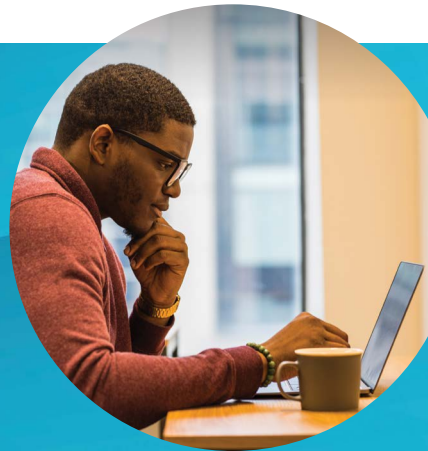


# A Year in Review

2022





## A MESSAGE FROM OUR CEO



At Social Finance, we build accountable finance and policy tools that deliver measurable outcomes for people and communities. As the world transitioned to a new normal this year, unprecedented economic changes have disproportionately affected people with low income, people of color, and others facing barriers to opportunity. For our team at Social Finance, 2022 was a year of focus and execution as we worked to address these pressing social and economic challenges.

We saw great momentum and uncovered new insights as we expanded our portfolio of impact investments and advisory projects. While we continue to work across a range of issue areas, this year we significantly grew our efforts to expand economic mobility and improve health outcomes for children and families—work you can learn more about [here](#).

To those who know us well: we are deeply grateful to be on this journey with you. Thank you for your partnership. To those who are getting to know us: we look forward to exchanging on these ideas with you.

A handwritten signature in black ink, reading 'Tracy Palandjian'.

**Tracy Palandjian**

CEO and Co-Founder



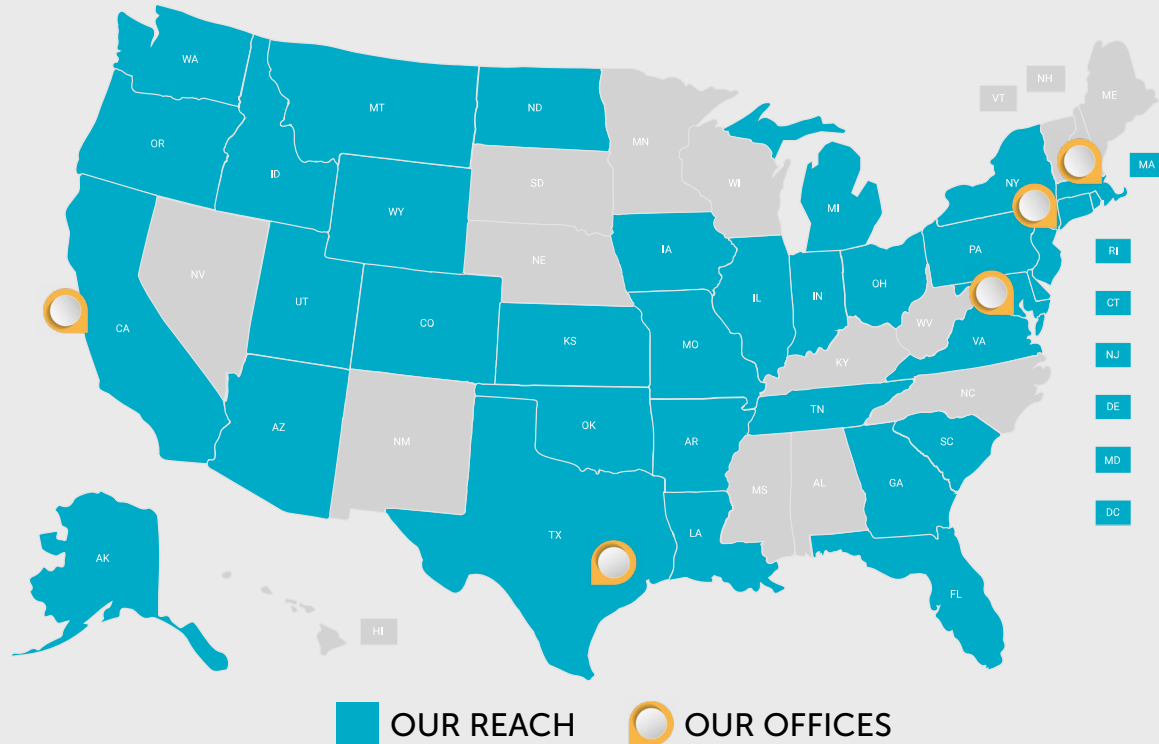
## 2022 SNAPSHOT

We launched **3 new funds**: the Google Career Certificates Fund, the New Jersey Pay It Forward Program, and the United Way Miami Workforce Project.

These funds will mobilize **\$137 million** to help **22,000 learners** access pathways to in-demand jobs and economic opportunity.

We worked with more than **50 partners** across the public, private, and social sectors.

Social Finance grew to **115 team members** and opened our **fifth office** in New York City.



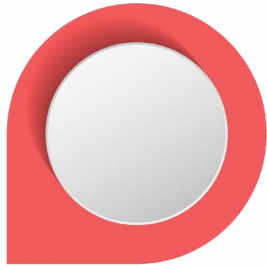
We launched a multiyear action plan to **expand diversity, equity, and inclusion** practices across our organization and in our work.

ISSUE AREA SPOTLIGHT:

# Economic Mobility







## Even as the labor market loosens, companies continue to face a skills mismatch as they seek to fill millions of job openings across the nation.

Many of these jobs are in industries like IT, health care, and the skilled trades—good, middle-skills jobs that pay family-sustaining wages and have upward mobility potential. But for many people, there are limited pathways to get the skills required to land one of these jobs. Typically, learners take on debt and time off from work to train, with no guarantee that the journey will lead to a good career.

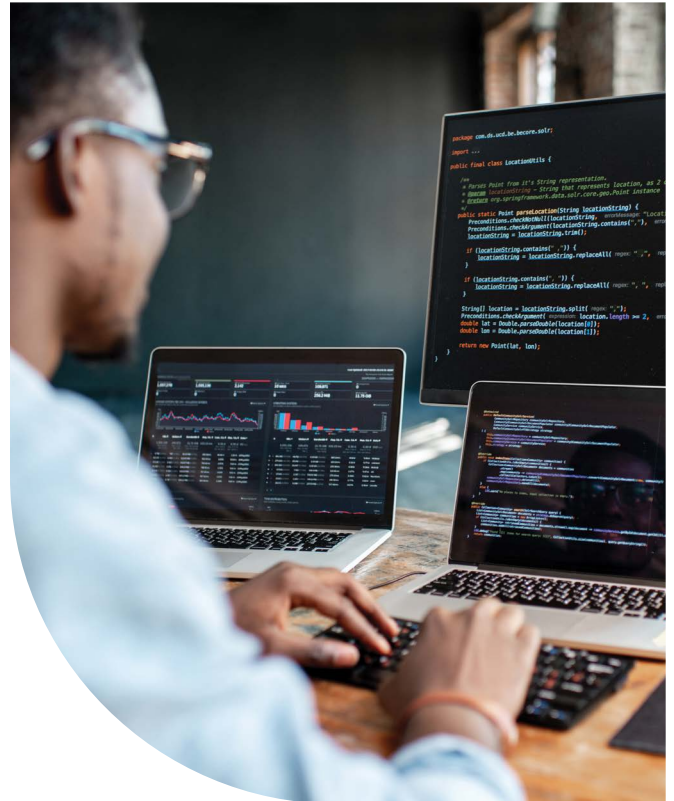
At Social Finance, we are working to create new pathways to economic mobility for workers by rebalancing the risk equation.

Our economic mobility programs provide learner-friendly financing: individuals enroll in education and training programs with no upfront costs and only repay if they land good jobs over a certain salary. We ensure access to, and funding for, critical supportive services. And we intentionally align workforce development with economic development priorities, bringing employers and governments to the table as co-designers of the work and active investors.

# The Google Career Certificates Fund

### The Google Career Certificates Fund,

announced in February, is a \$100 million investment program that aims to empower more than 20,000 learners to realize over \$1 billion in aggregate wage gains. **Through the Fund, Social Finance is deploying capital from Google and Google.org to support learners from underserved communities as they develop the skills to enter in-demand fields such as data analytics, IT support, project management, and user experience design.** Services launched in October with Merit America, one of the Fund's inaugural training providers.

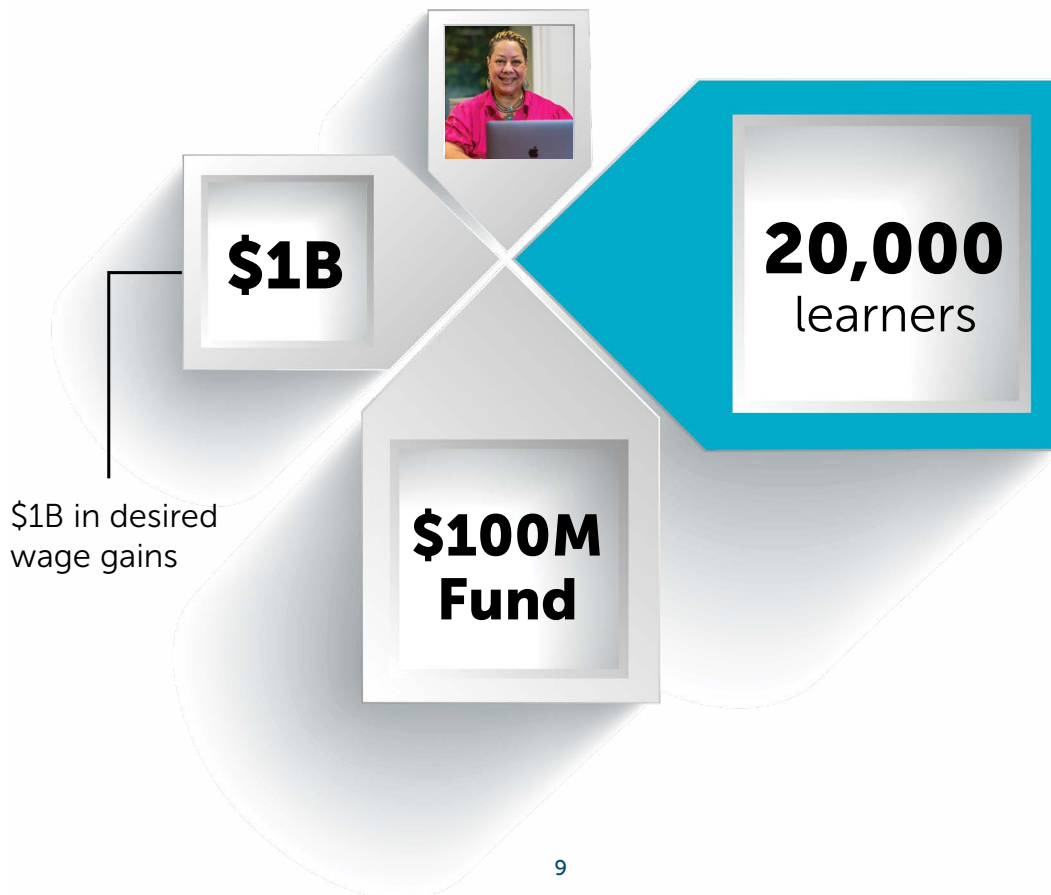






*"We are proud to work with Social Finance, the recipient of our largest economic opportunity investment to date. They have met the challenge head-on, designing a first-of-its-kind loan fund to provide workforce training and support."*

**Hector Mujica**, Head of Economic Opportunity for the Americas, Google.org



# The Nation's First Pay It Forward Funds

Pay It Forward Funds are place-based workforce funds supported by public dollars and philanthropy that sustainably invest in worker upskilling. Through these funds, learners access supportive services and skills-based training for jobs in booming local industries with sustainable wages and pathways to career growth. **This year, we launched the nation's first two Pay It Forward Funds.** [The New Jersey Pay It Forward Program](#), anchored by the State of New Jersey and

the New Jersey CEO Council, is putting \$12.5 million to work towards skills training in the health care, IT, and clean energy sectors. [The United Way Miami Workforce Project](#) will deploy up to \$25 million to upskill residents of Miami-Dade County—particularly veterans, people of color, and single mothers—for jobs in in-demand industries like software development, medical coding, and truck driving.



*"Pay It Forward, developed in collaboration with Social Finance, will make New Jersey stronger and fairer by providing access to job training for residents who need it most. Creating equitable opportunities is what we stand for."*

**Governor Phil Murphy**, State of New Jersey

Launched  
Pay It Forward Funds

2



2,500  
learners

\$37M

Funds  
we aim to  
mobilize



*"Before I did the Alchemy bootcamp, I felt stuck and pretty dissatisfied. I was doing work that was mentally under-stimulating and physically exhausting [unloading packages at a UPS warehouse]. It was a big drain on me and a big stressor. Now, being able to do this kind of creative, collaborative, and mentally stimulating work has made a huge difference in my happiness. I'm less stressed out, happier, and making more money. That's life-changing."*

**Paul**, Alchemy Career Impact Bond Graduate and Software Engineer at PayClearly

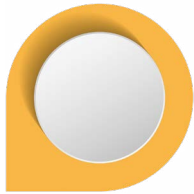
[> Hear Paul tell his story](#)



**ISSUE AREA SPOTLIGHT:**

# **Child & Family Well-being**

Although the U.S. spends more than 25% of its federal budget on health care, our maternal mortality rate has increased over the past 25 years. Access to maternity care is worsening across the nation, with nearly seven million women living in areas with limited or no access to prenatal and postnatal care. The outcomes are even worse for women of color, who often experience other challenges like economic instability and low employment. Taken together, these factors can lead to long-term effects on child health, education, and future earnings.



**Our work aims to improve child and family well-being by expanding evidence-based models to help mothers with low income access the care they need during pregnancy and beyond.**

We work with governments to design and implement outcomes-based funding tools to scale effective models. We believe that in doing so, we can improve health, workforce participation, and educational attainment in our communities.

# The Connecticut Office of Early Childhood Home Visiting Rate Card

Since 2017, we have collaborated with the [Connecticut Office of Early Childhood \(OEC\)](#), a state agency that supports children from birth to grade school, on a series of outcomes rate cards. **This innovative financing tool enables OEC to develop and maintain performance-based contracts with service providers working to create measurable improvements in child health and development.** In the current outcomes rate card, home visiting providers in Connecticut have met or exceeded expectations, meaning families in the state are receiving higher-quality, more consistent care.





**6** outcomes rate  
cards since 2017

**\$20M** spent toward  
outcomes

Supporting  
**3,000 families**

*"Social Finance's teams collaborate with agency staff in a way that encourages thinking, innovation, and implementation. The innovative ideas from their research and work with other places have helped CT get projects over the finish line."*

**Beth Bye**, Commissioner, Connecticut  
Office of Early Childhood



*"My nurse was there for me every step of the way. I could text her when I was feeling down, and she was always there."*

**Taquana**, participant in our South Carolina Nurse Family Partnership Pay for Success project, reflecting on the support provided by her home visitor, Kenyetta.

[> Learn more about her story.](#)

# The New Castle County Pay for Success Project



We partnered with New Castle County, Delaware and the nonprofit Children and Families First (CFF) **to launch a \$3 million [Pay for Success project](#) that will expand access to high-quality prenatal and postnatal health care.** The Longwood Foundation has provided upfront capital to support CFF as it provides services, using the evidence-based Nurse-Family Partnership model, to 120 first-time, Medicaid-eligible mothers living in New Castle County. Leveraging funding from the American Rescue Plan Act, the county will reimburse Longwood based on a set of specific outcomes metrics geared toward mother and child wellness.



**120**

First-time,  
Medicaid-eligible moms

**\$3M**

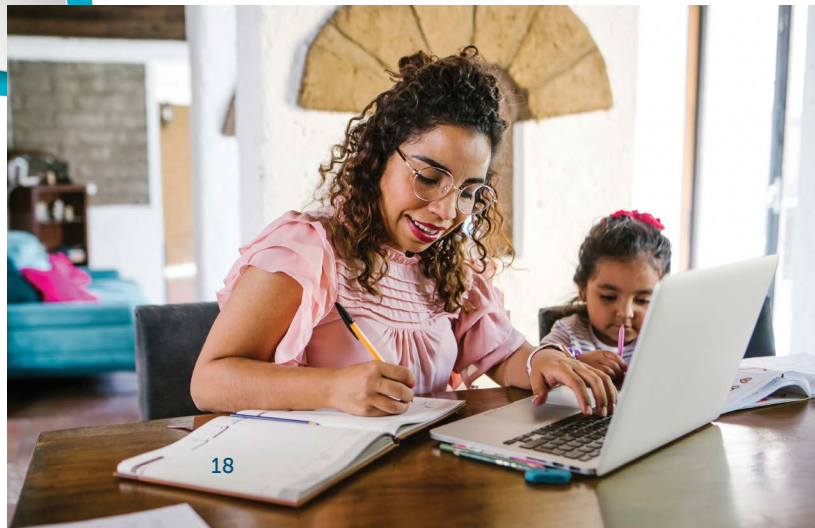
To expand  
access to care



*"We know that nearly 20% of all pregnant women in New Castle County do not access prenatal care, which can have serious consequences for both mother and baby. Further, there are significant barriers to care for low-income, Medicaid-eligible women, such as inadequate transportation, unstable housing, and other social determinants of health. That is why we believe so strongly in the Nurse-Family Partnership model, which is designed to reduce or eliminate some of these barriers by providing community-based care guided by the unique needs of each family."*

**Kirsten Olson**, CEO, Children & Families First

# Looking Forward



As we look to the start of a new year, we remain committed, energized, and hopeful. In 2023, we will:

Continue to **accelerate and scale our economic mobility portfolio**, launching Pay It Forward Funds and partnering with companies to create new pathways for workers to build in-demand, family-sustaining careers.

**Pioneer new ways to mobilize charitable capital** through impact investing: launching an innovative, impact-first fund and partnering with donor-advised funds and foundations on their impact investing approaches.

**Deepen our partnerships with governments** through our public sector advisory practice, helping build data and accountability systems that orient taxpayer dollars toward achieving measurable outcomes.

**Launch the Social Finance Institute**, an action-oriented field-building endeavor to put tools in the hands of changemakers seeking to engage in innovative, results-based approaches and leverage private and public finance to catalyze systems change.

We look forward to partnering with you in the year ahead as we work to build a world where economic and social systems enable all people to thrive.

To learn more, please reach out to Annie Knickman Plancher ([aplancher@socialfinance.org](mailto:aplancher@socialfinance.org)).

Thank you to our partners at Merit America and Nurse Family Partnership for sharing photos. The cover photo (top), inside cover photos (middle and bottom), and the photos on pages 6, 9, and 19 are courtesy of Merit America. The photo on the bottom of page 15 is courtesy of Nurse Family Partnership.





Realigning markets and systems. Transforming lives.

[socialfinance.org](https://socialfinance.org)