean energy technology by businesses, enabling them to recover investments in certain property through depreciation deductions; Bonus Depreciation, first enacted in 2008, included 50% first-year bonus depreciation provision for eligible renewable-energy systems acquired and placed in service in 2008. Extended several times throughout 2008-2013; not currently available.[21]
Renewable Electricity Production Tax Credit	Tax credit for electricity generated by qualified energy resources and sold by the taxpayer to an unrelated person during the taxable year*; Expired at the end of 2014.*[22]
Section 1703 Loan Program	Under the Energy Policy Act of 2005, the Department of Energy provides loan guarantees for innovative clean energy technology producers unable to obtain conventional private investment due to high technology risks. Enables clean energy enterprises to reach a level of proven success and profitability that private investment becomes available.[23]
USDA High Energy Cost Grant Program	Ongoing grant program for individuals, non-profits, commercial entities, state and local governments (including any agency or instrumentality thereof), and tribal governments; intended for the improvement of energy generation, transmission, and distribution facilities in rural communities; limited areas with average home energy costs at least 275% above the national average.[24]

Health

The health sector is incredibly broad, in theory covering almost any investment made in a health-related business or project could be considered an impact investment, from healthcare delivery to facilities, technology, drugs, food, fitness, and other services and products that support health and wellness in the U.S. Between government subsidy for healthcare services through Medicare and Medicaid, and a vibrant private market for pharmaceutical and other health-related companies, defined opportunities for impact investments have targeted low to moderate income (LMI) geographies, healthy food access, and early stage investments for vaccines or other products and services in need of growth capital that the existing market does not provide. Increasingly, stakeholders have been moving beyond healthcare delivery to focus on the "social determinants of health" as a broader frame for understanding those interventions that may lead to healthier communities. Often preventative, these interventions include stable, affordable housing, transit-oriented development, and early childhood education.

The Affordable Care Act (ACA) fundamentally reshaped the healthcare market in the U.S., and the full extent of its repercussions is still yet to be determined. While not specifically focused on role of private capital in healthcare, the ACA will affect opportunities for investment in health both from a "mainstream" perspective and in regards to what might be considered more "impactful" investments. For instance, the expansion of insurance coverage is expected to put increased pressure on service providers, particularly those in underserved communities who are likely to see the bulk of newly insured patients. These community health centers, or CHCs, provide health services for nearly 22 million Americans in underserved communities, and rely on federal grants and Medicaid/Medicare reimbursements to subsidize their operations. These CHCs require additional funding for expansion, or facilities projects that often utilize New Markets Tax Credits and leverage federal and state subsidy to attract private capital.

The majority of policies that enable health-related impact investments either grow out of existing community development work or fall under broader demand development. For instance, one could argue that funding for the National Institutes of Health, a government-sponsored medical research center, could be crucial to fostering the development new products and services for future investment. Some policies include the provision of government grants that make impact investments in health more attractive to institutional and philanthropic investors, while others support enterprise development by fostering innovation in healthcare delivery. Articulating the role of public policy in health-related impact investing going forward may require a clearer understanding of what counts as an applicable investment, or a clearer understanding of a discrete set of market challenges.

KEY POLICY	DESCRIPTION
Public Health Act Section 330	Defines Federally Qualified Health Centers (FQHCs); provides grant funding to FQHCs, including Community Health Centers (CHCs), Migrant Health Centers, Healthcare for the Homeless, and Public Housing Primary Care.
ACA Community Health Center Trust Fund	Five-year, $11 billion fund created to complement annual federal appropriations as an additional revenue stream for CHCs; used for the operation, expansion, and construction of CHCs.
Medicaid/Medicare reimbursement rates	Reimburses CHCs for cost of care; 45% of CHC revenue.
CMS Innovation Center	Innovation programs designed to test service and payment models for individuals relying on Medicare, Medicaid, or Children's Health Insurance Program (CHI); option for expansion of programs if model either a) reduces spending without reducing quality of care, or b) improves care quality without an increase in spending, and does not deny or limit the coverage or provision of any benefits.[25]
Community Economic Development Healthy Food Financing Initiative (CED-HFFI)	Up to $9.5 million in CED discretionary grant funds to Community Development Corporations (CDCs) for community-based efforts to improve the economic and physical health of people in areas designated as food deserts; expected to create LMI jobs through grant-funded activities.

Small Business

Public sector initiatives to spur small business development are well-established in the U.S., and help further all three areas of Market Infrastructure (supply development, directing capital, and supply development). These policies have helped attract private investment through subsidies, direct private capital through intermediary structures like CDFIs, and improve companies' investment readiness through capacity building initiatives.

The creation of the Small Business Administration (SBA) in 1953 was particularly foundational for the sector: the agency has supported millions of small businesses through the provision of capital, contracts, and advising. The SBA continues to enjoy broad bipartisan support, and is largely regarded as the central source of government support for the small business sector. The CDFI industry—another major source of government-backed capital and advising for small businesses—has long achieved impact by taking a place-based approach, targeting businesses in underserved urban and rural areas of the U.S.

While SBA and CDFI services have enabled critical growth for the sector for over 60 years, initiatives that *explicitly* target impact outcomes (i.e. improving job quality, boosting social enterprise development, supporting minority business owners, etc.) are decidedly fewer and more recent in origin. Additional public-private collaboration is needed in the Small Business sector in order to develop a more comprehensive approach to building stronger local economies and creating quality jobs for LMI communities.

KEY POLICY	DESCRIPTION
CDFI Fund Financial Assistance and Technical Assistance Programs	Administered by the CDFI Fund, a division of the U.S. Treasury; created by legislation in 1994 to support CDFIs providing affordable financing and advising to low-income populations, including small business owners, that lack access to credit, capital, and financial services.[26]
New Markets Tax Credit (NMTC) Program	Individual or corporate investors receive a credit against their federal income taxes for making equity investments in Community Development Entities (CDE), as certified by the CDFI Fund; investments must then be channeled by the CDE into businesses and real estate development projects in low-income or distressed communities.
SBA 7(a) Loan Guaranty Program	Expands financing available to small businesses by guaranteeing a portion of the eligible loans made and administered by commercial lending institutions.
SBIC Program	Licensed by the SBA, SBICs are privately owned and managed venture funds that invest money directly in small businesses; use their own private funds, as well as funds borrowed from the SBA at favorable rates, to make investments in businesses in the $250,000 to $5 million range.
Small Business Jobs Act of 2010	Extends SBA enhanced loan provisions while offering billions more in lending support, tax cuts, government contracting opportunities and training programs for entrepreneurs and small business owners.

APPROACHES TO POLICY PRIORITIZATION AND DESIGN FOR IMPACT INVESTING

The breadth and depth of existing impact investing-related policy is extensive, and navigating the universe of potential policy opportunities can be a daunting task. Facilitating a meaningful discussion of the role of public policy in growing the impact investing market requires a coherent way for understanding how to analyze and prioritize the policy opportunities on the table.

The work of the U.S. NAB, published in their June 2014 report *Private Capital, Public Good: How Smart Federal Policy Can Galvanize Impact Investing—and Why It's Urgent*, is one recent example of an attempt to identify and organize impact investing policy proposals. The NAB report, which lays the groundwork for further analysis and action, has identified over 90 potential recommendations across three policy strategies and two supporting policy areas.

Over the past year, the AI3 project partners have developed a framework for identifying and prioritizing specific opportunities for reform, starting with the menu of options laid out in the NAB report. The framework includes four key factors to consider when evaluating policy proposals targeted to scale impact investing:

- **Impact**: What effect is this policy likely to have on the impact investing market, and on the social outcomes targeted by the impact investing market? Why is this policy relevant?
- **Fit**: How does this policy fit with the existing policy marketplace? Does it meet the needs of the market?
- **Capacity**: Do the players involved have the capacity to fulfill the requirements of the policy, whether involving the investment process itself or in the government's capacity to implement and evaluate performance?
- **Opportunity**: Is this something high on the agenda of key stakeholders? What does this require from a political perspective, and what are the policy's political prospects?

Through independent research and a series of convenings with experts across sectors and stakeholder groups, our team used this framework to identify opportunities for reform and new policy proposals, many of which overlapped with the NAB's findings. Below we apply the criteria in the framework to two policy ideas that have potential to grow the field of impact investing significantly: clarifications to the Employee Retirement Income Security Act (ERISA) by the Department of Labor (DOL), and establishing support Pay for Success projects at the federal level.

POLICY OPPORTUNITIES

To illustrate the complexity of analyzing potential policy opportunities and how the AI3 policy criteria might work in practice, we have selected two policy proposals identified as being of particular interest to the impact investing community; these have been discussed at our convenings and identified by the NAB as areas for potential work. The following examples serve different purposes for the field, including signaling (which creates an authorizing environment for investors), bringing different actors to the same table, and building bipartisan momentum.

Short descriptions of the policy proposals follow, demonstrating how to apply our criteria and offering a general sense for how the proposal might perform against our framework.[i]

1. ERISA Reform: Clarify 2008 DOL Guidance

The Employee Retirement Income Security Act (ERISA), passed in 1974, established standards of conduct for private pension plan fiduciaries, requiring pension funds to be managed "for the exclusive purpose of providing benefits to participants and their beneficiaries." ERISA influences impact investing primarily through DOL's

[i] *These policy ideas have been selected purely for illustrative purposes, and are worth further research, discussion, and refinement. We do not intend these descriptions to be holistic explorations or endorsements of the proposals.*

guidance on how the law should be interpreted—which fiduciaries have variously construed as permissive of, or a barrier to, impact investing. The most recent DOL interpretive bulletin on this topic, released in 2008, is perceived by many as strongly discouraging economically targeted investments (ETIs) and investments that take into account environmental and social criteria.[27] The bulletin states:

> *ERISA's fiduciary standards expressed in sections 403 and 404 do not permit fiduciaries to select investments based on factors outside the economic interests of the plan until they have concluded, based on economic factors, that alternative investments are equal. A less rigid rule would allow fiduciaries to act on the basis of factors outside the economic interest of the plan in situations where reliance on those factors might compromise or subordinate the interests of plan participants and their beneficiaries. The Department rejects a construction of ERISA that would render the Act's tight limits on the use of plan assets illusory, and that would permit plan fiduciaries to expend ERISA trust assets to promote myriad public policy preferences.* [28]

Since the release of this guidance, there have been efforts to encourage the DOL to release new clarifying language explicitly allowing funds to make impact investments within their fiduciary responsibilities. While the issuance of new guidance from the DOL is a seemingly simple change, competing internal priorities and the challenges of advocating for the removal of perceived vs. real barriers have stymied progress.

- ***Impact***: ERISA is only applicable to private, employer-sponsored pension plans, but in practice, ERISA provides signals across the industry to other major institutional investors. The size and scale of these investors means that their involvement in impact investing could bring a significant amount of capital to bear on social challenges. While some institutional investors have been able to work around ERISA in making the kinds of investments in impact sectors as discussed in this paper, the 2008 guidance is perceived by many to have a negative effect on potential activity, disincentivizing potential investors from participating. Removing this perceived barrier would not explicitly lead to increased impact investing by these investors, but it would remove one of the most commonly cited barriers to participation. As a highly visible, flagship policy that anchors what mainstream investors deem "appropriate" in portfolio management, any reform to ERISA would send an unmistakable message regarding the federal government's commitment to scaling impact investing.

- ***Fit***: ERISA affects the supply of capital to impact investing broadly, but is silent on the place or sector in which that capital is deployed. The policy functions only as a regulatory check on the investments of the pension funds that it directly governs. Policies that intersect directly with ERISA include those that govern non-private pension funds and take their lead in some sense from ERISA, including the Uniform Prudent Management of Institutional Funds Act, which has been adopted in all 50 states in order to harmonize fiduciary standards, and the Taft-Hartley Act, which covers union plans. Other policies may be supportive to the extent that they support or build demand for investment at the size, risk, return, and impact profile that these investors can handle under existing fiduciary duty interpretation.

- ***Capacity***: As an administrative interpretive change, this policy does not require significant capacity within the government, though external capacity within funds to act on a newly permissible standard is likely to be a challenge—cultural reform and educational support, which are not necessarily policy activities, would be important to moving some of these funds to consider and invest in impact investments.

- ***Opportunity***: ERISA reform is often positioned as an important step in enabling pension funds to make impact investments. To be sure, the presence of ERISA has *not* stopped institutional investors from making impact investments, but reforming ERISA and removing that perceived barrier to participation is high on many stakeholder wish lists. One apparent advantage of ERISA reform is that it would be an administrative change that does not require Congressional approval—which would be challenging to secure in the current environment of partisan gridlock. However, ERISA reform is likely to take a backseat to a related administration priority: extending fiduciary duty to new classes of retirement advisers.[29]

2. Federal Fund and Oversight Committee to Support State and Local Social Impact Bond Initiatives

A Social Impact Bond (SIB), sometimes called a "pay-for-success" contract or a "social impact partnership," is a recently developed financial tool that utilizes private capital as an additional funding source for solutions to social challenges. Under a typical SIB, private investors provide upfront capital to fund a particular program (e.g., services for families at risk of becoming homeless). Those investors are paid back by the government with a financial return, only if pre-defined social outcomes are achieved (e.g., a reduction in families entering homeless shelters). Often the financial return to investors comes from the money saved through a reduction in government spending.

As of April 2015, seven SIBs have been announced in the U.S., and dozens of others are under development across the country.[30] So far, all closed SIBs have been devised and negotiated at the state or local level, and the contracts only incorporate state and local budget savings. However, many of these initiatives have the potential to yield significant long-term federal savings, such as reduced health care spending through Medicare and Medicaid. This is often referred to as the "wrong pocket" problem, where one government entity takes risk or incurs a cost while another government entity reaps the financial benefits. Since the federal government is not a partner in the SIB, the federal savings are not captured in the financial model and the federal government does not contribute any money to help pay back investors if the program is successful. The lack of a federal partnership limits the number and type of SIB initiatives that are financially feasible—particularly for any program that serves a population that receives significant federal support, such as aging adults, disabled people or veterans.

In an effort to clarify the federal government's role in future SIB initiatives and mitigating the "wrong pocket" problem, Reps. Todd Young (R-IN) and John Delaney (D-MD) first introduced the Social Impact Partnership Act (H.R. 1336) in March 2015. The proposed bill would establish a new inter-agency council to identify, support, and monitor local SIB initiatives that are expected to save federal dollars. It would also create a new 10-year, $300 million fund to support eligible state and local SIBs.[31] A similar bill was introduced in the Senate in April 2015 by Sens. Orrin Hatch (R-UT) and Michael Bennet (D-CO).

- ***Impact*****:** The seven SIBs announced thus far in the U.S. have raised more than $63 million from private investors, and the use of SIBs is expected to continue to grow and expand into new sectors in the coming years.[32] According to our initial scan of SIB activity across the country, as many as 40 other initiatives are at some stage of the development process—ranging from programs to reduce chronic homelessness to programs to reduce teenage pregnancy.[33] The size of the SIBs market is still relatively small and perceived to be risky compared to more mainstream investments. Many SIB deals to date have required sizeable philanthropic subsidy to pencil out, and since the financial model is still new and largely untested, most SIBS carry significant costs—including transaction costs, evaluation costs, and return to investors if successful—that would not be incurred if the government were to directly fund the program. The Social Impact Partnership Act would support the SIB market by giving the federal government a seat at the negotiating table, thus allowing state and local practitioners to quantify and capture federal savings as part of a SIB's financial model, and provide limited funding for feasibility studies and rigorous evaluations—two aspects of the SIB model that are particularly difficult to fund fully today.

- ***Fit:*** To date, the federal government has supported state and local SIBs on an ad hoc basis, with a focus on capacity building. For example, the Corporation for National and Community Service's Social Innovation Fund has disbursed $11.2 million to support technical assistance and transaction structuring for SIB initiatives.[34] In addition, for the SIBs that have closed so far, investors also receive additional incentives beyond the financial return, such as CRA credit for banks and PRI credit for tax-exempt foundations.[35]

- ***Capacity*:** There is a nascent intermediary system developing around SIBs in the U.S. that has capacity to structure deals and bring investors to the table. However, capacity challenges—like identifying scalable and fundable projects, clarifying cost savings, and coordinating around evaluation and measurement—require significant funding and cross-sector collaboration. The Social Impact Partnership Act attempts to mitigate that problem by making available up to $10 million in grants to support feasibility studies and up to $45 million to support third-party evaluations. However, it is unclear whether these totals will be enough to fill the current funding gap.

- ***Opportunity*:** Significant bipartisan momentum appears to be building behind SIBs. Republicans see SIBs as a way to expand the use of private market solutions to social problems, while Democrats see them as a way to expand the scale and effectiveness of social programs. In addition, the underlying intent of many SIBs—to support preventive measures and ensure that government investments reduce future costs—interests many politicians, investors, and other stakeholders. Notably, Sen. Orrin Hatch (R-UT), who co-sponsored the Senate version of the Social Impact Partnership Act and chairs the Senate Finance Committee, recently pointed to SIBs as one of his top priorities for this Congress.[36] However, the current political climate in Washington and the budgetary cost of the bill—$300 million over five years—pose significant challenges to passing and enacting the legislation.

To institute policy changes that effectively capture private capital for impact, we recommend the use of these criteria in evaluating new proposals. Identifying the impact, fit, capacity, and opportunity of proposed policy changes will give advocates a starting point from which to examine initiatives with the greatest promise. We also look forward to continuing the conversation on the criteria and related policy activity, through feedback from policy practitioners and advocates.

CONCLUSION

The impact investing universe is complex, and the possibilities for scaling the market through policy are extensive. The work of the AI3 provides stakeholders on all sides of the market a means of parsing the often intricate relationships between policy, investment, enterprise and social and environmental outcomes in the U.S. impact investing market. In creating methods for cataloguing, categorizing, and evaluating federal policies that undergird the market, the AI3 project has laid groundwork for developing a coordinated, strategic agenda to reform or institute new policies in support of impact investing.

These tools for mapping government involvement in the market, identifying areas of need, and evaluating new opportunities were developed to enable impact investing stakeholders pushing for change to understand how to move forward effectively. Along with our network of policymakers, foundation leaders, investors, and researchers, the AI3 conveners embrace the urgent task ahead: identifying the best opportunities to advance sound public policies that unlock new capital and solve entrenched problems.

We move forward with an understanding that real change will require the input and collaboration of a broad coalition of practitioners from across the impact investing ecosystem. To this end, we invite you to engage with us. For more information about the work of the AI3, or to send us your comments and questions, please email ai3@pcvmail.org.

REFERENCES

1. See "Impact Investment: The Invisible Heart of Markets." Report of the Social Impact Investment Taskforce, established by the UK Presidency of the G8. September 2014. Available at: http://www.socialimpactinvestment.org/.
2. More on the AI3 team's response to the Taskforce and NAB reports available at: http://www.pacificcommunityventures.org/uploads/reports-and-publications/AI3_response_to_Taskforce_Report_10_14_14.pdf
3. The Office of Social Innovation and Civic Participation was established by the Obama Administration in 2009. More information available at: http://www.whitehouse.gov/administration/eop/sicp
4. The Impact SBIC Program was launched by the SBA in 2011. More information available at: https://www.sba.gov/category/lender-navigation/sba-loan-programs/sbic-program/general-information/impact-investment-sbic
5. The Overseas Private Investment Corporation (OPIC) utilizes impact investing tools in its international development work. More information available at: http://www.opic.gov/opic-action/impact-investing
6. See, for example, the Pay for Success grants awarded by the Corporation for National and Community Service in 2014. More information available at: http://www.whitehouse.gov/blog/2014/10/03/investing-what-works-federal-agency-awards-inaugural-pay-success-grants
7. More information on the SICP Innovation Funds available at: http://www.whitehouse.gov/administration/eop/sicp/initiatives/innovation-funds
8. More information about SICP Partnerships available at: http://www.whitehouse.gov/administration/eop/sicp/initiatives/partnerships
9. More information on the U.S. NAB event at the White House on June 25, 2014 available at: https://www.omidyar.com/news/us-national-advisory-board-issues-policy-recommendations-encourage-impact-investing
10. Thornley, B., Wood, D., & Grace, K. (2011), Impact Investing: A Framework for Policy Design and Analysis. InSight at Pacific Community Ventures and the Initiative for Responsible Investment at Harvard University, available at: http://www.pacificcommunityventures.org/reports-and-publications/impact-investing-a-framework-for-policy-design-and-analysis/
11. Federal Housing Finance Agency (2015), Federal Home Loan Bank Affordable Housing & Community Investment, available at: http://www.fhlb-of.com/ofweb_userWeb/resources/09yrend.pdf
12. U.S. Department of Housing and Urban Development (2015), Mortgage Insurance for Rental and Cooperative Housing: Section 221(d)(4), available at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/rentcoophsg221d3n4
13. U.S. Department of Education (2015), Welcome to ED's Charter Schools Program, available at: https://www2.ed.gov/about/offices/list/oii/csp/index.html?exp=7
14. U.S. Department of Education (2015), Credit Enhancement for Charter School Facilities Program, available at: http://www2.ed.gov/programs/charterfacilities/index.html
15. U.S. Department of Education (2009), Race to the Top Program Executive Summary, available at: http://www2.ed.gov/programs/racetothetop/executive-summary.pdf
16. Less than 2% of all PRIs made between 1998 and 2014 were into the energy sector. More than 75% of those investments went toward job creation and affordable housing. Kearney, Sarah, et al. (2014) Impact Investing in the Energy Sector: How Federal Action Can Galvanize Private Support for Energy Innovation and Deployment, available at: http://iipcollaborative.org/impact-investing-energy-sector-federal-action-can-galvanize-private-support-energy-innovation-deployment/
17. Ibid.
18. U.S. Department of Energy (2015), Better Buildings Challenge, available at: http://energy.gov/better-buildings
19. U.S. Department of Energy (2014), Better Buildings Challenge Overview, available at: http://www4.eere.energy.gov/challenge/sites/default/files/uploaded-files/BBChallengeProgramOverviewFinal_5_8_14.pdf
20. Database of State Incentives for Renewables & Efficiency (DSIRE) (2015), Business Energy Investment Tax Credit (ITC), available at: http://programs.dsireusa.org/system/program/detail/658
21. DSIRE (2014), Modified Accelerated Cost-Recovery System (MACRS) , available at: http://programs.dsireusa.org/system/program/detail/676
22. DSIRE (2015), Renewable Electricity Production Tax Credit (PTC), available at: http://programs.dsireusa.org/system/program/detail/734
23. DSIRE (2014), U.S. Department of Energy – Loan Guarantee Program, available at: http://programs.dsireusa.org/system/program/detail/3071
24. DSIRE (2014), USDA – High Energy Cost Grant Program , available at: http://programs.dsireusa.org/system/program/detail/4359
25. Centers for Medicare & Medicaid Services (2015), About the CMS Innovation Center, available at: http://innovation.cms.gov/About/index.html
26. CDFI Fund (2014), CDFI Fund Opens FY 2015 Funding Round for CDFI Program and NACA Program, available at: http://www.cdfifund.gov/news_events/CDFI-2014-37-CDFI_Fund_Opens_FY_2015_Funding_Round.asp
27. Employee Benefits Security Administration, Labor, (2008) Interpretive Bulletin Relating to Investing in Economically Targeted Investments, available at: http://webapps.dol.gov/FederalRegister/HtmlDisplay.aspx?DocId=21631&AgencyId=8&DocumentType=2
28. Ibid.
29. White House Office of the Press Secretary (2015), FACT SHEET: Middle Class Economics: Strengthening Retirement Security by Cracking Down on Backdoor Payments and Hidden Fees, available at: https://www.whitehouse.gov/the-press-office/2015/02/23/fact-sheet-middle-class-economics-strengthening-retirement-security-crac
30. Nonprofit Finance Fund (2015), Frequently Asked Questions: Pay for Success/Social Impact Bonds, available at: http://payforsuccess.org/sites/default/files/pfs_faq_1.2015.pdf
31. Griffith, J. (2015), A Close Look at the Young-Delaney Bill to Expand Social Impact Bonds, available at: http://blog.enterprisecommunity.com/2015/03/delaney-expand-social
32. Based on authors' analysis of closed SIB activity to date. Data taken from: Corporation for National and Community Service (2015), State of the Pay for Success Field: Opportunities, Trans, and Recommendations, available at: http://www.nationalservice.gov/sites/default/files/documents/CNCS%20PFS%20State%20of%20the%20Field%20Document%20Final%204-17-15%20sxf.pdf; Social Finance US (2015), State and Local Activity: A Snapshot, available at: http://www.socialfinanceus.org/social-impact-financing/social-impact-bonds/history-sib-market/united-states; and Nonprofit Finance Fund (2015), Pay for Success U.S. Activity, available at: http://payforsuccess.org/pay-success-deals-united-states
33. Ibid.
34. Martens, Francesca (2014), $11.2 Million In Grants Available For Social Impact Investing In Education, available at: http://keleherassociates.com/11-2-million-in-grants-available-for-social-impact-investing-in-education/
35. Liebman, J. (2011), Social Impact Bonds: A promising new financing model to accelerate social innovation and improve government performance, available at: http://community-wealth.org/sites/clone.community-wealth.org/files/downloads/paper-liebman.pdf
36. U.S. Senate Committee on Finance (2015), Hatch Unveils Finance Committee Agenda, Pushes Back on President's Tax Plan, available at: http://www.finance.senate.gov/newsroom/chairman/release/?id=148bb65b-f66b-401e-9ddb-2d4c70b581d0

ACCELERATING IMPACT INVESTING INITIATIVE AI3

Enterprise

INITIATIVE FOR RESPONSIBLE INVESTMENT

INSIGHT AT PACIFIC COMMUNITY VENTURES