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Do the Benefits Outweigh the Costs of Impact Bonds?

To conclude this series of policy briefs, this fifth brief considers perhaps the most critical question to evaluate the success of impact bonds: whether, given costs and benefits, impact bonds are an efficient and cost-effective way to contract and finance the delivery of social services.

Since very little concrete data is available on costs and benefits in impact bonds compared to alternative financing mechanisms, the brief explores a set of theoretical assumptions and a thorough analysis of potential costs and benefits to provide a more nuanced analysis than has been in the literature to date.

The brief also identifies four ways to potentially lower the design and implementation costs of impact bonds, as well as makes the case for future research.

[Read the full policy brief >>](#)

The Brookings Institution

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