



Implementing A Conditional Cash Transfer Program In Two American Cities

Early Lessons from Family Rewards 2.0

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Family Rewards is one of five evidence-based programs that were implemented as part of the Social Innovation Fund (SIF) grant to the Mayor's Fund to Advance New York City and the Center for Economic Opportunity. The SIF is a federal program administered by the Corporation for National and Community Service. It catalyzes a unique public-private funding model in which each federal dollar must be matched by private and local contributions. Matching funds for Family Rewards have been provided by Bloomberg Philanthropies, Open Society Foundations, The Rockefeller Foundation, Benificus Foundation, the City of Memphis, The Kresge Foundation, New York Community Trust, W.K. Kellogg Foundation, and the Women's Foundation of Greater Memphis.

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Overview

In 2007, New York City launched the first test of a conditional cash transfer program in the United States. Called Family Rewards, the program sought to break the intergenerational cycle of poverty by offering cash assistance to poor families to reduce immediate hardship, but conditioned this assistance on families' efforts to improve their health, further their children's education, and increase parents' work and earnings, in the hope of reducing poverty over the long term. The program had positive effects on some outcomes, but left others unchanged. Building on the lessons learned from that evaluation led to the next iteration and test of the model — called Family Rewards 2.0, the subject of this report.

Family Rewards 2.0 was launched in July 2011 in the Bronx, New York and Memphis, Tennessee. While still offering rewards in the areas of children's education, family health, and parents' work, Family Rewards 2.0 has fewer rewards in each domain, offers the education rewards only to high school students, makes the rewards more timely by paying them each month, and includes family guidance. The addition of guidance, or having staff members actively help families develop strategies to earn rewards, represents the biggest change to the original model.

MDRC is evaluating the program through a randomized controlled trial involving approximately 1,200 families in each city, half of whom can receive the cash rewards if they meet the required conditions, and half of whom have been assigned to a control group that cannot receive the rewards. This report presents early findings on the program's implementation and families' receipt of rewards during the first two years.

Key Findings

After some recruitment and start-up challenges in Year 1, the program was operating generally as envisioned in both cities by Year 2. The findings indicate that:

- Nearly all families earned at least some rewards, and the average family who earned rewards earned \$2,160 during Year 2.
- The family guidance component evolved substantially over time, moving from less intensive interactions focused on paperwork in Year 1 to more intensive interactions designed to help families take steps to earn rewards in Year 2.
- Families in Family Rewards 2.0 seem to have understood the rewards more completely than families did in 1.0, and they were more likely to earn the rewards that were offered.
- The revised model, and most probably the more intensive family guidance component, succeeded in engaging the types of families who were less engaged in Family Rewards 1.0.
- However, offering fewer rewards meant that the total amount of cash transferred to families was less in Family Rewards 2.0 than in Family Rewards 1.0.

The final assessment of whether the new program is more effective than the original model will come in a later report, with the impact analysis. But the findings to date on the first two years of implementation are encouraging and suggest that Family Rewards 2.0 was a step in the right direction in the effort to assess whether the conditional cash transfer model can work in the United States.

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Preface

Conditional cash transfer programs offer cash assistance to poor families, but condition this assistance on families' efforts to improve their health and further their children's education. They are fairly common in low- and middle-income countries, but until seven years ago they had never been tested in the United States. That is when MDRC began to test Opportunity NYC: Family Rewards (which this report refers to as Family Rewards 1.0), a three-year demonstration sponsored by the New York City Center for Economic Opportunity. MDRC helped design the initiative based on several existing international programs, notably Mexico's *Oportunidades*, and conducted the impact and implementation evaluations. Low-income families were offered cash incentives ("rewards") for completing activities related to children's education, family preventive health care, and adult work or training. The program had moderate effects, but did reduce hardship, increase access to dental care, and improve the educational outcomes of more academically prepared high school students.

The findings from that first demonstration were encouraging enough to convince several stakeholders that it should be revised and tried again, this time with the help of the Social Innovation Fund. This is an example of the kind of work MDRC is committed to: developing programs of research related to particular social problems or intervention ideas that build progressively on existing evidence.

This new version of Family Rewards reduces the number of rewards and eliminates education rewards for elementary and middle school students. It extends the program to Memphis, providing an opportunity to test the concept in a local context very different from New York, restricts eligibility to families receiving food stamps or cash assistance, and adds a family guidance component. Family Rewards 2.0 thus shifted from a test of a large set of incentives with little support to one of a smaller set of incentives combined with active family guidance. Testing this version of the program solely with families receiving either cash or food assistance also starts to simulate what a conditional cash transfer program could look like if it were embedded in the social services system of the United States.

This report shows that the program was implemented well and participation rates were high. At the same time, it is clear that the program underwent numerous changes, most notably in the area of family guidance, where motivational interviewing was incorporated in the second year. This raises the question of whether the attempted improvements to the program occurred early enough to have a positive effect. The next report will assess the program's effects, describing Family Rewards 2.0's impacts on education, health, poverty, and employment.

Gordon L. Berlin
President

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This report reflects the generous contributions and support of many people. We are especially appreciative of the families participating in the Family Rewards evaluation, both in the control and treatment groups. They have generously allowed us to learn from their experiences. A subset of parents and high school students from the treatment group participated in focus groups and interviews with MDRC researchers. Their honesty and thoughtfulness bring rich detail and deeper insight to this analysis.

We also recognize the organizations and individuals who implemented the program model. The Seedco staff, led by Saroya Friedman-Gonzalez and Andrew Stettner, created the original systems and materials for the demonstration. The Children's Aid Society (CAS) management team of Dr. William Weisberg, Dan Lehman, Jane Golden, and Cathleen Clements seamlessly took over management of the program after the first year without any disruption to program services. The program manager, Ilana Zimmerman, demonstrated tremendous dedication to excellence in directing the program's staff and updating procedures to make the program as simple and attractive to families as possible. She received critical support from New York City and Memphis program associates Patricia Hirschler, Tonya Melton, and Danielle Schonbaum, as well as Brian LaForgia, Lance Petersen, and Veronica Cuellar, who led the database design and worked in the back office on payment processing. In Memphis, Meredith Hennessey has assisted CAS and MDRC as a consultant on issues like cultivating local partnerships and obtaining administrative data.

Program staff members at each of the neighborhood partner organizations (NPOs) played an essential role first in recruiting the sample, and then in providing families with ongoing guidance, with support from the leaders of their organizations. We want to express our appreciation to each of these teams. At the Children's Aid Society in the Bronx, we thank: Sandra Romero, Yazmin Kelly, Yselly Olivo, and Jessica Schachter. At BronxWorks, we thank: John Weed, Julie Spitzer, Marie Edwards, Nicauly Andujar, Marlene Rojas, Adrienne Hosein, Marilyn Pena, and Faustino De La Rosa. At Porter-Leath in Memphis, we thank: Gwendolyn Price, Michella Crisp, Darrell Davis, Teresa Cathey, Veronica Thorns, Sean Lee, and Karen Harrell. At Urban Strategies Memphis HOPE, we thank: Vicki Jerideau, Susan Glassman, James Franklin, Coasy Hale, Astrid Illunga, Rex Harrington, Malarie Yates, Kawanna Poe, and Debra Lamber. Temporary outreach staff members were hired at each NPO to help recruit the sample, and we appreciate their perseverance and skill as well.

We owe special thanks to our colleagues at the New York City Center for Economic Opportunity (CEO), who have nurtured each of the Social Innovation Fund (SIF) projects in their portfolio through management oversight, fundraising, report review, SIF Learning Net-

work events, and general participation in technical assistance and program development. In particular, we thank Sinead Keegan and Kristin Morse. We also acknowledge our former colleagues at CEO, Veronica White and Allegra Blackburn-Dwyer, who were instrumental in launching the demonstration.

As each SIF project is ultimately a city initiative that requires the support of key members of local government, we thank former Mayor Bloomberg and former Deputy Mayor Gibbs in New York City, and Mayor Wharton in Memphis. Their support opened doors for Family Rewards to accomplish its programmatic and evaluation-related goals. In New York City we received assistance on program design from Eve Cagan at the Department of Health and Mental Hygiene; on data and operations issues from Michele Ahern, Angela Sheehan Rachidi, and Kinsey Dinan at the Human Resources Administration; and on banking relationships from Tamara Lindsay and Monica Copeland at the Office of Financial Empowerment in the Department of Consumer Affairs. Staff members in the New York City Department of Education and Memphis City Schools helped prepare and supply administrative records and other data used in recruitment and analysis. In Memphis, we also recognize Robert Lipscomb from the Memphis Housing Authority.

We appreciate the continued support of the funders of the Family Rewards evaluation. These include the Corporation for National and Community Service, Bloomberg Philanthropies, Open Society Foundations, The Rockefeller Foundation, Benificus Foundation, the City of Memphis, The Kresge Foundation, New York Community Trust, W.K. Kellogg Foundation, and the Women's Foundation of Greater Memphis.

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The Authors

Executive Summary

In 2007, New York City launched the first test of a conditional cash transfer program in the United States. Called Opportunity NYC–Family Rewards, or Family Rewards for short, the program sought to break the intergenerational cycle of poverty by offering cash assistance to poor families to reduce immediate hardship, but conditioned this assistance on parents’ efforts to complete activities related to their children’s education, their family’s health care, and their work, in the hope of reducing poverty over the longer term. Conditional cash transfer programs have become widely used in low- and medium-income countries and have generally been successful at reducing poverty and increasing schooling and health care use.¹

The evaluation of Family Rewards showed that the program reduced poverty in the short term and led to some improvements in children’s education, health care use, and parents’ work. While the program’s effects in each domain were either limited to subgroups or modest in size, Family Rewards led to enough positive changes to suggest that it could be made more effective if modified somewhat or aimed at certain types of families.² The lessons learned from that evaluation led to the next iteration and test of the model — called Family Rewards 2.0.

Family Rewards 2.0, the subject of this report, was launched in July 2011 in the Bronx, New York and Memphis, Tennessee. While still offering rewards in the areas of children’s education, family health, and parents’ work, Family Rewards 2.0 is a refinement of the original model in several ways, offering fewer rewards in each domain, restricting the education rewards to high school students, and offering guidance to help families earn rewards. The addition of guidance, or having staff members actively help families develop strategies to earn rewards, represents the biggest change to the original model. Funded by the Social Innovation Fund of the Corporation for National and Community Service and private organizations, the demonstration is managed by The Mayor’s Fund to Advance New York City, New York City’s Center for Economic Opportunity, and MDRC. The Children’s Aid Society (CAS) is operating the program in partnership with two community-based organizations in each city. MDRC is conducting the evaluation.

¹Fiszbein, Ariel, and Norbert Schady, *Conditional Cash Transfers: Reducing Present and Future Poverty* (Washington, DC: The World Bank, 2009).

²Riccio, James, Nadine Dechausay, David Greenberg, Cynthia Miller, Zawadi Rucks, and Nandita Verma, *Toward Reduced Poverty Across Generations: Early Findings from New York City’s Conditional Cash Transfer Program* (New York: MDRC, 2010); Riccio, James, Nadine Dechausay, Cynthia Miller, Stephen Nuñez, Nandita Verma, and Edith Yang, *Conditional Cash Transfers in New York City: The Continuing Story of the Opportunity NYC-Family Rewards Demonstration* (New York: MDRC, 2013).

This report presents early findings on the implementation of the new design of Family Rewards and on families' receipt of rewards in the second year. It begins to address the question of whether the refined and simplified model was an improvement over the original program by assessing how it operated, how families understood and engaged with it, and how family guidance can fit within a traditional conditional cash transfer model. A later report, examining program impacts, will assess whether the new model ultimately led to bigger effects on education, health, and work. Finally, the report also compares the implementation of the program in the two cities. The Bronx and Memphis represent two very different contexts; it is important to assess whether a program of this type can be put in place under different circumstances, and if so how.

The findings indicate that, after some recruitment and start-up challenges in Year 1, the program was operating generally as envisioned in both cities by the middle of Year 2. The family guidance component evolved considerably over time, starting out as fairly modest and transactional during Year 1 and becoming more intensive during Year 2. Families earned on average more than \$2,000 in rewards in Year 2. There were no big differences in implementation between the two cities, although differences in local context led to some modifications in how the program was delivered. Finally, the changes to the Family Rewards 1.0 model seem to have led to increased understanding and earning among families. A later report will assess whether they ultimately led to larger impacts.

The Program Model

Like its predecessor (and other conditional cash transfer programs), Family Rewards 2.0 is based on the assumption that for a variety of reasons families may underinvest in their own development even though such investments can have long-term benefits. Financial incentives can help change their calculations, encouraging them to make extra investments of time and energy in certain educational, health care, and work-related efforts. Furthermore, the extra resources can help make it more feasible for low-income people to undertake such efforts in the short term, by helping them pay for educational materials or tutoring for children, for example, or transportation to a free dental clinic, or clothes for a job interview. In this sense, the conditional rewards may function not only as incentives to action but also as enabling resources.

The original Family Rewards model offered families 22 cash rewards, covering activities and outcomes in three domains. In the education domain, rewards were offered for parents' attendance at parent-teacher conferences and for children's attendance in school, performance on standardized tests, completion of adequate credits per year, passing of exams required to graduate, and graduation. In the health domain, rewards were offered for maintaining health coverage and for preventive medical and dental checkups for each family member. In the work domain, parents were offered rewards for sustaining full-time work and

for pursuing education or training while working. Families received payments for rewards earned every two months. Families were not offered services or counseling, since the goal was to test a pure incentives model.

During the three years the program operated, the average participating family earned nearly \$9,000 in rewards, or roughly \$3,000 in each year, leading to large reductions in poverty. The program did not affect school outcomes for elementary or middle school students, but did improve outcomes for the ninth-graders in the study who were performing at a proficient level or better academically when they entered, with sizable effects on grade promotion and on graduation. In the health area, early, positive effects on visits to the doctor and health status faded, although there were continued impacts on health coverage and, especially, dental visits. Finally, the program led to modest increases in employment throughout the follow-up period.

Family Rewards 2.0 includes rewards for the following milestones (see Table ES.1):

- **Education:** Students are rewarded for high attendance, good grades, performance on state core exams, and taking college entrance exams.
- **Health:** Families receive payments for obtaining medical and dental check-ups for each family member.
- **Work and training:** Parents receive payments for full-time work and for earning General Educational Development (GED) certificates.

The program makes several important modifications to the original Family Rewards model. In an effort to make the program easier to understand and focus families' attention on a limited number of outcomes, the program offers 8 rewards across the three domains, instead of 22 rewards. While all children in a family are eligible to earn health rewards, the education rewards are only offered to high school students, given that the original program had no effects for younger students. The new program attempts to make the rewards more timely, and thus more salient to families, in two ways: first, by paying families monthly for rewards earned, rather than every two months; and second, by rewarding students for grades earned. The rewards for grades have also been structured in an attempt to engage less academically proficient students, with rewards offered for A, B, and C grades.

Most notably, however, the new model offers guidance to help families earn rewards. The addition of this component is the biggest innovation to the Family Rewards 2.0 model. The original model asked staff members to provide advice and referrals to participants when asked for assistance with services, but did not require them to reach out actively to families to engage them in conversations about strategies to earn rewards. Findings from the first evaluation suggested that many families needed more help to reach the relevant milestones. Under the new model, staff members at the community-based partner organizations develop a *Family Earning*

SIF Family Rewards

Table ES.1

Family Rewards 2.0: Schedule of Rewards

Domain	Bronx	Memphis
<u>Education incentives</u>		
<i>High school students only</i>		
Attends 95% of scheduled school days	\$40 per month	\$40 per month
Takes an SAT or ACT exam (once during program)	\$50	\$50; must score 19 or more on the ACT if administered by Memphis City Schools ^a
Receives grades on an official report card ^b	\$30 per A (90-100); \$20 per B (80-89); \$10 per C (75-79)	\$30 per A (93-100); \$20 per B (85-92); \$10 per C (75-84)
Passes up to 5 Regents exams ^c or 7 End of Course exams ^d	\$500 per Regents exam for a score of 75 or above; \$400 per exam for a score of 65-74	\$200 per End of Course exam for a score of proficient or advanced (<i>increased to \$300 in Year 2</i>)
<u>Health incentives</u>		
<i>Parents and children 19 and younger</i>		
Annual medical checkup	\$100 per family member	\$100 per family member
Preventive dental care every 6 months (once per year for children 1-5 years old)	\$100 per family member per visit	\$100 per family member per visit
<u>Workforce incentives</u>		
<i>Parents only</i>		
Sustains full-time employment	\$150 per month	\$150 per month
Earns a GED certificate	\$400	\$400

(continued)

Table ES.1 (continued)

SOURCE: CAS's Family Rewards program materials.

NOTES: GED = General Educational Development.

^aThe ACT is scored out of 36. Memphis City Schools officials requested that the minimum score for the reward be set at 19 for students taking the test for free in class because this is considered an indication that students are ready for college-level work.

^bIn Year 1, the amount of each reward for grades was prorated based on the number of official report cards issued by a student's school. To simplify verification in Year 2, students were paid the listed amounts for their grades regardless of the number of official report cards they received, up to a maximum of \$600 per program year.

^cHigh school students (grades 9-12) in the Bronx were eligible to earn rewards for the following Regents exams: English, one of any math exams (including Math A, Math B, Integrated Algebra, Geometry, and Algebra 2/Trigonometry), U.S. History and Government, Global History and Geography, and one of any science exams (including Living Environment, Chemistry, Physics, and Earth Science).

^dHigh school students (grades 9-12) in Memphis were eligible to earn rewards for the following End of Course exams: Algebra 1, Algebra 2, Biology, English 1, English 2, English 3, and U.S. History.

Plan with every family and meet with them twice per year to discuss their progress toward earning the rewards. Staff members are also directed to conduct more aggressive outreach to families who are not earning rewards.

CAS is managing the operations of Family Rewards 2.0, providing technical assistance and oversight to four neighborhood partner organizations (NPOs), two in each city, selected to implement the program. The NPOs are charged with implementing core components of the program. They recruited and enrolled families into the research sample, oriented families to the program, and provide continuing guidance to help families earn rewards. These groups serve as the face of the program in the communities served. Families receive payments for meeting reward milestones, in most cases by submitting “coupons” to CAS to verify that the milestones were met, in some cases with supporting documents. Two of the rewards, for attendance and for passing state core exams, are automatically verified using school records, requiring no action on the part of the family to earn the payment.

The Study Sample and the Recruitment Process

Family Rewards 2.0 is being evaluated using a randomized controlled trial. In each city, about 1,200 families were recruited for the study. Half were randomly assigned to a program group, eligible for Family Rewards, and half were assigned to a control group, not eligible for the program. Rewards are offered for three years, and the evaluation will track families for several years to determine the effects of the program on poverty, children’s education, family health, and parents’ work.

The program targeted families with at least one child entering ninth grade or tenth grade. Once enrolled in Family Rewards 2.0, however, all of the family's children under age 20 became eligible for the health-related rewards. The program also targeted recipients of benefits from Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program (food stamps), in order to get resources to the neediest families and to explore how conditional cash transfer concepts might be integrated into these safety-net programs.

Recruitment began in August 2011 in New York and September 2011 in Memphis, when the NPOs received lists of potentially eligible participants provided by the human services agencies and departments of education in each city. The pace of recruitment varied between the cities due to delays in receiving some lists and difficulties in reaching some potential participants. Enrollment was originally expected to conclude by October 2011, but in practice the majority of families in the study enrolled after that point, and many enrolled as late as January or February 2012. For this reason, this report focuses on reward receipt during the second program year, when all families were eligible to earn a full year of rewards.

The majority of families who enrolled in the study in both cities were single-parent families, with a higher percentage in Memphis (90 percent) than in New York (77 percent). A large fraction of the sample in New York is of Hispanic origin (74 percent), while nearly all participating families in Memphis are African American (98 percent). Adults in New York had somewhat lower education levels when they enrolled than adults in Memphis. For example, nearly half of the New York adults did not have either a GED certificate or high school diploma when they enrolled in the study, compared with only 31 percent of adults in Memphis. In contrast, adults in the New York sample were more likely to be working when they entered the study (57 percent) than their counterparts in Memphis (44 percent).

Implementation and Reward Receipt

While this version of a conditional cash transfer model built on the previous version, it was still challenging to implement, given its varied components and the fact that it was being put in place in a new city. The report documents that after some challenges at the start, many of which are typical of new programs, by the middle of Year 2 the program was fully functioning as planned. Recruitment delays led to some challenges in Year 1, and the family guidance component required additional monitoring and training to become more intensive by Year 2.

- **Parents and teenagers had a good understanding of the rewards and the verification procedures, although they did experience a fair number of coupon rejections during the first two years.**

Because the program is intended to shape everyday decisions that participants make in relation to education, health, and work, it is critical that they remember and understand all of the rewards offered, how to earn them, and how to claim them. Families learned about the rewards in the initial program orientation sessions, at which they received coupon books for earning rewards, and were reminded about them through mailings and through Earnings Statements that detailed rewards earned for the month. While data from the 24-month survey will provide a more complete picture of how families understood the program, focus groups with a subset of families in the study suggest that they understood the program well and could identify the available rewards and the steps needed to claim them.

Despite a fairly high level of program knowledge, many families experienced at least one rejection of a submitted coupon. About 70 percent of families in New York experienced at least one rejection, as did 92 percent of families in Memphis. The most common rejections were of coupons claiming rewards for full-time work and for report card grades, as students attempted to claim rewards for classes or grades that were not eligible. Although the criterion for earning the work reward was straightforward — working 120 hours per month — participants often had difficulty with the verification procedures. The most common reasons for rejections of this coupon were: too few hours, missing pay stubs, or pay stubs that did not align with the program schedule. Nonetheless, the rejections do not appear to have affected families' level of engagement with the program, and participants do not seem to have become discouraged or frustrated after learning that a coupon had been rejected.

- **Nearly all families earned at least some rewards, and the average family who earned rewards earned \$2,160 during Year 2.**

As mentioned above, this report focuses on rewards earned in Year 2, since that is the first full year in which all families were enrolled and were eligible to earn rewards. As shown in Table ES.2, most families (96 percent) earned at least some rewards in Year 2, and those who earned at least some rewards earned on average \$2,160 over the year (\$2,281 in New York and \$2,043 in Memphis). Overall reward earnings came largely from the education and health areas: 93 percent of families earned at least one education reward, 79 percent earned at least one health reward, and 44 percent earned at least one work reward.

There was some variation among families in the amount received, and families who earned more rewards differed in several ways from families who earned less. Families receiving the most money included parents who, at the time they entered the study, were more educated, more likely to be working full time, and more likely to be married than parents in other families.

- **The family guidance component evolved substantially over time, moving from less intensive interactions focused on paperwork in Year 1 to more**

SIF Family Rewards

Table ES.2

Summary of Rewards Earned by Families in Year 2

Outcome	Bronx	Memphis	Total
Family earned at least 1 reward (%)	94.8	97.9	96.3
Education reward	89.8	96.4	93.1
Attendance	82.7	94.6	88.6
State core exam	68.9	56.6	62.8
SAT/ACT	9.1	3.3	6.2
Report card	78.0	82.4	80.2
Health reward	79.1	78.5	78.8
Annual physical	72.3	68.5	70.4
Biannual dental	70.0	71.5	70.7
Workforce reward	45.5	41.9	43.7
Full-time employment	45.4	41.3	43.3
GED certificate	0.5	1.1	0.8
Among families who earned at least 1 reward			
<i>Average reward amount earned^a (\$)</i>	<i>2,281</i>	<i>2,043</i>	<i>2,160</i>
<i>Percentage of earnings from student rewards^b</i>	<i>58.1</i>	<i>56.1</i>	<i>57.1</i>
<i>Average reward amount earned, by domain (\$)</i>			
<i>Education</i>	<i>1,287</i>	<i>1,014</i>	<i>1,146</i>
<i>Health</i>	<i>617</i>	<i>706</i>	<i>661</i>
<i>Workforce</i>	<i>1,140</i>	<i>1,117</i>	<i>1,129</i>
Family picked up coupon book (%)	95.5	94.5	95.0
Sample size	617	613	1,230

SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTES: Sample sizes may vary because of missing values.

Year 2 covers reward activities that occurred between September 2012 and August 2013.

Italics indicate outcomes calculated for a subset of the full sample.

^aThe lowest and highest amounts earned in Year 2 were \$38 and \$7,250 for the Bronx sample, \$40 and \$6,680 for the Memphis sample, and \$38 and \$7,250 for the full sample.

^bPercentage of earnings from student rewards is calculated using education rewards earned by high school students among families who earned rewards and had students who earned education rewards in Year 2.

intensive interactions designed to help families take steps to earn rewards in Year 2.

The biggest innovation in the design of Family Rewards 2.0 was the addition of the family guidance component. The program designers believed that families would benefit from a regular source of support within the program, but aimed to structure that support in a way that fit within a conditional cash transfer model. The designers created a “triage” model of guidance in which all participants receive some guidance, but those who are having the most trouble earning rewards receive targeted, more intensive support. The model was also designed so that it could be implemented by a team of paraprofessionals.

In Year 1, the guidance interaction was focused on building relationships and providing customer service. The staff tried to build trusting, familiar relationships with parents and students, and to ensure that participants understood the incentives and how to claim them. These activities fell short of the model design, since the Advisors were not targeting those participants who earned fewer rewards, nor were they engaged in deep conversations about barriers to earning rewards.

Recognizing this, a form of counseling called motivational interviewing was introduced into family guidance at the start of Year 2. Motivational interviewing is a widely used, directive approach to counseling in which a counselor uses a set of techniques to explore an individual’s ambivalence about change in an effort to get him or her to express a commitment to change. It is a client-driven approach in which the individual is viewed as the expert in changing his or her life. It took months of training for the staff to achieve a minimum level of competence in motivational interviewing, yet observations reveal that the nature and content of family guidance sessions did change significantly from Year 1 to the end of Year 2. In addition, the Advisors began targeting the participants earning the fewest rewards in Year 2, a group that proved to be challenging to serve.

Implementation Across Cities

- **The program was implemented well in both cities, although differences in local context required adaptations by NPOs to stay connected with participants.**

In general, the program was implemented similarly across both cities and across the four neighborhood partner organizations. In some cases, however, local circumstances affected the implementation of certain components. In particular, in Memphis participants had challenges related to transportation. This affected NPOs’ ability to recruit families and the quality of their interaction with families once enrolled. When families did not show up for guidance

meetings, for example, the staff adapted by conducting guidance over the phone or making home visits. Although this was a reasonable response, the unintended result was that Memphis staff members spent less time having intensive one-on-one meetings with participants and seemed to have less close relationships with them. Similarly, many students could not get to an NPO on their own, so parents tended to drop off or bring in report cards for them, which meant the Advisors did not develop personal relationships with many of the students. This was reflected in participants' views: in both locations they reported that they valued their relationships with Advisors highly, but this sentiment was expressed more often in the Bronx than in Memphis. It is not clear if this difference between cities will lead to different outcomes for participants, but it is an important part of the context that affected program delivery.

- **Families in both cities were fairly involved in earning rewards, although families in Memphis earned somewhat less than families in the Bronx.**

Implementing the Family Rewards model in both New York and Memphis provides an important test of whether the model can operate with different populations and in different local contexts, and if so how. Focus groups indicated that families in both cities understood the program well. Overall, families who earned rewards earned similar amounts in the two cities, although families in Memphis earned slightly less on average in Year 2 (\$2,043) than families in the Bronx (\$2,281). Reward receipt rates did differ, however, for specific rewards. For example, students in the Bronx were less likely to earn rewards for attendance because in New York tardiness is counted toward absences. In contrast, more students in New York earned the high-value reward for the state core exams because they were well informed about the exams and took practice tests in class as preparation. In Memphis, these exams were relatively new.

Finally, fewer adults claimed the reward for dental checkups in Memphis than in New York, largely because the public health insurance program in Tennessee does not cover dental cleanings, as it does in New York. Many adults in Memphis cited the out-of-pocket cost of dental care as the reason they did not earn that reward.

Family Rewards 2.0 Compared with 1.0

- **Families in Family Rewards 2.0 seem to have understood the rewards more completely than families in 1.0, and they were more likely to earn rewards.**

Parents and students generally had no trouble remembering the incentives when asked to list them several months after orientation. In most cases, the biggest challenge was remembering the specific dollar value associated with the reward, particularly for rewards for which the amounts changed between Year 1 and Year 2 (this happened for grades, for example) or for

rewards that were paid out infrequently (for example, those for taking college prep tests). Parents also understood the work rewards fairly well, knowing the hour minimum and the documents that needed to be submitted in order to earn them. Although it is difficult to attribute parents' improved understanding to a particular program feature, it seems as though reducing the number of rewards had a positive effect on families' understanding of the program, as intended.

Another indication of better understanding is the higher rates of reward receipt. When comparing receipt of individual rewards that were offered in both programs, families in Family Rewards 2.0 were more likely to earn almost every reward. Students had higher receipt rates for attendance rewards, for example, and passing state core exams. The relatively high use of these rewards was probably due to the program's greater emphasis of them, given the shorter list of activities, and the Advisors' marketing of them and support for earning them.

- **However, offering fewer rewards meant that the total amount of cash transferred to families was less in Family Rewards 2.0 than in 1.0.**

Families in the original Family Rewards program who earned rewards earned on average over \$3,000 per year during the first two years of the program. Families in that study who were similar to families in the new program (for example, those with high school students and those receiving TANF or food stamps) had higher average earnings among those who earned rewards in Year 2, at about \$3,500. In contrast, families in Family Rewards 2.0 who earned rewards earned on average about \$2,200 in Year 2.

The elimination of the reward for health insurance was a big factor contributing to the difference. In the original program, families could earn up to \$100 every month for maintaining health insurance for their children and themselves, and receipt rates were fairly high for this reward given the high rates of coverage. Another reason for the difference is the elimination of rewards for elementary and middle school students: younger siblings in the new program did not contribute to family earnings via education. Finally, the education rewards offered to high school students were somewhat more generous in Family Rewards 1.0 than they are in 2.0, which also contributed to higher earnings for the original program.

Another result of the changed reward structure is that the earnings from students now make up a much higher fraction of total family earnings. Student earnings made up 57 percent of total family earnings in Family Rewards 2.0, compared with 33 percent in Family Rewards 1.0. This difference in the source of family earnings may change how the program affects family dynamics and family material well-being, particularly if students' earnings are viewed as separate from the family budget. The lower overall level of rewards earned also suggests that effects on poverty and material hardship, to be examined in a later report, may be more modest.

- **When fully in place in Year 2, the revised model, and most probably the more intensive family guidance component, succeeded in increasing reward rates among the types of families who earned the least in Family Rewards 1.0.**

In Family Rewards 1.0, the families who earned the most from the program were on average less disadvantaged than other families. The higher-earning families had adults with higher levels of education, employment, earnings from employment, marriage, and self-reported mental and physical health than did the lower-earning families. This pattern was also evident for program impacts, with larger effects on school outcomes for more proficient students and more positive effects on employment for adults with higher education levels.

The designers of the new program were particularly interested in improving participation and program impacts for two subgroups at risk of earning few rewards: adults who did not have a high school diploma or GED certificate at the start of the study and students who were not academically proficient at the start of the study.³ Data through Year 2 indicate that the program has succeeded in increasing the rate at which these groups earn rewards. For example, among students who did not score at the proficient level on their English tests before they entered the study, 87 percent earned at least one attendance reward and 54 percent earned at least one reward for passing a state core exam in Family Rewards 2.0. The corresponding rates in Family Rewards 1.0 were 55 percent and 39 percent (for high school students in families receiving TANF or food stamps). As another example, among parents with lower education levels, 38 percent earned at least one reward for full-time work in Family Rewards 2.0 compared with 26 percent in Family Rewards 1.0. This higher level of reward receipt for more disadvantaged families suggests that the new program is an improvement over the original model.

Of course, the final assessment of whether the new program is more effective than the original model will come in a later report with the impact analysis. But the findings to date on the first two years of implementation are encouraging, and suggest that Family Rewards 2.0 was a step in the right direction in the effort to assess whether the conditional cash transfer model can work in the United States. The research will follow the program and control groups for the next several years to assess the program's impacts on income, well-being, education, health, and work. An impact report covering the first three years will be completed in 2015.

³In 2010, the New York State Department of Education raised the scores necessary to be deemed "proficient." As a result, proficiency rates will be much lower for the Family Rewards 2.0 Bronx sample than they were in the Family Rewards 1.0 sample. The findings reported here were similar when proficiency was determined for the Family Rewards 1.0 sample using the new, higher score requirements.

Chapter 1

Introduction

Conditional cash transfer programs are fairly common in lower- and middle-income countries. Designed to break the intergenerational cycle of poverty, these programs offer cash assistance to poor families, but typically condition this assistance on families' efforts to improve their health and further their children's education. By providing cash assistance now, the programs reduce economic hardship in the short term. By encouraging families to invest in their own development, they hope to reduce poverty over the longer term. In general, the programs have been successful at reducing poverty and increasing schooling and health care use.¹

Before the implementation of Family Rewards, however, the concept had never been tested in a high-income country. First launched in 2007 in New York City and sponsored by the New York City Center for Economic Opportunity (CEO), Family Rewards offered low-income families residing in high-poverty neighborhoods cash incentives (or rewards) for activities related to children's education, family preventive health care, and parents' employment. The program was evaluated using a randomized controlled trial, in which families were randomly assigned to a program group that was offered the program or a control group that was not.

While the program's effects were more modest than hoped for, it did lead to notable reductions in poverty in the short term and to increased graduation rates for more academically proficient ninth-graders. It had no effect on education outcomes for younger children, however.² Overall, it led to enough positive changes to suggest that it could be made more effective if modified somewhat or aimed at certain types of families. The lessons learned from the evaluation of this first version of Family Rewards (referred to in this report as Family Rewards 1.0) were applied to the next, improved version.

That next version, referred to here as Family Rewards 2.0, is the subject of this report. While still offering rewards in the areas of children's education, family health, and parents' work, Family Rewards 2.0 is a refinement of the original model in several ways: it offers fewer rewards in each domain in order to make the program easier to understand and to focus families' attention on a limited number of outcomes; it offers the education rewards only to high school students, given the lack of effects found for younger students; and it makes the rewards more timely, and thus more salient to families, by paying families monthly for rewards earned, rather than every two months, and by rewarding students for grades earned. Most notably,

¹Fiszbein and Schady (2009).

²Riccio et al. (2010); Riccio et al. (2013).

however, the new model offers guidance, in which staff members actively engage families in conversations about strategies to earn rewards.

Family Rewards 2.0 was launched in July 2011 in the Bronx, New York and Memphis, Tennessee. In each place, about 1,200 families were recruited for the study. Half were randomly assigned to a program group, eligible for Family Rewards, and half were assigned to a control group, not eligible for the program. Rewards are being offered for three years, and the evaluation will track these families for several years to determine the effects of the program on poverty, children's education, family health, and parents' work.

The evaluation will assess whether the changes to the program model lead to bigger effects on behavior in the short and long term. For example, does the new model help more families earn rewards, increasing receipt among more disadvantaged families, who earned the least from the original program? Does the new model ultimately lead to larger and more broad-based effects on school achievement, health, and work?

While a later report will examine the program's impacts, this report presents early findings on its implementation. It discusses how the program was put in place in both cities, the challenges posed by the new design, and families' receipt of rewards through the second program year. It considers, for example, whether the new program's attempt at simplification through fewer rewards and easier reporting requirements has increased families' understanding of the program and ability to earn rewards.

The report also examines the challenges of incorporating active family guidance into a conditional cash transfer model. How did staff members engage participants, and were they adequately prepared to provide guidance to participating families, many of whom had important barriers to earning rewards? Was it practical to train these paraprofessional staff members in the more intensive type of advising incorporated into the program in Year 2, called motivational interviewing? Motivational interviewing has been shown to be effective at eliciting behavioral change, but it is typically practiced by clinicians in health-promotion and addiction-treatment settings.

In brief, the findings indicate that, after some recruitment and start-up challenges in Year 1, the program was operating generally as envisioned in both cities by the middle of Year 2. The family guidance component evolved considerably over time, starting out as fairly modest and transactional during Year 1 and becoming more intensive during Year 2. Families earned on average more than \$2,000 in rewards in Year 2. Finally, the changes to the model seem to have led to increased understanding and reward receipt among families.

Funded by the Social Innovation Fund (SIF) of the Corporation for National and Community Service and private organizations, Family Rewards is run by the Family Rewards

Collaborative, which includes members from The Mayor’s Fund to Advance New York City, CEO, and MDRC. The Mayor’s Fund to Advance New York City is a grant-making institution that facilitates public-private partnerships throughout New York City. CEO, a unit in the New York City Mayor’s Office, designs, implements, and evaluates innovative antipoverty programs. MDRC worked in close partnership with CEO to design the program and is leading the evaluation. MDRC is a nonpartisan social policy research firm with extensive experience conducting large-scale projects using random assignment research designs to build rigorous evidence on what works to improve the well-being of low-income families.

The next section reviews the results to date from the original Family Rewards program and touches briefly upon findings from conditional cash transfer programs in other countries. The remainder of the chapter describes the essential elements of the current program. The subsequent sections discuss the two cities involved, the recruitment strategies used, and the characteristics of the families enrolled. The chapter ends with an overview of the evaluation and the primary research questions.

Family Rewards 1.0

Run from 2007 to 2010, the first version of Family Rewards was tested in six of New York City’s highest-poverty neighborhoods. The study included approximately 4,800 families and 11,000 children. The idea for Family Rewards came from the conditional cash transfer programs that have become popular in low- and middle-income countries. One of the first such programs, and the one that has been the most studied, is Mexico’s *Oportunidades* program, launched as PROGRESA in 1997. There are now conditional cash transfer programs of varying scope and scale in most Latin American countries, as well as in several countries in Africa, the Middle East, and Asia.³

Like all conditional cash transfer programs, Family Rewards 1.0 was based on the assumption that, for a variety of reasons, families may underinvest in their own development even though such investments can have long-term benefits.⁴ Financial incentives can help change their calculations, encouraging them to make extra investments of time and energy in certain educational, health care, and work-related efforts. Furthermore, the extra resources can help make it more feasible for low-income people to undertake such efforts in the short term, by helping them pay for educational materials or tutoring for children, for example, or transportation to a free dental clinic, or clothes for a job interview. In this sense, the conditional rewards may function not only as incentives to action but also as enabling resources.

³Fiszbein and Schady (2009).

⁴See Riccio et al. (2010) for more detail about the origins of and theory behind conditional cash transfer programs and Family Rewards 1.0.

The program offered families 22 cash rewards, covering activities and outcomes in three domains. In the education area, rewards were offered for parents' attendance at parent-teacher conferences and for children's attendance in school, performance on standardized tests, completion of adequate credits per year, passing of exams required to graduate, and graduation. In the health area, rewards were offered for maintaining health coverage and for preventive medical and dental checkups for each family member. In the work area, parents were offered rewards for sustained full-time work and for pursuing education or training while working.⁵

Part of the strategy behind offering multiple rewards within each domain was to help generate a significant effect on income and poverty. The program was designed so that a family receiving all or most of the rewards would receive a substantial cash transfer, equal to about 25 percent to 30 percent of family income. In addition, 22 rewards meant that families had multiple opportunities to earn money. If some rewards remained out of reach, others were not. Families received payments every two months, covering all rewards earned during a given payment period.

A final feature of the program is that it offered no services or active counseling. Staff members at the neighborhood partner organizations (NPOs), the local nonprofit organizations that were the program's link to participants in the communities, did not develop action plans with families to help them earn the rewards, follow up with individual families during the program, or provide direct services such as tutoring, test preparation, or job-search assistance, although they could refer individuals to these services. Case management and direct services were deliberately excluded from the model in order to test the effectiveness of the incentives alone. In addition, it was expected that families in New York City would have access to case management and services through other programs in the community. The NPOs marketed the program aggressively to participants, sponsored various group events and workshops, and, when requested to do so, assisted participants in submitting their claims to receive their rewards, but they did not manage individual cases or undertake outreach to families who were not receiving many rewards.

During the three years the program operated, the average participating family earned nearly \$9,000 in rewards, or roughly \$3,000 in each year. Over 90 percent of families earned at least one education reward and one health reward in each year, while just over 40 percent earned at least one work reward. As program designers intended, families were able to and did earn rewards across a broad range of areas, and the significant amount earned increased their incomes by 22 percent on average and reduced poverty and severe poverty by 12 percentage

⁵At the end of the second year, in an effort to simplify the program and reduce its costs, several rewards were eliminated, including those for maintaining health coverage and for school attendance for elementary and middle school students.

points. However, the reductions in poverty and hardship began to diminish after Year 3, when the program ended.⁶

In terms of children's school progress, Family Rewards improved outcomes for the ninth-graders in the study who were performing at a proficient level or better academically when they entered, with sizable effects on grade promotion and on graduation. In contrast, the program had no effect for lower-performing ninth-graders or for elementary and middle school students. In the health area, early, positive effects on visits to the doctor and health status faded, in part because families already used preventive care at a fairly high rate, although there were continued impacts on health coverage and, especially, dental visits. Finally, the program led to modest increases in employment throughout the follow-up period, although much of this new work was in jobs not reported to the unemployment insurance system. These jobs are more likely to be informal and less likely to offer benefits. Also, the program led to a reduction in unemployment insurance-covered work for the more disadvantaged adults in the study.

The findings add to, and in many ways are consistent with, a growing body of research in the United States on the effects of incentives on behavior. In the education domain, for example, a number of studies have documented the positive effects of incentives on students' effort.⁷ More immediate incentives tend to have larger effects than rewards paid in the future, for example, and rewards framed as losses can have larger effects than those framed more traditionally as bonuses.⁸ Findings from incentive programs in four large school districts also suggest that incentives should reward efforts (for example, reading and homework) not results (for example, test scores), since students and their parents may not fully understand how to improve performance.⁹ However, it is administratively more difficult to reward efforts such as reading and homework than it is to reward outcomes such as test scores. Another finding from several of these studies, including Family Rewards 1.0, is that the incentives had effects mostly for students on the margins of higher performance (that is, students who were within reach of the outcome that was rewarded).¹⁰

A number of studies document that incentives can affect health-related behaviors such as exercise, weight loss, and smoking, although the effects are typically short-lived.¹¹ Several studies also document that incentives can increase employment, although the effects are sometimes also short-lived because the employment rates of individuals in the control group

⁶See Riccio et al. (2013) for the full set of findings.

⁷Bettinger (2012); Jackson (2010); Fryer (2011).

⁸Levitt, List, Neckermann, and Sadoff (2012); Fryer, Levitt, List, and Sadoff (2012).

⁹Fryer (2011).

¹⁰Bettinger (2012); Angrist and Lavy (2009); Leuven, Oosterbeek, and van der Klaauw (2010).

¹¹Volpp et al. (2009); Volpp et al. (2008); Sindelar (2008).

tend to “catch up” with those of the program group.¹² Some studies document that incentives plus services are more effective at increasing employment than incentives alone, suggesting that to take advantage of the rewards, some people may need additional help moving into work.¹³

Family Rewards 2.0

In 2010, the Corporation for National and Community Service made its first set of SIF grants (see Box 1.1). CEO and the Mayor’s Fund to Advance NYC received a grant to replicate and evaluate five of CEO’s most promising antipoverty programs. Family Rewards was one of the programs. The replication effort makes several important modifications to the original Family Rewards model, based on the experience of and findings from the first evaluation. In addition, the replication was designed to answer the question of whether the model would work outside

Box 1.1

The Social Innovation Fund

The SIF, a key White House initiative and program of the Corporation for National and Community Service, combines public and private resources to grow the impact of innovative, community-based solutions that have compelling evidence of improving the lives of people in low-income communities throughout the United States. The SIF invests in three priority areas: economic opportunity, healthy futures, and youth development.

The SIF makes grants to experienced grant-making “intermediaries” that are well positioned within communities to identify the most promising programs and guide them toward greater impact and stronger evidence of success. These grants range from \$1 million to \$10 million annually for up to five years. The intermediaries then match the federal funds dollar for dollar, and hold open competitions to identify high-performing nonprofit organizations working in low-income communities that have innovative solutions with evidence of compelling results. Once selected, these nonprofits must also match the funds they receive, and participate in rigorous evaluations of the impact of their programs. The nonprofits share data, lessons learned, and results, helping to build the capabilities of the social sector and lifting up solutions that can transform lives and communities.

¹²Holt (2006); Eissa and Hoynes (2006); Michalopoulos (2005); Hendra et al. (2011); Martinson and Hendra (2006).

¹³Michalopoulos (2005).

New York City by testing it in New York City and in Memphis, Tennessee. The Bronx was selected as the area within New York City to be included in this evaluation because it contains a large number of high-poverty neighborhoods.¹⁴ Memphis was selected as a second site because its mayor was interested in trying bold new approaches to reducing poverty. Memphis offered the opportunity to test the Family Rewards model in a city with different economic and social conditions from New York and in a state with a different social safety net.

Program Delivery

The demonstration is being run by the Family Rewards Collaborative, which includes The Mayor’s Fund to Advance New York City, CEO, and MDRC (Figure 1.1). The Family Rewards Collaborative sets broader design policies and provides technical assistance oversight, largely through the lead program operator. Seedco, a workforce and economic development organization, was selected to lead the operation of the program based on its expertise and experience managing the first Family Rewards. Seedco works with local organizations to create economic opportunities for disadvantaged individuals. The lead program operator’s roles in Family Rewards 2.0 are to manage the contracts with the NPOs, and to provide them technical assistance on program implementation by developing management information systems, program tools, training materials, and performance management reports. It also runs the payment-processing system for both cities.

Seedco selected four NPOs to operate the program. The NPOs were selected based on the experience they had in program delivery in their local communities. In the Bronx, the NPOs were the Children’s Aid Society and BronxWorks. The Children’s Aid Society (CAS), founded in New York City in 1853, provides a range of services to children and parents, including early education, housing assistance, adult education services, benefit assistance, and legal assistance. BronxWorks has served the Bronx for over 40 years. Originally named the Citizens Advice Bureau, BronxWorks offers a wide range of services and programs for Bronx residents, including services related to workforce development, benefit assistance, food assistance, housing assistance, education, and child care.

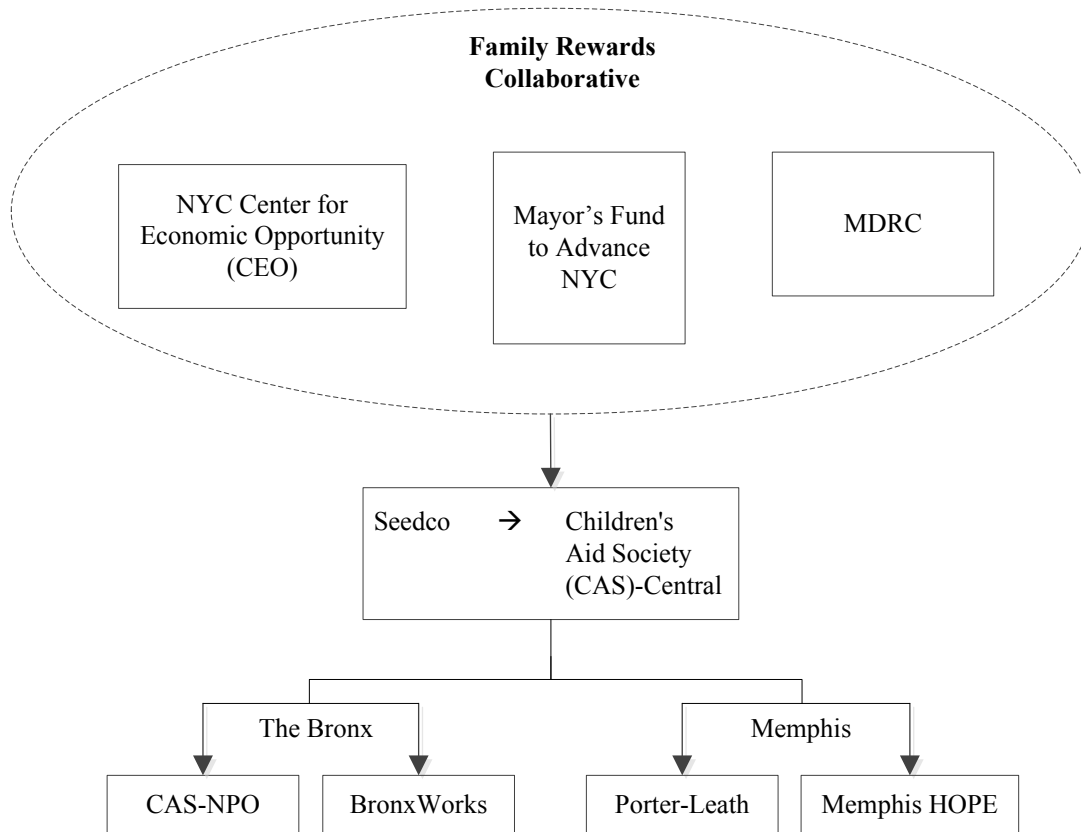
In Memphis, the NPOs were Urban Strategies Memphis HOPE, referred to hereafter as Memphis HOPE, and Porter-Leath. Memphis HOPE was created in 2004 by the Women’s Foundation for a Greater Memphis, in collaboration with the City of Memphis and the Memphis Housing Authority. The organization provides comprehensive services for low-income women and their children in targeted communities. Memphis HOPE works with over 40 community partners to provide services in the areas of youth development, case management, housing

¹⁴The Bronx also participated in the original evaluation, although that evaluation targeted different neighborhoods.

SIF Family Rewards

Figure 1.1

Organizational Structure



assistance, education, benefits, and health. Originally started to serve widows and orphans in the 1850s, Porter-Leath currently offers services to more than 10,000 low-income parents and children in the Memphis area. Services include early education, foster care, benefits assistance, and parenting guidance.

All NPOs are charged with implementing core components of the program such as recruitment, outreach and family guidance, and the Family Earning Plan. Each NPO has its own program supervisor, who is responsible for multiple programs at the NPO, including Family

Rewards. The supervisor directly manages three Advisors for Family Rewards, which allows each NPO some level of autonomy in delivering the program elements.

In summer 2012, CAS was elevated to the role of lead program operator, replacing Seedco.¹⁵ CAS was a natural candidate to lead the program, as it was deeply familiar with Family Rewards and had experience managing multisite and federally funded projects. To ensure program continuity, Family Rewards staff members at Seedco were transferred to CAS. The contract transition went smoothly, without disruption to services for families. To avoid confusion between CAS' role leading operations and its role as an NPO, the text will hereafter distinguish between these roles with the terms "CAS-Central" and "CAS-NPO."

The Rewards

Table 1.1 presents the rewards for Family Rewards 2.0. The top panel shows the education domain, in which students are rewarded for high attendance, good grades, performance on state core exams, and the taking of college entrance exams. One addition to the reward list under the new program is a reward for grades, in an effort to make the rewards more timely and more strongly tied to daily performance. The second panel shows rewards for health, in which families receive payments for medical and dental checkups for each family member. The new program removes the reward for maintaining health insurance, since most families in the original study had coverage. Finally, the program rewards parents for maintaining full-time work and earning a General Educational Development (GED) certificate. The original model rewarded a range of approved training courses, but few families received the training reward. For this reason, program designers decided to focus on one outcome, the GED certificate, which is well known to participants and can serve as a stepping-stone to further training. (See Appendix Table A.1 for a side-by-side comparison of specific rewards for the two programs.)

As in Family Rewards 1.0, families receive payments for meeting reward milestones in one of two ways. Two of the rewards, for attendance and for state core exams, are automatically verified using school records, requiring no action on the part of the family to earn the payment. All other rewards must be claimed by submitting a "coupon" to the program, verifying that the milestone has been met. An example is the reward for full-time work, which requires coupon submission along with other items of verification. Coupons are paper documents listing the name of the activity, information about the participant, the dollar value for completing the activity, and instructions for submission. At the start of each program year, families pick up coupon books containing all of the coupons for which they might be eligible.

¹⁵Seedco assigned the SIF projects to CAS after determining that organizational issues impeded its ability to manage the work effectively. In 2012, investigations by local and federal officials uncovered irregularities in Seedco's administration of workforce services unrelated to Family Rewards.

SIF Family Rewards

Table 1.1

Family Rewards 2.0: Schedule of Rewards

Domain	Bronx	Memphis
<u>Education incentives</u>		
<i>High school students only</i>		
Attends 95% of scheduled school days	\$40 per month	\$40 per month
Takes an SAT or ACT exam (once during program)	\$50	\$50; must score 19 or more on the ACT if administered by Memphis City Schools ^a
Receives grades on an official report card ^b	\$30 per A (90-100); \$20 per B (80-89); \$10 per C (75-79)	\$30 per A (93-100); \$20 per B (85-92); \$10 per C (75-84)
Passes up to 5 Regents exams ^c or 7 End of Course exams ^d	\$500 per Regents exam for a score of 75 or above; \$400 per exam for a score of 65-74	\$200 per End of Course exam for a score of proficient or advanced (<i>increased to \$300 in Year 2</i>)
<u>Health incentives</u>		
<i>Parents and children 19 and younger</i>		
Annual medical checkup	\$100 per family member	\$100 per family member
Preventive dental care every 6 months (once per year for children 1-5 years old)	\$100 per family member per visit	\$100 per family member per visit
<u>Workforce incentives</u>		
<i>Parents only</i>		
Sustains full-time employment	\$150 per month	\$150 per month
Earns a GED certificate	\$400	\$400

(continued)

Table 1.1 (continued)

SOURCE: CAS's Family Rewards program materials.

NOTES: GED = General Educational Development.

^aThe ACT is scored out of 36. Memphis City Schools officials requested that the minimum score for the reward be set at 19 for students taking the test for free in class because this is considered an indication that students are ready for college-level work.

^bIn Year 1, the amount of each reward for grades was prorated based on the number of official report cards issued by a student's school. To simplify verification in Year 2, students were paid the listed amounts for their grades regardless of the number of official report cards they received, up to a maximum of \$600 per program year.

^cHigh school students (grades 9-12) in the Bronx were eligible to earn rewards for the following Regents exams: English, one of any math exams (including Math A, Math B, Integrated Algebra, Geometry, and Algebra 2/Trigonometry), U.S. History and Government, Global History and Geography, and one of any science exams (including Living Environment, Chemistry, Physics, and Earth Science).

^dHigh school students (grades 9-12) in Memphis were eligible to earn rewards for the following End of Course exams: Algebra 1, Algebra 2, Biology, English 1, English 2, English 3, and U.S. History.

In an effort to make the rewards more timely and thus more salient, Family Rewards 2.0 makes it possible for families to receive payments for rewards earned every month, along with an Earnings Statement that documents a family's earnings and any rewards that the family submitted coupons for but did not earn. Finally, families were strongly encouraged to open low-fee bank accounts in order to take advantage of the direct deposit of rewards. Many families did not have bank accounts when they entered the study and opted to open these new accounts.

Family Guidance

Family Rewards 2.0 includes an active guidance role for the staff, given the earlier findings suggesting that families might have benefited from such guidance. Under the new model, staff members at the NPOs develop a *Family Earning Plan* with every family and meet with them twice per year to discuss their progress toward earning the rewards. Staff members reach out to engage families who are not earning rewards and have access to a small "resource fund." Families can receive nonreward money from this fund at the staff's discretion to help them invest in services they might need to help earn rewards, such as short-term tutoring, work uniforms, transportation to job interviews, or licensing fees. As discussed in more detail in Chapter 3, the strategy for family guidance shifted during Year 2, as staff members were trained in the use of motivational interviewing. Motivational interviewing, a client-driven counseling method, has been found in other settings to be effective at eliciting behavioral change.

Target Groups

The program targeted families with at least one child entering ninth grade or tenth grade. Once enrolled in Family Rewards 2.0, however, all of the family's children under age 20 became eligible for the health-related rewards. The program also targeted families receiving Temporary Assistance for Needy Families (TANF) and Supplemental Nutritional Assistance Program (food stamp) benefits, in order to direct resources to the neediest families and to explore how a conditional cash transfer approach might be integrated into these safety-net programs.

The Cities

In some respects, Memphis represents an ideal place for the replication effort. Although both areas have relatively high poverty rates (29 percent of Bronx residents have incomes below the poverty line compared with 26 percent of Memphis residents), Memphis provides quite a different context from New York City. Memphis has a much smaller population than New York (roughly 700,000 people in Memphis compared with more than 8 million in New York as a whole, and 1.4 million in the Bronx). Memphis' population is largely African American (63 percent) or white, non-Hispanic, compared with a population in the Bronx that is majority Hispanic or African American. A higher proportion of Memphis residents are high school graduates than in the Bronx, and median household income is somewhat higher (\$36,817 in Memphis compared with \$34,300 in the Bronx).¹⁶

Local labor market data are available for Memphis and the greater New York metropolitan area, rather than the Bronx specifically. Although the unemployment rate was similar in both areas in early 2013,¹⁷ median wages were lower in Memphis (about \$15 per hour) than the New York area (\$21 per hour).¹⁸ Although this difference reflects in part the different mix of occupations in the two areas, median wages are also lower in Memphis for specific occupations, such as for "home health aide" jobs or for jobs in "food preparation and service."

There are also some differences between the cities in the types of benefits available to residents. Through state policy, both cities have a fairly wide array of benefit programs available, including TANF, food stamps, and Medicaid.¹⁹ However, New York residents have access to a somewhat larger number of programs, and the benefits available are more generous. For example, TANF benefits are higher in New York than in Tennessee,²⁰ and the state-sponsored

¹⁶All figures in this paragraph are from U.S. Census Bureau (2014).

¹⁷U.S. Department of Labor, Bureau of Labor Statistics (2014a).

¹⁸U.S. Department of Labor, Bureau of Labor Statistics (2014b).

¹⁹Benefits.gov (2014).

²⁰Kassabian, Huber, Cohen, and Giannarelli (2013).

health insurance program for low-income New Yorkers covers routine dental care, while the similar plan in Memphis (TennCare) does not. Dental care coverage, in particular, may affect the ability to earn the dental reward.

Two additional factors that might affect the implementation of the program and how families respond to it are related to the cities' school and transportation systems. The Memphis school system, covering all of the high schools attended by students in the study, is much more centralized than the school system in New York. While students in Memphis can attend over 50 high schools, New York students can attend over 400 high schools across the city, and New York City Department of Education policy allows schools substantial discretion in setting policies related to report cards, schedules, and attendance. As discussed in a later chapter, these differences created some challenges in designing the education rewards across the two cities. Meanwhile, families and students in the Bronx have access to an extensive public transportation system, whereas families in Memphis rely heavily on cars. The lack of good public transportation made study recruitment more difficult and also affected how families participated in the program.

The two cities also have different numbers and types of community-based organizations, which affects the resources families have available to help them earn various rewards. At the outset of the program, each NPO created a "resource guide" to assist its staff in referring participants to various services. Although these guides are unlikely to represent all of the resources available to families in a community, they can provide a rough picture of the service environment facing participating families, or at minimum the types of services to which participants might be directed by staff members. A comparison of the guides of the four NPOs reveals some differences between cities. In the education domain, the New York resource guides more explicitly target services to improve academic achievement, while the Memphis guides list more comprehensive services, such as classes to teach parents about their children's educational needs and problem-solving skills, and evaluations to diagnose learning disabilities. Many of the resources in the New York guides are also web-based (for example, tutoring, test preparation, etc.). The New York guides have twice as many workforce services listed as the Memphis guides. Finally, a notable difference between the two cities is that most of the organizations and resources listed in the New York guides are located in the Bronx or online, a deliberate decision made by the Bronx NPOs, while most of the resources in the Memphis guides are in the downtown or midtown area, areas that are not close to where participants live. Since transportation is a challenge for many Memphis residents, this may keep them from having access to services. Thus, overall, Bronx residents may have easier access to resources that might help them earn rewards in all three domains.

Recruitment and the Sample

The NPOs were charged with recruiting 1,200 families in each city. Families were eligible for the study if they met the following criteria:

1. They received TANF or food stamp benefits.
2. They lived in one of five targeted community districts in the Bronx or anywhere in the city of Memphis.
3. They had an adult at least 18 years of age.
4. That adult was a U.S. citizen or U.S. legal permanent resident.
5. The household included at least one child entering ninth or tenth grade in the 2011 school year.

Recruitment began in August 2011 in the Bronx and September 2011 in Memphis, when the NPOs received lists of potentially eligible participants provided by the human services agencies and departments of education in each city.²¹ NPO staff members were then required to call families on the lists, making multiple attempts to reach eligible families, including additional phone calls and home visits.

The pace of recruitment varied in each city, as staff members faced challenges to reaching potential participants, including outdated or incorrect contact information, a high level of skepticism among potential participants about the program, concern among some potential participants about the effect participation might have on benefits they were receiving,²² and lack of transportation (particularly in Memphis).

Ultimately, NPOs resorted to a range of recruitment strategies in order to reach their targets. For example, in the Bronx, an additional letter was sent to potentially eligible families in

²¹In New York, the recruitment list was provided by the Human Resources Administration. Families were chosen for recruitment if they received TANF or food stamps and had children between the ages of 14 and 16. Only those families who were receiving TANF or food stamps at the time of enrollment were randomly assigned into the study. Grade-level data from the Department of Education were matched with the recruitment list to help make a priority of families most likely to have children entering the ninth or tenth grade. In Memphis, the recruitment list was provided by Memphis City Schools. Families were chosen for recruitment if they had children entering the ninth or tenth grade. These data did not include information about benefit status, so enrollees in Memphis were determined to be eligible for Family Rewards based on their own reports of receiving TANF or food stamps.

²²The cash transfers do not affect eligibility or payment amounts for most existing government transfer benefits, including TANF, food stamps, Medicaid, the Children's Health Insurance Program, housing assistance, or the Earned Income Tax Credit.

November, and information about the study was added to the city's public-service call center. In Memphis, the local press and the mayor's office promoted the study, the NPOs set up satellite intake offices at two local libraries, and they began accepting walk-ins, or eligible families who were not on the NPOs' existing lists but who had heard about the program through local media.

The pace of enrollment meant that the full launch of the program was delayed by several months. While enrollment was originally expected to conclude by the end of September 2011, in practice the majority of families in the study enrolled after that point, and many enrolled as late as January or February 2012. For this reason, this report focuses on reward receipt during the second program year, when all families were eligible to earn a full year of rewards.

In total, Bronx NPOs enrolled 1,232 households and Memphis NPOs enrolled 1,226 households. Tables 1.2, 1.3, and 1.4 present selected characteristics of the samples. There are some differences between the cities. As shown in Table 1.2, for example, a larger fraction of participating families are headed by a single parent in Memphis (90 percent) than in the Bronx (77 percent). A much larger fraction of the sample in the Bronx than Memphis is Hispanic and speaks Spanish as a primary language. In contrast, nearly all participants in Memphis are African American. Probably reflecting the tighter housing market in New York, more families in the Bronx lived in subsidized housing when they entered the study: 35 percent of the Bronx families reported living in public housing, compared with only 10 percent of Memphis families. In contrast, the number of families receiving TANF benefits is much higher in Memphis, at 31 percent, than in the Bronx, at 5 percent. The last rows of Table 1.2 illustrate the material hardships faced by enrolled families. More than half of families reported being unable to pay a rent or utility bill within the previous year, and a quarter were unable to pay for food or needed medicine.

Table 1.3 shows that adults in the Bronx had somewhat lower education levels when they enrolled than those in Memphis, in part reflecting the fact that more adults in the Bronx are immigrants. (Foreign-born study participants in the Bronx had lower education levels than their counterparts born in the United States.) For example, nearly half of the Bronx sample adults did not have either a GED certificate or a high school diploma at the time of study enrollment, compared with only 31 percent of adults in Memphis. In contrast, adults in the Bronx sample were more likely to be working at the time of study entry (57 percent) than their counterparts in Memphis (44 percent). This difference is also related to immigrant status, given that foreign-born study participants in the New York sample were more likely to be working than their counterparts born in the United States.

SIF Family Rewards

Table 1.2

Selected Household Characteristics at Enrollment, by City

Characteristic	Bronx	Memphis
<u>Demographic characteristics</u>		
One-parent family ^a (%)	77.1	90.4
Family with two adults enrolled in Family Rewards (%)	6.8	2.5
Current marital status (%)		
Single	49.8	70.8
Married	20.9	8.0
Separated	18.7	13.2
Divorced	7.4	5.0
Living with partner or legal domestic partner, or widow/widower	3.2	3.0
Average number of children in household (under 19 years old)	2.4	3.0
Average number of high school students in household (under 19 years old)	1.3	1.4
Primary language (%)		
English	48.2	99.1
Spanish	49.8	0.6
Other	2.0	0.3
<u>Household characteristics (%)</u>		
Currently receive food stamps	99.4	98.0
Currently receive TANF or other safety-net assistance	5.0	30.5
Live in rental housing	94.3	71.6
Live in public housing	34.7	10.3
Receive Section 8 rental assistance	23.5	13.6
During the last 12 months, ever unable to pay:		
Rent or utility bills	49.2	64.0
Telephone bills	30.4	32.8
Food or prescription drug costs	25.1	24.2
Sample size	1,232	1,226

SOURCES: MDRC calculations from baseline survey and random assignment module data.

NOTES: Percentages for some categories may not add up to 100 due to rounding or missing values.

^aThis measure includes families with parents who reported their marital status as single, single but living with a boyfriend or girlfriend, separated, divorced, or widowed.

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Table 1.3

Selected Adult Characteristics at Enrollment, by City

Characteristic	Bronx	Memphis
<u>Demographic characteristics</u>		
Female (%)	87.7	94.0
Average age (years)	42.6	39.3
Race/ethnicity (%)		
Hispanic	74.4	0.9
African American	22.9	98.1
Other	2.7	1.0
Citizenship status (%)		
U.S. citizen by birth	42.7	98.6
U.S. citizen by naturalization	31.8	0.8
Legal permanent resident	25.5	0.6
<u>Educational characteristics (%)</u>		
Highest degree received		
GED certificate	6.2	7.6
High school diploma	32.8	51.2
Technical/associate's/2-year college degree	7.2	6.2
4-year college degree or higher	5.9	4.0
None of the above	48.0	31.0
Trade license or certificate	44.9	27.6
<u>Employment characteristics</u>		
Currently employed (%)	57.1	44.1
Full time (at least 30 hours per week)	39.3	34.0
Part time	17.6	9.9
Among adults currently employed		
Average weekly wage (\$)	313	332
Has a physical problem that limits work (%)	16.1	18.3
Has an emotional or mental health problem that limits work (%)	6.5	7.9
Receives SSI or SSDI due to disability (%)	13.1	15.1

(continued)

Table 1.3 (continued)

Characteristic	Bronx	Memphis
<u>Medical coverage (%)</u>		
Source of health insurance coverage		
Public health insurance	85.9	81.9
Employer-provided or other health insurance	10.3	10.1
No coverage	3.8	8.0
<u>Medical and dental care (%)</u>		
Usual source of medical care		
Clinic or health center	73.1	49.7
Doctor's office or health maintenance organization	16.2	41.0
Hospital emergency room	3.3	7.8
Hospital outpatient department	7.2	1.0
Other	0.2	0.5
Date of last medical checkup		
Less than 6 months ago	57.7	39.1
6 to 12 months ago	29.7	37.4
More than 12 months ago or never had a checkup	12.6	23.5
Date of last dental checkup		
Less than 6 months ago	45.7	13.0
6 to 12 months ago	32.2	22.7
More than 12 months ago or never had a checkup	22.1	64.3
<u>Health status (%)</u>		
General health status		
Excellent/very good	35.4	35.8
Good	37.9	38.4
Fair/poor	26.7	25.8
Felt down, depressed, or hopeless during the past 2 weeks	22.2	23.3
<u>Financial characteristics (%)</u>		
Has a bank or credit union account	59.2	39.7
Sample size	1,314	1,256

SOURCES: MDRC calculations from baseline survey and random assignment module data.

NOTES: Percentages for some categories may not add up to 100 due to rounding or missing values.

Italics indicate measures calculated for a subset of the full sample.

SSI = Supplemental Security Income. SSDI = Social Security Disability Insurance.

Finally, Table 1.4 presents selected characteristics of the children in participating families, including the target ninth- and tenth-graders and their siblings. Other than race and ethnicity and English Language Learner status, there are no large differences between the cities in the samples of children. Most children had health coverage at study entry, about 15 percent had received an Individualized Education Program (IEP),²³ and most parents reported that their children were in excellent or good health.

The Evaluation

The evaluation includes a comprehensive study of Family Rewards 2.0 and is structured around the following three components:

Implementation Analysis

The implementation analysis is the focus of this report. It will explore the operations and implementation of Family Rewards 2.0 and families' participation in it. It will examine the structure of the program, including the roles and responsibilities of each of the partners. This analysis will include a description and assessment of how families were brought into the study and how the conditional cash transfer offer was marketed and communicated to families. The analysis will also examine the implementation of the family guidance component of the model and how it may have affected participants' experiences of the program. Data for the implementation analysis include observations of program activities (including family guidance sessions), interviews with Advisors at the NPOs and CAS-Central, focus groups with 85 adults and 57 high school students, a review of all program materials, a case-file review to analyze the implementation of the Family Earning Plans, and an analysis of the management information system and payment-processing data.

Impact Analysis

The impact analysis will examine the effects of the program on families participating in the study. Because families were assigned at random to either the program or control group, any differences in outcomes can be attributed to the program with confidence. The study will track families in both the program and control groups for three years using administrative records and

²³IEPs are mandated by the Individuals with Disabilities Education Act, to help children with disabilities achieve their educational goals. The percentage of students with an IEP is similar for the high school students in the sample and for their younger siblings.

SIF Family Rewards

Table 1.4

Selected Child Characteristics at Enrollment, by City

Characteristic	Bronx	Memphis
<u>Demographic characteristics</u>		
Female (%)	50.4	51.6
Age (%)		
0-5 years	10.8	9.6
6-10 years	16.2	18.4
11-13 years	14.8	18.4
14 years or older	58.2	53.6
Average age (years)	12.4	12.3
Race/ethnicity (%)		
Hispanic	72.6	1.0
African American	23.7	97.7
Other	3.7	1.4
Born in the United States (includes Puerto Rico, Guam, U.S. Virgin Islands, and Northern Marianas) (%)	87.3	99.6
<u>Educational characteristics (%)</u>		
Expected grade level in September 2011		
Not yet in grade 1	10.1	9.7
Grades 1-5	17.3	19.7
Grades 6-8	13.1	18.6
Grade 9	25.0	22.0
Grade 10	21.0	18.9
Grades 11-12	8.3	9.5
In college	3.8	0.8
Not enrolled	1.4	0.9
Type of school attended in the previous school year		
Public or charter	91.2	85.4
Private or parochial	0.7	6.9
College	2.9	1.6
Not enrolled	5.3	6.1
Enrolled as an English Language Learner in the previous school year	21.6	5.5
Had an Individualized Education Program in the previous school year	16.3	13.8
Received tutoring help in the previous school year	26.5	30.0
Nonproficient on English exam ^a	74.8	85.6

(continued)

Table 1.4 (continued)

Characteristic	Bronx	Memphis
<u>Medical coverage (%)</u>		
Source of health insurance coverage		
Public health insurance	90.3	95.7
Employer-provided or other health insurance	8.0	3.8
No coverage	1.7	0.5
<u>Medical and dental care (%)</u>		
Usual source of medical care		
Clinic or health center	79.8	55.3
Doctor's office or health maintenance organization	14.3	41.3
Other	5.9	3.4
Date of last medical checkup		
Less than 6 months ago	64.3	42.0
6 to 12 months ago	30.0	46.1
More than 12 months ago or never had a checkup	5.7	11.8
Date of last dental checkup		
Less than 6 months ago	51.8	42.7
6 to 12 months ago	34.0	43.7
More than 12 months ago or never had a checkup	14.2	13.7
<u>Health status (%)</u>		
General health status		
Excellent/very good	73.5	77.4
Good	23.6	19.9
Fair/poor	3.0	2.8
Has a physical problem that limits activities	4.7	5.4
Has an emotional or mental health problem that limits activities	6.0	5.5
Sample size	2,920	3,407

SOURCES: MDRC calculations from baseline survey, random assignment module, and educational records data from the New York City Department of Education and Memphis City Schools.

NOTES: Percentages for some categories may not add up to 100 due to rounding or missing values.

^aProficiency level is only reported for high school students who had taken a standardized test to determine proficiency within the two years prior to enrollment. Data were available for most students who were in ninth or tenth grade at the time of enrollment.

survey data.²⁴ The impact analysis will examine the program's effects on a wide range of outcomes related to children's school performance, family health, parents' work and earnings, and family income and well-being. Data sources to be used include administrative records on students' school performance, parents' employment and earnings, and benefit receipt. A survey was administered to families 24 months after study entry, capturing program experiences, income and material hardship, and other outcomes.

Cost Analysis

Finally, this analysis will estimate the cost to administer rewards and the cost of reward payments to participants. Costs will be estimated for each reward type. Cost data will come from the budgets and expenditure reports of program operators as well as reward payment records. This information will highlight how much money was transferred to participants in the form of rewards as well as how much it cost to administer the transfers.

Organization of the Report

This report covers the implementation of Family Rewards 2.0 through the first two years of program operations, or from September 2011 through August 2013. Chapter 2 discusses the design of the rewards and the rate at which participating families earned each reward. Chapter 3 covers the family guidance component of the program and how it evolved over the first two program years. Chapter 4 compares the rates at which families received rewards in Family Rewards 1.0 and Family Rewards 2.0. As noted earlier, because of the delay in recruiting the sample, many families did not have the opportunity to earn a full two years of rewards during this time. Thus, all analyses of reward receipt focus on the second program year, when all families had the same 12 months of eligibility to earn rewards. Finally, this report offers some concluding thoughts and looks ahead to coming reports.

²⁴If additional funding is obtained, the evaluation will track study participants and assess impacts for another two years after the rewards end.

Chapter 2

Delivering and Earning Rewards

Introduction

As shown in the program's theory of change model (Appendix Figure B.1), the centerpiece of the Family Rewards intervention is the offer of financial rewards. The rewards were designed to promote a set of behaviors that can help low-income families break the cycle of intergenerational poverty. All of the rewards except the one for grades were offered in Family Rewards 1.0.¹ The earlier program gave program designers and the lead program operator an opportunity to fine-tune their procedures and taught them valuable lessons about creating financial incentives, in particular, the importance of having a short list of rewards.

Despite this experience, the program operators faced two challenges at the start of the second program. The first was replicating and delivering the rewards in a new and very different city (see Chapter 1 for a comparison of Memphis and the Bronx). Because the rewards were the same in both places, the program designers had to make sure that every incentive was understandable to all participants, meaningful in both cities for achieving the program's poverty-reducing goals, and possible to achieve (and verify) given local conditions and institutions. In light of these concerns, one of the main implementation questions is whether Memphis participants faced any disadvantage in earning the rewards. Memphis is not as rich in education, health, and workforce services as the Bronx. If Memphis participants could not find providers to help them meet the conditions for rewards, did they miss opportunities to earn money from the program?

The second challenge program implementers faced was striking the right balance between minimizing the burden associated with verifying completion of activities and ensuring that participants only received payments they had earned. This is an issue for any financial incentives program in which the participants must show they have met the conditions for payment. Both the incentives and the verification procedures had to be simple enough to be managed by economically distressed families facing multiple life challenges. The short list of rewards was designed to be easy to understand, but participants had to submit paperwork

¹The rewards for taking the SAT/ACT and receiving a General Educational Development (GED) certificate were defined differently (see Appendix Table A.1).

(coupons) to verify six out of the eight rewarded activities, which could have created an additional barrier to earning rewards.²

This chapter will examine how much money participants earned from the program overall and from each type of reward. It will explore staff efforts to operate an accurate and efficient reward payment system. In addition, it will describe the burdens or “costs” in time or effort the payment system imposed on families, and consider whether there were better ways to balance program and participant needs.

Key Findings

- Families were highly engaged in the program in Year 2. Ninety-six percent of families earned at least one reward that year, and those families earned an average of \$2,160 of extra household income. Most families (93 percent) earned at least one education reward and 79 percent earned a health reward, but only 44 percent of families earned at least one workforce reward. Because most families did not earn a workforce reward, the education rewards earned by high school students typically made up more than half of the money families earned from Family Rewards.
- A similar percentage of families in Memphis earned the rewards as did in the Bronx, but they earned slightly less money on average. This is because fewer students in Memphis earned the high-value reward for state core exams, and fewer adults claimed the reward for dental checkups.
- Qualitative data suggest that families had a good understanding of the rewards and what they had to do to get paid for them. This was true even in the work domain, where most adults who submitted a coupon for full-time work had at least one rejected.
- The Children’s Aid Society (CAS)-Central successfully delivered the payments owed to families, but because it used a manual system to process payments and create Earnings Statements, these payments were not issued as soon after activities were completed as the program designers had hoped.

²The remaining two activities, for attendance and passing state core exams, were verified using administrative records that the payment-processing staff requested directly from the two school systems.

The Payment-Processing System

The payment-processing system is a central mechanism in a conditional cash transfer program. Participants must receive accurate payments reasonably soon after they are earned and be able to connect the payments to their prior actions in order for the rewards to reinforce particular behaviors and achieve the program's short-term goal of transferring cash to families.³ In the case of this program, the system must function as effectively for Memphis participants as it does for those in the Bronx.

Many of the procedures required to administer the payment-processing system were put in place in Family Rewards 1.0. Seedco, which led operations for both programs until the transfer of responsibility to CAS-Central, brought with it a wealth of operational experience. To reduce costs and ensure consistency across the two cities, there was one "back office" in Manhattan for all participants. This office housed eight payment-processing staff members and two supervisors who received documents from participants and administrative records from the school districts to verify completion of activities, determined whether participants were eligible for payments, and posted payments to their accounts. Two of the bilingual staff members had the dual role of responding to questions from participants and Advisors on a Helpline. The Helpline had a toll-free number, and was open from 9 a.m. to 5 p.m. Eastern Time. Call volume was heaviest during the lunch hour, which was manageable because New York City and Memphis are in different time zones.

Every year, each family received a binder called the "coupon book." It was the family's take-home guide to the program. The front section included a summary of the rewarded activities, a calendar, and other tip sheets to help families remember deadlines and stay organized (Figure 2.1). The rest of the binder contained personalized coupons for each enrolled family member. Coupons were double-sided, colorfully designed sheets of paper that listed the name of the activity, the name of the family member eligible to use it, the dollar value for completing the activity, and instructions for submission. Health coupons had to be filled out by a doctor or dentist to prove that the activity was completed. For other coupons, the participant had to attach the correct form of additional documentation (for example a report card or pay stub) to verify completion.

Families were paid every month for activities completed about six weeks earlier. The lag between completing the activity and receiving payment was due to the time it took to manually process payments. For example, the first month of each program year was September. Families could qualify for rewards by completing activities from September 1 to 30. Using self-addressed, stamped envelopes provided by the program, families were required to collect and

³Riccio (2010), pp. 92-94.

SIF Family Rewards

Figure 2.1

Tips and Deadlines from the Year 2 Coupon Book

February 2013

Fri 1		
Sat 2		
Sun 3		
Mon 4		
Tues 5		
Wed 6		
Thurs 7		
Fri 8	Registration Deadline for March 9th SAT	
Sat 9		
Sun 10		
Mon 11		
Tues 12		
Wed 13		
Thurs 14		
Fri 15	Reward Day!	
Sat 16		
Sun 17		
Mon 18		
Tues 19		
We 20		
Thurs 21		
Fri 22		
Sat 23		
Sun 24		
Mon 25		
Tues 26		
Wed 27		
Thurs 28	Last Day to Visit a Dentist for This Year's First Dental Coupon	

To Do

Use this calendar to organize your efforts to earn rewards!

Submit by the 15th of each month for quickest payment

SOURCE: CAS's Family Rewards program materials.

mail in their paperwork by October 15.⁴ Around this time, CAS-Central would also request administrative data to verify education rewards that did not require coupons. Verification tasks, including quality checks, took two to three weeks, and payments were posted to accounts on November 15. The payment-processing staff created Earnings Statements (Figure 2.2) for each family that explained what they had (and had not) been paid for, and translated these for Spanish speakers. This process was also manual, so Earnings Statements were received three to four weeks after payments. This lag was longer than program designers had hoped for, but it is likely to be impossible to improve in the context of a demonstration project that is creating all of its own systems to perform verification with a limited number of staff members.

The Earnings Statement informed participants when their coupons had been rejected due to incomplete or incorrect documentation, or when a person claiming a reward was not eligible for it. The payment-processing staff tried to avoid rejections by correcting problems with coupon submissions themselves or accepting alternative forms of proof that met the same standards. For example, the payment-processing staff accepted the medical checkup coupon if it included a doctor's office stamp or doctor's license number, even if it was missing the doctor's signature. Participants with rejections were encouraged to call their Advisors or the Helpline. Memphis participants relied more heavily on the Helpline than participants in the Bronx. Memphis participants called most often to make sure their payments would be posted that month, and to find out the amount. MDRC verified that most participants received the money they were owed for the rewards they had completed, and that the payments were mostly accurate. There were a few cases of overpayment, but generally if participants did not get paid for rewards they had earned it was because they did not have valid bank accounts or stored-value cards.⁵

⁴The payment-processing team accepted mail for 7 or 8 days after the 15th to capture as much of the postmarked mail as possible, especially mail from Memphis, which took longer to travel to New York City. In Year 1, CAS-Central noticed that its mail was not being delivered expeditiously and began going to the post office to pick it up.

⁵In Year 1, the majority of participants who received payments had their earnings delivered to savings accounts (60 percent). Another 28 percent of participants had their earnings delivered to checking accounts, while only 2 percent of participants used stored-value cards. The remaining 10 percent of participants used a combination of savings, checking, and stored-value cards. These figures were nearly identical in Year 2: 59 percent used savings accounts; 28 percent used checking accounts; 2 percent used stored-value cards, and the remaining 11 percent used some combination thereof.

Stored-value cards work like prepaid debit cards. Although they have associated fees, account holders can use them to receive direct deposits, make cash withdrawals, and for point-of-sale purchases. Family Rewards encouraged participants to use a bank or credit union account to receive program payments and to help them establish a connection to the mainstream banking system. To facilitate this process, the program invited banks that offered no-fee, "safe" savings accounts to attend orientation sessions and market directly to families. It is likely that many of the savings accounts participants used to receive payments were these safe accounts.


SIF Family Rewards

Figure 2.2

Year 2 Earnings Statement

Name
Address
Address
Address
Family ID -

**Your Family Rewards
Earnings Statement is Here!**



New York Helpline: 212-994-2748 Memphis Helpline: 901-405-7970

**A new year of Family Rewards has begun!
Have you started to EARN?**

Students... Bring your first report card to your Advisor

Review your report card with an Advisor and add up the money you'll earn. Stop by as soon as your report card is ready- you can earn up to **\$600** for good grades this year!

**Parents... Schedule dental visits now!
The deadline for first visits is February 28**

If you and your family have not had dental appointments since year two began this September, schedule now! To earn the first dental reward, visits must be on or before February 28.

Figure 2.2 (continued)

This page shows reward and bank account information we have received through November 15, 2012. If you submitted information after that date, it will show up on your next Earnings Statement.

The amount your family has earned in Year Two. Congratulations!

ID	First Name	Activity Type	Activity	Amount of Money
I-xxx1	XXX	Health	Semi-Annual Dental Visit	\$100
				Total: \$100

**How could your family earn more? Below are some rewards waiting for you.
Call us -- many issues are easy to fix!**

ID	First Name	Activity Type	Activity and Time Period	Why Didn't I Earn? (Call us! We'll help you submit information for activities you can <u>still earn!</u>)	Amount of Money
I-xxx1	XXX	Education	Attendance - January	Education Activity Not Completed	\$40
					Total: \$40

SOURCE: CAS's Family Rewards program materials.

Marketing the Incentives

The most important behavioral changes that occur due to Family Rewards happen outside of the neighborhood partner organizations (NPOs), through unmediated interactions that participants have in their families, and in educational, health, and workplace settings. The Family Rewards staff must therefore succeed in explaining the incentives, presenting them in a motivating way, and continuing to market them over time so that participants do not forget about or lose interest in them. They must also find ways to help participants navigate the resources in their communities that can assist them in earning the rewards.

Most families kept track of the types of rewards and the schedule for submitting paperwork by referring to the coupon book, and through conversations with their Advisors or the Helpline staff. The coupon books were first distributed during group orientation sessions conducted by the Advisors at the start of the program. In Year 2, the coupon books were picked up individually or during a group session held during the summer before the start of the new program year.⁶ The initial group orientation sessions tried to achieve a mix of motivation and education, and they were largely successful. High school students were encouraged to attend with their parents and the presenters often engaged them directly. The information about the coupons and schedule for submitting rewards was presented clearly, but in the group setting the staff did not try to get into the complicated issue of which documents would be required to verify different kinds of employment. Staff members encouraged parents to call or come in for individual appointments to address verification requirements for work situations not covered by the generic instructions (and even for those that were covered).

Throughout the program, the Advisors and CAS-Central used various tactics to keep the rewards on the minds of the participants. They discussed rewards during regular family guidance sessions, included flyers in the Earnings Statements or mailed them separately, hosted workshops and group events to expose participants to service providers in a particular domain (Appendix Table B.1), and conducted “campaigns.” The campaigns were periods of focused attention to particular reward categories. For example, in March 2013 the NPOs launched a campaign to target families who had not submitted Year 2 health coupons. Porter-Leath held an event where a dental partner was on-site to complete cleanings and Step Ahead Foundation, an organization that provides free health screening and birth control for women, was present to talk to teens about health and wellness. Starting in Year 2, the NPOs also began campaigns to give more support to participants who had coupon rejections.

⁶Some were delivered to participants’ homes by staff members, especially in Memphis.

Did these efforts succeed in educating participants about the incentives and the submission rules? The data collected from focus groups with participants suggest that they did.⁷ Parents and students generally had no trouble remembering the incentives when asked to list them several months after orientation. As expected, participants who earned rewards most often had the best understanding of the rewards and payment process. In most cases, the biggest challenge was remembering the specific dollar value associated with the reward, especially for rewards like the one for grades in which the dollar value for many students in the Bronx changed between Years 1 and 2, or for rewards that were paid out infrequently, like the one for taking the SAT or ACT. Interestingly, although some parents had difficulty in proving the hours they had worked (as discussed below), it was not because they struggled to understand the workforce reward. They knew what needed to be submitted, but some parents had difficulty obtaining the needed documents or achieving the benchmark of working 120 hours per month. Thus, reducing the number of incentives seems to have helped participants understand the rewards better, suggesting that coupon rejections, which most families experienced at least once (see below), were not primarily a function of poor understanding.

Patterns of Reward Receipt in the Three Domains and by City

Overall, families who earned rewards earned an average of \$2,160 from the program in Year 2 (Table 2.1). One of the short-term goals of a conditional cash transfer program is to reduce immediate material hardship by transferring cash to families. For a family of three with an income at the 2014 federal poverty level, the cash transfer from Family Rewards represents an 11 percent boost in income. The impact evaluation will investigate whether this amount is sufficient to reduce hardship. One of the factors that will affect this outcome is the large proportion of household reward earnings that was paid to high school students for education rewards.⁸ Among families in which students earned some rewards, about 57 percent of household earnings — an average of \$1,146 for the year — went into high school students' bank accounts or stored-value cards. Students typically opened joint accounts with their parents, so it is not clear whether this income was used by parents for household expenses, was used by students to cover individual expenses, was split between the two, or was saved. How reward earnings were spent, and the question whether this change in the balance of earnings between parents and students created family conflict, will be investigated in the next report. At present, there are anecdotal reports from both cities that parents in the most economically disadvantaged

⁷The 24-month survey will provide a more comprehensive analysis of the issue of participants' understanding of the incentives and verification procedures, as well as their responses to rejections.

⁸Baseline survey data on grade levels were used to supplement school records data to determine the sample of high school students. Students who were in eighth grade in Year 1 according to the baseline survey were included as high school students in the Year 2 sample. Additionally, students in twelfth grade in the Bronx in Year 1 were excluded from the Year 2 sample.

SIF Family Rewards

Table 2.1

Summary of Rewards Earned by Families in Year 2

Outcome	Bronx	Memphis	Total
Family earned at least 1 reward (%)	94.8	97.9	96.3
Education reward	89.8	96.4	93.1
Attendance	82.7	94.6	88.6
State core exam	68.9	56.6	62.8
SAT/ACT	9.1	3.3	6.2
Report card	78.0	82.4	80.2
Health reward	79.1	78.5	78.8
Annual physical	72.3	68.5	70.4
Biannual dental	70.0	71.5	70.7
Workforce reward	45.5	41.9	43.7
Full-time employment	45.4	41.3	43.3
GED certificate	0.5	1.1	0.8
Among families who earned at least 1 reward			
<i>Average reward amount earned^a (\$)</i>	2,281	2,043	2,160
<i>Percentage of earnings from student rewards^b</i>	58.1	56.1	57.1
<i>Average reward amount earned, by domain (\$)</i>			
<i>Education</i>	1,287	1,014	1,146
<i>Health</i>	617	706	661
<i>Workforce</i>	1,140	1,117	1,129
Family picked up coupon book (%)	95.5	94.5	95.0
Sample size	617	613	1,230

SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTES: Sample sizes may vary because of missing values.

Year 2 covers reward activities that occurred between September 2012 and August 2013.

Italics indicate outcomes calculated for a subset of the full sample.

^aThe lowest and highest amounts earned in Year 2 were \$38 and \$7,250 for the Bronx sample, \$40 and \$6,680 for the Memphis sample, and \$38 and \$7,250 for the full sample.

^bPercentage of earnings from student rewards is calculated using education rewards earned by high school students among families who earned rewards and had students who earned education rewards in Year 2.

families took control of their children's earnings. Students in these families may have been less motivated by the program because they did not directly reap the financial benefits of their achievements.

Families demonstrated strong engagement in the program. Ninety-five percent received their coupon books in Year 2, most by picking them up at the NPO. Ninety-six percent earned at least one reward from the program. The pattern of earning in each of the domains indicates that families earned both coupon-based and non-coupon-based rewards. Ninety-three percent of families earned at least one education reward, 79 percent earned a health reward, and 44 percent earned at least one workforce reward. Most families earned an attendance (89 percent), report card (80 percent), and medical or dental checkup reward (79 percent). The rewards for students for taking the SAT/ACT, and for adults for earning a GED certificate were extremely underutilized, with only 6 percent and about 1 percent of families earning these rewards, respectively.

The levels of reward receipt by city were not notably different, except in cases where participants' ability to earn a reward was strongly influenced by external factors like access to service providers (as was the case, for example, for the reward for adult dental care in Memphis), or the different ways the same eligibility rules played out in the two cities (as was true of the reward for attendance, for example). In other words, considering the differences between the two cities in family characteristics and local context (described in Chapter 1), Bronx and Memphis participants were remarkably consistent in the degree to which they participated in the program. They even described similar contributing factors and barriers to earning rewards, which are outlined below for each domain.

Earning Education Rewards

The study sample included 754 high school students who were eligible for education rewards in the Bronx in Year 2, and 869 in Memphis, a difference of 115 students. Table 2.2 shows that a slightly higher percentage of Memphis students earned at least one education reward (95 percent compared with 87 percent in the Bronx). Memphis students were more likely to earn the rewards for attendance and grades than those in the Bronx, but less likely to earn the reward for state core exams, which is worth much more. As a result, students who earned rewards in Memphis took home \$340 less on average than students in the Bronx. Still, it is important to note that students in the two cities earned almost exactly the same number of education rewards per person (about 21) with about the same frequency (for example, roughly the same percentage claimed at least one education reward in six or seven months of the program year).

SIF Family Rewards

Table 2.2

Education Rewards Earned by Students in Year 2

Outcome	Bronx	Memphis
Earned any education reward (%)	87.3	94.5
Among students who earned at least 1 education reward		
<i>Average number of rewards earned</i>	<i>21.0</i>	<i>21.9</i>
<i>Average number of months student earned reward</i>	<i>7.0</i>	<i>7.4</i>
<i>Average total amount earned^a (\$)</i>	<i>1,057</i>	<i>717</i>
Student earned at least 1 education reward in (%)		
0 months	12.7	5.5
1 month only	6.6	5.2
2 or 3 months	10.5	9.0
4 or 5 months	13.7	12.0
6 or 7 months	11.3	14.7
8 or more months	45.2	53.6
State core exam passed (%)	62.5	44.5
Number of exams passed (%)		
0	37.5	55.5
1	28.7	31.1
2 or more	33.8	13.5
Attendance reward earned (%)	78.1	91.5
Distribution of number of attendance rewards earned (%)		
0	21.9	8.5
1 or 2	16.6	14.4
3 or 4	11.3	13.5
5 or 6	13.4	16.1
7 or more	36.9	47.5

(continued)

Table 2.2 (continued)

Outcome	Bronx	Memphis
Report card reward earned ^b (%)	74.8	80.0
Distribution of number of report card rewards earned (%)		
0	25.2	20.0
1-3	5.7	2.1
4-6	6.9	4.3
7-9	6.0	5.3
10-12	7.2	6.8
13-15	5.7	8.9
16-18	6.6	10.8
19 or more	36.7	41.9
Student earned at least 1 reward, by letter grade (%)		
A	61.1	67.7
B	70.4	76.3
C	63.3	77.3
Among students who earned at least 1 grade reward		
<i>Number of rewards earned by letter grade</i>		
<i>A</i>	5.7	4.9
<i>B</i>	7.4	6.3
<i>C</i>	3.6	6.8
SAT/ACT (%)	7.7	2.3
Sample size	754	869

SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTES: Sample sizes may vary because of missing values.

Year 2 covers reward activities that occurred between September 2012 and August 2013.

Italics indicate outcomes calculated for a subset of the full sample.

^aThe lowest and highest amounts earned in Year 2 were \$10 and \$2,640 for Bronx participants, and \$10 and \$1,900 for Memphis participants, respectively.

^bReport card coupons were awarded for each individual qualifying grade.

Implementing the Education Rewards

Some of the difference in the rates at which students earned rewards is related to the two cities' school district policies, which led the cities to have different ways of verifying activities and different opportunities to earn rewards. Ninety-two percent of Memphis students earned the reward for attendance compared with 78 percent of students in the Bronx. Almost half of the students in Memphis earned the attendance reward 7 or more times out of the 10-

month school calendar, compared with 37 percent of Bronx students. Even though students in both cities were expected to attend school 95 percent of the time to qualify for the reward, Memphis City Schools maintains attendance records in a way that made it easier for Memphis students to demonstrate excellent attendance. In Memphis, tardiness does not count against the number of days attended. In contrast, in the New York City Department of Education each school maintains a record of tardiness, and being late twice equals one day missed. At the end of Year 2, CAS-Central stopped counting tardiness against attendance in the Bronx because the Department of Education informed the organization that these records are unreliable. This rule change was implemented at the start of Year 3.

Different opportunities to earn rewards affected student earnings for the state core exams. In New York City, students are well informed about the Regents exams. They understand their importance and take practice exams in class. They also have the opportunity to take each exam more than once until they pass or to improve their score. In Memphis, Tennessee's new End of Course exams were being instituted for the first time at the start of Family Rewards. Many students did not clearly understand the importance of these exams. They were delivered at the end of a course as a "final exam" that factored into students' overall course grades, and students could not determine how well they had done until their raw scores were scaled by the state. In addition, the state did not introduce all of the anticipated End of Course exams on schedule. The Family Rewards program designers had expected students to be offered 10 exams. By Year 2, the state had only implemented 7. In response, the program designers increased the dollar amount for each End of Course exam Memphis students passed from \$200 to \$300 to create more parity between the cities in potential reward earnings.

In Year 2, a larger proportion of the Memphis student sample earned the reward for grades (80 percent compared with 75 percent for the Bronx), and Memphis students earned rewards for grades more often. There was a major change in the policy for this reward in Year 2. The program designers decided to create this reward to provide an incentive for educational "inputs" (behaviors that lead to academic milestones like passing standardized tests or graduating), and to give Advisors a chance to monitor students and provide continuing support for their performance, especially for students who were less academically prepared. It was assumed that most students received four report cards a year, so in the first year of the program the coupon book contained four coupons for this activity, and a student had to have each coupon signed by an Advisor to receive payment. At each meeting, the Advisor was expected to make suggestions about how the student could improve his or her grades, and provide general encouragement.

The reality did not align with these expectations. In New York City, schools decide the number and timing of report cards, so students in the Bronx received up to eight report cards.⁹ Even though they could take the subway on their own to meetings, students saw it as a burden to come into the NPO to get their report cards signed so frequently. Most schools in Memphis issue report cards on a quarterly schedule, but attending any meeting was hard for families given the lack of public transit, and it was often parents who brought in report cards to be signed rather than students. It also became clear to the Family Rewards Collaborative and CAS-Central that the meetings between students and Advisors had little substance. Many Advisors simply signed the coupon and got families on their way, so the interaction was not achieving its intended goals.

In response to this, the Family Rewards Collaborative removed the signature requirement and instituted only one mandatory meeting in Year 2, called an “academic review.”¹⁰ Once students had completed the academic review, they could begin earning rewards for grades simply by filling out the coupons themselves and mailing in their report cards. The change in policy had both positive and negative consequences. It removed hassles associated with claiming this reward and may have enabled families to earn more frequently: 42 percent of students in Memphis and 37 percent of students in the Bronx claimed this reward 19 or more times (Table 2.2).

On the other hand, it reduced the foot traffic into NPOs in Memphis, so Advisors could not monitor student performance as closely. Figure 2.3 shows the share of grade rewards that were paid for As, Bs, and Cs. A smaller percentage of the grade rewards paid in Memphis were for As than in the Bronx, but a much larger percentage were for Cs (38 percent compared with 22 percent).¹¹ A single academic review may not have been adequate for the “C students” in Memphis to improve their grades.

In addition, the policy change led to a high number of rejected grade coupons as families attempted to be paid for this activity before their academic review and received rejections

⁹The dollar value for each grade was set based on the expectation that students would receive four report cards a year. When CAS-Central recognized that students were receiving different numbers of report cards, it prorated the amount of each letter grade so that the maximum amount each student could earn for this activity was the same in the two cities. This led to cases where students in the Bronx who received more than four report cards per year were paid between \$10 and \$16 for a B rather than the advertised \$20, which may have been confusing. CAS-Central sent out letters to families to explain the prorated amounts.

¹⁰To eliminate the need to prorate grades, the group also standardized the amount of the reward for each letter grade and allowed families to submit as many report cards as they wanted until they hit a cap of \$600.

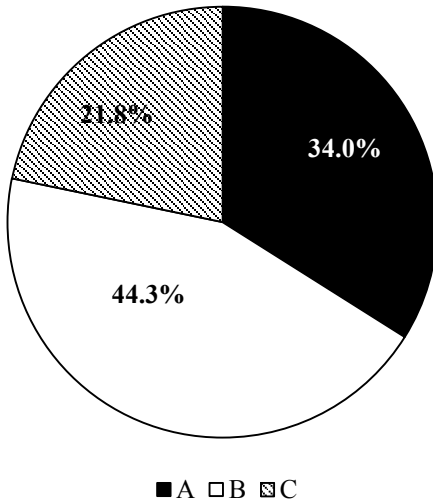
¹¹Table 2.2 also makes this point. Of students in the Bronx who earned a grade reward, they claimed a reward for a C an average of 3.6 times, compared with 6.8 times in Memphis. It should be noted, however, that the two cities’ grading scales were different. In Memphis, the range of scores that constituted a C was larger than in New York City, while the range of scores that constituted a B or an A was smaller (see Table 1.1).

SIF Family Rewards

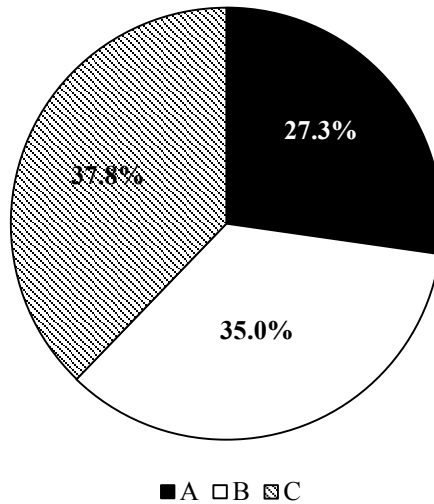
Figure 2.3

Report Card Grades Rewarded in Year 2, by City

Grades rewarded in New York



Grades rewarded in Memphis



SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTE: Year 2 covers reward activities that occurred between September 2012 and August 2013.

for ineligible classes or grades. Table 2.3 provides summary data on the frequency of coupon rejections and their resolution. It shows that coupon rejections were a common phenomenon, experienced by 92 percent of Memphis families and 70 percent of Bronx families. After parents resubmitted some of these coupons and had some of the errors resolved by the payment-processing staff, a total of 90 percent of Memphis families and 62 percent of Bronx families still had at least one rejected coupon that was not resolved at the end of Year 2.¹² Coupons for grades and full-time work led to most rejections. Figure 2.4 shows that about half of Memphis families had at least one grade coupon rejected, and about as many had at least one that was not resolved. The strong pattern of earning despite these rejections suggests that the rejections did not discourage participation.¹³ Memphis Advisors engaged in aggressive outreach (possibly triggered by the large number of rejected coupons at the start of the year), and did home visits to complete academic reviews. This illustrates one of the challenges program designers face: they aim to engage participants in productive interactions by making those interactions an additional condition for receiving the education rewards, but also wish to avoid making the program excessively burdensome on families or staff members.

SIF Family Rewards

Table 2.3

Summary of Reward Rejections in Year 2

Outcome (%)	Bronx	Memphis
Families had at least 1 reward		
Submitted	90.1	97.6
Rejected	70.3	92.2
Resubmitted	43.3	44.1
Rejected, resolved	40.0	42.1
Rejected, unresolved	61.9	90.4
Sample size	617	613

SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTES: Sample sizes may vary because of missing values.

Year 2 covers reward activities that occurred between September 2012 and August 2013. All reported submissions and rejections are only for coupon-based rewards.

¹²In this case “resolved” means that the error was addressed, the family or the staff member resubmitted the coupon, and the coupon was approved.

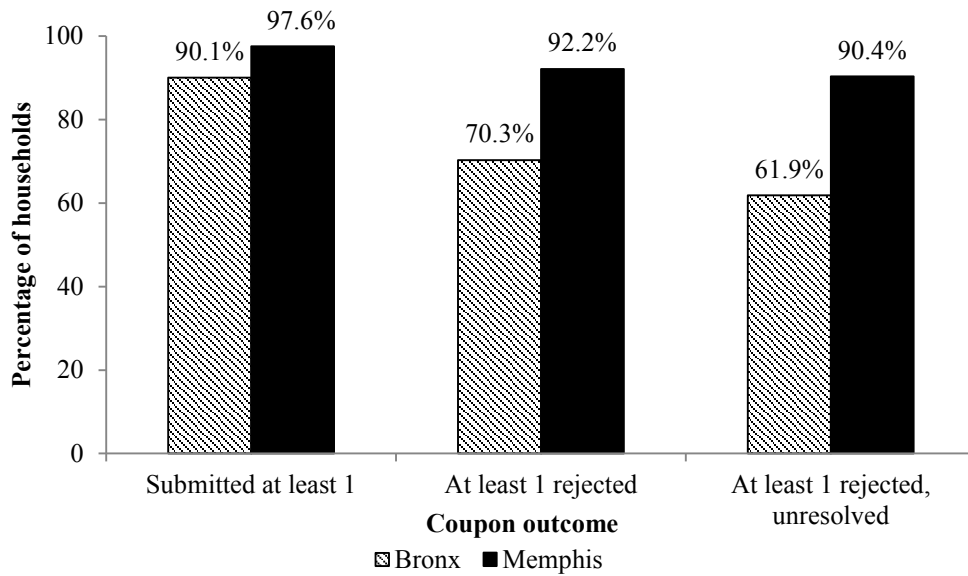
¹³The next report will use the 24-month survey to investigate this issue further.

SIF Family Rewards

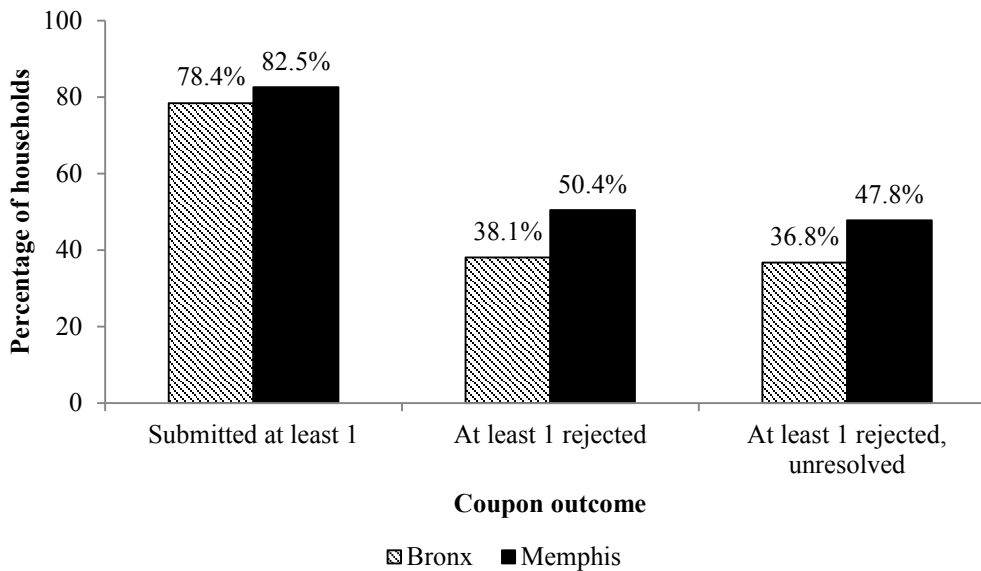
Figure 2.4

Coupon Rejections in Year 2

All coupon-based rewards



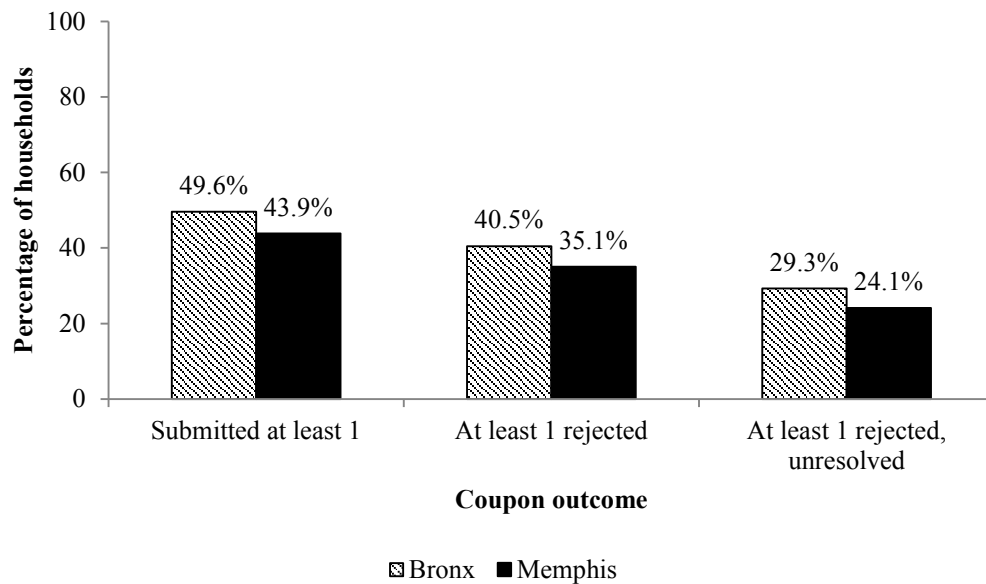
Report card rewards



(continued)

Figure 2.4 (continued)

Full-time employment rewards



SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTES: Year 2 covers reward activities that occurred between September 2012 and August 2013. All reported submissions and rejections are only for coupon-based rewards.

Families' Perspectives on the Education Rewards

The above discussion demonstrates that the pattern of reward earning is the result of both students' investments in school-related behavior and the policies used to determine eligibility for the rewards. The education domain was also clearly a priority for most families in the program. In focus groups, parents typically described Family Rewards as "for their children." Parents and students generally seemed comfortable with the concept of attaching financial incentives to academic achievement. A student in the Bronx described the ways her mother integrated an explicit discussion of the financial benefits of achievement into everyday conversation.

Yeah, like I remember when I would wake up late my mom was like, "Hurry up and go so you don't miss out [on rewards]." Or when I did really bad on a grade, well not really bad, I just got like a low B, she'd be like, "Oh, you still did good, but you know if you do better you'll get this amount of money."

It is not surprising, then, that when students and their parents attributed improved academic performance to Family Rewards, it was usually because the student wanted to earn money from the program. The incentive made it more unpleasant for students to perform badly, and amplified the positive feelings associated with doing well. A student in Memphis said:

It's a motivator. It motivated me to — shoot, if I had a B, usually I'd just be like, "I don't care. I'll just stay with the Bs, a B is good." But now if I got a B, I want an A because I wanna make \$30 instead of \$20.

One parent used the history of earnings to generate productive competition among her children.

Well, my 17-year-old, he was making bad grades until he started seeing my other kids get their money. I be like, there's some Ds, you don't get paid. Look at their report card and look at yours. This is what they're going to get every time. Guess what? Now he get it. I mean, it even brought his grades up.

Another parent in the Bronx shared the following description of her son's turnaround:

When he saw that there was money that he could make ... he didn't pass no class one semester, passed every class the next semester. His Regents, he passed two. Before, he passed none. So, every semester, every — when he gets that — with that money in his account, that's the happiest. So I show [him], you know, I'm trying to show him. I said, "They're encouraging you. You also have to encourage yourself."

As demonstrated by this parent, getting the financial incentive could be linked to non-monetary reasons to want to succeed in school.

Aside from increased motivation, there was not much agreement among students and parents about other factors that contributed to better academic performance. They did, however, agree about the barriers to improved performance. These included students not getting along with teachers, lacking practical strategies to get to school on time or study for tests, attending disorganized schools with poor guidance counseling, and feeling unprepared for state exams based on the instruction they had received during the semester. For students facing these challenges, the financial incentives did not carry much motivational force. Having tried to earn the rewards and failed, they stopped thinking about them.

The money's nice. You know, that's nice, but it's like, after a while, you know, say you try your hardest, but you still get low grades. After a while, there's just no point.

The program model includes guidance to help students develop strategies to address barriers to earning rewards, and develop resilience in the face of failure. The next chapter reviews how the Advisors approached these tasks.

Earning Health Rewards

Families in Memphis tended to be larger because they had more children, creating an opportunity for these families to earn more in the health domain than families in the Bronx if all enrolled family members attended medical and dental checkups regularly. Table 2.1 showed that 79 percent of the families in the sample earned at least one health reward, but that number masks large disparities in adult earning between the cities. Only 49 percent of Memphis adults earned any health reward, compared with 67 percent of Bronx adults (Table 2.4). Three-quarters of adults in Memphis did not earn any rewards for dental visits. The figures among children are more comparable. Seventy-six percent of children in Memphis earned any health reward compared with 71 percent of Bronx children. More children in Memphis earned the dental checkup reward (71 percent compared with 59 percent in the Bronx), and more Memphis children went to the dentist twice (38 percent compared with 25 percent in the Bronx). In the end, Memphis families earned an average of \$706 from the health rewards in Year 2 compared with \$617 in the Bronx.

From one perspective, health rewards were the easiest to earn. Advisors marketed these incentives as a “quick win” for families that could put hundreds of dollars into their accounts. A Memphis Advisor explained: “Taking the kids to the doctor wasn’t such a big challenge, so that’s quick money that they just got right off the bat.” To the extent that families were already in the habit of attending these appointments, it should have been relatively easy to get paid for the activity. Parents reported that 94 percent of children in the Bronx and 88 percent of children in Memphis attended a medical checkup the year before entering the program. There were similarly high reported levels of dental care for children. For adults, the proportion that reported having a medical checkup in the year before starting the program was somewhat lower but still high at 87 percent in New York, and 77 percent in Memphis. However, only 36 percent of adults in Memphis had attended the dentist during this period, compared with 78 percent of adults in the Bronx.

From another perspective, earning health rewards could be considered very difficult because these coupon-based rewards put organizational demands on the family. Parents had to have health insurance coverage or access to a low-cost clinic, make appointments for themselves and their children on a particular schedule, remember to bring all of their coupons, get them filled out completely on the spot or arrange to pick them up at a later date, and mail them to Family Rewards. One academic commentary described this process as excessively burdensome for families facing the multiple sources of stress that come with poverty.¹⁴

¹⁴Mullainathan and Shafir (2013).

SIF Family Rewards

Table 2.4

Health Rewards Earned by Participants in Year 2

Outcome	Bronx	Memphis
<u>Parents</u>		
Earned any health reward (%)	66.7	49.3
Among parents who earned at least 1 health reward		
<i>Average number of rewards earned</i>	<i>2.0</i>	<i>1.5</i>
<i>Average total amount earned (\$)</i>	<i>199</i>	<i>145</i>
Health rewards by category (%)		
Annual physical	50.8	41.1
Dental care checkup		
0 dental checkups	43.7	75.9
1 dental checkup	30.5	17.6
2 dental checkups	25.8	6.5
Sample size	655	631
<u>Children</u>		
Earned any health reward (%)	71.3	75.9
Among children who earned at least 1 health reward		
<i>Average number of health rewards earned</i>	<i>2.0</i>	<i>2.2</i>
<i>Average total amount earned (\$)</i>	<i>203</i>	<i>218</i>
Health rewards by category (%)		
Annual physical	60.8	56.9
Dental care checkup		
0 dental checkups	41.2	29.2
1 dental checkup	34.0	33.0
2 dental checkups	24.8	37.9
Sample size	1,481	1,778

SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTES: Sample sizes may vary because of missing values.

Year 2 covers reward activities that occurred between September 2012 and August 2013.

Italics indicate outcomes calculated for a subset of the full sample.

Families' Perspectives on the Health Rewards

Participation in this area was strong for children, but participants earned the medical and dental checkup coupon at rates lower than the rates that they reported on the baseline survey they were already attending these appointments. This suggests that there were some barriers to earning.¹⁵ Coupon rejections do not explain the discrepancy. A review of rejected coupons shows that coupon rejections in the health domain were far less frequent and more likely to be resolved than rejections for grades and full-time work (not shown in a table). The key barriers described by participants and program staff members were lack of dental coverage for adults, lack of personal organization, and fear.

A higher proportion of the Memphis adult sample started the program with no dental coverage than in the Bronx, and the public health insurance program in Tennessee does not cover cleanings, as it does in New York State. As a result, many adults in Memphis cited the out-of-pocket cost of dental care as the reason they did not earn the reward. The program staff took on this issue in Year 2 of the program through partnerships with providers. Staff members identified and established relationships with dental providers who offered cleanings for free or at a special price (\$10 to \$20). These providers included the Concorde Career Dental College, Christ Church Community Health Center, the Memphis Health Center, and the Firestone Dental Group, which has a mobile clinic. Memphis Advisors invited Firestone to provide cleanings at health fairs hosted by the NPOs, which were scheduled before dental coupons were due.¹⁶ The Family Resource Fund was also used to cover some costs associated with getting dental care.

This is an example of the program working on both the demand and supply sides of the preventive dental care issue. Conditional cash transfer programs have traditionally been thought of as demand-side interventions: they seek to improve outcomes by encouraging participants to take advantage of existing resources rather than creating new services. But in this case the NPOs had to go further than simply creating demand and actively remove barriers to access to the existing supply of dental providers. Otherwise the incentive would simply not have been used. As it was, the level of receipt in Memphis in Year 2 was still low compared with the Bronx, but slightly higher than it was in Year 1.

The program also implemented several strategies to try to help participants deal with the organizational challenges associated with claiming the health coupons, and with their anxiety about going to see a doctor or dentist. CAS-Central and Advisors reached out to participants by phone and letter, and through automated calls, to remind them about upcoming deadlines for

¹⁵Baseline reports may also have been inflated by social desirability (the tendency to answer questions in a way that comports with social norms) and recall issues.

¹⁶The health fairs also provided additional information. NPOs invited community partners to host booths about public health insurance, food assistance, and foster care, among other issues.

health coupons. In conversations with participants, staff members would acknowledge their fears and help them weigh the costs and benefits of taking control of their health status. One adult participant described how this helped her earn the medical checkup reward after seven years of avoiding the doctor.

[Going to the doctor] was kind of scary. I wasn't really going to the doctor like that, so you all kind of helped me got there. I was scared to find out if I had diabetes or high blood pressure. Really, I was scared.... But I actually did it ... I have no problems, and I been waiting all these years. You know what I'm saying? And it really wasn't nothing to it. So it was the motivation that helped me go, really.

Note that if the problem of fear of medical professionals was as pervasive as participants and staff members have suggested in qualitative interviews, the self-reported baseline data about participants' frequency of doctor and dentist visits are probably overestimated.

Earning Work Rewards

Compared with Advisors in Memphis, Advisors at the Bronx NPOs each had a slightly larger caseload of adult participants on average, because of the higher number of married couples enrolled (that is, families with two enrolled adults in the program rather than one). As reported in Chapter 1, about half of the Bronx adults are immigrants, speak Spanish as their primary language, and did not have a high school diploma or GED credential at the start of the study. Despite these potential barriers to employment, 57 percent of these adults were working when they joined the study, compared with 44 percent of Memphis adults. Almost all households in the study were receiving food stamps when they enrolled in the study. Only 5 percent of families in the Bronx also received cash assistance, compared with 31 percent in Memphis. The unemployment rate was similar in Memphis and New York City in 2013, but median wages were lower in Memphis than in the New York area.

These differences between cities did not lead to any meaningful differences in the proportion of adults who earned work rewards, the frequency with which they earned them, or the amount they earned.¹⁷ Forty-four percent of Bronx adults and 40 percent of Memphis adults earned the full-time work reward in Year 2 (Table 2.5). Most earned it consistently: among those who earned at least one, the average number of rewards earned was seven. Earning the reward correlated with working status at the start of the study. About 77 percent of adults who were working full time when they enrolled in the program earned the reward,

¹⁷This section focuses on the reward for full-time work because very few participants earned the GED reward.

SIF Family Rewards

Table 2.5

Workforce Rewards Earned by Parents in Year 2

Outcome	Bronx	Memphis
Earned any workforce reward (%)	43.7	41.1
Among participants who earned at least 1 workforce reward		
<i>Average number of rewards earned</i>	<i>7.4</i>	<i>7.3</i>
<i>Average total amount earned (\$)</i>	<i>1,120</i>	<i>1,108</i>
Work rewards by category		
GED certificate (%)	0.5	1.1
Full-time employment (%)	43.5	40.4
Parent earned at least 1 full-time work reward in (%)		
0 months	56.5	59.6
1 to 3 months	7.2	7.6
4 to 6 months	11.0	9.0
7 or more months	25.3	23.8
Among parents who earned at least 1 full-time work reward		
<i>Average number of months parent earned reward</i>	<i>7.5</i>	<i>7.4</i>
Earned a full-time work reward, by employment status at random assignment ^a (%)		
<i>Employed full time at random assignment</i>	<i>73.7</i>	<i>79.5</i>
<i>Employed part time at random assignment</i>	<i>37.9</i>	<i>45.3</i>
<i>Not employed at random assignment</i>	<i>18.7</i>	<i>16.7</i>
Sample size	655	631

SOURCE: MDRC calculations using CAS's Family Rewards program data and baseline survey data.

NOTES: Sample sizes may vary because of missing values.

Year 2 covers reward activities that occurred between September 2012 and August 2013.

Italics indicate outcomes calculated for a subset of the full sample.

^aBaseline characteristics are provided only for parents who reported their employment status on the baseline survey.

compared with only about 42 percent of adults who were working part time, and about 18 percent of those who were unemployed. Almost no adults earned the GED reward, even though 48 percent of adults in the Bronx and 31 percent in Memphis did not have a high school credential at the start of the study.

Implementing the Work Reward

Although the criterion for earning the work reward was straightforward — working 120 hours per month — participants often had difficulty with the verification procedures.¹⁸ The third panel of Figure 2.4 shows that most people who submitted a full-time work coupon had at least one rejected, and about three-quarters of that group had at least one coupon that was never resolved. Does this mean that hassles associated with verifying work stood in the way of some participants understanding this reward, or receiving the payments they were entitled to?

These barriers may have existed for some participants, although it is impossible to estimate the size of this group without a larger survey. In addition to the regular focus groups with parents, MDRC investigated the role of verification hassles in earning the work reward by interviewing parents who had had a coupon for full-time work rejected. The reasons for having a coupon rejected were, in order of frequency: not having enough hours, missing pay stubs, pay stubs that did not align with the program schedule, and missing or incorrect documentation.

Some participants submitted coupons even when they did not have enough hours because they felt they could not get more hours from their employers, were close to the threshold, and hoped to be paid.¹⁹ Some experienced rejections regularly that were caused by a mismatch between their jobs' pay periods and the program schedule. This initially caused a great deal of confusion for participants. A participant in Memphis addressed the problem by sending in all of her pay stubs every month. She said,

¹⁸Self-employed workers were also eligible for this reward. The program required that participants submit proof of hours worked or a representation of hours worked along with proof of quarterly or annual taxes filed. Midway into Year 1, the program established an earnings threshold as a proxy for full-time employment for those participants whose only record of income was the money reported on a tax return. That threshold is the federal minimum wage (\$7.25/hour) times the 120 hours required by the program, which amounts to \$870 per month.

¹⁹In focus groups, many parents suggested that the full-time work coupon should have tiers below 120 hours in order to provide an incentive for parents who worked part time by choice or could not get more hours at their current jobs because of their employers' decisions. For example, home attendants or child care providers might have varying schedules depending on the needs of their clients. One participant in New York who worked as a home attendant explained: "When your client goes in the hospital, and you've got to wait for [additional] hours ... your hours start to fall, and you have not 120 hours, and that really gets on my nerves." Some participants worked part of the year or had their hours reduced for a variety of reasons. For example, people working according to the school calendar do not work during school vacation time. One participant in Memphis who was a bus driver explained: "I don't always get 30 hours a week. Or you know, make the equivalent of — but I work every week. It may be 27, 28 hours, and I can't get [30 hours].... Yeah, that's the only thing I don't like it. I think the hours should be cut a little bit." These participants expressed frustration about the program's hour threshold rather than seeing it as an incentive to take on additional work or seek out a job that would provide full-time hours.

One thing hard is the work, because I think we get paid twice a month. That's hard. Because you've got to send in three [pay stubs]. So that's something I'm having a problem with. Because I send in — I don't know what I be sending in, I just be sending in all of them.

The Helpline staff and Advisors ended up recommending that participants adopt this strategy across the board: sending in all pay stubs and letting the payment-processing staff sort it out. The result of this process was that many people experienced rejections regularly that were resolved the next month when they sent in pay stubs that brought their hours for the prior month over the payment threshold. Because the payment-processing staff completed the submissions on their own without requiring the participants to resubmit their coupons, participants often had more rejections than they actually knew about.

Another paperwork-related issue that some participants encountered was receiving pay stubs that did not show the hours they had worked. (This happens with salaried employees, for example.) This situation required participants to take an additional step to earn rewards: they had to go to the human resources department to request documentation of the hours they had worked for the month. One participant had to go to her human resources office every month. She said:

Sometimes if I go to the office [human resources] to ask, it's taking like, they're gonna make me crazy. "Why you need this? Why you need it? Why you need it?" And they keep on asking, so... Ugh. I have to bring it to office to ask them ... I go there and tell them I need it. They give it to me.

This could be a particular hassle since the human resources department was not always near where the person worked. Family Rewards made an adjustment to the paperwork requirement to address this situation. For those receiving a base salary, the program asked for a one-time submission of documents verifying the number of hours they worked. This provision, however, did not account for those who got paid by the hour but whose pay stubs did not include hours worked.²⁰

Paperwork for claiming workforce rewards was particularly challenging for the self-employed. Self-employed participants had to wait until they filed their annual tax returns or submitted quarterly estimated tax returns in order to claim workforce rewards. They also had to provide proof of the hours they had worked or show earnings over a wage threshold. To facilitate this process, CAS-Central created calendars and logs to help self-employed participants track their hours on a weekly basis.

²⁰Over time, CAS-Central extended the wage-threshold-verification option created for self-employed workers to traditional workers who faced an undue burden getting documentation from their employers.

Personal organization was also a barrier for participants in trying to keep track of their pay stubs given the multiple and unpredictable challenges they faced. One participant responsible for the care of her mother who has Alzheimer's noted:

I'm taking care of my mom. She just came down with Alzheimer's. So it's hard to, like, keep my pay stubs together in one envelope. I try to do it so much, but then when I come and I think I have, you know, all the dates of the pay stub, [staff members say], "Well, you're missing ... days." Oh, that's so frustrating when I come and think that I have them all ... cause like sometimes you get paid every week, you put a pay stub here, you put a pay stub there. So my main goal now is to try to have one big envelope and just put them all ... every week in the same envelope so that I can just keep track of them.

Advisors provided guidance on how to get organized and keep track of paperwork. For example, one Advisor coached a family on how to use a binder to organize paperwork for each member of the family. Advisors also launched outreach campaigns over several months to provide support to parents who had workforce coupons rejected.

When parents were asked during interviews and focus groups how they felt about rejected coupons, the majority of participants felt that the decision had been fair because it had been in line with the program rules. While disappointing, they accepted coupon rejections because they were based on the rules of the program and they had to comply with the rules. Many simply resubmitted the coupon hoping it would be approved the second time. The implementation research found, as well, that CAS-Central monitored the issue and took steps whenever possible to clarify or alleviate unnecessary documentation requirements while still ensuring that the reward was only paid to those who met the hours threshold. This was a challenging task, which CAS-Central performed successfully.

Families' Perspectives on the Work Reward

The bigger question, then, is why more participants did not respond to the full-time work incentive. The implementation research suggests four main reasons. First, some participants cited disabilities that did not permit them to work full time.²¹ Second, some participants simply thought that it would be very difficult to find a job in the current economic climate. When asked whether the workforce reward provided a motivation to seek full-time employment, a participant said: "Oh no, you've got to stick with what you're with. You can't go get another [job] because it's impossible right now." The sense of the impossibility of improving their work situations or fear of the consequences of change kept many participants in place.

²¹Sixteen percent of adults in the Bronx and 18 percent of adults in Memphis reported having a physical disability that limited their ability to work, while 7 percent of adults in the Bronx and 8 percent of adults in Memphis reported that a psychological issue limited their ability to work.

Third, some participants had child care or other family responsibilities like caring for elderly parents that they made a higher priority than seeking full-time employment. One participant in Memphis, for example, noted:

I think I probably turned in probably one work paper, because by me driving the school bus, when my kids are out, I'm out, and I don't have to worry about nobody watching them, or if they get to the house when I'm at work, or wondering who's in the house with them, who they let in. So the way my schedule is with my kids. So me trying to go somewhere else would be totally off, because by the time I get off work, I can take my kids to school. So trying to find something else right now is not [a possibility].

Finally, some participants were concerned about the potential effect of full-time employment on their benefits. When a participant in the Bronx who was working part time was asked why she had not earned the work reward, she responded:

No, in reality, I'm the one that doesn't want to make that amount of hours. So, I have a comfortable schedule that does not meet the required hours. So, no, I have not earned that money and I don't think I'll get it.... So, I don't think I'll get it because I have other forms of assistance that I don't want to lose in order to earn [work rewards].... I have done my calculations to see what's best and I think this is the best.

In the second year of the program the NPOs, with guidance from CAS-Central, made a concerted effort to create partnerships with organizations offering job-readiness programs so that parents who were willing to consider full-time employment would have the resources needed to make the transition. In the Bronx, the staff developed a relationship with Workforce 1 Career Centers. Career Centers identify job openings and advertise them to suitable job seekers. While job seekers with barriers to employment can register at the centers, the NPOs were advised that the centers focus on meeting employer needs by identifying candidates who have a minimum level of work experience and other signs of job readiness. The Bronx staff participated in training to become official community partners to the Career Centers. Staff members learned how to conduct an in-depth assessment of a participant's barriers to employment and how to determine if she was eligible for available jobs. If she was, a staff member would refer her to a local Career Center with a referral ticket, which entitled her to attend recruitment events. If an individual was not job-ready, a staff member could refer him to other community-based organizations that would work on addressing his barriers to employment. Bronx Advisors did not use Career Centers very much, because based on the responses of a few parents they referred to them, they came to believe that individuals with low levels of education or poor job histories would not be well served there. Nevertheless, the staff found it beneficial to learn more about the services available for non-job-ready individuals. Staff members in the Bronx also built relationships with other workforce-related organizations around the city like LIFT and Henry

Street Settlement, and with training programs like the Cooperative Home Care Associates, which provides free training for home health aides.

In Memphis it was more challenging for NPOs to find partner organizations because most workforce programs there were reserved for cash-assistance clients. Porter-Leath and Memphis HOPE invited JobLinc, a program of the public library, to on-site events to recruit for its mobile job-readiness service, but these events were not well attended. The Memphis Advisors also took it upon themselves to send out regular job lists, and learned to assist participants with some job-readiness skills, like writing résumés.

Chapter 3 describes how the program confronted the pervasive problem of resistance to (or ambivalence about) working full time through particular guidance techniques. This occurred because CAS-Central's technical assistance staff recognized that referral partnerships and job-related services could only be effective if parents were willing to take advantage of them.

Conclusion

Memphis and Bronx participants showed a fairly consistent pattern of reward receipt, a positive indication that it is possible to replicate the original conditional cash transfer program. Memphis participants were not at a disadvantage overall in earning rewards. The biggest discrepancy between the cities was in the number of adults who earned the reward for preventive dental care, and to address that discrepancy the Memphis NPOs began to facilitate access to low-cost providers in Year 2. On the other hand, it is a concern that approximately the same, low proportion of adults in the two cities earned the reward for full-time work despite differences in the demographic characteristics of the study samples from those two cities, and in the service environment and economic conditions surrounding them.

The program operators acted quickly to address participants' barriers to earning rewards, at times modifying eligibility criteria or engaging in new campaigns to help families earn. For example, the program attempted to ease access to the reward for report card grades by removing the Advisor signature requirement at the start of Year 2. Open questions remain, however, about the best way to design the grade reward so as to balance the need for meetings to monitor performance with the need to eliminate barriers to claiming the reward for economically distressed families.

Chapter 3

The Family Guidance Component

Introduction

The biggest innovation in the design of Family Rewards 2.0 was the addition of the family guidance component. By incorporating an active, personalized support component, this version of Family Rewards breaks with a core concern of the first program. Family Rewards 1.0 was designed to test the power of financial incentives alone. It had staff members at each neighborhood partner organization (NPO) whose mandate was to provide “customer service” rather than “case management.” Staff members would generally wait for participants to initiate contact and focus the interaction on issues directly related to earning rewards rather than reaching out to participants and walking them through strategies for behavioral change.

The results of Family Rewards 1.0 revealed that two types of participants in particular might benefit from additional support to help them earn particular rewards: (1) students who started high school scoring below grade level on eighth-grade math and English exams (“non-proficient” students), and (2) adults who did not have a high school diploma or General Educational Development (GED) certificate when they entered the study. The impact findings from that earlier study found that although the program had substantial positive effects on the school outcomes of students deemed proficient when entering high school, it had no effects on non-proficient students. The study also found that the program may have somewhat worsened the labor market outcomes of parents who were more disadvantaged at the start of the program, particularly those without a high school credential. Thus, in Family Rewards 2.0, these two groups were identified as likely to need special outreach and support through the guidance component in order for the program to be more effective than the earlier model.

More generally, the goal of family guidance in Family Rewards 2.0 is to extend the impact of the incentives to a broader segment of the program group, and to produce longer-term, more durable effects on behavior and financial well-being. The program designers believed that families would benefit from a regular source of support within the program, but aimed to structure that support in a way that aligned with the spirit and concept of the conditional cash transfer, and that was affordable given the constraints of the program budget. They did not require social workers or incorporate a full case-management system. Instead, the designers created a “triage” model that could be implemented by a team of paraprofessionals in which all participants would receive some guidance, but those who were having the most trouble earning rewards would receive more intensive outreach and support. A key question is thus whether the triage model was implemented as designed and how well it functioned to connect participants (adults and students) to the resources and effective advice they needed to earn rewards.

Key Findings

- While the goals of family guidance stayed consistent, the strategy evolved considerably between Year 1 and Year 2. In Year 1, the guidance interaction was focused on relationship building and customer service. These were important achievements, but they did not align completely with the original goals of guidance since the Advisors did not target participants who were earning few rewards (hereafter called “low-earning” participants), nor were they having deep conversations about barriers to earning rewards.
- In Year 2, staff members were trained in motivational interviewing, a client-driven approach that changed the texture of family guidance sessions. By the second half of the year, nearly all staff members, regardless of credential level, had achieved basic competence in this technique. This required a significant investment of professional development resources by the Children’s Aid Society (CAS)-Central.
- The Advisors targeted low-earning participants with more guidance sessions in the second half of Year 2, as the triage model envisioned. The Advisors expended a tremendous amount of effort reaching out to these participants.
- Advisors did not make many referrals to outside resources during the guidance sessions either before or after the introduction of motivational interviewing. They also did not make much use of the Family Resource Fund.
- Advisors in the Bronx and Memphis implemented the family guidance component in different ways. In Memphis, the main barrier to participation in guidance was transportation. Staff members adapted by conducting guidance sessions over the phone or making home visits. They did not have much direct contact with students, and participants in Memphis tended to feel that they were not as close to their Advisors as did participants in the Bronx. In the Bronx, the Advisors saw students and adults more regularly, and developed closer relationships with them.

This chapter is organized into three sections. The first examines the core elements of the original model of family guidance. The second describes staff qualifications, training, and organizational support for one-on-one engagement. The third section compares the style of family guidance in Year 1 with that in Year 2 and includes an analysis of data from the program’s management information system.

Core Elements of the Triage Model

The original, triage model of family guidance in Family Rewards 2.0 was designed to provide guidance proportionate to the participant's need. In Family Rewards 1.0, the implementation study found that some families were entirely capable of earning the rewards on their own with only customer-service assistance. Other families, though, did not earn rewards and were not engaged in the intervention. These families tended to be the most disadvantaged when they entered the study. In the middle were families whose circumstances and ability to earn rewards varied. For these participants, some activities were within their grasp; their challenge was to earn rewards consistently and to take the right steps to earn rewards that required more effort or planning to obtain. The triage approach introduced a way to help more participants earn rewards and achieve important benchmarks more consistently, within the constraints of a modest program budget for the guidance function.

As noted earlier, the new family guidance component was added to expand the proportion of participants earning rewards and to maintain strong levels of reward receipt. The intention was for Advisors to build trust with participants, create a plan for earning rewards with each family at the start of the program, use earnings data to assess families' progress toward maximal earning, and make referrals for those who needed them. This section considers the core elements of the original family guidance model in detail.

Advisor Qualifications

Advisors were expected to have general skills and to serve large caseloads. The NPOs were not expected to hire trained social workers or job developers to work as Advisors to families. Each NPO was required to hire three Advisors and designate each as either a "senior" or "junior" Advisor. The senior Advisors were expected to have somewhat more experience and to be able to offer support to the junior Advisors as they developed their skills. Each Advisor was to serve a stable caseload of approximately 100 families. This ratio was seen as adequate to allow Advisors to meet with the adults and high school students in every family twice per year.

The Family Earning Plan

Enrolled parents and high school students had formal guidance sessions with Advisors twice a year, organized around a dynamic document called a Family Earning Plan. The Family Earning Plan was expected to play a significant role in shaping the guidance conversation. The Family Rewards Collaborative sketched out the contours of the document and Seedco filled in the details. Appendix Figure C.1 displays the first page for adults and students. Appendix Figure C.2 shows a summary worksheet that adds up the potential earnings for the whole family in one place.

The Family Earning Plan was meant to serve several purposes. First, it was an educational and motivational tool that reinforced the messages the staff delivered during group orientations. In Family Rewards 1.0, participants struggled to recall the incentives they could earn less frequently and were sometimes unclear about the conditions they had to meet to earn them. The Family Earning Plan provided an additional opportunity for Advisors to review the rewards and conditions, and to personalize the information by using family size and composition to calculate the number of opportunities to earn. The document calls for the Advisor to sum up the maximum amount participants could earn. It was hoped that the large potential earning figures would impress participants and harness their drive to actually earn the rewards.

Second, the Family Earning Plan was a self-assessment tool. It asked participants when they expected to be ready to earn, on three different time scales. Participants who chose the time scale furthest in the future were indicating that they had barriers to earning rewards or were not fully committed to doing the activity. This should have triggered a conversation with the Advisor about ways to become ready to earn. Third, the Family Earning Plan was a planning tool. Advisors were expected to make referrals in response to the discussion of barriers. The names of the referral agencies and a timetable for taking advantage of the services they offered would be written into the Family Earning Plan to build a sense of accountability.

Advisors were asked to create Family Earning Plans during their initial meetings with families, shortly after orientation. Once filled out, one copy of the Family Earning Plan would be given to the family and another stored at the NPO. The model then called for the Family Earning Plan to be reviewed biannually with all enrolled parents and high school students. The Family Earning Plan gave students their own documents and regular check-ins, because Family Rewards 1.0 revealed that high school students need direct and simple information about the rewards they can receive and frequent reminders.

Active Outreach

Participants who were not earning consistently were identified using reward payment data and targeted for outreach. The model called for the caseload to be stratified based on earning history. Participants who fell below a certain earnings level would be targeted for outreach, which would consist in most cases of a Family Earning Plan review. It was challenging from the start to develop outreach criteria that targeted the right participants at the right intervals. Should NPOs conduct their outreach based on individual or family earnings? Should they take into account all rewards, or a select few? The Family Rewards Collaborative did not make specific proposals. The CAS-Central staff took the lead in doing this. In Year 2, CAS-Central proposed that Advisors reach out to participants who met the following criteria at the end of February 2013:

- Students with report card earnings below \$75.

- Adults who had earned rewards in Year 1 but not yet earned any in Year 2. (The vast majority of participants earned rewards in Year 1. Those who did not were very disengaged, and this definition focused attention on struggling participants who seemed most reachable.)

Referrals

Advisors were not expected to provide direct services but were instead intended to be “resource experts” who could build rapport with participants, identify their barriers to earning, and connect them to high-quality, local service providers. This is a core tenet of the conditional cash transfer model: it is a “demand-side” intervention that seeks to shape participants into better consumers of existing resources, not create new resources. Each NPO was instructed to develop an extensive list of referral partners with support from Seedco and later from CAS-Central.

The Family Resource Fund

A small discretionary fund, called the Family Resource Fund, was available to assist participants in achieving the conditions to qualify for rewards. The Family Resource Fund had a similar function to supportive-services funding in the workforce system. Each family was allocated about \$300, which could be used to pay for services that would help them earn one of the rewards. This fund was created to address the problem that all payments for activities are delivered after they are completed, but participants might need to invest money up front to earn the incentives: for example, to get private tutoring to qualify for the state exam reward, or to pay for a licensing exam to begin searching for work in a particular field. The availability of this fund was not advertised. Rather, it was a resource staff members could draw on if needs emerged in conversation with participants.

Events and Marketing

While one-on-one interactions were central to the engagement strategy, NPOs were expected to supplement family guidance with group events and mass marketing. The Family Rewards Collaborative envisioned that the NPOs would continue to engage the participants through multiple forms of outreach. In light of the large number of participants in each Advisor’s caseload, group events and mass mailings were seen as a way to stay in touch with participants between biannual meetings, provide useful information, and keep Family Rewards on participants’ minds.

This framework was communicated as a broad set of principles for the program to follow, with room for elaboration and modification as the program operators gained experience. Unlike the financial incentives, which had been tested in Family Rewards 1.0, the family

guidance component of Family Rewards 2.0 had no model to follow, so this component of the program was more experimental. Even after the program launched in September 2011, several important aspects of the framework had to be developed by the lead program operator in collaboration with the NPOs and the Family Rewards Collaborative. As a result, this study of the implementation of family guidance describes how the philosophy and practice of guidance evolved over time, and does not attempt to measure fidelity to the foregoing list of guidance components.

The next section describes the Advisors' qualifications, prior experience with counseling, and preparation for the role.

Advisor Characteristics, Supervisory Structure, and Preparation

Advisor Characteristics

Most of the Advisors were recruited from other grants and projects within the NPOs. They were mostly young women with some postsecondary education. At BronxWorks, which had the youngest staff, all of the Advisors in the initial cohort were in their 20s and none had children. This set up a potentially challenging dynamic with parents in their caseloads, most of whom were around 40. At the same time, it afforded a unique opportunity for the Advisors to relate to the high school students.

All of the Advisors had worked in social services, some in roles that included counseling or case management. Since they were often coming from other programs at their NPOs, they tended to have deep knowledge of resources and systems related to those areas. Only two of the Advisors had special knowledge of the education or workforce domains. Five out of the six Advisors in the Bronx were bilingual in Spanish to accommodate the large number of adults there who preferred to communicate in Spanish. Across all NPOs, all but one of the Advisors reflected the populations they served in terms of ethnicity and race.

Supervisory Structure

At hiring, the Advisors were designated as "senior" or "junior" based on their educational qualifications and years of experience. The expectation was that each NPO would hire two senior Advisors and one junior Advisor. All of the NPOs except CAS-NPO, in the Bronx, adopted this structure. At CAS-NPO, there was one senior Advisor and two junior Advisors. The senior Advisor obtained her master's degree in social work during the program and had a formal role supervising her colleagues. At Memphis HOPE, one of the senior Advisors also had a master's in social work and took on more supervisory responsibilities. At other NPOs, the

senior Advisors provided informal support to the junior Advisor by offering referral recommendations or helping in family guidance sessions, usually at the request of the junior Advisor.

Each Bronx NPO served an average of 328 adults and 377 students, while each Memphis NPO served an average of 316 adults and 435 children. Each Advisor had a caseload of approximately 100 families, although at two NPOs the junior Advisors served fewer families than the senior Advisors.

At each NPO the Advisors were overseen by a site supervisor who devoted between 10 percent and 20 percent of his or her time to the project. As noted in Chapter 1, the site supervisors had a fair amount of influence over program design decisions and autonomy in managing their teams. For example, the Memphis NPOs decided to assign each Advisor to be a “champion” of one of the reward domains — education, health, or work. The Advisor responsible for a domain was expected to become an expert on community resources available to help families in that area, and to organize workshops or events to encourage families to earn rewards in that area. Advisors provided this service to all participants in addition to having primary responsibility for their own caseloads. The supervisor at Porter-Leath in Memphis also took the initiative to organize participants into teams during their initial orientation into the program. The idea was to generate a sense of community within teams and spark healthy competition among them. Each team was led by an Advisor and included all the members of his or her caseload.

At the same time, the site supervisors received direction and technical assistance from the lead program operator’s program manager and program associates. In many cases, the program associates provided direct training to Advisors. The lead program operator (Seedco and then later CAS-Central) created performance indicators in collaboration with MDRC technical assistance staff members, and kept the site supervisors up to date on how their performance measured up to targeted outcomes. The main way Seedco, and then CAS-Central, provided performance feedback was by generating reports using data from the management information system (called Salesforce). In the first year of the program, these reports were focused on “process”: the number of participants who received orientation, the number of Family Earning Plans created, etc. In Year 2, CAS-Central developed a consistent definition of “low-earning participants” and began generating monthly reports that identified these individuals in each Advisor’s caseload. Advisors were expected to make contact with these participants and engage them in Family Earning Plan reviews with the aim of increasing their earnings. The focus of the performance feedback reports then shifted to the “outcome” of family guidance (that is, the reduction in the number of participants who had low earnings).

In Year 2, three staff members at CAS-Central devoted at least some time to supporting the family guidance work. The program manager took the lead in drafting guidance materials, especially in Year 1. Two program associates were hired in Year 2, one in each city, who had a

background in social work and human resources development, respectively. They provided coaching on family guidance and the use of Salesforce, reviewed performance outcomes with site supervisors and staff members, and helped the NPOs develop and implement strategies to improve their performance.

Preparation

As described in Chapter 1, the first six months of the Family Rewards demonstration did not go according to plan. The delays in recruiting the sample had cascading effects on other elements of program development. This was exacerbated by Seedco's very thin staffing structure, in which a single person was responsible for coordinating a response to recruitment challenges, leading the programming of Salesforce, training the Helpline staff, ensuring that payments were processed on time, developing program materials, and training staff members in their use. While the family guidance materials were designed carefully and the staff was trained in their use, there was not as much time as the program manager would have liked to monitor implementation closely.

The early training sessions focused on the Family Earning Plan (Appendix Figure C.1) and a set of tools that staff members could use to assess participants' barriers to earning rewards (for example, the "Work-Readiness Tool" shown in Appendix Figure C.3). The flow of the guidance session was expected to follow the structure of the documents. Seedco intentionally designed the documents in this way to support Advisors who had differing levels of experience with counseling. The Family Earning Plan was meant to walk an Advisor through marketing the incentives, eliciting a participant's assessment of when he or she would begin to earn them, and discussing barriers to earning rewards and next steps. The assessment tools were developed soon after the Family Earning Plan and were intended to help staff members probe the underlying reasons participants might not earn rewards. The Advisors had a list of questions they could ask in each of the domains. For example, in the education domain, one assessment tool asked:

- Do you have any responsibilities to take care of before you go to school in the morning? (For example, getting brothers and sisters up and ready, or caring for a grandparent or parent, or other adult in the house.)
- How much time a night do you spend on homework?
- How do you and your friends get along with other kids at school?

These questions were expected to function like a decision tree guiding staff members to appropriate referrals.

When Advisors described the messages they heard about their role, they recalled being firmly instructed not to be "social workers" or to get too deeply involved in any participant's

complicated life story. The style of advising was not meant to be intensive; it was meant to encourage participants to plan their own next steps rather than holding their hands. While this language is similar to what the Family Rewards Collaborative intended, the Advisors enacted their role in a way that was very different from the program designers' expectation. A serious intervention was required at the start of the second year to bring the practice into better alignment with the goals.

The Evolution of Family Guidance

Year 1: Guidance Focused on Relationship Building and Customer Service

According to Advisors and participants, two priorities shaped the character and content of family guidance in the first year of the program: 1) the need to build relationships with the participants, and 2) an emphasis on ensuring participants knew what activities had incentives attached to them and how to claim the rewards they had earned.

Relationship Building

Unlike other social programs that mandate meetings between clients and case managers, Family Rewards made the relationship optional.¹ For it to succeed, the participants had to view it as in their interest to attend the appointments. This was initially a challenge for Family Rewards because it took some time for the participants to start to earn rewards and build up a sense of trust in the program's core offer. In all cases, participants had to go out of their way to visit their Advisors since the NPOs were not located in places participants typically frequented. One Advisor described this challenge:

In the early phases of the program, we had to build a relationship with our principal participants. We didn't know them, you know, these were just people that we signed up for the program. At first they were skeptical about the program: "Can I really get money for doing things we normally do with our families?" So once they started to see the money come in, it was a little different, but that first couple of months was kind of tricky in order to engage them and get them to come back and keep on going with it.

The staff made persistent efforts to engage every family in person. In addition to Family Earning Plan review meetings, each NPO had an open-door policy allowing participants to drop

¹This was true in all but two cases. First, the reward for grades required that an Advisor sign the coupon in order for a student to be paid in Year 1. In Year 2, after a policy change allowed participants to mail in their report cards, students still had to meet with their Advisors once before any payments could be released. The reward for attaining a GED certificate also required an Advisor's signature with verifying documentation.

by for help with payments or to talk about other issues. The factors most often cited by participants in focus groups as contributing to strong relationships between Advisors and participants in Year 1 were: the report card reward; the Advisor's persistent outreach; and the Advisor's caring, nonjudgmental style. Lack of transportation was often cited as an impediment to a strong relationship, particularly in Memphis, as were any instances when an Advisor seemed unresponsive to the participant's attempted outreach. In the end, transportation had a critical effect on the nature of guidance relationships in Memphis.

In the first year of the program, the rules required that every report card be signed by an Advisor before payment could be released. In theory that rule gave the Advisor the opportunity to monitor each student's academic performance and intervene with a referral or set of strategies if the student began to struggle. In Memphis, however, all high school students received their report cards on the same day. This created quarterly surges in the number of participants coming into the NPO to get their report cards signed. In New York City, every school could determine its own schedule for report cards so the flow was steadier. The spikes in visits to the NPO had negative consequences that are explained below, but the major positive consequence was that they brought participants into the NPO regularly. Students could earn rewards for Cs, so most students had at least one grade that qualified for a reward. The Advisors were very pleased to find that in the beginning some participants with no eligible grades brought their report cards in, thinking it was a program requirement.

These frequent visits created familiarity between the Advisors and the participants in their caseloads. At one Memphis NPO where visitors had to sign into the building with their names, addresses, and phone numbers, the visits gave Advisors a way to stay up to date on participants' contact information, which was important given that Memphis families turned out to be highly mobile. During this time participants were starting to earn rewards, so the credibility and importance of the program grew in their estimation as they were becoming friendlier with the program's staff.

The Advisors spent a significant amount of time on the phone reaching out to participants. In Year 1, many even called participants to let them know when payments had been posted to their accounts or to remind them about deadlines. These courtesy calls were not part of the triage model per se, but the participants who received these calls appreciated them. Though they were only required to meet with participants in their caseload twice a year, the Advisors attempted to be in regular contact with families, at least by phone. When a family did not respond to these efforts, the Advisors took extraordinary measures. At each NPO, Advisors described doing home visits, reaching out repeatedly by mail and phone, and searching for individuals on social media.

The adult participants described two qualities that made them open up to the Advisors. First, the Advisors seemed genuinely interested in the well-being of their entire families, and their concern seemed to go beyond just the program. Participants raved about Advisors who remembered their personal circumstances and made them feel valued. One mother in the Bronx described her Advisor as a part of her family because of her patience and sincerity: “That’s how you build good relationships with people, actually, not because it’s your job but because they take their job personal like you’re part of their family and they’re part of your family.”

Students were surprised by their Advisors’ interest in their academic performance, and wanted to make them proud. The students in the Bronx who described close relationships with their Advisors also used analogies to family to describe their Advisors, saying she is like an aunt or somewhere between a parent and guidance counselor. However, for some students the fact that their Advisors were *not* family is what made the relationship meaningful. A female student in the Bronx said that her Advisor’s encouragement was special because “with my mom motivating me all the time it is like, okay, that’s your job, you’re supposed to tell me. But hearing it from someone else is just like, oh, they care too.” Many students in the Bronx described traveling independently to the NPO to meet with their Advisors.²

These types of relationships were more characteristic of Advisor relationships in the Bronx, and of participants’ relationships with one Advisor in Memphis (who completed her master’s degree in special education before leaving the program). That Advisor was a 25-year veteran of social service programs in Memphis. Parents consistently praised her style. She would sit with participants and listen to their stories, sharing tips and referrals that came naturally to her due to her familiarity with Memphis social service agencies. An adult participant described their conversations:

Well, I come and get my coupons signed. We talk about jobs because I said, “I ain’t worked since 2011.” ... But anyway, she talk about having me calling everybody, because she know everybody. She’s just real helpful. She’s very nice. We’d talk about my kids. She asked how my mama was doing and she’s just real concerned. Asked how my living arrangements is, if they’re going to school, is they getting in trouble. She’s very concerned. I love her. She’s the one that got me in the place where I’m living now.

In addition, parents appreciated being able to ask questions about the program without being made to feel like a “nuisance.” This comment was often framed as a welcome contrast to typical relationships with case workers in social service programs. On the other hand, participants took it very hard when they perceived that an Advisor was irritated by their questions, or

²In Year 2 when the report card policy changed to allow students to mail in all grade coupons, some parents said they intentionally did not tell their children about the policy change so that the children would continue to visit the NPOs regularly and receive the extra encouragement.

when they called an Advisor and had to wait a long time to hear back. Complaints like these were few in the parent focus groups, but they came up mainly in Memphis.

Parents and young people in Memphis generally said that they liked their Advisors but they did not, for the most part, have close relationships with them.³ They seemed to have very infrequent personal contact with their Advisors and to view them mainly as “reps” or “coordinators” they could call if they had trouble with their payments. The major reasons for this were the limited nature of the Advisor role (described below) and transportation obstacles. Because the participants relied on cars, which are expensive to operate, or rides from others, the Advisors had trouble getting participants to visit the NPO. The high school students relied on their parents for transportation so Advisors almost never met with high school students alone. Parents brought in students’ report cards to be signed. By the second year of the program, none of the staff members at one Memphis NPO could say that they had any regular personal contact with high school students in their caseloads.

The Advisors in Memphis adapted to the persistent problem of participants not scheduling appointments or missing appointments due to transportation issues by spending much more time doing guidance on the phone, or by making home visits. While the Advisors were often ambivalent about bringing the program to participants, fearing that this would encourage passivity, they could not hit some performance targets without doing so. They believed that home visits could lead participants to invest more in the program and make arrangements to go to the NPO. The Advisors at Porter-Leath also adapted by hosting large group events. The events attracted participants with their promise of food and fun, and staff members used the occasion to make face-to-face contact with participants in their caseloads, and to complete some program-related business.

Customer Service

The Advisors believed that their role was mainly to ensure that participants understood their earning potential and the mechanics of claiming rewards, and to help resolve problems participants might have with the payment-processing system. In effect, they assumed a similar role as staff members in the Family Rewards 1.0 demonstration. “It was cut and dry,” one Advisor in Memphis explained. “If you came in, you came in for an issue” like signing a report card or turning in coupons. Another Advisor in the Bronx described the role as making sure “families are submitting for activities, regardless of how much money they’re receiving, just that they are submitting and they understand completely how much money the program has to offer.”

³It should be noted that these focus groups took place in December 2012, after the staff was trained in motivational interviewing, but before the technique had taken hold.

The Advisors did not explore barriers to earning rewards too deeply because they quickly found that participants who were willing to talk brought up complicated and wide-ranging personal challenges that the Advisors either felt proscribed from addressing effectively or that they did not know how to deal with. These issues included housing dislocation, HIV and other serious health problems, domestic violence, infidelity, divorce, substance abuse, teen pregnancy, and incarceration. Sometimes these barriers related directly to participants' ability to earn rewards but often they were the set of forces that surrounded participants' lives and that made an interaction focused exclusively on whether or not a person had earned a particular reward seem insensitive. The Advisors who had more case-management experience described an internal tension in which they wanted to explore these issues in greater depth and provide true case management, which they understood as making phone calls for the participant and walking him or her through a plan of action. On the other hand, most Advisors acknowledged that they were not equipped to handle these kinds of problems and focused instead on being friends to the participants and developing expertise in the paperwork requirements for earning rewards. For these reasons, guidance sessions in Year 1 were both highly "transactional" (that is, focused on paperwork and program administration) and characterized by a lot of affirmation and requests for participants to commit to certain goals or by a more pointed, analytical style of reviewing earnings and missed opportunities.

This affected the way the Family Earning Plan was administered. The focus groups found that participants generally understood the rewards, and the Advisors thought the Family Earning Plan helped them explain the rewards. It was an effective tool for reviewing each of the rewards and its value. But the other sections of the document were more difficult to implement as intended. First, the setting was not conducive to an honest or deep conversation with individual participants. Entire families were brought in to complete the Family Earning Plan together. The parent Earning Plan reviewed workforce and health rewards, and each high school student completed his or her own student Earning Plan. With several other family members looking on, sometimes impatiently, the Advisors found that some participants (especially students) gave answers to the self-assessment section without much reflection, often responding that they would earn every reward immediately. Advisors also found it difficult to facilitate sensitive conversations about barriers to earning in this context. MDRC conducted a case file review at the end of Year 1 to look at hard copies of Family Earning Plans, and found that most had nothing written in the action-planning section. Staff members confirmed during focus groups that they tried to use the assessments but abandoned them because the questions were too difficult to ask or led into uncertain territory.

In subsequent meetings with participants, Advisors developed their own style of interaction. The following descriptions illustrate two styles that were seen in the Bronx and Memphis. These show the range of ways Advisors interacted with participants.

One style the researchers observed in guidance sessions with young people revolved around *affirmation and bargaining*. The Advisors congratulated students on earning rewards, encouraged them to earn more by telling them repeatedly, “You’re smart, you can do it,” and brought up things they could buy with the extra money if they succeeded. A student in the Bronx described what she took away from an advising session in which her Advisor used the affirmation style:

When I meet with my Advisor ... she’s, like, helpful. She encourages me to take SATs, and she encourages me to keep doing better in school. Because at first I really didn’t want to take — because I take my SATs in January and I don’t think I’m ready for them, but she motivated me to take them because she’s like, even if you don’t pass now ... it’s always okay to take it again. And she just tells me to not give up and don’t disappoint myself, because I’m going on a good roll, don’t ever, like, back down.

If a student was having trouble in school, the Advisor would ask him or her to choose one or two classes and promise those grades would be higher at the next meeting. Much of the advising regarding grades was of this variety — or else the visit was strictly for the purpose of getting the Advisor’s signature. Because these frequent visits to the NPO were not generally leading to in-depth conversations about students’ academic needs, and because they required burdensome travel arrangements for families in Memphis, the signature requirement was removed at the start of Year 2.

Still, many academically proficient high school students reported during focus groups that they believed they benefited from the encouragement they received from Advisors. The kind of encouragement Advisors gave them was more like mentorship than conventional academic counseling: the Advisors boosted students’ self-esteem, provided emotional support, and shared practical advice. While there is some evidence this kind of support can be beneficial,⁴ it did not seem to the technical assistance staff at CAS-Central and MDRC to be adequate for students with serious academic challenges.

The more *analytical* style of family guidance is represented by the following description of a six-month Family Earning Plan review in Memphis. Advisors used a form in the six-month review meetings that helped participants visualize their earnings compared with the total offer (Appendix Figure C.2). The form called for Advisors to point out how much money participants had *lost* in the past six months by not meeting the conditions for rewards. The Advisors themselves had stumbled across this language through trial and error, and noticed that it grabbed people’s attention. The wording was also consistent with a psychological concept

⁴Jekielek, Moore, Hair, and Scarupa (2002).

called “loss aversion,” which states that people pay more attention to losses than gains.⁵ Over time, however, the Advisors shifted away from this initial language and began instead to describe missed rewards as “unclaimed” or “left on the table.” They felt this approach struck the same chord but was more empowering to participants since it suggested that they could still do something to earn it.

An Advisor being interviewed during Year 2 of the program thought back to Year 1 and drew a contrast between the current and former styles.

I would start with the students. So maybe they’ve only earned \$200, so they were missing \$100 there. Is there anything we can offer? Well, we weren’t even saying that, I don’t think. We were just saying, “Okay, this is an area you might want to address,” because they’re leaving money on the table.

That’s how you had to kind of word it or address it that way, like, “Okay, Miss Wilson, your child is leaving money on her table.” What I mean by that is they could have earned \$300, but they only earned \$200 in education. And then you have four kids here, plus yourself. That’s five [people] in the household. Well, only two of your kids are paid dental, so you’re leaving some money as well. So, you might want to look at those areas. Then, you’ve got the work. “Well, Miss Wilson, are you working?” “No, I’m not working.” “Okay.”

We hadn’t been given the green light to question why you weren’t working. Now if you shared that, you shared it, but it was nothing that I put in our notes or our [Family Earning Plan] or anything like that to say “Well, Miss Wilson said she’s not working because she has an addiction issue or she doesn’t have a GED or something like that.” It was like you don’t touch those issues. You leave it alone.

While the two styles of advising from Year 1 are very different, they share some commonalities: both are brief, Advisor-led conversations that compare the amount of money claimed with the maximum offer.

Contrary to expectation, referrals did not generally play a large role in family guidance at this time. Advisors had not developed strong partnerships with other service providers so they were sometimes unsure of the options outside of their own organizations. Some Advisors also thought that giving referrals alienated participants at a time when Advisors were trying to build strong relationships with them. Advisors feared participants would feel guilty and stay away if they had not followed up on a referral. In Memphis, Advisors strongly (but mistakenly) believed that they were not *permitted* to give referrals unless participants specifically requested them.

⁵Kahneman and Tversky (1979).

The major exception to this pattern was found at CAS-NPO in the Bronx. From the start, this team used the site supervisor and an on-staff social worker to supplement the training provided by CAS-Central on how to discuss barriers to earning and provide support through referrals.

The Family Resource Fund was not directly advertised to participants, making Advisors the gatekeepers for this money. The Fund was hardly used during the first year of the program. This seems to have been due to a combination of confusion about permissible uses; inability to use the funds to pay for dental visits, which is what many Memphis Advisors would have liked to do;⁶ the mismatch between the disclosure of an immediate need and the time it would take to get the funding; and a clear message from at least one site supervisor that it would be best to avoid using the Fund since there were often suitable free resources available in the community.

Although CAS-Central had been providing half-day training sessions and other in-person coaching to Advisors during the first year of the program, the program manager and other members of the staff recognized that a more coordinated and intensive approach would be needed to build the Advisors' skills. The main goal was to bring greater uniformity to the style of advising and improve Advisors' ability to explore barriers to earning now that they had established a strong foundation of trust with participants and helped them understand the rewards. This was seen as essential to moving participants from claiming rewards they had earned to earning rewards in new areas.

Year 2: Guidance Focused on Referrals and Motivational Interviewing

Year 2 of the program can be divided into two periods with respect to family guidance. In the first six months, the NPOs developed stronger ties to referral partners and CAS-Central introduced a new approach to family guidance based on motivational interviewing. During the second six months, motivational interviewing had taken root and staff members applied it fairly consistently to their Family Earning Plan reviews.

New Referral Partners

In a process that began at the end of Year 1, the NPOs, with guidance from CAS-Central, developed partnerships with new referral partners. In Memphis, these were providers who offered low-cost dental cleaning to adults with no insurance. In the Bronx, these were workforce programs. These referral networks were described in Chapter 2.

⁶This policy was changed in the third year of the program to address the persistent challenge of finding dental providers in Memphis.

The Introduction of Motivational Interviewing

After considering multiple factors (including the relatively brief duration and sporadic frequency of guidance sessions and the uneven skill levels of staff members), CAS-Central decided to bring in a new approach to family guidance at the start of Year 2 organized around motivational interviewing. The purpose of this change was to give Advisors the tools to engage low-earning participants, and to structure effective conversations about behavior change, rather than simply helping participants claim rewards they had earned.

Motivational interviewing is, according to one definition, “a treatment philosophy and a set of methods employed to help people increase intrinsic motivation by exploring and resolving ambivalence about behavioral change.”⁷ Developed in the 1980s in the context of substance-abuse treatment, it has exploded in popularity in the 2000s in numerous counseling settings, although most of its evaluated uses still relate to addiction and health promotion. It is a client-driven approach to counseling in which individuals are regarded as the experts in improving their own lives. This does not mean that the counselor is passive. To the contrary, motivational interviewing is directive, in that the counselor uses a set of techniques to explore the individual’s reluctance to change. The ultimate goal is for the individual to express a verbal commitment to change (“change talk”).

Motivational interviewing has been found to be more effective than no treatment, and at least as effective as some psychotherapeutic alternatives like cognitive behavioral therapy that take more time to implement.⁸ It is a flexible set of techniques that can be incorporated into existing programs, and has been found to increase program engagement especially for members of certain racial and ethnic minority groups.⁹ For Family Rewards, the major risks involved in adopting it were: staff members’ resistance to this significant shift in the nature of their jobs; the difficulty of achieving a minimum level of staff competence in it given the range of skill levels Advisors had; and the lack of evidence regarding its effectiveness in nonclinical settings where participants do not necessarily see their lives as in need of change.

CAS-Central introduced the Family Rewards staff to motivational interviewing during a two-and-a-half-day retreat in Memphis in early November 2012. A certified motivational interviewing trainer facilitated the workshop, which involved a combination of lectures and role-playing. NPO site supervisors embraced the new approach, but the initial reaction among Advisors was mixed. Motivational interviewing was a major change for them. As one Advisor put it, it was going from “close-ended statements to open-ended questions.” Five of the 12 Advisors were enthusiastic supporters right away, while at least 4 had strong reservations.

⁷Miller and Rollnick (2002) as quoted in Lundahl and Burke (2009), p. 1,232.

⁸Lundahl and Burke (2009).

⁹Hettema, Steele, and Miller (2005).

Advisors in the latter group had felt confident in their ability to provide customer service and referrals (once the new referral networks were in place), but felt unprepared for this new approach. Most Advisors described feeling overwhelmed by the expectation that they would be able to implement the practice right away, since it had so many components. They wondered whether every interaction with participants had to be infused with motivational interviewing, and a few struggled to find a way to sound natural while using the motivational interviewing language they had been taught.

CAS-Central invested significant resources in providing ongoing training for staff members, recognizing that Advisors would need a lot of in-service support to develop their skills. Two program associates were hired in Year 2 whose primary responsibility was staff professional development. They created tip sheets and tools to use during guidance sessions. The Advisors began tape-recording their guidance sessions and handing those tapes to their site supervisors and their program associates. The recordings were reviewed and scored according to the number of motivational interviewing techniques the Advisor used, and the degree to which the Advisor capitalized on opportunities to advance the conversation toward change talk. Every other week program associates facilitated case conferences attended by all Advisors at an NPO and the site supervisor, where they played a recorded guidance session and discussed it. The Advisors described case conferencing as an effective method for continuing to improve their skills since they were able to hear their peers applying motivational interviewing and discuss strategies collectively. The case conferences also represented opportunities to review the team's progress in relation to performance metrics, and to provide short training sessions.

The first six months of Year 2 was a period of tremendous variation in the amount and quality of motivational interviewing that programs used. While a few Advisors took to the methods immediately, the majority needed more training or a direct order from their site supervisors to begin to try out the techniques, as described in Box 3.1.

Full Implementation of Motivational Interviewing

According to CAS-Central and Advisors themselves, all staff members achieved a minimum level of proficiency in motivational interviewing by the end of the summer of 2013, with many of them becoming very good at it earlier. The length of time it took to achieve minimum competency demonstrates the significant organizational investment in professional development that was required to make the transition to motivational interviewing possible.

The texture of guidance sessions changed after the full adoption of motivational interviewing. Most of the Advisors eventually bought into the approach and saw it as beneficial. They described breakthroughs with participants, particularly in eliciting engagement among uninterested participants or in getting participants to commit to new goals. There was no "control" group condition in which participants were offered the incentives and a different style

SIF Family Rewards

Box 3.1

Motivational Interviewing in the Service of the Financial Incentives or the Other Way Around?

A Perspective from the Family Rewards Program Manager at CAS-Central

Ilana Zimmerman

Before motivational interviewing training, Advisors encouraged participants to set short-term goals to claim rewards. Discussion tended to focus on rewards for which a participant was already demonstrating the target behavior but needed to compile paperwork for the program's verification, or activities in which a participant felt invested but needed an additional push or reminder.

Once motivational interviewing was implemented, Advisors' focus shifted to participants' long-term goals. Suspending judgment, Advisors talked to participants about their current behavior and lifestyle choices. They used motivational interviewing to develop discrepancy: highlighting the gap between where participants hoped to go and where their current behavior was leading them. As they became aware of the gap, participants started to explore alternative behaviors that would better support their goals, and for the first time many expressed commitment to attempting Family Rewards activities.

Although it may seem that attention shifted away from earning rewards, just the opposite is true. Take the following case.

An Advisor worked with a mother who could not articulate any goals related to health, work, or her child's education. She was preoccupied with her housing situation. Her family lived in a small Bronx apartment with her parents, and she wanted to find her own place for herself and her children. She and her Advisor began exploring the fit between her goal of finding an apartment and her current behaviors, particularly her decision not to work. As the guidance session unfolded, the mother came to the conclusion that employment was the only way that she could achieve her goal. For the first time since starting Family Rewards, she expressed a commitment to finding a job. She followed through, and a few months later started work in a medical facility.

Motivational interviewing led more participants who at first did not intrinsically desire to work full time or to maintain good attendance in school to see these activities as steps to achieving their future goals. Families became more likely to believe that the new habits they practiced and the cash they earned would benefit them now and in their future.

of advising or no advising at all, however, so it is impossible to verify these accounts empirically. The full implementation of motivational interviewing coincided with the full implementation of targeted outreach to low-earning participants as well as the availability of new referral options, making it difficult to tease out the specific contribution of motivational interviewing from that of these other program developments. The following observation of an Advisor in the Bronx who was highly proficient in motivational interviewing illustrates how nuanced it could make conversations with participants.

The Advisor asked the student about her English class. “What have you been doing different in English that raised your grade?” The student said she had been participating more in class. Advisor asked, “What else could you do?” The student explained that the class asks for a reading report, but it is boring. She reads the material, but does not like writing the structured, five-part reports. The Advisor noted that the participant was already doing half of the work by reading the material and that she had seen that if she put in the effort, it improved her grades. She suggested that maybe she could go halfway: instead of completing the five parts of the reading report, she could start with two. The participant seemed to like the idea....

Then the Advisor went over the “goal-setting tool” and asked the participant to write down four goals [Appendix Figure C.4]. Afterward the Advisor read each of the goals, asked the participant how confident she was about reaching her goal, and then asked some follow-up questions. For example, where the student wrote, “Do all “Global” homework — 9 confidence level,” the Advisor asked, “Why 9 and not 2?” The student responded that she had free time and knew she could do it.

After going through the list of goals, the Advisor suggested that the participant place the sheet in a place where she could see it so she would remember it. She said they would go over it the next time they met.

Most Advisors said that participants, especially students, adapted well to the change in the guidance style. In addition, motivational interviewing gave Advisors new tools to confront parents’ ambivalent feelings about full-time work. As noted in Chapter 2, parents questioned whether they would be better off working, worrying about their younger children and the loss of public benefits. Advisors used motivational interviewing techniques to get participants to explore their own resistance, while trying not to push too hard. They were primarily interested in keeping the lines of communication open in the hope that a parent would express a readiness to work in the future, at which time the Advisor could provide more intensive support.

CAS-Central provided an example of a sophisticated guidance in relation to the workforce coupon. A Memphis Advisor asked a parent about work and the parent said she was out of work but was thinking about returning to her old job. The parent said she did not know if she really wanted to return to work, but she did know she wanted to go back to school. The Advisor

used a technique called a “double-sided reflection” to explore this uncertainty: “On the one hand you want to go back to work to get money but on the other hand you really want to go to school.” The Advisor then asked a “looking forward” question: “What does your life look like in five years?” In response, the parent shared that she wanted to start her own business. Then, the Advisor asked, “What does it look like financially if you stay where you are?” The parent replied that she really could work and go to school at the same time. At this point in the discussion, the Advisor summarized their conversation and asked the parent what stood in the way of going back to work. The parent described not having a sitter, and loss of benefits. The Advisor stated that she would like to meet again with the parent to go over the “change plan worksheet” to map out next steps and resources needed to reach the parent’s goal. The parent agreed.

CAS-Central trained staff members to follow a set structure in conducting guidance sessions using motivational interviewing so there was some continuity between guidance sessions conducted by different Advisors (although the above examples demonstrate how fluid conversations could be). Advisors were trained to *prepare for the meeting* before the participant arrived by reviewing Salesforce data on earnings and notes from prior meetings. When the participant arrived, they would *set the agenda together*. The bulk of the meeting would be devoted to *exploring unclaimed reward opportunities* and *setting goals for earning* using one of a variety of motivational interviewing tools that CAS-Central provided. When requested by the participant, the Advisor could provide referral information. The Advisor would then *wrap up the session* by summarizing what had been accomplished and expressing confidence in the participant’s ability to achieve his or her goals. The Advisor and the participant might also make a plan for following up with each other, which could be initiated by either party. After the participant left, the Advisor would *document the session* by writing case notes in Salesforce.

Continuing Challenges with Motivational Interviewing

While motivational interviewing led to many apparent improvements in family guidance when implemented well, staff members described three continuing challenges after it was introduced.

First, Advisors with weaker motivational interviewing skills struggled to reorient themselves from the customer-service approach to guidance they had adopted in Year 1. Not all participants viewed their Advisors as someone they could turn to for help earning new rewards or dealing with other life problems that stood in the way of earning rewards. The inability of some Advisors to draw participants into deeper conversations meant that these Advisors had fewer opportunities to practice and improve their motivational interviewing skills. The weaker Advisors found that conducting guidance sessions in tandem with more proficient Advisors helped address this problem. Each of the NPOs took a team approach to family guidance, with

Advisors often seeing each other's cases when one was unavailable or thought a colleague could provide better assistance, so conducting some guidance sessions together was natural.

Second, since it was not mandatory for participants to come into the NPO for meetings with Advisors after the report card rule change, many did not, meaning Advisors had to conduct biannual review sessions by phone. Phone guidance was more common in Memphis, where one Advisor estimated that 60 percent of her biannual meetings had been conducted by phone, not the optimal context for having meaningful conversations with participants. The Advisor explained:

It does kind of put up a wall because you know, you don't know what they are doing on the other end. They could be watching TV, or not paying attention.... So, it definitely is a little barrier. And it's a little weird too: "I'm calling to discuss your earnings." Like okay. What does that mean? And I haven't talked to you in six months.

Last, Advisors tended to believe that they had to incorporate motivational interviewing into every encounter with participants and could never deviate from its particular style of communication. For example, they questioned whether they could make suggestions or add goals to a participant's list (especially in cases where the participant was being targeted because of low earnings and the Advisor was under pressure to get the participant to focus on raising earnings in that area). CAS-Central attempted to reassure Advisors that they should be using a variety of styles of guidance including more prescriptive or customer-service-oriented styles when appropriate. The key was to find the right moments for different styles of communication and adhere to the overarching philosophy of motivational interviewing — collaboration, empathy, and change — at all times.

The Amount and Distribution of Guidance

The MDRC research team acquired all of the case-management data from Salesforce, the management information system that CAS-Central developed for the program. This data source provides a comprehensive overview of the scope, intensity, and distribution of the interactions between Advisors and participants, but it is limited by the way the Advisors interpreted their own work, their consistency in applying codes, and the numerous upgrades to the system that were made over time. CAS-Central spent a lot of time training staff members in the proper use of Salesforce, and in focus groups Advisors did claim that they were using it consistently by the start of Year 2.

The research team categorized interactions with participants based on the intensity of services delivered: high-intensity guidance, medium-intensity customer service, and low-

intensity outreach.¹⁰ Guidance sessions are interactions that explore participants' accomplishments and attempt to address needs. Customer-service interactions are largely transactional meetings concerning payments. Outreach consists mostly of phone calls and letters to schedule meetings or market the rewards. Participants may or may not have actually received these letters and phone calls.

In reviewing these data, it is important to note the difference in workload between the Advisors in the Bronx and Memphis. Because Memphis families were larger, Bronx NPOs had 91 fewer participants overall (see Table 3.1). The largest discrepancy was between CAS-NPO in the Bronx and Memphis HOPE: CAS-NPO had the smallest caseload with 678 individuals, 365 of whom were students, while Memphis HOPE had the largest with 773 individuals, 450 of whom were students.

Creating and Reviewing Family Earning Plans

As noted earlier, the creation of the Family Earning Plan was the first one-on-one interaction between an Advisor and a participant, and it served to educate participants about the incentives and motivate them to earn. The Salesforce data reveal that Family Earning Plans were created for most participants (Table 3.2). About 94 percent of adults across both cities had created a Family Earning Plan by the end of Year 2. For high school students, the percentage was lower — 90 percent in the Bronx and 77 percent in Memphis. This discrepancy reflects the difficulty Memphis HOPE Advisors had bringing students in for this activity. At that NPO, only 69 percent of high school students had completed this activity by the end of the second year (Appendix Table C.1). Memphis HOPE Advisors attributed this to the particularly disadvantaged circumstances of families in their caseloads and the fact that their organization had the

¹⁰Each of these categories corresponds to a set of fields Advisors could select in Salesforce. Multiple codes could be selected for a single interaction. In this analysis, where there are multiple codes recorded for a single guidance session each of them is included in the count for its type of interaction, but the number of guidance sessions is counted by the date of the occurrence to avoid overstating the number of interactions.

- High-intensity guidance includes the codes: Family Earning Plan review, Family Earning Plan created, Year 2 report card review for students, discussed next steps, discussed barriers, discussed public benefits, and referral made.
- Medium-intensity customer service includes the codes: group check-in, group workshop, discussed referral outcome, administrative contact (submitting bank account information or adjusting family composition or eligibility), and program customer service (Advisor signature for GED certificate completion, Advisor signature for report card for students, answered earnings questions, Helpline call, or coupon submission support).
- Low-intensity outreach includes the codes: program campaign (outreach to particular participants with information or reminders), scheduled coupon book pick-up, program reengagement call, and program outreach (sent e-mail, sent letter, or conducted automated call). This category includes forms of outreach where the Advisor did not actually make contact with the participant.

SIF Family Rewards

Table 3.1

Caseload Size, by Neighborhood Partner Organization

Outcome	BronxWorks	CAS- NPO	Memphis Hope	Porter- Leath
Adults	342	313	323	308
Average number of adults per staff member	114	104	108	103
Students	389	365	450	419
Average number of students per staff member	130	122	150	140
All participants	731	678	773	727
Average number of participants per staff member	244	226	258	242

SOURCE: MDRC calculations using baseline data.

NOTE: Among children, only participants in high school were eligible for guidance. Only students identified as being in high school in Year 2 are included.

most students to serve. Students who did not have this meeting missed an opportunity to become familiar with the program and their Advisors, which may have affected their engagement with the program.

The Family Earning Plans were not reviewed twice yearly, as anticipated by the original family guidance model. Figure 3.1 shows that 52 percent of adults in the Bronx and 40 percent in Memphis attended one Family Earning Plan review meeting in Year 2. A smaller percentage attended two review meetings: 30 percent in the Bronx and 21 percent in Memphis. Among high school students, the percentages were even lower. Forty-nine percent of students in the Bronx and 24 percent in Memphis attended one Family Earning Plan review; 24 percent of Bronx students came back for a second meeting, while only 2 percent of Memphis students did.¹¹ This means that relatively few participants received formal biannual guidance. Advisors in Memphis in particular noted a significant decline in participants' willingness to attend the meetings once they no longer had to do so to claim the grade reward. NPOs' inability to bring most participants back for multiple meetings demonstrates one of the challenges of the

¹¹One of the adaptations Advisors instituted was to conduct student Earning Plan reviews with parents. CAS-Central endorsed this approach. If an Advisor completed a Family Earning Plan review with a parent, therefore, that Advisor sometimes did not try to do a separate one with the student in that family. These numbers do not indicate how many families had one or two Family Earning Plan reviews for *either* the adult or a high school student.

SIF Family Rewards

Table 3.2

Family Earning Plans Created by the End of Year 2, by City

Outcome (%)	Bronx	Memphis	Total
<u>Adults</u>			
Created Earning Plan	94.5	92.7	93.6
Sample size	655	631	1,286
<u>Students^a</u>			
Created Earning Plan	90.3	77.2	83.3
Sample size	754	869	1,623

SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTE: ^aSample only includes students who were identified as being enrolled in high school during Year 2.

voluntary nature of family guidance. Because guidance in the first program year and at least half of the second consisted of mostly transactional interactions, participants may not have felt that it was worth it to attend or make themselves available by phone more than once, even as the Advisors were learning motivational interviewing and trying to make the interaction more meaningful.

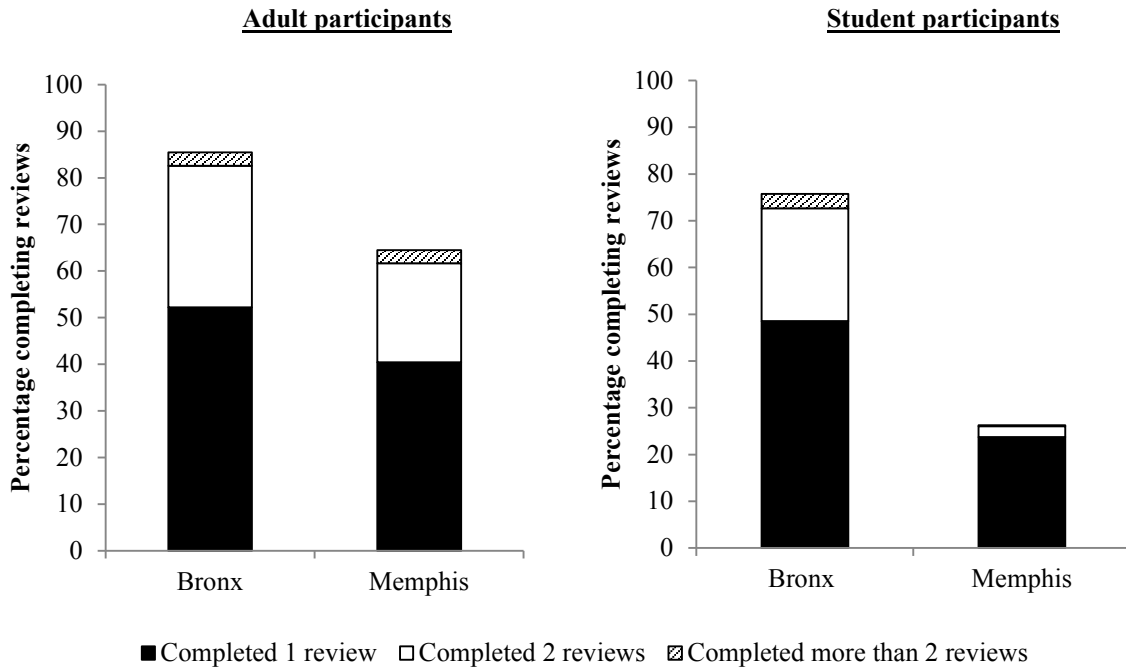
One NPO was able to maintain a higher level of contact with students over time. Appendix Figure C.5 shows that BronxWorks Advisors conducted two Family Earning Plan reviews with 35 percent of the organization's students, whereas at other NPOs the proportion of students who had a second review ranged from 13 percent to 2 percent. More students attended a second Family Earning Plan review at BronxWorks because when the program's rules changed, Advisors did not tell students that they no longer needed to attend these meetings to claim their grade rewards.

While Family Earning Plan reviews were important check-ins, they must be understood in the context of all of the forms of interaction between Advisors and participants. According to the classification system described in the introduction to this section, Advisor-participant interactions included customer service to address payment issues and outreach to provide information or simply reconnect. At times Advisors would provide participants with elements of a guidance session — by discussing next steps or barriers to earning, or by providing referrals

SIF Family Rewards

Figure 3.1

Summary of Family Earning Plan Reviews in Year 2, by Participants and City



SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTE: Year 2 covers activities that occurred between September 2012 and August 2013. Sample includes students who were identified as being enrolled in high school during Year 2.

— outside of a formal Family Earning Plan review. Table 3.3 shows that almost every adult in the program experienced a Family Earning Plan review or elements of a guidance session (80 percent), customer service (71 percent), and outreach (91 percent). Similarly, almost all students had contact with their Advisors at least once, most through a guidance session (85 percent) or customer service (66 percent), and 43 percent through general outreach. The differences between the Bronx and Memphis in this regard are minimal, except that a much smaller percentage of high school students in Memphis received general outreach.

SIF Family Rewards

Table 3.3

Summary of Guidance Sessions in Year 2, by Participant and City

Outcome (%)	Bronx	Memphis	Total
<u>Adult participants</u>			
Participant engaged in at least 1 interaction	97.1	97.0	97.1
Guidance ^a	87.3	72.4	80.0
Customer service ^b	69.5	72.6	71.0
Outreach ^c	87.9	93.7	90.8
Sample size	655	631	1,286
<u>Student participants^d</u>			
Participant engaged in at least 1 interaction	92.4	90.0	91.1
Guidance ^{a,c}	85.8	83.3	84.5
Customer service ^{b,f}	69.5	63.6	66.4
Outreach ^c	65.8	24.1	43.4
Sample size	754	869	1,623

SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTES: Year 2 covers activities that occurred between September 2012 and August 2013.

^aGuidance includes: creating Family Earning Plan, reviewing Family Earning Plan, discussing next steps, discussing barriers to earning, discussing public benefits, or making a referral.

^bCustomer service includes: group check-in, group workshop, discussing referral outcome, submitting bank account information, adjusting family composition/eligibility, Advisor signature for GED certificate completion, answering earnings questions, Helpline call, and coupon submission support.

^cOutreach includes: program campaign (outreach to particular participants with information or reminders), scheduling coupon book pick-up, program reengagement call, sending e-mail, sending letter, and conducting automated call.

^dSample only includes students who were identified as being enrolled in high school during Year 2.

^eCategory also includes report card review for students.

^fCategory also includes Advisor signature for student report cards.

Targeted Outreach to Help Participants Earning Few Rewards

This analysis regards the most intensive Family Earning Plan reviews as those that included discussions of barriers to earning rewards or next steps, or that included a referral. Each of these elements deepens the conversation beyond the transactional interaction that characterized Family Earning Plan reviews in Year 1. The combined effect of the implementation of motivational interviewing, new referral partners, and the “targeted outreach” that went into effect around February 2013 should have been to increase the intensity of guidance sessions in the second half of Year 2 and to concentrate those guidance sessions on low-earning participants. Given the size of Advisors’ caseloads and the fact that it is more challenging to connect with participants who are not earning many rewards, the triage model assumed that Advisors would transfer their focus from participants who could earn rewards on their own to those who were harder to serve.

CAS-Central created a definition of “low-earning” in the middle of Year 2 to focus Advisors on this subgroup of adults and students. “Low-earning” adults were individuals who had earned health or workforce rewards in Year 1 but not Year 2.¹² “Low-earning” students were individuals who had not earned at least \$75 for grades. These definitions did not coincide completely with the adult and student subgroups that the program designers had hoped this program model would serve better than Family Rewards 1.0, that is, adults without a high school diploma or GED certificate and nonproficient high school students. Figure 3.2 shows that only 117 adults in the Bronx and Memphis (or 9 percent of the total adult sample) were both “low-earning,” according to this definition, and lacking a high school diploma or GED certificate. A somewhat greater proportion of low-earning students were also nonproficient: 490 students (or about 41 percent of the total student sample) were both low-earning by Year 2 and nonproficient in English at the start of the study. Yet overall, it is clear that by targeting participants based on these particular definitions of low reward earnings, Advisors were not substantially reaching the subgroups whom Family Rewards 1.0 found to be at risk of not earning rewards. If the impact analysis for Family Rewards 2.0 again finds negative or no impacts in the workforce and education domains for these subgroups, this mismatch may be a contributing

¹²Note that adults who did not earn rewards in *either* program year are not included in this definition.

factor, but CAS-Central and the NPOs did not receive a clear directive from the Family Rewards Collaborative to structure their targeted outreach strategy differently.¹³

Figures 3.3 and 3.4 illustrate that, in line with predictions, the intensity of guidance sessions generally increased after the NPOs began the targeted outreach strategy, represented by “Period 2” in the figures. In addition, the figures show that participants who would be identified as low-earning at midyear received more high-intensity guidance sessions in the second half of Year 2 (Period 2) than they did in the first six months of Year 2 (Period 1). For students in both cities, but especially for those in Memphis, the focus on low-earning participants resulted in a shift away from students who had more than \$75 in rewards from grades. The low-earning adults in both cities received more guidance sessions and guidance sessions of higher intensity than they had previously, but higher-earning adults received the same amount of guidance services as a group (Memphis) or more (Bronx). Thus, the triage model was implemented well for students, less so for adults.

Although the intensity of interactions between Advisors and participants did increase, it is worth questioning whether the interactions were intensive enough to address participants’ substantial needs. Contrary to the expectations of the program designers, referring participants to other services within the NPOs or in the community was not a significant part of the Advisors’ practice, either in the context of Family Earning Plan reviews or in any other interaction. For example, in the first year of the program, only 8 percent of adults and 1 percent of students received an Earning Plan review that included a referral (Table 3.4). In Year 2, the proportions of participants receiving Family Earning Plan reviews and the level of intensity of those reviews increased, but the percentages receiving referrals were virtually unchanged: 9 percent of adults and about 1 percent of students received an Earning Plan review that included a referral.

¹³Appendix Tables B.2 and B.3 show the earnings in the workforce and education domains for adults and students in the subgroups discussed in Figure 3.1. These figures provide a preliminary look at whether adults without a high school diploma or GED certificate and students who were nonproficient in English are lagging behind their counterparts in earning workforce and education rewards. Appendix Table B.3 shows that 41 percent of Bronx adults without a high school diploma or GED certificate earned the workforce reward at least once, compared with 47 percent of Bronx adults with more education. The corresponding difference between these adult subgroups is larger in Memphis. Appendix Table B.2 shows that students who were not proficient in English at the start of the program earned the grades coupon at a lower rate than students who were academically proficient, but the fraction of nonproficient students who earned this reward at least once is still high, at 75 percent in the Bronx and 81 percent in Memphis. The largest difference between student subgroups is with respect to the state exam, where only 45 percent of nonproficient Memphis students earned a reward for the End of Course exam compared with 85 percent of proficient students. In sum, these tables show a persistent difference in earnings between adult subgroups based on education level and student subgroups based on academic proficiency, but the percentages who have earned workforce and grade rewards, respectively, are fairly close. The real question is whether earnings for grade rewards is a sufficient indicator of engagement or academic performance to affect program impacts given the relatively low percentage of nonproficient students who earned the reward for passing an End of Course exam in Memphis.

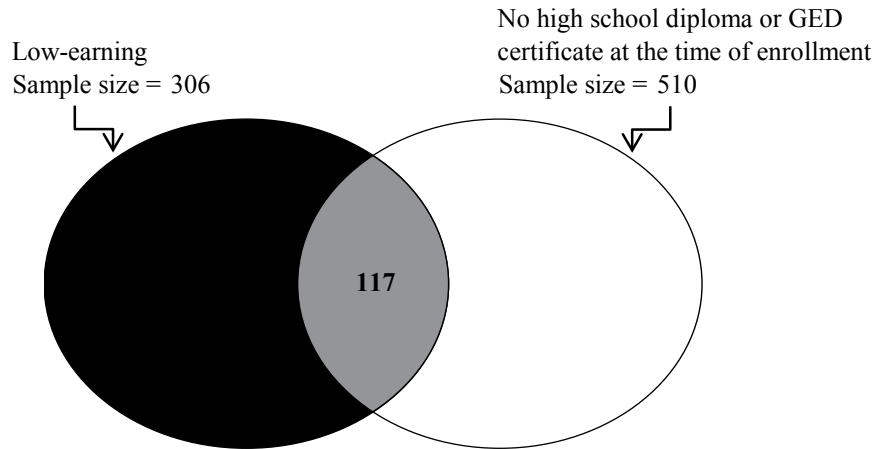
SIF Family Rewards

Figure 3.2

Low-Earning Participants and Baseline Characteristics

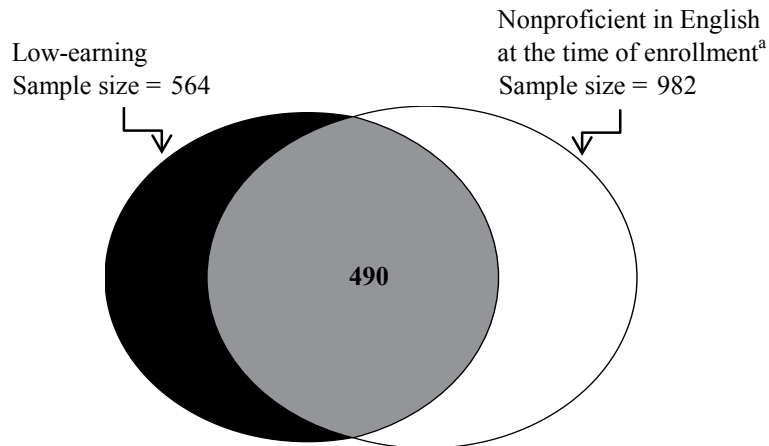
Adult participants

Sample size = 1,270



Student participants

Sample size = 1,204



SOURCE: MDRC calculations using CAS's Family Rewards program data and baseline survey data.

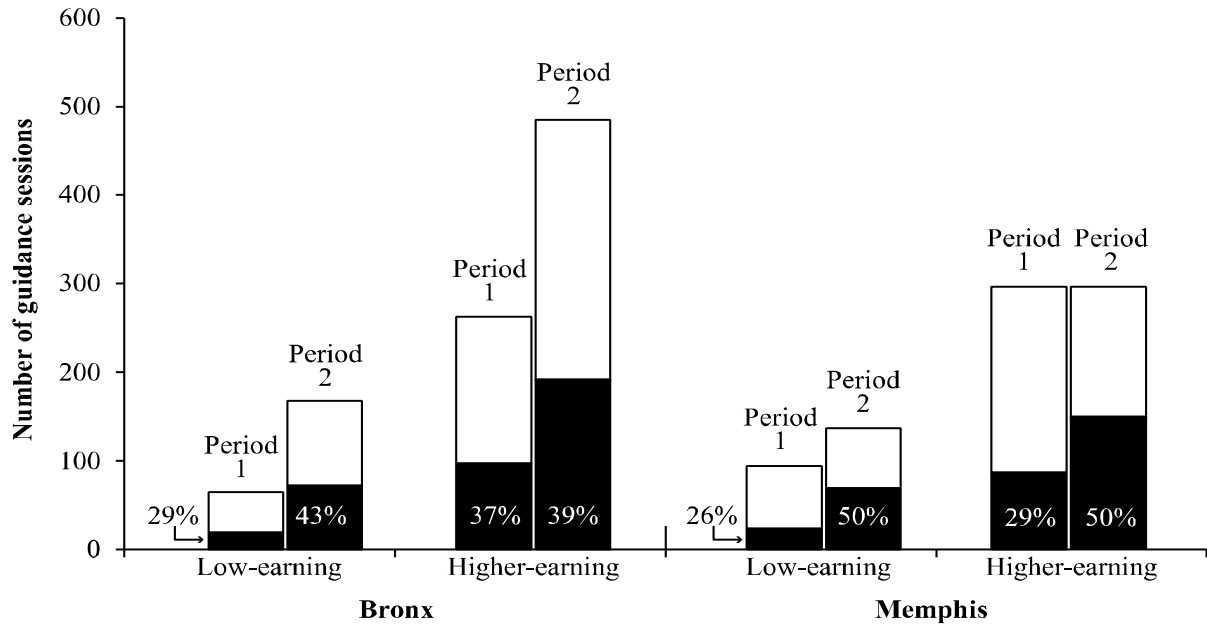
NOTES: Sample sizes may vary due to missing values.

^aProficiency level is only reported for high school students who had taken a standardized test to determine proficiency within the two years prior to enrollment. Data were available for most students who were in ninth or tenth grade at the time of enrollment.

SIF Family Rewards

Figure 3.3

Adult Guidance Sessions in Year 2, by Subgroup and City



- Did not include discussion of next steps, discussion of barriers to earning, or referral
- Included discussion of next steps, discussion of barriers to earning, or referral

SOURCE: MDRC calculations using CAS's Family Rewards program data.

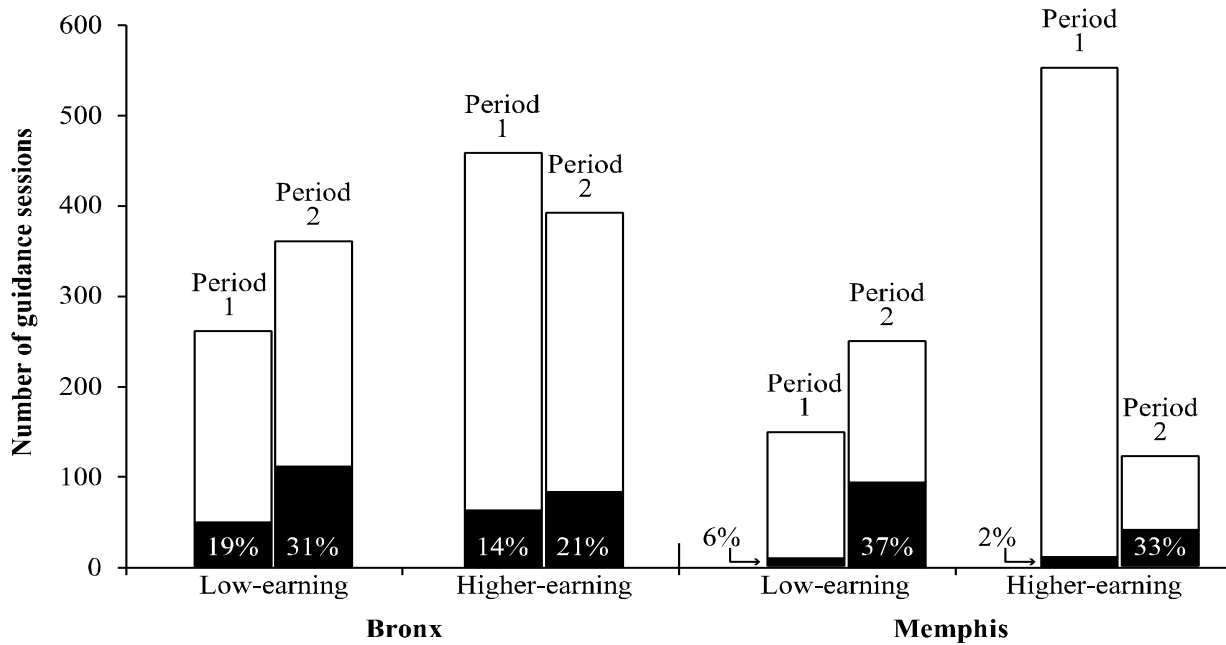
NOTES: Year 2 covers activities that occurred between September 2012 and August 2013. Period 1 includes guidance sessions between September 2012 and February 2013. Period 2 includes guidance sessions between March 2013 and August 2013.

Guidance includes: Creating Family Earning Plan, reviewing Family Earning Plan, discussing next steps, discussing barriers to earning, discussing public benefits, or making a referral.

SIF Family Rewards

Figure 3.4

Student Guidance Sessions in Year 2, by Subgroup and City



- Did not include discussion of next steps, discussion of barriers to earning, or referral
- Included discussion of next steps, discussion of barriers to earning, or referral

SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTES: Year 2 covers activities that occurred between September 2012 and August 2013. Period 1 includes guidance sessions between September 2012 and February 2013. Period 2 includes guidance sessions between March 2013 and August 2013.

Guidance includes: creating Family Earning Plan, reviewing Family Earning Plan, discussing next steps, discussing barriers to earning, discussing public benefits, making a referral, or reviewing a Year 2 report card. Sample only includes students who were identified as being enrolled in high school during Year 2.

SIF Family Rewards

Table 3.4

**Participants Who Received Intensive Guidance During Earning Plan Review,
by Year and City**

Outcome (%)	Year 1			Year 2		
	Bronx	Memphis	Total	Bronx	Memphis	Total
<u>Adults</u>						
1 or more review meetings included discussion of next steps, discussion of barriers to earning, or a referral	22.9	3.7	13.5	30.5	22.2	26.4
At least 1 included a referral	12.1	3.5	7.9	6.3	12.0	9.1
Sample size	655	631	1,286	655	631	1,286
<u>Students^a</u>						
1 or more review meetings included discussion of next steps, discussion of barriers to earning, or a referral	11.5	0.7	5.8	22.9	6.6	14.4
At least 1 included a referral	1.4	0.5	1.0	0.6	0.8	0.7
Sample size	695	760	1,455	695	760	1,455

SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTES: Year 1 covers activities that occurred between September 2011 and August 2012. Year 2 covers activities that occurred between September 2012 and August 2013.

^aIncludes students in high school in Year 1 and Year 2.

Conclusion

CAS-Central and the Advisors approached the development and execution of the family guidance component with an intense commitment to continuous program improvement. In the first year, advising did not fully reflect the triage model since Advisors did not explicitly target low-earning participants, nor were they able to move conversations into a discussion of barriers to earning rewards. Instead, Advisors aimed to build friendly, trusting relationships with participants and ensure they were able to handle the program mechanics necessary to get paid for the activities they completed. These achievements laid the foundation for the elaborations to the guidance model that were implemented in Year 2, which included adding greater depth to the advising approach through motivational interviewing, creating new referral partnerships, and targeting low-earning participants for outreach. Unfortunately, most participants did not have the anticipated two formal guidance sessions in Year 2 after motivational interviewing was introduced, so although the quality of guidance does appear to have improved, the amount of guidance most participants received was relatively low.

One of the greatest surprises of the family guidance component is the relatively small number of referrals Advisors have made. At the beginning of the program, it was anticipated that Advisors would function as “resource experts” who developed knowledge of the services available in their communities and connected participants to appropriate agencies. This was seen as the alternative to Advisors providing services directly. Although the number of referrals for dental services increased dramatically in Memphis in Year 2, the overall proportion of guidance sessions that included referrals was still low, suggesting that the guidance Advisors provided was focused more on using communication strategies to elicit an intrinsic commitment to change than on formal referrals. That is, the guidance interaction targeted motivation and patterns of belief more than the program designers anticipated. It remains to be seen whether this approach succeeds.

Chapter 4

Reward Receipt in Family Rewards 1.0 and 2.0 and a Look Ahead

Introduction

This report has described the evolution of the model of the conditional cash transfer program from Family Rewards 1.0 to 2.0. Both programs offered cash incentives to parents and children in low-income families in the areas of children's education, family preventive health, and adult employment with the goals of relieving immediate hardship and attempting to break the cycle of inter-generational poverty by encouraging families to invest in their own development. However, the second version of Family Rewards shortened and revised the list of incentives, reserved eligibility for education rewards to high school students, targeted families receiving benefits from Temporary Assistance for Needy Families (TANF) or the Supplemental Nutrition Assistance Program (food stamps), delivered the program in a new city, and added a guidance component.

Because Family Rewards 2.0 is not a direct replication of the first program, the evaluation team treats comparisons between the families who participated in the two studies as suggestive but not conclusive evidence of how participants would have fared under different conditions. At the same time, each successive test of the conditional cash transfer concept affords new opportunities to track the performance of all program group members and those in particular subgroups, which may help refine the targeting and design of this kind of intervention. This chapter considers whether there are signs that the changes that were made to the model are increasing the receipt of rewards among all families, particularly among adults who did not have a high school diploma or General Educational Development (GED) certificate when they enrolled and among young people who entered high school scoring below proficiency in math or reading.¹ In the case of these subgroups, it was hoped that the program's extra services and streamlined list of incentives would lead to higher receipt of education and workforce rewards, and eventually to larger effects on such families' school and employment outcomes than were seen in Family Rewards 1.0.

¹In 2010, the New York State Department of Education raised the scores necessary to be deemed proficient. As a result, proficiency rates will be much lower for the Family Rewards 2.0 sample than they were for the Family Rewards 1.0 sample.

Key Findings

- Families in Family Rewards 2.0 earned less money than families in the first program due to the shorter list of incentives and the exclusion of elementary and middle school students from eligibility for education rewards. This may have an impact on the program’s ability to reduce material hardship and on parent-child dynamics, since a large portion of the family’s annual reward earnings went to students for education rewards.
- The program seems to be better equipped to engage families who are receiving TANF and food stamps than Family Rewards 1.0. These families’ levels of reward receipt were higher in Family Rewards 2.0 for almost every type of reward that was offered by both programs. This is very likely the result of Advisors’ persistent outreach to low-earning families, although the improved economy may also have contributed to adult employment. The characteristics of the highest-earning families were the same in both programs and favored families who were larger and less disadvantaged at the start of the study.

Comparing Family Rewards 1.0 and 2.0 Reward Receipt

By some measures, the Family Rewards 2.0 sample should be harder to serve than the sample from Family Rewards 1.0 because all families had to be receiving TANF or food stamps at the time of enrollment. In Family Rewards 1.0, about 13 percent of the sample did not collect any public benefits or housing assistance, and in the first two years of that program these families made up 44 percent of the top tenth of the reward-earnings distribution.² This was part of an overall trend where families who were relatively more advantaged earned more rewards.

Overall Reward Earnings

Table 4.1 compares the full Family Rewards 2.0 sample (Memphis and the Bronx) to only those families in Family Rewards 1.0 who were receiving TANF and food stamps and who had a high school student at the start of the program (“the matching subset”). This subset of the Family Rewards 1.0 sample is most similar to the current sample, and the table compares only Year 2 reward earnings in both programs.³

²Riccio (2010).

³The trends described in this section are consistent when comparing the rewards earned by families from the Bronx in Family Rewards 1.0 and 2.0 who were receiving TANF and food stamps and who had high school students at the start of the program. See Appendix Tables D.1 and D.2.

SIF Family Rewards

Table 4.1

Comparison of Rewards Earned by Families in Year 2 of Family Rewards 1.0 and 2.0

Outcome	2.0	1.0 TANF/Food Stamp Participants ^a
Family earned at least 1 reward (%)	96.3	98.9
Education reward	93.1	92.2
Health reward	78.8	95.3
Workforce reward	43.7	33.8
Among families who earned at least 1 reward		
<i>Average reward amount earned^b (\$)</i>	<i>2,160</i>	<i>3,486</i>
<i>Percentage of earnings from student rewards^c</i>	<i>57.1</i>	<i>33.1</i>
<i>Average reward amount earned, by domain (\$)</i>		
<i>Education</i>	<i>1,146</i>	<i>1,906</i>
<i>Health</i>	<i>661</i>	<i>1,290</i>
<i>Workforce</i>	<i>1,129</i>	<i>1,367</i>
Family picked up coupon book (%)	95.0	88.1
Sample size	1,230	551

SOURCES: MDRC calculations using CAS's Family Rewards 2.0 program data and Seedco's Family Rewards 1.0 program data.

NOTES: Sample sizes may vary because of missing values.

Year 2 in Family Rewards 2.0 covers reward activities that occurred between September 2012 and August 2013. Year 2 in Family Rewards 1.0 covers reward activities that occurred between September 2008 and August 2009.

Italics indicate outcomes calculated for a subset of the full sample.

^aIncludes families from Family Rewards 1.0 sample who were receiving TANF or food stamp benefits at the time of enrollment and had a high school student in the household in Year 2.

^bThe lowest amount earned in Year 2 in the 2.0 sample was \$38 and the highest amount was \$7,250; in the 1.0 TANF/food stamp sample the lowest amount earned was \$80 and the highest amount earned was \$12,525.

^cPercentage of earnings from student rewards is calculated using education rewards earned by high school students among families who earned rewards and had students who earned education rewards in Year 2.

In the second program year, Family Rewards 2.0 families who earned rewards earned less money from the program than Family Rewards 1.0 families: \$2,160 compared with \$3,486. This was true even though the percentage of families in Family Rewards 2.0 who earned at least one reward was about the same or higher in every domain other than health. Family Rewards

1.0 families who earned rewards earned an average of \$760 more for education rewards, \$629 more for health rewards, and \$238 more for workforce rewards. These large differences are mostly explained by the more generous high school student education rewards in the first program combined with the extra rewards families could earn for middle and elementary school children's educational performance, and for maintaining public or private health insurance. The reward for maintaining public health insurance was worth a maximum of \$100 (paid out every other month), and almost every family received the payment because almost all had health insurance coverage and because the reward was automatically verified (which eliminated the chance that participants might fail to claim it). As a result, almost the entire Family Rewards 1.0 matching subset earned at least one reward (about 99 percent), including at least one health reward (about 95 percent).

Despite this high rate of earning health rewards, the Family Rewards 1.0 matching subset earned the largest share of their average annual earnings from education rewards. Again, Family Rewards 1.0 students earned much more than 2.0 students in that domain: \$1,906 compared with \$1,146. Yet high school students' education rewards made up 57 percent of average household earnings in Family Rewards 2.0 compared with 33 percent in 1.0. The key question for the impact study is whether the poverty-reduction effects of the first demonstration will continue even though the reward-receipt levels are much lower, and even though a much higher proportion of average family earnings is being earned by students and paid to students.⁴

Levels of Receipt of the Same Rewards

While the Family Rewards 2.0 sample earned less money from the program, those participants were more likely to earn rewards that were similar to the ones offered in the original model, and the amounts earned for those categories of rewards were generally higher. Table 4.2 provides another comparison of the Family Rewards 1.0 and 2.0 samples, in this case attempting to illustrate how much families in the matching subset of Family Rewards 1.0 would have earned if they only had access to the rewards available in Family Rewards 2.0.⁵ The difference in reward receipt favors the 2.0 sample in every domain, especially health.

In Year 2, 96 percent of families in Family Rewards 2.0 earned at least one reward. Ninety-five percent of Family Rewards 2.0 families either went to the neighborhood partner organization (NPO) to get their coupon books or had them delivered by Advisors, compared with about 88 percent in Family Rewards 1.0 (in which the program staff distributed them at the NPO and by certified mail). This is an important indicator, since families who do not have a

⁴Many students' accounts are jointly held with their parents because the students were minors at the start of the program. This raises an issue of potential conflict and confiscation of earnings by parents, which the implementation research will continue to follow.

⁵Note that Table 4.2 includes the reward for grades, which was only available in Family Rewards 2.0.

SIF Family Rewards

Table 4.2

Comparison of Rewards Earned by Families in Year 2 of Family Rewards 1.0 and 2.0 for Rewards Offered by Both Programs

Outcome	2.0	1.0 TANF/Food Stamp Participants ^a
Family earned at least 1 reward (%)	96.3	88.7
Education reward	93.1	71.9
Attendance	88.6	58.8
State core exam	62.8	55.2
College entrance exam ^b	6.2	9.8
Report card	80.2	NA
Health reward	78.8	64.4
Annual physical	70.4	55.7
Biannual dental	70.7	48.6
Workforce reward	43.7	33.8
Full-time employment	43.3	32.8
GED certificate/employment training	0.8	2.2
Among families who earned at least 1 reward		
<i>Average reward amount earned^c (\$)</i>	2,160	1,640
<i>Percentage of earnings from student rewards^d</i>	57.1	66.5
<i>Average reward amount earned, by domain (\$)</i>		
<i>Education</i>	1,146	1,127
<i>Health</i>	661	286
<i>Workforce</i>	1,129	1,367
Family picked up coupon book (%)	95.0	88.1
Family earned a reward in ^c (%)		
Year 1 but not Year 2	1.8	6.2
Year 2 but not Year 1	3.3	3.6
Year 1 and Year 2	93.1	84.6
Sample size	1,230	551

(continued)

Table 4.2 (continued)

SOURCES: MDRC calculations using CAS's Family Rewards 2.0 program data and Seedco's Family Rewards 1.0 program data.

NOTES: Sample sizes may vary because of missing values.

Year 2 in Family Rewards 2.0 covers reward activities that occurred between September 2012 and August 2013. Year 2 in Family Rewards 1.0 covers reward activities that occurred between September 2008 and August 2009.

Italics indicate outcomes calculated for a subset of the full sample.

Measures for Family Rewards 1.0 are calculated using only rewards comparable to those in Family Rewards 2.0. These include rewards for state core exams, attendance, and PSAT exams for high school students; annual physical and biannual dental visits for all family members; and full-time employment and employment training rewards for adults.

^aIncludes families from the Family Rewards 1.0 sample who were receiving TANF or food stamp benefits at the time of enrollment and had a high school student in the household in Year 2.

^bCollege preparatory exams eligible for rewards included the PSAT for Family Rewards 1.0 and the SAT and ACT for Family Rewards 2.0.

^cThe lowest amount earned in Year 2 in the 2.0 sample was \$38 and the highest amount was \$7,250; in the 1.0 TANF/food stamp sample the lowest amount earned was \$100 and the highest amount earned was \$6,050.

^dPercentage of earnings from student rewards is calculated using education rewards earned by high school students among families who earned rewards and had students who earned education rewards in Year 2.

^eIncludes families from the Family Rewards 1.0 sample who were receiving TANF/food stamp benefits at the time of enrollment, and had a high school student in Year 1 and Year 2.

coupon book cannot earn most of the rewards and are expressing a lack of interest in the offer. Table 4.2 also shows that fewer Family Rewards 2.0 families failed to earn any rewards in Years 1 and 2 of the program.

Compared with the matching subset, a higher percentage of families in Family Rewards 2.0 earned at least one reward for every activity except taking a college entrance exam and earning a GED certificate or completing employment training. Most notable is the difference in receipt of medical and dental rewards. About 70 percent of the Family Rewards 2.0 sample earned the medical and dental rewards at least once, compared with 56 and 49 percent, respectively, of the Family Rewards 1.0 matching subset. This shows what a substantial role the automatically verified health insurance reward played in boosting the percentage of Family Rewards 1.0 families who earned a health reward and the amount of money families earned in the first program. The higher rate at which families earned medical and dental rewards in Family Rewards 2.0 was likely the result of a stronger focus on these rewards (given the shorter list of eligible activities), the large percentage of children in Memphis who claimed them, and Advisors' persistent marketing efforts.

The earnings pattern with respect to full-time employment is noteworthy as well. Forty-four percent of Family Rewards 2.0 families earned the full-time work reward compared with 34 percent of the adults in the Family Rewards 1.0 matching subset. While the overall level of receipt of the full-time work reward by Family Rewards 2.0 parents is not as high as might be hoped, the fact that it exceeds the level achieved in the earlier program could reflect an improving economy or could suggest that the new program model has succeeded in improving the marketing or accessibility of this reward. It should be noted, however, that the average amount of money earned from the workforce domain was slightly *lower* for Family Rewards 2.0 parents even though the dollar value of this reward did not change. The workforce domain includes the reward for employment training, so this small difference could be explained by more Family Rewards 1.0 parents claiming that reward, or it could indicate that Family Rewards 1.0 parents worked somewhat more regularly than 2.0 parents. The impact report will investigate whether parents in the Family Rewards 2.0 sample have stronger workforce impacts (for example, more employment, wages, etc.) than were seen in Family Rewards 1.0.

Patterns of Earning Based on Participant Characteristics

The Family Rewards 1.0 implementation study found that the families who earned the most rewards were, in general, larger and less disadvantaged than the sample as a whole. The heads of household in these families had, on average, higher levels of education, employment, and earnings from employment; higher marriage rates; and better self-reported mental and physical health than the heads of other families in the program group sample. These families had more stable housing and — especially relevant to this comparison — were less likely to be receiving public benefits. Language and ethnicity did not affect earnings, but most foreign-born families were in the top half of earners. That study did not examine the characteristics of children in higher-earning families.

All of these trends were repeated in the current study.⁶ Larger families earned more rewards. In Family Rewards 2.0, the average annual amount earned in Years 1 and 2 by families with one child was \$2,781 compared with \$4,370 for families with four or more children (data not shown in a table). Table 4.3 shows the distribution of household earnings by certain baseline characteristics, and shows that those in the top 20 percent of reward earnings (\$5,443 to \$14,151) were more likely to be married and had about one more child in the household than

⁶To more closely match the analyses performed for Family Rewards 1.0, many of the following tables combine Year 1 and 2 reward earnings from Family Rewards 2.0.

SIF Family Rewards

Table 4.3

**Baseline Characteristics of Families,
by Range of Reward Earnings During Program Years 1 and 2**

Characteristic	Bottom 20% \$0 - \$1,560	Middle 60% \$1,561 - \$5,442	Top 20% \$5,443 - \$14,151
<u>Baseline characteristics of adults^a</u>			
No high school diploma or GED certificate (%)	47.1	39.5	36.0
Foreign-born (%)	21.5	25.4	44.3
Currently employed (%)	30.1	48.6	76.3
Full time (at least 30 hours per week)	17.1	33.8	61.2
Part time	12.7	14.4	15.1
Has a physical problem that limits work (%)	26.0	16.5	5.7
Has an emotional or mental health problem that limits work (%)	10.3	6.7	1.2
At risk of depression (%)	31.4	22.9	13.6
<u>Baseline characteristics of families</u>			
Average number of children in household	2.4	2.7	3.3
Housing status (%)			
Lives in rental housing	79.6	81.6	86.9
Lives in public housing	22.1	21.7	23.1
Married, living with spouse (%)	13.4	12.2	21.1

(continued)

Table 4.3 (continued)

Characteristic	Bottom 20% \$0 - \$1,560	Middle 60% \$1,561 - \$5,442	Top 20% \$5,443 - \$14,151
Receiving benefits (%)			
TANF	21.1	18.6	13.9
Food stamps	99.2	98.4	98.0
<u>Program characteristics of adults^a</u>			
Participant received at least 1 interaction (%)	93.9	99.3	99.6
Guidance ^b	55.1	85.9	91.1
Customer service ^c	47.4	78.7	78.9
Outreach ^d	91.9	93.4	91.1
Among those who received at least 1 of each specified category			
<i>Average number of interactions received</i>	5.8	6.9	6.5
<i>Guidance^b</i>	1.7	1.8	1.7
<i>Customer service^c</i>	1.8	2.6	3.0
<i>Outreach^d</i>	4.7	4.8	4.3
Advisor had high proficiency in motivational interviewing ^c (%)	51.1	47.3	49.0
Sample size (total = 1,230)	247	737	246

(continued)

Table 4.3 (continued)

SOURCES: MDRC calculations using data from CAS's Family Rewards program data and baseline survey data.

NOTES: Sample sizes may vary because of missing values.

Year 1 covers reward activities from September 2011 through August 2012. Year 2 uses data from September 2012 through August 2013.

Italics indicate outcomes calculated for a subset of the full sample.

^aFor two-parent households, the characteristics of one adult were selected. For households with two adults, the female adult was selected as the representative adult of the household because the majority of single-parent households were headed by female adults. For cases where both adults were female, the representative adult was selected at random.

^bGuidance includes: creating Family Earning Plan, reviewing Family Earning Plan, discussing next steps, discussing barriers to earning, discussing public benefits, and making a referral.

^cCustomer service includes: group check-in, group workshop, discussing referral outcome, submitting bank account information, adjusting family composition/eligibility, Advisor signature for GED certificate completion, answering earnings questions, help-line call, and coupon submission support.

^dOutreach includes: program campaign (outreach to particular participants with information or reminders), scheduling coupon book pick-up, program reengagement call, sending e-mail, sending letter, and conducting automated call.

^eOnly one Advisor was assigned per family. Advisor assignment was only available for families who received contact from an Advisor.

the lowest 20 percent of reward earners. These families were also more likely to be led by adults who had at least a high school diploma or GED certificate, who were working full time at the time they enrolled in the study, and who reported being in good health, both mentally and physically. Foreign-born adults headed 44 percent of the highest-earning families, while families receiving TANF were somewhat more likely to be among the middle and low earners.

For students (Table 4.4), the data show that female students with higher academic proficiency and better health were more likely to be among the highest earners for education rewards. While these trends demonstrate the significant role that preexisting characteristics play in determining how much participants earn from a financial incentives program, they should not overshadow the ways the current program raised participation levels in general for this relatively hard-to-serve population, described in the previous section.

SIF Family Rewards

Table 4.4

Baseline Characteristics of High School Students, by Range of Reward Earnings During Program Years 1 and 2

Characteristic (%)	Bottom 20% \$0 - \$400	Middle 60% \$401 - \$2,140	Top 20% \$2,141 - \$4,250
Student proficiency level ^a			
Nonproficient in English	93.7	87.3	58.7
Nonproficient in math	94.8	86.1	41.3
Female	41.1	50.6	62.4
General health status			
Excellent/very good	66.5	76.4	77.6
Good	28.6	21.2	20.6
Fair/poor	4.8	2.4	1.6
Individualized Education Program	24.4	15.4	7.6
Sample size (total = 1,455)	270	863	322

SOURCES: MDRC calculations using CAS's Family Rewards program data and baseline survey data.

NOTES: Sample sizes may vary because of missing values.

Year 1 covers reward activities from September 2011 through August 2012. Year 2 covers reward activities from September 2012 through August 2013.

^aProficiency level is only reported for high school students who had taken a standardized test to determine proficiency within the two years prior to enrollment. Data were available for most students who were in ninth or tenth grade at the time of enrollment.

The designers of Family Rewards 2.0 were particularly interested in improving participation and program impacts for two subgroups at risk of not earning education and workforce rewards: students who were not academically proficient when they entered the study and adults who did not have a high school diploma or GED certificate when they entered the study. Table 4.5 shows the percentage of each of these subgroups who earned rewards for attendance and passing their state exams (among students), and for working full time and training or obtaining a GED certificate (among adults) in Year 2 of both programs. Across the board, higher percentages of academically proficient and nonproficient students earned these rewards in Family Rewards 2.0 than in 1.0. For example, among students who were nonproficient in English at the start of the program, 87 percent earned at least one attendance reward and 54 percent earned at least one reward for passing a state exam in Family Rewards 2.0. In contrast, in Family Rewards 1.0 only 55 percent of this subgroup of students in the matching subset earned an attendance reward, and 39 percent earned a state exam reward.⁷ Among parents without a high school diploma or GED certificate, 38 percent earned at least one reward for full-time work in Family Rewards 2.0 compared with 27 percent in Family Rewards 1.0.

An important factor in this increased participation seems to be the Advisors' persistent outreach efforts.⁸ The bottom panel of Table 4.3 shows the percentage of adults who were reached by their Advisors and how many interactions, on average, adults had with their Advisors.⁹ Families who earned the most rewards were those with adults who had the most contact with Advisors. Ninety-one percent of the adults in the highest-earning group experienced a guidance session, and among adults who received at least one guidance session, the average number of guidance sessions was about two. The corresponding figure among adults in the lowest-earning families is 55 percent. The amount of customer service adults received also increases with family earnings, which is logical since there is a direct connection between receiving customer service and claiming rewards. The most interesting finding with respect to staff interactions is that adults in families who had the lowest reward earnings received about as much outreach as adults in families in the middle and at the top of the reward-earning distribution. Ninety-two percent of adults in the lowest-earning families received some form of

⁷In 2010, the New York State Department of Education raised the scores necessary to be deemed "proficient." As a result, proficiency rates will be much lower for the Family Rewards 2.0 Bronx sample than they were in the Family Rewards 1.0 sample. The findings reported here were similar when proficiency was determined for the Family Rewards 1.0 sample using the new, higher score requirements.

⁸There is no apparent correlation between Advisor competency in motivational interviewing and family placement on the reward earnings distribution. This finding should be treated with caution because a simple correlation like the one presented in Table 4.3 may not be sensitive enough to uncover the influence of this approach on reward receipt. The relationship between Advisor quality and participant outcomes will be investigated further in the next report.

⁹For two-parent households, the characteristics of one adult were selected. The notes to the table explain how that adult was chosen.

SIF Family Rewards

Table 4.5

**Comparison of Reward Earnings in Year 2
of Family Rewards 1.0 and 2.0, by Subgroup**

Reward Earned (%)	2.0	1.0 TANF/Food Stamp Participants ^a
Among English-nonproficient students^b		
Attendance	86.8	54.6
State core exam	53.8	39.2
Sample size	982	335
Among English-proficient students^b		
Attendance	93.2	72.9
State core exam	81.1	79.1
Sample size	222	129
Among adults without GED certificates or high school diplomas^c		
GED certificate/employment training	1.6	0.6
Full-time employment	37.7	26.2
Sample size	510	507
Among adults with GED certificates or high school diplomas^c		
GED certificate/employment training ^d	0.3	2.2
Full-time employment	45.4	39.6
Sample size	760	371

SOURCES: MDRC calculations using Seedco's Family Rewards 1.0 program data and CAS's Family Rewards 2.0 program data.

NOTES: Sample sizes may vary because of missing values.

Year 2 in Family Rewards 2.0 covers reward activities that occurred between September 2012 and August 2013. Year 2 in Family Rewards 1.0 covers reward activities that occurred between September 2008 and August 2009.

^aIncludes participants from families who were receiving TANF or food stamp benefits at the start of the study.

^bProficiency level is only reported for high school students who had taken a standardized test to determine proficiency within the two years prior to enrollment. Data were available for most students who were in eighth or ninth grade when they enrolled in Family Rewards 1.0 and for most students who were in ninth or tenth grade when they enrolled in Family Rewards 2.0.

^cExcludes adults who did not provide their education levels at the time of enrollment.

^dParticipants in Family Rewards 2.0 with a GED certificate, high school diploma, or higher should not have been eligible to earn a GED reward.

outreach in Year 2 of the program, and among adults who received outreach, the average number of contacts was about five. This is very similar to the 91 percent of the highest-earning group who received outreach, averaging four contacts. It is very different, however, from Family Rewards 1.0. In that program, the staff was trained to provide customer service and referrals reactively, only when participants initiated contact. Here the Advisors pursued low-earning families through multiple channels including phone calls and letters, and conducted in-person meetings in their homes or at the NPO when they could.

Until the impact evaluation is complete, it is not possible to know whether the current program is changing participants' outcomes in the areas targeted by the intervention. However, it seems clear from the foregoing that the current program design has improved levels of reward receipt in all areas, especially health, and has increased the proportion of the sample who are showing interest in the program by picking up coupon books, earning rewards each year, and earning different kinds of rewards. While the level of participation in the workforce reward is still not as high as the levels of reward receipt in the other domains, it too has improved compared with Family Rewards 1.0 for adults receiving public benefits. All of these are encouraging signs of the potential effectiveness of this program model.

Looking Ahead

This report covered the first two years of Family Rewards 2.0, which to date has been a story of *continuous program improvement*. The Children's Aid Society (CAS)-Central, the Family Rewards Collaborative, and the NPOs have guided the program through a process of monitoring its own performance and making adjustments to improve the simplicity and accessibility of the rewards and the intensity of the family guidance. The program operators have engaged in campaigns to market the rewards that were responsive to participants' experiences, especially the experience of having coupons rejected by the payment-processing system. The management information system has improved from year to year to allow the program to more precisely target participants who did not earn rewards.

Because these changes coalesced in the second part of Year 2, the final year of the program will be critical for evaluating the success of these initiatives. While the program was originally expected to offer incentives from September 2011 to August 2014 (36 months), the delay in recruiting the sample prompted the Family Rewards Collaborative to shift the timetable: the program has been extended through December 2014, an addition of 4 months. All rewards will be available during the 4-month extension to all family members who were enrolled in Year 3, and self-employed adults will have the opportunity to submit their 2014 tax returns to receive the workforce reward in early 2015.

The next report on this project will be a combined impact and implementation report that covers the program until the originally expected end date of August 2014, at minimum, and that includes administrative and survey data to describe program impacts in the areas of family well-being, education, health, and employment. In addition, the implementation study will conduct observations of program activities and a final round of interviews with program participants (adults and high school students), Advisors, and staff members from CAS-Central. These qualitative data sources will be combined with survey data to provide a more thorough analysis of changes, if any, in participants' behavior, motivation, and family dynamics due to the program. The study will continue to focus on the contribution of family guidance to these changes, with a stronger emphasis on the connection between participant outcomes and guidance experiences. Depending on funding, additional reports may follow.

Appendix A

Supplementary Exhibits for Chapter 1

SIF Family Rewards

Appendix Table A.1

Comparison of Rewards Offered by Family Rewards 1.0 and 2.0

Reward Type	Family Rewards 1.0	Family Rewards 2.0	
		Bronx	Memphis
<u>Education incentives</u>			
Elementary and middle school students (<i>paid to parent</i>)			
Attends 95% of scheduled school days every month	\$25 per month (<i>discontinued after Year 2</i>)	Not offered	Not offered
Scores at proficiency level or improves on annual math and English tests			
Elementary school students	\$300 per math test; \$300 per English test	Not offered	Not offered
Middle school students	\$350 per math test; \$350 per English test	Not offered	Not offered
Parent reviews low-stakes interim tests up to 5 times per year	\$25 for parents to download, print, and review results (<i>discontinued after Year 1</i>)	Not offered	Not offered
Parent discusses up to 2 annual math and English test results with teachers	\$25 (<i>discontinued after Year 2</i>)	Not offered	Not offered
High school students ^a			
Takes up to 2 PSAT tests	\$50 per test	Not offered	Not offered
Accumulates 11 course credits per year	\$600	Not offered	Not offered
Graduates from high school	\$400	Not offered	Not offered
Attends 95% of scheduled school days	\$50 per month	\$40 per month	\$40 per month
Takes an SAT or ACT exam (once during program)	Not offered	\$50	\$50; must score 19 or better on the ACT if administered by MCS ^b

(continued)

Appendix Table A.1 (continued)

Reward Type	Family Rewards 1.0	Family Rewards 2.0	
		Bronx	Memphis
Receives grades on an official report card	Not offered	\$30 per A (90-100); \$20 per B (80-89); \$10 per C (75-79)	\$30 per A (93-100); \$20 per B (85-92); \$10 per C (75-84) ^c
Passes up to 5 Regents exams ^d or 7 End of Course exams ^e	\$600 per Regents exam	\$500 per Regents exam for a score of 75 or above; \$400 per exam for a score of 65-74	\$200 per End of Course exam for a score of proficient or advanced (<i>increased to \$300 in Year 2</i>)
All grades			
Parent attends parent-teacher conferences up to 2 times per year	\$25 per conference	Not offered	Not offered
Child obtains library card	\$50 once during program (<i>discontinued after Year 2</i>)	Not offered	Not offered
<u>Health incentives</u>			
Maintaining public or private health insurance		Not offered	Not offered
For each parent covered	Per month: \$20 (public); \$50 (private)		
If all children are covered	Per month: \$20 (public); \$50 (private) (<i>discontinued after Year 2</i>)		
Annual medical checkup	\$200 per family member	\$100 per family member	\$100 per family member
A doctor-recommended follow-up visit	\$100 per family member (<i>discontinued after Year 2</i>)	Not offered	Not offered
Early-intervention evaluation for child under 30 months old, if advised by pediatrician	\$200 per child	Not offered	Not offered

(continued)

Appendix Table A.1 (continued)

Reward Type	Family Rewards 1.0	Family Rewards 2.0	
		Bronx	Memphis
Preventive dental care every 6 months (once per year for children 1-5 years old)	\$100 per family member	\$100 per family member per visit	\$100 per family member per visit
<u>Adult workforce efforts</u>			
Sustained full-time employment	\$150 per month	\$150 per month	\$150 per month
Education and training while employed at least 10 hours per week	Amount varied by length of course, up to a maximum of \$3,000 over 3 years <i>(employment requirement discontinued after Year 2)</i>	Not offered	Not offered
GED certificate	Not offered	\$400 for successful completion	\$400 for successful completion

SOURCE: Seedco's Family Rewards 1.0 program materials and Family Rewards 2.0 program materials from the Children's Aid Society (CAS).

NOTES: GED = General Educational Development; MCS = Memphis City Schools.

^aIn Family Rewards 1.0, the following education rewards were paid entirely to students: taking up to two PSAT Tests (\$50), passing five Regents exams (\$600 per exam), and obtaining a library card (\$50). The following education rewards were split between parents and students: accumulating 11 course credits per year (\$600) and attending 95 percent of scheduled school days. In Family Rewards 2.0, all education rewards were paid entirely to students.

^bThe ACT is scored out of 36. Memphis City Schools officials requested that the minimum score for the reward be set at 19 for students taking the test for free in class because this is considered an indication that students are ready for college-level work.

^cIn Year 1, the amount of each reward for grades was prorated based on the number of official report cards issued by a student's school. To simplify verification in Year 2, students were paid the listed amounts for their grades regardless of the number of official report cards they received, up to a maximum of \$600 per program year.

^dHigh school students (grades 9-12) in the Bronx were eligible to earn rewards for the following Regents exams: English, one of any math exams (including Math A, Math B, Integrated Algebra, Geometry, and Algebra 2/Trigonometry), U.S. History and Government, Global History and Geography, and one of any science exams (including Living Environment, Chemistry, Physics, and Earth Science).

^eHigh school students (grades 9-12) in Memphis were eligible to earn rewards for the following state core exams: Algebra 1, Algebra 2, Biology, English 1, English 2, English 3, and U.S. History.

Appendix B

Supplementary Exhibits for Chapter 2

SIF Family Rewards

Appendix Table B.1

Year 2 Group Events and Campaigns in Memphis and the Bronx

Quarter 1 2013		
Neighborhood Partner Organization	Target Group	Event
<i>Porter-Leath</i>	<i>Participants who had not submitted Year 2 dental coupon</i>	<i>Eggstravaganza</i> Firestone, a dental partner, was on-site to complete cleanings. Step Ahead Foundation discussed health and wellness with interested teens.
<i>Hosted by Porter-Leath but Memphis HOPE participants could attend</i>	<i>All adult participants with part-time or unemployed status</i>	<i>Resume Writing Workshop</i> Local organizations were present.
<i>Memphis HOPE</i>	<i>All students with high or low earnings</i>	<i>2 Day Spring Bling</i> Summer employment, state core exams, college prep, and summer enrichment activities were discussed. Memphis HOPE also gathered information on the best ways to engage teens for increased participation.
Quarter 2 2013		
<i>Hosted by Memphis HOPE but Porter-Leath participants could attend</i>	<i>Students and parents</i>	<i>Summer BBQ</i> Advisors set up a table to help participants with coupon submission, conducted screenings and accepted applications for Porter-Leath's early education program.
<i>Children's Aid Society (CAS)-NPO</i>	<i>Students and Parents</i>	<i>Mother's Day and Wellness Celebration</i> A speaker from Fordham School of Law's Coalition for Debtor Education discussed financial debt. Staff members from CAS-Central's Parent Leadership Institute made a presentation on their organization's services. Representatives from Affinity Healthcare distributed information.
<i>Hosted by CAS-NPO but BronxWorks participants could attend</i>	<i>Students</i>	<i>Financial Literacy Workshop-Facilitated by Hope Leadership's Peer Educator Students</i> Students learned about saving, credit card debt, taxes, and needs versus wants. The group facilitators reviewed two budgeting scenarios in which participants discussed how they thought the characters could change their behaviors in order to save money. Students also discussed what "wealth" meant to them.
<i>BronxWorks</i>	<i>Students</i>	<i>Knowledge for College Event</i> The event featured seven current college students who had graduated from BronxWorks CAFE (Center for Achieving Future Education) program. Students worked one-on-one with families to discuss affordability, scholarships, timetables for financial aid, loans, obtaining college credit in high school, and the importance of parental involvement.

(continued)

Appendix Table B.1 (continued)

<i>BronxWorks</i>	<i>Students</i>	<p align="center"><i>College Fair at the Jacob Javitz Center</i></p> <p>Staff members worked with each student to identify two potential majors so students could make informed decisions about potential colleges. Students attended a follow-up college prep group on May 4.</p>
Quarter 3 2013		
<i>BronxWorks</i>	<i>All families</i>	<p align="center"><i>Summer Jam: Back to School Event</i></p> <p>Featured music, food, a face painter, a dance contest, and spoken-word performance. School supplies, book bags, and health and wellness products were available to families. Advisors distributed Year 3 coupon books to families who had not attended their previously scheduled appointments.</p>
Quarter 4 2013		
<i>Porter-Leath</i>	<i>Students</i>	<p align="center"><i>How to Get Financial Aid for College</i></p> <p>CAS-Central partnered with the Tennessee Student Assistance Corporation (TSAC), an organization that provides information on financing college in the state of Tennessee. TSAC conducted an informational session for that provided an overview of available scholarships and need-based funding. Families also received hands-on assistance completing the Free Application for Federal Student Aid (FAFSA).</p>
All Year		
<p>Campaigns: rejected work coupons, students earning less than \$75, adults who earned in Year 1 and not Year 2, students who earned in Year 1 and not Year 2, rejected health coupons, and distributing coupon books.</p>		

SOURCE: CAS's Family Rewards program materials.

SIF Family Rewards

Appendix Table B.2

Education Rewards Earned by Students in Year 2, by Subgroup

Outcome	Bronx	Memphis
<u>Students nonproficient in English^a</u>		
Earned any education reward (%)	88.8	95.3
Among students who earned at least 1 reward		
<i>Average total amount earned^b (\$)</i>	<i>1,031</i>	<i>697</i>
State core exam passed (%)	64.6	45.2
Attendance reward earned (%)	79.6	92.1
7 or more attendance rewards earned	36.5	49.6
Report card reward earned (%)	75.2	81.1
Student earned at least 1 reward, by letter grade (%)		
A	60.2	66.0
B	70.7	77.1
C	65.8	79.1
Sample size	427	555
<u>Students proficient in English^a</u>		
Earned any education reward (%)	95.1	100.0
Among students who earned at least 1 reward		
<i>Average total amount earned^c (\$)</i>	<i>1,312</i>	<i>1,117</i>
State core exam passed (%)	78.9	85.0
Attendance reward earned (%)	89.4	100.0
7 or more attendance rewards earned	47.2	68.8
Report card reward earned (%)	87.3	91.3
Students earned at least 1 reward, by letter grade (%)		
A	79.6	86.3
B	82.4	90.0
C	67.6	83.8
Sample size	142	80

(continued)

Appendix Table B.2 (continued)

SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTES: Sample sizes may vary because of missing values.

Year 2 covers reward activities that occurred between September 2012 and August 2013.

Italics indicate outcomes calculated for a subset of the full sample.

^aProficiency level is only reported for high school students who had taken a standardized test to determine proficiency within the two years prior to enrollment. Data were available for most students who were in ninth or tenth grade at the time of enrollment and had taken a standardized test to determine proficiency within the prior two years.

^bStudents nonproficient in English: the lowest and highest amounts earned in Year 2 were \$10 and \$2,500 for Bronx participants, and \$10 and \$1,820 for Memphis participants, respectively.

^cStudents proficient in English: the lowest and highest amounts earned in Year 2 were \$40 and \$2,640 for Bronx participants, and \$40 and \$1,900 for Memphis participants, respectively.

SIF Family Rewards

Appendix Table B.3

Workforce Rewards Earned by Parents in Year 2, by Subgroup

Outcome	Bronx	Memphis
<u>Parents without a degree at the start of the study</u>		
Earned any workforce reward (%)	40.7	35.6
Among parents who earned at least 1 workforce reward		
<i>Average total amount earned (\$)</i>	<i>1,035</i>	<i>995</i>
Full-time employment reward earned (%)	40.3	33.7
Among parents who earned at least 1 employment reward		
<i>Average number of months parent earned reward</i>	<i>6.9</i>	<i>6.8</i>
General Educational Development (GED) certificate reward earned ^a (%)	1.0	2.4
Sample size	305	205
<u>Parents with a degree at the start of the study</u>		
Earned any workforce reward (%)	46.9	44.2
Among parents who earned at least 1 workforce reward		
<i>Average total amount earned (\$)</i>	<i>1,186</i>	<i>1,155</i>
Full-time employment reward earned (%)	46.9	44.2
Among parents who earned at least 1 employment reward		
<i>Average number of months parent earned reward</i>	<i>7.9</i>	<i>7.7</i>
GED certificate reward earned ^a (%)	0.0	0.5
Sample size	341	419

SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTES: Sample sizes may vary because of missing values.

Italics indicate outcomes calculated for a subset of the full sample.

Year 2 covers reward activities that occurred between September 2012 and August 2013.

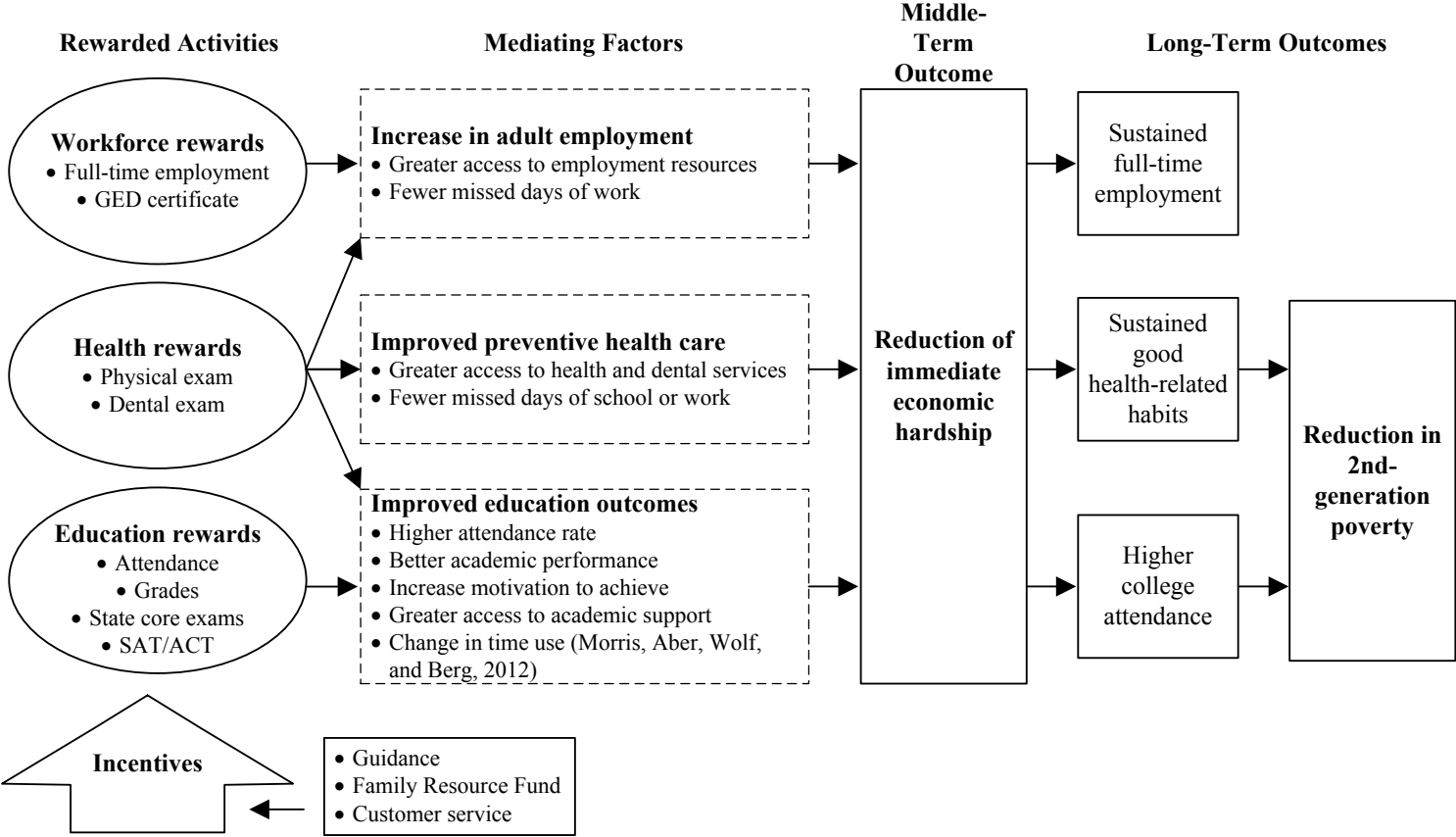
Table only includes participants who reported their education levels on the baseline survey.

^aParticipants with a GED credential, high school diploma, or higher should not have been eligible to earn a GED reward.

SIF Family Rewards

Appendix Figure B.1

Theory of Change



Appendix C

Supplementary Exhibits for Chapter 3

SIF Family Rewards

Appendix Table C.1

**Family Earning Plans Created by the End of Year 2,
by Neighborhood Partner Organization (NPO)**

Outcome	BronxWorks	Children's Aid Society (CAS)-NPO	Memphis HOPE	Porter-Leath
<u>Adults</u>				
Created Earning Plan (%)	94.4	94.6	89.5	96.1
Sample size	342	313	323	308
<u>Students^a</u>				
Created Earning Plan (%)	91.0	89.6	68.7	86.4
Sample size	389	365	450	419

SOURCE: MDRC calculations using Family Rewards program data from the Children's Aid Society (CAS).

NOTES: Year 2 covers activities that occurred between September 2012 and August 2013.


^aSample only includes students who were identified as being enrolled in high school during Year 2.

SIF Family Rewards
Appendix Figure C.1
Sample Family Earning Plans

		<h2 style="margin: 0;">Adult Earnings Plan</h2>			
		Name: Date:	Individual ID: Family Rewards Advisor:		
Activity	How Much	Maximum Rewards	When Do I Feel Ready to Earn? <small>Adult checks option</small>	Target Date and Next Steps <small>To complete with your Advisor. <u>Advisor:</u> Attach Referral Tracker for next steps</small>	
Work	Full-Time Work <small>Work 120 hours a month</small>	\$150 <small>per month</small>	\$1,800 <small>per year</small>	I'm Working Full-Time and Ready to Earn ____ I'm Interested in Starting Full-Time Work Now ____ There are Things in the Way of Working	
	Pass the GED	\$400 <small>once in the program</small>	\$400 <small>in the program</small>	I have my GED or Diploma ____ Within 6 Months ____ A year or more ____	
Want to add money to your paycheck ? Add about \$1,800 a year though work rewards!					
Another adult enrolled? Fill out a second Work Rewards Plan and maximize your earnings!					

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Appendix Figure C.1 (continued)

		<h2 style="text-align: center;">Student Earnings Plan</h2>			
		Student Name: Date:	Individual ID: Family Rewards Advisor:		
Activity		How Much	Maximum Rewards	When Do I Feel Ready to Earn? <small>Student checks option</small>	Target Date and Next Steps <small>To complete with your Advisor. Advisor: Attach Referral Tracker for next steps</small>
Education	School Attendance <small>No more than 1 absence</small>	\$40 <small>per month</small>	\$400 <small>per year</small>	This month ___ Next month ___ Within six months ___	
	Grades <small>Have a copy of your report card signed by your Family Rewards Advisor</small>	<small>\$30 per 93-100</small> <small>\$20 per 85-92</small> <small>\$10 per 75-84</small>	\$600 <small>per year</small>	This report card ___ My next report card ___ Next school year or later __	
	End of Course Exams <small>Student achieves proficient or advanced level. Ten exams over 4 years of high school.</small>	\$200	\$2,000 <small>in the Program</small>	Spring 2012 ___ Next school year or later ___	
	SAT or ACT <small>Student scores 19 or > on MCS administered ACT exam; or student takes ACT or SAT independently</small>	\$50 <small>Once in program</small>	\$50 <small>in the program</small>	Junior year ___ Senior year ___ I'm not sure ___	
A student can earn about \$2,050 for completing activities in a full school year. Don't miss out! Start to earn this month!					

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SOURCE: CAS's Family Rewards program materials.

NOTE: The Adult Earnings Plan above includes only the first page of the plan, presenting work incentives; the second page (not shown) lists health incentives.

SIF Family Rewards

Appendix Figure C.2

Year 2 Family Earning Plan Thermometer Sheet

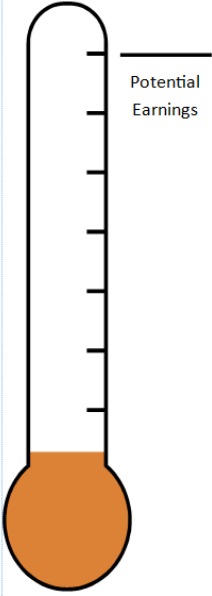


Name/Date: _____

Individual/Family ID: _____

Advisor: _____

\$\$\$ My Family Has Earned As of _____	\$\$\$ EARNED	\$\$\$ LOST	Family Plan to Earn More Rewards
Work			
Full-Time Work	\$	\$	
GED	\$	\$	
Health			
Annual Physicals	\$	\$	
Dental Check-Ups #1 <small>For appointments before 2/28</small>	\$	\$	
Dental Check-Ups #2 <small>For appointments from 2/28 to 8/31</small>	\$	\$	
Education			
Monthly Attendance	\$	\$	
Report Card Grades	\$	\$	
Regents Exams	\$	\$	
SAT/ACT	\$	\$	
Total	\$	\$	
	EARNED	LOST	



Potential Earnings

SOURCE: CAS's Family Rewards program materials.

SIF Family Rewards

Appendix Figure C.3

Sample Work-Readiness Tool

When an adult indicates that he or she is not ready to earn Work Rewards this month, the following questions may help you to make an educated referral.

- Have you worked any hours this month? Can you tell me about your work history?
 - If participant is working part-time, discuss any opportunities to increase hours at their current job.
 - Discuss the participant's network

Explore Barriers to Work

A. Health (Mental and Physical)

In many families we work with, parents have health concerns that affect their opportunity to work. **Have you had any of these experiences recently?**

- Challenges learning and absorbing new job skills
- Physical pain or injury
- A dependence on drugs or alcohol
- A family crisis or very emotional event
- Violence or unsafe conditions in the home

B. Language

What languages do you speak?

- Do you feel that your language skills have interfered with finding or keeping work?

C. Housing Stability

Moving a lot makes it difficult for some parents to get to work every day. I'm going to ask about your housing history.

- How many times have you moved in the last two years?
- Did you experience any period of homelessness during this time?
- How long have you lived at your current address?
- Do you expect to stay through the year?
- Can you easily access public transportation from your home?

D. Child Care

Would you describe any help you currently have with child-care?

- If you worked full-time, would your current help be available?
- Do you have a back-up plan when your primary help is unavailable?
- Do any of your children have challenges that make it difficult for them to stay in child-care?

SOURCE: CAS's Family Rewards program materials.

SIF Family Rewards
Appendix Figure C.4
Sample Goal-Setting Tool



GOAL SETTING

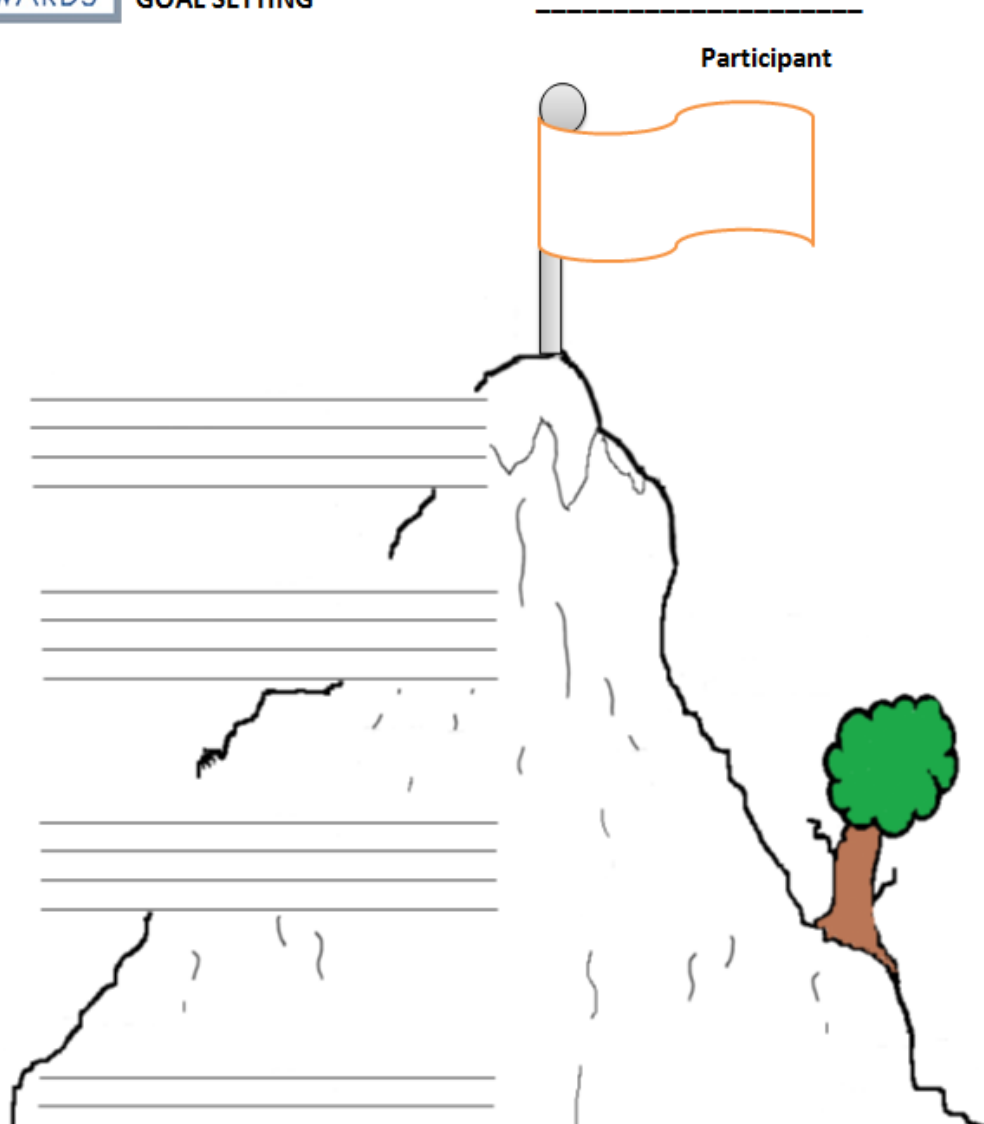


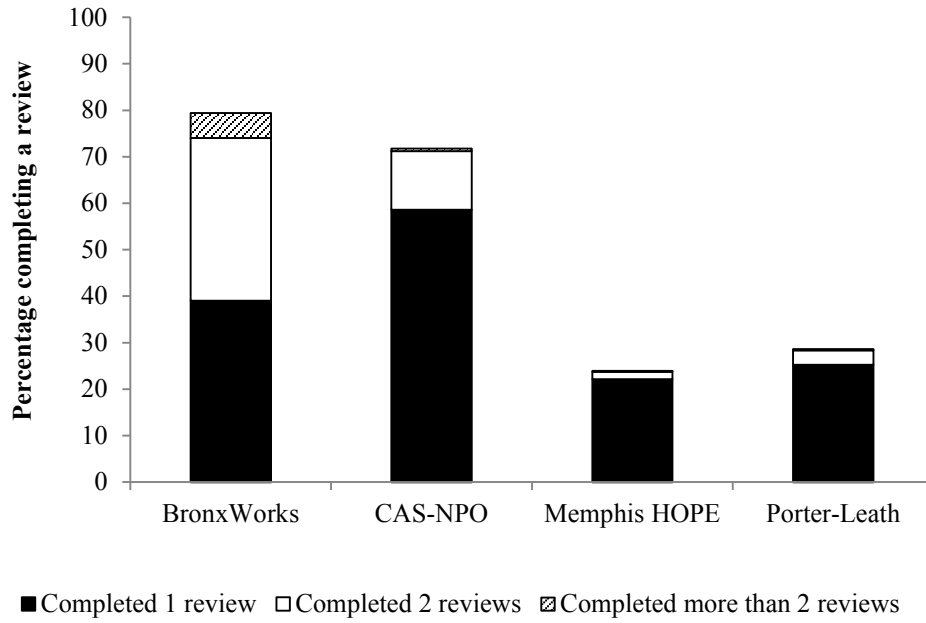
Figure 1 Mountain Worksheet

SOURCE: CAS's Family Rewards program materials.

SIF Family Rewards

Appendix Figure C.5

**Summary of Student Earning Plan Reviews in Year 2,
by Neighborhood Partner Organization**



SOURCE: MDRC calculations using CAS's Family Rewards program data.

NOTE: Year 2 covers activities that occurred between September 2012 and August 2013.

Appendix D

Supplementary Exhibits for Chapter 4

SIF Family Rewards
Appendix Table D.1
Comparison of Rewards Earned by Bronx Families
in Year 2 of Family Rewards 1.0 and 2.0

Outcome	2.0	1.0 TANF/Food Stamp Participants ^a
Family earned at least 1 reward (%)	94.8	98.9
Education reward	89.8	91.6
Health reward	79.1	95.8
Workforce reward	45.5	37.4
Among families who earned at least 1 reward		
<i>Average reward amount earned^b (\$)</i>	2,281	3,626
<i>Percentage of earnings from student rewards^c</i>	58.1	36.0
<i>Average reward amount earned, by domain (\$)</i>		
<i>Education</i>	1,287	2,078
<i>Health</i>	617	1,237
<i>Workforce</i>	1,140	1,337
Family picked up coupon book (%)	95.5	89.5
Sample size	617	190

SOURCES: MDRC calculations using Seedco's Family Rewards 1.0 program data and Family Rewards 2.0 program data from the Children's Aid Society (CAS).

NOTES: Sample sizes may vary because of missing values.

Year 2 in Family Rewards 2.0 covers reward activities that occurred between September 2012 and August 2013. Year 2 in Family Rewards 1.0 covers reward activities that occurred between September 2008 and August 2009.

Italics indicate outcomes calculated for a subset of the full sample.

^aIncludes families from Family Rewards 1.0 sample who were receiving Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (food stamp) benefits and lived in the Bronx at the time of enrollment, and who had a high school student in the household in Year 2.

^bThe lowest amount earned in Year 2 in the Family Rewards 2.0 sample was \$38 and the highest amount was \$7,250; in the 1.0 TANF/food stamp sample the lowest amount earned was \$80 and the highest amount earned was \$12,525.

^cPercentage of earnings from student rewards is calculated using education rewards earned by high school students among families who earned rewards and had students who earned education rewards in Year 2.

SIF Family Rewards
Appendix Table D.2
Comparison of Rewards Earned by Bronx Families in Year 2
of Family Rewards 1.0 and 2.0 for Rewards Offered
by Both Programs

Outcome	2.0	1.0 TANF/Food stamp Participants ^a
Family earned at least 1 reward (%)	94.8	88.9
Education reward	89.8	74.2
Attendance	82.7	63.7
State core exam	68.9	61.1
College entrance exam ^b	9.1	10.0
Report card	78.0	NA
Health reward	79.1	65.8
Annual physical	72.3	54.2
Biannual dental	70.0	52.1
Workforce reward	45.5	37.4
Full-time employment	45.4	36.8
GED certificate/employment training	0.5	2.1
Among families who earned at least 1 reward		
<i>Average reward amount earned^c (\$)</i>	2,281	1,838
<i>Percentage of earnings from student rewards^d</i>	58.1	66.7
<i>Average reward amount earned, by domain (\$)</i>		
<i>Education</i>	1,287	1,278
<i>Health</i>	617	284
<i>Workforce</i>	1,140	1,337
Family picked up coupon book (%)	95.5	89.5
Family earned a reward in ^e (%)		
Year 1 but not Year 2	2.3	5.8
Year 2 but not Year 1	5.4	4.0
Year 1 and Year 2	89.5	84.4
Sample size	617	190

(continued)

Appendix Table D.2 (continued)

SOURCES: MDRC calculations using CAS's Family Rewards 2.0 program data and Seedco's Family Rewards 1.0 program data.

NOTES: Sample sizes may vary because of missing values. NA = not applicable.

Year 2 in Family Rewards 2.0 covers reward activities that occurred between September 2012 and August 2013. Year 2 in Family Rewards 1.0 covers reward activities that occurred between September 2008 and August 2009.

Measures for Family Rewards 1.0 are calculated using only rewards comparable to those in the Family Rewards 2.0 program. These include rewards for Regents exams, attendance, and PSAT exams for high school students; annual physical and biannual dental visits for all family members; and full-time employment and employment training rewards for adults.

Italics indicate outcomes calculated for a subset of the full sample.

^aIncludes families from the Family Rewards 1.0 sample who were receiving TANF or food stamp benefits and living in the Bronx at the time of enrollment, and who had a high school student in the household in Year 2.

^bCollege preparatory exams eligible for rewards included the PSAT for Family Rewards 1.0 and the SAT and ACT for Family Rewards 2.0.

^cThe lowest amount earned in Year 2 in the 2.0 sample was \$38 and the highest amount was \$7,250; in the 1.0 TANF/food stamp sample the lowest amount earned was \$100 and the highest amount earned was \$6,050.

^dPercentage of earnings from student rewards is calculated using education rewards earned by high school students among families who earned rewards and had students who earned education rewards in Year 2.

^eIncludes families from the Family Rewards 1.0 sample who were receiving TANF or food stamp benefits and living in the Bronx at the time of enrollment, and who had a high school student in Year 1 and Year 2.

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Earlier MDRC Publications on Family Rewards

Conditional Cash Transfers in New York City

The Continuing Story of the Opportunity NYC–Family Rewards Demonstration

2013. James A. Riccio, Nadine Dechausay, Cynthia Miller, Stephen Nuñez, Nandita Verma, Edith Yang

Using Incentives to Change How Teenagers Spend Their Time: The Effects of New York City’s Conditional Cash Transfer Program

2012. Pamela Morris, J. Lawrence Aber, Sharon Wolf, Juliette Berg

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

2011. David Greenberg, Nadine Dechausay, Carolyn Fraker

Toward Reduced Poverty Across Generations: Early Findings from New York City’s Conditional Cash Transfer Program

2010. James Riccio, Nadine Dechausay, David Greenberg, Cynthia Miller, Zawadi Rucks, Nandita Verma

NOTE: A complete publications list is available from MDRC and on its website (www.mdrc.org), from which copies of reports can also be downloaded.

About MDRC

MDRC is a nonprofit, nonpartisan social and education 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 Children's Development
- Improving Public Education
- Raising Academic Achievement and Persistence in College
- 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.