



**FOR IMMEDIATE RELEASE**  
July 1, 2014

**Contact:** Robert Lang  
914-248-8443

## **Support for H.R. 4885 - Social Impact Bond Act**

We at Americans for Community Development (ACD) wish to express our support for H.R. 4885 – Social Impact Bond Act and urge prompt passage by Congress. Since our founding in 2007, ACD has been actively supporting concepts that encourage private enterprise solutions to social issues, originally focusing on the L<sup>3</sup>C, created by our founder Robert Lang. Our country's economic success requires innovation like the Social Impact Bond Act to attract nongovernmental dollars to solve social problems. While government budgets climb into the low trillions, the net worth of all Americans well surpasses 75 trillion dollars. It is critical to encourage discretionary investment dollars in that net worth for social innovation.

Just one of the attractive features of social enterprise is that the entire range of those investment dollars are giving voluntarily, have the potential of earning income rather than cost taxpayer dollars, and often can result in savings at the governmental or NGO level. In addition, they generally broaden program choices for the clients served.

H.R. 4885 covers an important segment of social enterprise space – improving solutions and saving government dollars. The proposed legislation directs the federal government to establish desired outcomes for pressing social challenges, outcomes that include improving lives and saving public money. We congratulate the sponsors of the Social Impact Bond Act, who have significant legislative history in support of social enterprise solutions for societal problems. Jared Polis is among current sponsors of H.R.2832, our own Philanthropic Facilitation Act, and Aaron Schock sponsored the same bill in the last Congress. These leaders understand the importance of facilitating bottom up vs. top down solutions.

H.R. 4885 should be a catalyst for the Social Innovation Bond (SIB) concept. The future for SIB type solutions is almost limitless. As with the X-Prize, such strategies reward those willing to explore cutting edge solutions and beyond. Neither the public nor the media would accept tax dollar support for what many would label high-risk solutions. However, SIB allows such exploration because of its pay-for-success program. NGOs and for-profits could offer “prizes” to those innovators who meet a challenge or produce savings while getting same or better results. For example, health care insurers could offer their own version of an SIB to the first group to solve a pressing health care field issue and reward such entrepreneurs with a share of the savings.

Encouraging free enterprise solutions stimulates the economy. Free enterprise pays taxes and adds to the economic activity and prosperity that our country so needs. H.R. 4885 provides an exciting new option. We see L<sup>3</sup>Cs as the perfect vehicle for an entity organized to solve an SIB challenge.

Karen Woods, Executive Director  
Robert Lang, Founder

---

P.O. Box 236  
Granite Springs, NY 10527  
914.248.8443  
americansforcommunitydevelopment.org  
info@americansforcommunitydevelopment.org

*Some regard private enterprise as if it were a predatory tiger to be shot.*

*Others look upon it as a cow that they can milk.*

*Only a handful see it for what is really is – the strong horse that pulls the whole cart.*

*- Winston Churchill*