



INVESTMENT SPOTLIGHT

# Social Finance Career Impact Bonds

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## Investment Spotlight

# Social Finance Career Impact Bonds

The Colorado Health Foundation invested in the Social Finance Career Impact Bonds (CIB), a student-friendly financing model that expands access to quality, industry-recognized career training to people who face barriers to education and focuses on healthcare occupations, including medical assistants.

- **Investment amount:** \$10MM (several funders)
- **Return on investment:** Recoverable Grant
- **Investee:** Social Finance
- **Key features:** 1) Previous success of ushering Black and Latinx students into higher paying careers, 2) Uniquely designed to only require individuals to repay if they find a high quality job, and 3) Designed to address inequities in economic opportunities for individuals living on low income.



The Colorado Health Foundation™



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# RECAP



Career Impact Bonds (CIBs) are a student-friendly financing model that expands access to quality, industry-recognized career training to people who face barriers.

This catalytic capital gives individuals the opportunity to participate in high quality training programs and repay program costs after gaining meaningful employment following graduation.

## The Need

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Even before COVID-19, there was an urgent need to reimagine and rebuild pathways to economic mobility. Now, due to pandemic-related shifts in the labor market, positions in many industries have disappeared and might not return. Black and Latinx Coloradans are more likely to be underemployed and/or unemployed and lower rates of educational attainment opportunities.

## The Opportunity

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In addition to addressing racial inequities in the state's healthcare workforce, the Social Finance Career Impact Bonds specific for Colorado can help address inequities faced by rural Colorado communities. Social Finance is targeting at least 60% of trainees through the fund being people of color.

## The Impact

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While there are a growing number of accelerated training models that provide skill building for in-demand occupations, these options often come with significant upfront costs. The CIB model has the ability to provide career training to thousands of individuals, especially people of color, within the state of Colorado over the term of the recoverable grant.

# WHO

Social Finance's work, which spans the public, private, and social sectors, continually challenges itself and its partners to use funding and data in innovative ways to create lasting impact. Social Finance strives to realign markets and systems, reallocating risk and incentives to transform lives.

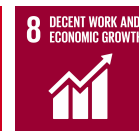
## About Social Finance

Social Finance is a national impact finance and advisory nonprofit. It works with the public, private, and social sectors to create partnerships and investments that measurably improve lives. Since its founding in 2011, Social Finance has mobilized \$350 million in new investments designed to help people and communities realize improved outcomes in education, economic mobility, health, and housing. In addition to managing the investment program funded by the Google Career Certificates Fund, Social Finance's economic mobility portfolio includes the UP Fund, place-based Pay It Forward Funds, and the Dreamers Graduate Loan Fund.

## Geography

A national organization with a specific focus on Colorado for this project.

## Sectors & SDGs



# WHAT

"This fund has the potential to improve career opportunities for underserved communities with a direct focus on people of color. While helping people obtain a quality education, it also expands pathways to a range of in-demand healthcare occupations that will ultimately produce a more racially diverse healthcare workforce."

**Ben L. Bynum M.D.**  
The Colorado Health Foundation

## Total Investment

# \$10MM

INVESTOR	SIZE	TYPE	POOL	DURATION
The Colorado Health Foundation & Co-investors	\$10MM	Recover-able Grant	Co-Investors	10 years

## Target Return

# 0%

The expectation is the recoverable grant is completely expensed to support Coloradans living on low income.

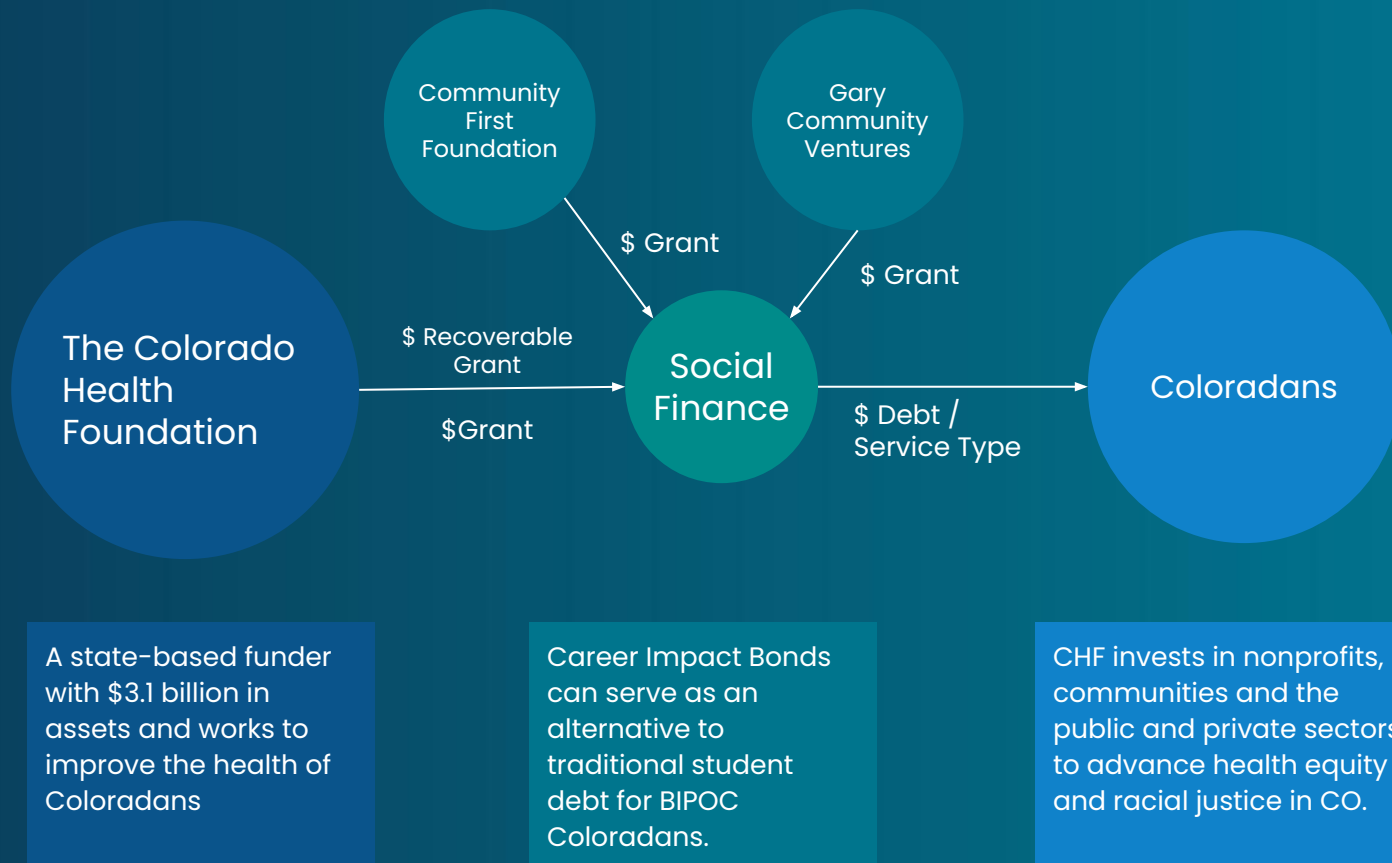
## Investment Structure

- \$10 million fund capitalized by four foundations
- Fund recycles itself as successful graduate repayments finance future student education
- Recoverable grant structure serves as risk mitigation if the CIB model is unable to identify \$10MM in high impact opportunities in Colorado
- Securing \$10MM through CO-based philanthropy would unlock a matching operational grant from a national funder

# HOW

"As funding partners and foundations focused on impact first, we all quickly realized that we needed to do more than simply provide funding for educational advancement. We understood that for our target students to truly be successful, we would have to support solving social barriers such as child care, transportation and other day to day emergencies."

**Ben L. Bynum M.D.**  
The Colorado Health  
Foundation





“Successfully investing this initial \$10 million career impact bond (CIB) fund could mean scaling CIBs through government partners and private capital. More dollars into CIB type initiatives will mean more students can share the risk of their educational experience with philanthropy, local employers and their future training partners.”

**BEN L. BYNUM M.D.**

THE COLORADO HEALTH FOUNDATION