LEARNING TOGETHER

How Families Responded to Education Incentives in New York City’s Conditional Cash Transfer Program

David Greenberg
Nadine Dechausay
Carolyn Fraker

May 2011
Executive Summary

Learning Together
How Families Responded to Education Incentives in New York City’s Conditional Cash Transfer Program

David Greenberg
Nadine Dechausay
Carolyn Fraker

May 2011
Funders of the Opportunity NYC–Family Rewards Demonstration

MDRC is conducting the Opportunity NYC–Family Rewards Demonstration through a contract with the Mayor’s Fund to Advance New York City and under the direction of the New York City Center for Economic Opportunity. Funding for the project is provided by Bloomberg Philanthropies, The Rockefeller Foundation, The Starr Foundation, the Open Society Institute, the Robin Hood Foundation, the Tiger Foundation, The Annie E. Casey Foundation, American International Group, the John D. and Catherine T. MacArthur Foundation, and the New York Community Trust.

Dissemination of MDRC publications is supported by the following funders that help finance MDRC’s public policy outreach and expanding efforts to communicate the results and implications of our work to policymakers, practitioners, and others: The Ambrose Monell Foundation, The Annie E. Casey Foundation, Carnegie Corporation of New York, The Kresge Foundation, Sandler Foundation, and The Starr Foundation.


The findings and conclusions in this report do not necessarily represent the official positions or policies of the funders, the Mayor’s Fund to Advance New York City, or the New York City Center for Economic Opportunity.

For information about MDRC and copies of our publications, see our Web site: www.mdrc.org.

Copyright © 2011 by MDRC.® All rights reserved.
Overview

In 2007, New York City’s Center for Economic Opportunity launched Opportunity NYC-Family Rewards, an experimental, privately funded, conditional cash transfer (CCT) program to help families break the cycle of poverty. Family Rewards provided payments to low-income families in six of the city’s poorest communities for achieving specific goals related to health, education, and employment. The demonstration program ended as planned in August 2010, although its evaluation is ongoing.

This qualitative report focuses on Family Rewards’ educational incentives and the variety of ways that parents and children interacted with each other in relation to these incentives. Unlike other educational incentives programs across the country, Family Rewards relied heavily on parents to explain the program to younger children and to find ways of supporting their children’s learning in school. While parents received incentives for their younger children’s activities in Family Rewards, high school students received incentives directly and so were more directly exposed to the program.

Key Findings

- **Most parents and children embraced the broad goals of Family Rewards, viewing the program as an “opportunity” for children and an investment in their academic future.** It was not clear when the study began how families would view the program, but parents and children believed that Family Rewards was a worthwhile idea because they felt it had the potential to support children’s academic performance and their success over time.

- **Not all parents knew how to help improve their children’s educational performance beyond offering general encouragement.** Many parents needed assistance in identifying additional strategies that they could use to help support their children’s learning, although some parents used reward payments for after-school activities or tutoring.

- **Many parents were reluctant to discuss the incentives with younger children, who had only a limited knowledge of the program as a result. High school students were much better informed.** Some parents did not want to put financial pressure on their younger children, while others found creative ways to talk about incentives with them. Most likely as a result of the program being marketed directly to them, high school students had a high degree of awareness about the program, and their parents reported that they were more likely to remind them of tasks that had to be completed in order to receive rewards.

- **Family Rewards payments helped strengthen some better-prepared high school students’ belief that they were “on track” to graduation, college, and a better future, which reinforced their motivation.** Some highly motivated and generally proficient high school students used rewards to save for college and to pay for educationally enriching experiences.

MDRC will continue to track participants and will present longer-term findings to help clarify the success of the initiative in encouraging educational, health, and employment outcomes.
Preface

The persistence of poverty across generations is one of the most troubling aspects of contemporary inequality. Cutting against ideals of opportunity, it raises questions about whether many children are destined to have a lifetime of economic hardship at birth, despite parents’ efforts to help them succeed. Taking on this challenge directly, Opportunity NYC-Family Rewards was an ambitious attempt to target entire families so as to break what is sometimes referred to as the “cycle of poverty.” Family Rewards attempted to reduce family hardship in the short term, while also helping parents and children develop the skills to allow them to escape poverty over the longer term. In addition to offering incentives for family preventive health care and parental workforce efforts, it offered cash incentives to families for their children’s attainment of specific educational goals.

The strategy of providing incentives for educational performance, although controversial, is a potentially effective way to help low-income children succeed in school. This qualitative report zeros in on the educational component of Family Rewards, which, unlike other educational incentives programs, emphasized the whole family’s engagement with children’s educational progress instead of offering case management and support. That is, in seeking solutions to persistent, intergenerational poverty, the program relied on parents to actively support their children’s learning and thus prepare them for a better future. Because of this design feature, Family Rewards research provides insights about efforts to engage parents in their children’s education, to create a home environment that is conducive to learning, and to encourage whole families to work together to help children of different ages succeed.

This volume, which contributes to a growing body of literature on educational incentives, draws on the voices of parents and children in the program: their aspirations, their struggles, and the ways they responded to incentives to realize their educational goals. Because the program relied only on incentives and did not provide services, qualitative analyses are an important tool to understand what really happened within families as they attempted to respond to those incentives. While evidence in the form of ongoing quantitative studies is the best way to learn whether the model succeeded, the voices of the participating families help ground the findings of such studies in the experiences of the people whom the program was intended to serve.

Gordon L. Berlin
President
Acknowledgments

This report’s greatest debt is to mothers, fathers, grandparents, and young people who took part in Opportunity NYC-Family Rewards. They opened their homes to researchers and described not only their experiences with the program, but also their aspirations in life and some of the challenges they faced.

The Opportunity NYC-Family Rewards program owes special gratitude to the Mayor’s Fund for the City of New York for its support of the project and evaluation from its inception. We thank Deputy Mayor Linda Gibbs and staff of the New York City Center for Economic Opportunity, especially Veronica White, Allegra Blackburn-Dwyer, Kate Dempsey, and Kristin Morse, both for their guidance on the project and evaluation and for reviewing this report. We also appreciate the assistance of the many staff members at Seedco and the Neighborhood Partner Organizations for the hours they spent helping us understand their pioneering efforts in operating the program, supplying us with data, and reflecting on report drafts. At Seedco, we would especially like to acknowledge the contributions of Rebecca Ross, Naomi Zuk-Fisher, Saroya Friedman-Gonzalez, and Juan Pinzon.

We also appreciate the continuing support of all the funders of the demonstration. These include Bloomberg Philanthropies, the Rockefeller Foundation, The Starr Foundation, the Open Society Institute, the Robin Hood Foundation, the Tiger Foundation, The Annie E. Casey Foundation, American International Group (AIG), the John D. and Catherine T. MacArthur Foundation, and New York Community Trust. We would also like to thank the external experts who carefully reviewed and provided helpful comments on drafts and analyses related to the report, particularly J. Lawrence Aber and Pamela Morris.

At MDRC, the authors especially thank James Riccio, director of MDRC’s research on Opportunity-NYC, for his extensive guidance and feedback at every stage of the research and writing process and for his support of the qualitative study. Gordon Berlin, Richard Hendra, John Hutchins, Cynthia Miller, Nandita Verma, and Donna Wharton-Fields provided valuable feedback at multiple points of the research and review process. Alissa Gardenhire-Crooks and Shelley Rappaport both conducted many interviews and contributed to the report’s analyses and insights. Courtney Abrams coded and analyzed early interview data. Edith Yang developed early exploratory quantitative analyses. Juliette Berg coordinated this work with the parallel child survey. Scheduling assistance was provided by Judy Betances and Iliana Najera. Alice Tufel edited the report, and David Sobel and Stephanie Cowell prepared it for publication.

The Authors
Executive Summary

Opportunity NYC-Family Rewards was an experimental, privately funded, conditional cash transfer (CCT) program that attempted to help families break the cycle of intergenerational poverty. As suggested by their name, CCTs provide cash assistance conditioned on families’ efforts to improve their “human capital” — the skills that may reduce their poverty over the long term. Family Rewards, which provided payments for undertaking a range of activities and reaching certain goals related to health, education, and employment, was the first implementation of a comprehensive CCT model in a developed country. Such programs have grown rapidly across lower- and middle-income countries and have met with some important successes. Family Rewards was one of 40 initiatives sponsored by New York City’s Center for Economic Opportunity (CEO), a unit within the Office of Mayor Michael R. Bloomberg that is responsible for testing innovative strategies to reduce the number of New Yorkers who are living in poverty. Two national, New York-based nonprofit organizations — MDRC, a nonpartisan social policy research firm, and Seedco, a workforce and economic development organization — worked in close partnership with CEO to design the demonstration. Seedco, together with a small network of local community-based organizations, operated Family Rewards, while MDRC managed the overall demonstration and is conducting the evaluation. A consortium of private funders supported the project.1 Family Rewards ended in August of 2010 after a planned, three-year program period, although its evaluation is continuing.

A Unique Approach to Educational Incentives

One of the most prominent features of Family Rewards was the incentives it offered in exchange for children’s educational performance — as part of a comprehensive set of rewarded activities. Often controversial, educational incentives programs are being implemented and studied across the country. Family Rewards is distinctive among them in that it relies extensively on parents to carry out the educational incentives component of the program. That is, some educational incentives programs operate in the classroom and provide rewards directly to children for completing certain tasks or meeting particular benchmarks. In contrast, Family Rewards offered incentives almost exclusively to parents and did not make any direct payments to elementary and middle school students; however, high school students did receive rewards directly. This reliance on parents was intentional, as it sought to increase

---

1The funders include Bloomberg Philanthropies, The Rockefeller Foundation, The Starr Foundation, the Open Society Institute, the Robin Hood Foundation, the Tiger Foundation, The Annie E. Casey Foundation, American International Group, the John D. and Catherine T. MacArthur Foundation, and New York Community Trust.
their engagement with their children’s education as a way to improve educational outcomes and sustain those improvements beyond the time frame of the initiative.

While the program had a variety of antipoverty effects across the three domains of health, education, and employment, early educational effects of the program have been mixed. The results of MDRC’s randomized control test of the CCT program showed that Family Rewards did not improve school outcomes for elementary or middle school students related to school attendance rates or annual standardized test scores in math and English language arts (ELA) during the first two years of the program. However, the control group, which did not participate in the program, also had high rates of attendance, leaving little room, on average, for improvement. That was not the case for high school students. While the program also had few effects on school outcomes for high school students overall, it substantially improved the educational achievement of high school students who scored at or above the basic proficiency level on their eighth-grade standardized tests before the study began. These relatively better-prepared high school students outperformed their control group counterparts who did not participate in the program on a number of measures. They were less likely to repeat ninth grade, were more likely to be on track to graduate, were more likely to have a 95 percent or better attendance rate (in Year 2), and were more likely to have passed at least two New York State Regents exams (a standardized test for high school seniors in New York State that is tied to graduation).

Behind these quantitative findings are the range and complexity of experiences with the program, as parents took different approaches to helping their children in school and using incentives so as to improve their educational performances. Also behind these quantitative findings are low-income families’ challenges in making ends meet and their children’s struggles to perform in often-challenging school environments. To illuminate the way that Family Rewards incentives interacted with these aspects of daily life, this qualitative report explores ways that families engaged with each other around the terms of the program and how that dynamic may have influenced family well-being. It presents qualitative findings from 156 structured interviews with 75 families who participated in Family Rewards over a period of two years; offers a detailed, longitudinal look at the operation of the program within entire families; and for the first time includes data collected directly from children. Its analyses are meant to cast light on the preliminary impacts on education that were released in March 2010 (summarized above) and to inform the design of future CCT programs and educational incentives programs.

---

In addition to presenting and discussing general interview findings, this report follows four families in greater depth, each of whom experienced Family Rewards differently.³

- The Alvarado family included a single mother and her three young children, who had immigrated to Brooklyn from the Caribbean. When the program began, Ms. Alvarado was a full-time college student who struggled to support her family with help from her parents and child support payments she received from her children’s father. She was hoping that the program would push her children to do well in school and she continually reminded them that their strong academic performance would help not only them but, because of Family Rewards, would also help the family. Ms. Alvarado was particularly concerned about Clara, her oldest child, who was in seventh grade and had been performing poorly on her state exams. Both mother and daughter found ways to use the program to help them get back on track, and Clara ultimately scored in the highest range on both her standardized English and math exams.

- The Walker family comprised a single mother with four children, three of whom were eligible for Family Rewards. Ms. Walker had suffered a back injury after five years of working as a home health aide, and was receiving disability payments when the program began. The Walkers valued the program but Ms. Walker did not often talk about it with her children because she wanted them to take responsibility for the activities on their own. Her son Mark had always passed his state exams in middle school, but as a high school freshman he struggled academically. He credited the program with giving him the will to persevere in tough classes. By the third year of the program, Mark’s brother Chris was at risk of dropping out of school. Ms. Walker found a tutor for him using the referral list that she received from Family Rewards, which she believed helped him get promoted to eleventh grade. When Chris was interviewed, he was in Saturday school and was hoping to improve academically and earn some rewards, but he felt he needed more communication about the program in order to get a motivational boost from it.

- A two-parent family from the Bronx, the Crews had three academically proficient children, ages 8 to 16. Unlike many parents, Ms. Crew took her high school-age son to the orientation for Family Rewards and they discussed the program regularly around the kitchen table. Because Ms. Crew was employed

³The names of the four families and other descriptive information have been changed in this report to protect their confidentiality.
and making ends meet, the family opted to give the earned rewards directly to the children. Although Ms. Crew was a bit concerned at first that earning rewards for performing well in school might have a negative impact on her children’s motivation, over time she developed innovative techniques to discuss the program with them in a way that supported their academic pursuits.

- The Lawrence family was made up of a single mother and two children, one of whom was eligible to participate in Family Rewards. Over the course of the program, Justin Lawrence, who had done well in a parochial school in eighth grade, was having problems making the transition to a new public high school, and Ms. Lawrence was dealing with pressing family issues — an adult daughter who was unemployed; her daughter’s baby, who needed full-time care; and a crowded apartment. These experiences made it difficult for both mother and son to engage with the program, and they received very few rewards during the program’s first two years.

**Education and Family Dynamics**

Cash incentives alone were the vehicle to promote educational outcomes in Family Rewards, as its creators were interested in testing the effectiveness of a model that did not require extensive case management or supportive services. Twenty-two incentives across three domains — education, health, and employment and job training — were offered during the first two years of the program. During that time, families succeeded in earning $3,000 per year in program rewards, on average, for activities in all three domains combined.

Table ES.1 describes the subset of incentives in the education domain. Incentives for younger students — those in elementary and middle school — were $25 per month for attending 95 percent of scheduled school days, $25 for parents to attend parent-teacher conferences, and $300 (for elementary school students) or $350 (for middle school students) for either passing standardized ELA or math tests, or demonstrating improvement in them. These rewards were paid to the parents.

A significant feature of implementation was that many cash rewards for high school students went directly into the students’ own bank accounts, meaning that these students were much more directly exposed to incentives than were younger children, for whom rewards were paid to parents. For high school students, rewards were also higher: $50 per month for a 95 percent attendance rate, $600 for accumulating sufficient credits to move to the next grade, $600 for each
The Opportunity NYC Demonstration: Family Rewards

Table ES.1

Schedule of Education Rewards

<table>
<thead>
<tr>
<th>Activity</th>
<th>Reward Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education incentives</strong></td>
<td></td>
</tr>
<tr>
<td>Elementary and middle school students</td>
<td></td>
</tr>
<tr>
<td>Attends 95% of scheduled school days <em>(discontinued after Year 2)</em></td>
<td>$25 per month</td>
</tr>
<tr>
<td>Scores at proficiency level (or improves) on annual math and English Language Arts (ELA) tests</td>
<td></td>
</tr>
<tr>
<td>Elementary school students</td>
<td>$300 per math test; $300 per ELA test</td>
</tr>
<tr>
<td>Middle school students</td>
<td>$350 per math test; $350 per ELA test</td>
</tr>
<tr>
<td>Parent reviews low-stakes interim tests <em>(discontinued after Year 1)</em></td>
<td>$25 for parents to download, print, and review results (up to 5 times per year)</td>
</tr>
<tr>
<td>Parent discusses annual math and ELA test results with teachers <em>(discontinued after Year 2)</em></td>
<td>$25 (up to 2 tests per year)</td>
</tr>
<tr>
<td>High school students</td>
<td></td>
</tr>
<tr>
<td>Attends 95% of scheduled school days</td>
<td>$50 per month</td>
</tr>
<tr>
<td>Accumulates 11 course credits per year</td>
<td>$600</td>
</tr>
<tr>
<td>Passes NYS Regents exams</td>
<td>$600 per exam passed (up to 5 exams)</td>
</tr>
<tr>
<td>Takes PSAT</td>
<td>$50 for taking the test (up to 2 times)</td>
</tr>
<tr>
<td>Graduates from high school</td>
<td>$400 bonus</td>
</tr>
<tr>
<td><strong>All grades</strong></td>
<td></td>
</tr>
<tr>
<td>Parent attends parent-teacher conferences</td>
<td>$25 per conference (up to 2 times per year)</td>
</tr>
<tr>
<td>Child obtains library card <em>(discontinued after Year 2)</em></td>
<td>$50 once during program</td>
</tr>
</tbody>
</table>

of five New York State Regents exams passed (required to graduate with a New York State Regents diploma), $50 for taking the PSAT (up to two times), and $400 for graduating from high school. Most of these rewards were paid directly to the high school students.

For all children, rewards for attendance and standardized tests were automatically verified (from school records) without the need for additional documentation supplied by parents or others. To receive rewards for attending parent-teacher conferences, parents were required to complete and send in specially designed forms, or “coupons,” to document their attendance. After the completion of an activity was verified, either automatically or through the submission of a
coupon, a payment was authorized. Payments were made directly to the participant’s bank account every two months.

Although Family Rewards was designed to give both parents and children incentives to improve children’s educational performance, the program designers had few formal expectations about the steps that families might take within their households to generate reward payments — for example, how much parents and children should be talking about incentives, how much money a parent should give an elementary school student for passing a test, or how parents might spend resources in ways that directly helped achieve educational goals. By imposing no requirements for program attendance, by not prescribing how family members should interact with one another concerning incentives, and by placing no restrictions on how families were able to spend the money, Family Rewards attempted to maximize the potential value of the incentives, and left it to families to decide how to use them to spark and support achievement. This approach meant that families’ responses to the incentives were in essence a “black box” — the contents of which this report attempts to illuminate. Indeed, in order to understand Family Rewards’ effects on education, it is necessary to understand the strategies that parents and children of different ages used to reach their educational goals over time, and the family dynamics that those strategies may have set into motion.

**Key Findings**

- **Both parents and children embraced the broad goals of Family Rewards, viewing the program as an “opportunity” for children and an investment in their academic future.**

Parents were aware of public controversies over being “paid” for tasks, such as taking children to the doctor, that they themselves considered to be part of normal parenting. However, parents and children believed that Family Rewards was a worthwhile idea because it supported children’s academic performance and their success over time. All the parents who were interviewed were able to talk about their children’s longer-term educational and career aspirations, often in very specific language. At the same time, parents and children were also very concerned about problems in their neighborhoods and schools inhibiting their academic success. This gap between their educational aspirations and their confidence about reaching those goals may have been one reason they endorsed the program — because it appealed to their deeply held beliefs about the value of education and it offered to reward their progress toward difficult-to-achieve educational goals. In essence, Family Rewards helped to bridge the gap between the long-term payoff of education and the distraction created by the immediate attractions of street life. For example, one parent described how her high school-age daughter used her rewards to pay for a summer camp that is situated on a farm with an on-site veterinary hospital, which related directly to both her college and career aspirations to become a veterinarian.
• Parents did not always know how to help their children improve their educational performance beyond offering general encouragement.

Family Rewards tested whether a primarily “incentives-only” antipoverty strategy — without direct services or case management — would help children succeed in school. However, many parents did not know how to help their children improve and, during interviews, did not identify additional strategies, such as tutoring, that they might use to help support their children’s learning and test-taking. Parents sometimes described “rules of thumb” related to engaging with schools that they had always followed and that did not often change over the course of the program, although many of them reported that they were engaged with their children’s education at the start of the program. One of the boys in the Walker family, for instance, did not know how to study, and his family, though supportive, did not know how to help him with such strategies as test preparation techniques. As a result, although he knew about the rewards, he was not able to improve his academic performance enough to earn them. These qualitative findings mirror the program’s early impacts, which found few differences between the families who participated in Family Rewards (the program group) and those who did not (the control group) in parents’ likelihood of talking to their child’s teacher about grades, tests, or homework. As control group parents were also engaged in many of these activities at a high level, there may have been little early room for more engagement, although there may have been room for improvement in the quality of parental engagement.

• Parents often limited discussion of incentives with younger children.

Family Rewards’ designers envisioned that the program might strengthen educational performance through different pathways, such as increasing parental engagement and improving household finances, that would allow children to focus more on school. However, the program’s most direct path for improving performance was the incentive structure itself — as parents and children saw money attached to activities, designers hoped they might make an additional effort to complete those activities. But parents often limited discussion of incentives, especially with younger children. They sometimes did so because they worried about conflict related to dividing up rewards, or because they thought that their elementary and middle school-age children were too young to have financial pressure put upon them. As a result of the infrequency of these conversations, younger children were not well informed about rewarded activities. While the question remains about how much a focus on incentives — as opposed to getting a good education for its own sake — is optimal for families, low levels of communication about activities meant that incentives were not frequently in sight for younger children.

• Even high school students, who were much better informed about Family Rewards than were younger children, were not always conscious of the incentives until a payment was received.
In contrast with the qualitative findings for younger students, high school students both knew much more about the program and were more likely to be reminded by their parents of the actual tasks that had to be completed in order to receive rewards. Even high school students, however, who received money directly into their own bank accounts and were more directly exposed to the program’s incentives model, frequently forgot about incentives until they received payments — generally after passing Regents exams. Because many high school students did not often think about the program — although they were aware of it — their parents played an important role in reminding them about rewards. Parents also made important decisions that influenced how powerful the incentives could be for high school students — namely, whether or not to hold onto ATM cards that let students access reward payments, and whether or not to provide students with occasional money outside of program dollars.

- **Parents and children described feeling less stress and greater togetherness as a result of the income support provided by Family Rewards.**

As noted earlier, the full Family Rewards program provided households with approximately $3,000 per year, on average. Early impact analyses found that program group members reported being better off than control group members on a range of measures related to material hardship, and qualitative interviews highlighted how this extra income improved family well-being. Most parents used rewards to pay for groceries or avoid getting behind on rent or utilities. They also used rewards for small expenditures related to education, including school supplies, uniforms, trips, and summer camp. One mother explained that she was able to buy more than one uniform for her daughters, which she believed made them feel more comfortable and confident in school. Some parents set up savings accounts specifically for their children’s future college education, which may have helped to alleviate the anxiety they might have felt about general college expenses and their ability to pay back college loans. Other parents used rewards to pay for their children’s music lessons, tutoring, participation on sports teams, and other extracurricular activities that required small fees to join. Many used rewards to fund short day-trips out of the city or to provide children with small presents or treats.

- **Payments provided by Family Rewards helped some proficient high school students feel “on track” to graduation, college, and a better future, thereby reinforcing their motivation.**

Family Rewards designers hoped that improvements in quality of life would both enable participants to focus on school and would become a source of ongoing motivation for families to maintain their investments in their human capital. Most families, however, viewed these improvements as a temporary windfall that was unlikely to continue after the program ended. One exception involved highly motivated and relatively proficient high school students, who sometimes used rewards in ways that allowed their college aspirations to seem more at-
tainable (by purchasing a computer, for example), thereby helping to sustain their motivation and build confidence that they could succeed over the longer term. Some high school students also felt motivated by the prospect of participating in enriching activities that the program rewards made possible, particularly those who believed that passing the Regents was within their grasp. For example, one student went to a high school that sponsored trips abroad as an extension of its language curriculum. The student knew she would not be able to take these trips without Family Rewards, and so used the entire schedule of reward payments to help plan for the trip. About half of the high school students who were interviewed described using reward payments to save for college, sometimes adding to accounts that had had small balances prior to the start of Family Rewards.

Recommendations for Conditional Cash Transfer Programs and Educational Incentives Policies

Findings about family dynamics can help delineate some of the capacities that may be required of program administrators and community partners within CCT programs in the United States and abroad. As described above, incentives for school performance are also a rapidly emerging area of educational policy, and insights from Family Rewards may inform issues related to their design and marketing.

- **Families may need additional support to achieve complex, longer-term educational goals and to boost the power of incentives.**

  Family Rewards was a program designed to test the feasibility of an incentives-only program model, which required no case management or extensive supportive services, and which instead relied upon families to act on their own to identify services that could help them reach their goals. Over time, program implementers became increasingly convinced that families needed extra guidance to support their achievement within the program. Given the many tasks that are outlined in this report — describing the program to children and using it to encourage them in school, making choices about where and under what conditions to give money to children, and finding ways to engage with school — it may be the case that many (but not all) families need to rely on program operators more extensively for guidance, in order to respond more fully to incentives. Although it may not be feasible or desirable to offer intensive services or case management in CCT programs, it may be the case that community providers should have strong referral networks to varied, appropriate services that can help them achieve the goals that the program rewards.

- **Future designers of educational incentives programs may wish to provide more frequent support for “inputs” related to preparation for long-term goals.**
There is a debate within the educational incentives policy arena as to whether models should emphasize “inputs,” such as daily preparation, attendance, or homework, or “outputs,” such as performance on standardized tests. This report’s findings — that (1) many children forgot about the program for months at a time; (2) many high school-age children felt encouraged by receiving rewards, but sometimes only after they received them (which suggests that rewards did not act as an incentive for improving performance in that activity); and (3) very few family members reported knowing how to help improve children’s test scores — all suggest that future incentives programs may wish to place greater emphasis on more frequent interim steps toward realizing educational “outputs.” (Family Rewards, in fact, offered a combination of both.) Offering incentives for preparation activities may help students feel that these rewards are responding to the often difficult daily task of focusing on educational improvement, and also may provide students with a more useful road map that can guide them toward their educational goals. At the same time, the feasibility of tracking and verifying these inputs at scale (for example, completing homework) is a very serious challenge, and one that may be insurmountable in some cases.

***

Future impact reports will clarify the longer-term success of the Family Rewards initiative in encouraging improved educational outcomes. In the next generation of educational incentives demonstrations, designers and local partners may wish to consider the important mediating role that family dynamics play. Among CCT programs, many issues that are identified in this report have been taken into account as Family Rewards is replicated in New York City and Memphis, Tennessee, by the Mayor’s Fund for the City of New York, New York City’s Center for Economic Opportunity, MDRC, and local partners in both cities, with support from the Social Innovation Fund (an initiative of the Corporation for National and Community Service). These new implementation features include a focus on high school students, the development of additional support and guidance services to maximize the power of the incentives, and the inclusion of more incentives related to educational inputs.
About MDRC

MDRC is a nonprofit, nonpartisan social policy research organization dedicated to learning what works to improve the well-being of low-income people. Through its research and the active communication of its findings, MDRC seeks to enhance the effectiveness of social and education policies and programs.

Founded in 1974 and located in New York City and Oakland, California, MDRC is best known for mounting rigorous, large-scale, real-world tests of new and existing policies and programs. Its projects are a mix of demonstrations (field tests of promising new program approaches) and evaluations of ongoing government and community initiatives. MDRC’s staff bring an unusual combination of research and organizational experience to their work, providing expertise on the latest in qualitative and quantitative methods and on program design, development, implementation, and management. MDRC seeks to learn not just whether a program is effective but also how and why the program’s effects occur. In addition, it tries to place each project’s findings in the broader context of related research — in order to build knowledge about what works across the social and education policy fields. MDRC’s findings, lessons, and best practices are proactively shared with a broad audience in the policy and practitioner community as well as with the general public and the media.

Over the years, MDRC has brought its unique approach to an ever-growing range of policy areas and target populations. Once known primarily for evaluations of state welfare-to-work programs, today MDRC is also studying public school reforms, employment programs for ex-offenders and people with disabilities, and programs to help low-income students succeed in college. MDRC’s projects are organized into five areas:

- Promoting Family Well-Being and Child Development
- Improving Public Education
- Promoting Successful Transitions to Adulthood
- Supporting Low-Wage Workers and Communities
- Overcoming Barriers to Employment

Working in almost every state, all of the nation’s largest cities, and Canada and the United Kingdom, MDRC conducts its projects in partnership with national, state, and local governments, public school systems, community organizations, and numerous private philanthropies.