



The Process of Financing Flourishing

1. **Structure, coordinate, and manage risk.** The Flourishing Council leads the development and implementation of the flourishing program in a community. It hires a Fiscal Partner to help develop the financing. The Council borrows the money to pay for (i) its expenses and cross-sectoral collaboration and additional required upstream services (usually performed by its provider partners) to implement individual family success plans to produce flourishing in the specific attributable population (members of a Flourishing Club), and (ii) other actions called for by the flourishing program. Guided by the Fiscal Partner, it also negotiates shared success contracts with downstream beneficiaries (see #7).
2. **Investors.** Third parties provide loans in various forms to provide the additional money needed by the Flourishing Council and its provider partners to fund the flourishing program in that community. A capital stack will be designed to address different risk and return profiles of various lenders. In priority of payment (and ascending risk), a stack may involve a senior loan, subordinate loans, flourishing bonds, and recyclable grants (repay as a loan if the funds are available; if not convert to grant). A Flourishing Council may have multiple stacks for financing multiple projects, seeking to connect them in ways that will both increase impact and reduce investment risk. This category also includes “credit enhancements” such as loss limitations, and partial or total loan guarantees provided by philanthropies, insurers, or others.
3. **Added funds.** The Service and Intervention Providers in the Flourishing Council are given extra funds by the Council to deliver integrated, individualized packages of services to the attributable population (if extra money is needed on top of pre-existing government and private payments).
4. **Implement Interventions.** Led by a CHW/companion assigned to each member family, multisectoral teams implement child and family success plans developed with each family and coordinated by the backbone/quarterback staff of the Council and/or Flourishing Club(s).
5. **Achieve Outcomes.** If the program is successful, positive outcomes emerge over time which not only benefit the attributable population but create downstream benefits/savings for multiple organizations in multiple sectors.
6. **Data Tracking Systems.** A continuous flow of information is provided to the Flourishing Council, providers, participants in Flourishing Clubs, and other stakeholders. Audits are conducted of outcomes according to KPIs in shared success agreements previously negotiated between the Flourishing Council and Downstream Beneficiary organizations.
7. **Downstream Beneficiaries.** These are public and private organizations in multiple sectors that have previously signed pay-for-success/shared savings contracts with the Flourishing Council. They make payments to the Council of a negotiated portion of the savings produced for them by the flourishing program per the contracts.
8. **Repay Principal & Interest.** The Flourishing Council uses part of this income to pay interest and principal to the lenders. The rest is spent to support the Council’s programs, add to its reserves, and/or reward its partners and people in the attributable population.

