



NPX Announces Three “Pay For Success” Financings In The Bay Area That Aim To Drive Upward Economic Mobility

21 investors invested \$3.4 million in three nonprofit organizations -- 10,000 Degrees, Mission Asset Fund and Rivet School -- with financial returns tied to impact performance

SAN FRANCISCO, CA - February 3, 2022 – [NPX](#), a company transforming the way nonprofits are funded by explicitly linking capital with results, announced today the closing of \$3.4 million in “Pay For Success” investments by three nonprofit organizations in the Bay Area -- [10,000 Degrees](#), [Mission Asset Fund \(MAF\)](#) and [Rivet School](#).

The nonprofits raised investment capital from 21 accredited and institutional investors seeking both financial and social returns through NPX’s “Pay For Success” financing structure, known as an Impact Security. The Impact Security, developed by NPX and Anna Pinedo, partner and co-leader of the global capital markets practice at [Mayer Brown](#), is a performance-based debt security that links payment obligations to impact. The investment capital raised provides the nonprofits with multiple years of flexible working capital to run their programs.

As outcomes are achieved by the nonprofits and independently verified, funding is released to the nonprofits from an outcomes fund -- the [Bay Area Donor Impact Fund \(DIF\)](#) -- supported by donations from 23 women philanthropists.

The Impact Security is similar to a social impact bond (SIB), but with private philanthropists serving as the outcome payor instead of the government.

Funding in this way incentivizes impact. By measuring and rewarding outcomes, all parties -- nonprofits, donors and investors -- are aligned in order to maximize impact.

The three nonprofits that received funding represent a wide-range of organizations -- from start-up to established, serving first-generation students, immigrant families and low-income individuals across all nine Bay Area counties.

Nonprofits appreciated several unique aspects of this funding model, including flexible capital tied to outcomes, trust from funders on how to spend money to drive impact and large amounts of funding over long timelines.

“Partnering with NPX provides an innovative new way for Marin Community Foundation clients to have an impact – beyond traditional grantmaking,” said Safia Kryger-Nelson, Director of Philanthropic Planning at MCF. “Offering clients the opportunity to invest their philanthropic

funds in a way that ties social and financial returns directly to impact is exciting and fresh. And the fact that nonprofits embrace the model makes it truly a win/win proposition.”

If successful, the funding will result in the following in the Bay Area:

- Over 600 low-income credit invisible individuals establish a credit score, which can unlock access to mainstream financial services
- Over 200 low-income, first-generation and working adult students complete baccalaureate degrees, which has the potential to increase lifetime earnings

This financing model mobilized new funds to the nonprofits. Of the 21 accredited and institutional investors participating in the deal, over 70% had not funded these nonprofits before.

“Our work in the Bay Area has demonstrated that this funding model works for a wide group of nonprofits and funders,” said Catarina Schwab, Co-Founder and Co-CEO of NPX. “We look forward to seeing how changing the way we fund nonprofits, changes outcomes.”

To learn more about this deal, please refer to the [Bay Area Economic Mobility Case Study](#).

Partners

Thank you to our partners who provided support and expertise:

Mayer Brown LLP

Morgan, Lewis & Bockius LLP

BPM LLP

First Republic

OMNI Institute

QREM

US Bank

About NPX

NPX is transforming how nonprofits are funded by explicitly linking capital with impact. Learn more at www.npxadvisors.com.

Press Contact

Rubenstein

Alex J. Stockham

astockham@rubenstein.com