

Salt Lake County 'Pay For Success' (PFS) Initiative

Primary impact area:
Social

Impact sector:
Provision of Social & Community Services

Impact category:
Deep Impact

Geographic location of impact:
North America

Date of Investment:
2016

SDG alignment:



"These projects show that public-private partnerships can create opportunities to address difficult problems such as recidivism and homelessness - even during a severe housing crisis and a global pandemic. Key to their success has been the support and commitment from all stakeholders, including from investors such as QBE."

Luke Tuttle
Sorensen Impact

The Salt Lake County Pay for Success (PFS) Initiative targets the linked issues of crime and homelessness. Aimed at vulnerable individuals at high risk of falling into a life of homelessness, drug abuse and criminality, it seeks to reduce the jail time and rearrest rates in the county.

Together it is hoped the programs will make a real impact on reoffending rates in a county where prior to project start, 74% of high-risk offenders return to the criminal justice system within four years of release from incarceration and 43% become chronically homeless within two years of release!

Since its launch in 2017, over a six-year period the initiative will finance two separate programs - a Criminal Justice Program (REACH) and a Homelessness Program (HNJ).

REACH (Recovery, Engagement, Assessment, Career, and Housing) is delivered by First Step House, and works with more than 200 male ex-offenders over six years using First Step House's REACH program. It provides

participants with tailored support, using evidence-based therapies, short-term housing support, and case management. All of these elements in the program aim to reduce repeat offending and to address the factors that contribute to recidivism (the tendency of an ex-offender to reoffend).

The Homelessness program 'Homes Not Jail' (HNJ) will serve more than 300 persistently homeless people and is delivered by The Road Home. It provides individuals with Rapid Rehousing services including move-in support, time-bounded rental assistance, roommate matching opportunities for peer support and cost efficiency, and intensive case management for self-sufficiency and employment needs. These elements go towards the aim of supporting individuals to build the blocks to sustain their tenancies and build independence, in order to reduce homelessness.

Social Impact bonds or 'pay for success' PFS are public-private-social sector partnerships which source program financing for interventions providing prevention or innovation and improve the focus on results and outcomes. Investors are repaid by outcomes payers (in this case government), based on the program achieving agreed metrics and based on independent evaluation, which demonstrate a clear outcome has been achieved.

In Salt Lake County, the low availability of affordable housing was an important factor contributing to persistent homelessness. At the outset of the HNJ project in 2017, few could have predicted that a crisis of affordable housing in the county would have reached the intensity it did only a year or two later - together with a general housing shortage observed across the state starting in 2020.

Adaptability to challenges can be seen in the Salt Lake affordable housing shortages, and the global COVID-19 pandemic which has presented an unprecedented situation in which the service providers have had to be quick and adaptable to keep staff and clients safe and faced significant challenges to continue the provision of services to their clients due to the COVID-19 pandemic.

Successful PFS/SIB models not only create positive outcomes for the participants and the community in the scope and duration of each program; but act as a catalyst to innovation and service improvement to address durable issues such as homelessness and re-offending.

While the two programs are still ongoing, the Road Home has gained valuable knowledge about the group of people that are persistently homeless and their unique needs and effective intervention methods. They plan to continue utilising the HNJ model beyond the scope of the current PFS project.

The REACH model, developed for this initiative, has been successful and First Step House has already begun implementing the model with their ex-offender client population beyond the bounds of the project, whilst taking care not to interfere with the randomised control trial currently underway.

It is a significant achievement that both projects continue providing services, despite not being able to interact with clients as they had prior to the pandemic.

The projects are ongoing and while the final impact is yet to be measured, the early data is promising - towards building better lives. Both projects are having a positive effect on the people in their target client population, whether in homelessness or in reducing re-offending, based on analysis by the independent evaluator.

REACH works with male ex-offenders, with the majority being white (more than 75%), along with people of Hispanic/Latinx, Black and Alaska Native / American Indian ethnicity.

In the HNJ program, over 70% men, 27% women and <1% non-binary. The majority of the intake population supported by HNJ are white, HNJ includes Hispanic/Latinx, Black and Alaska Native / American Indian ethnicity.

Case study: Cindy's Story



Photo supplied: The Road Home

'Housing First' programs like HNJ emphasise the importance of housing as the foundation for people to build better lives and build out the other elements of their lives like mental health, employment, and connection, to find a permanent stable home.

Cindy was experiencing homelessness. Cindy was staying at the Gail Miller Resource Centre, an emergency service shelter in Salt Lake City. She was also disconnected from her children.

Cindy enrolled into the Homes Not Jail (HNJ) program in November 2020.

The HNJ Housing specialists assisted Cindy in applying for rental properties that met her needs. However, Cindy was denied tenancy with two local property managers, but finally found a property manager willing to take a chance on her as a tenant.

Just over two months after enrolling in the HNJ program, Cindy moved into new housing.

Since moving into her own apartment, Cindy has been able to focus on other areas of her life, rather than just surviving. Cindy worked with the HNJ case workers to gain employment.

The HNJ Program provided short-term rental assistance to allow Cindy the opportunity to settle into her new life. She has since been promoted at her new job, reconnected with her children and able to have ongoing visits with them. Cindy graduated from the HNJ program in June 2021 and is maintaining her apartment independently.

Case studies have been de-identified. Images are not of the individual.

1. Sorensen 2016 Data.

About Premiums4Good

Premiums4Good is an innovative initiative that sees QBE invest everyday premiums to make an extraordinary difference to communities across the globe.

Through Premiums4Good, we invest customers' premiums into investments that have additional social or environmental benefits at no extra cost to the customer.

These investments include social impact bonds, social bonds, green bonds and infrastructure, supporting a range of projects and programs that seek to create change.

From renewable energy initiatives and sustainable infrastructure, to social services and programs to support vulnerable people and communities - Premiums4Good helps us, together with our customers and partners, make a difference.