

LEARNING TOGETHER

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

David Greenberg
Nadine Dechausay
Carolyn Fraker

May 2011

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Funders of the Opportunity NYC–Family Rewards Demonstration

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Overview

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

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

Key Findings

- **Most parents and children embraced the broad goals of Family Rewards, viewing the program as an “opportunity” for children and an investment in their academic future.** It was not clear when the study began how families would view the program, but parents and children believed that Family Rewards was a worthwhile idea because they felt it had the potential to support children's academic performance and their success over time.
- **Not all parents knew how to help improve their children's educational performance beyond offering general encouragement.** Many parents needed assistance in identifying additional strategies that they could use to help support their children's learning, although some parents used reward payments for after-school activities or tutoring.
- **Many parents were reluctant to discuss the incentives with younger children, who had only a limited knowledge of the program as a result. High school students were much better informed.** Some parents did not want to put financial pressure on their younger children, while others found creative ways to talk about incentives with them. Most likely as a result of the program being marketed directly to them, high school students had a high degree of awareness about the program, and their parents reported that they were more likely to remind them of tasks that had to be completed in order to receive rewards.
- **Family Rewards payments helped strengthen some better-prepared high school students' belief that they were “on track” to graduation, college, and a better future, which reinforced their motivation.** Some highly motivated and generally proficient high school students used rewards to save for college and to pay for educationally enriching experiences.

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

Contents

Overview	iii
List of Tables, Figures, and Boxes	vii
Preface	ix
Acknowledgments	xi
Executive Summary	ES-1
Chapter	
1	Family Dynamics Within the Context of Opportunity NYC–Family Rewards 1
	The Family Rewards Program 2
	Education and Family Dynamics 11
	Report Data and Methods 15
	Report Structure 19
2	Family Communication and Reward Systems 21
	Parents’ Communication Strategies 22
	Children’s Understanding of Family Rewards 25
	The Role of Family Tensions in Family Rewards 28
	Creating Reward Systems 32
	Conclusion 37
3	Parental Engagement with Education in the School and in the Home 39
	Communication Between Parents and Teachers 41
	Promoting Learning at Home 45
	Tutoring and Academic Enrichment 48
	Conclusion 50
4	Aspirations, Well-Being, and Educational Improvement 51
	Family Rewards and Increased Well-Being 52
	Children’s Perceptions of Financial Well-Being 56
	Connecting Financial Support to Longer-Term Educational Goals: Views of Enabling Resources 57
	Challenges in Connecting Quality of Life Improvements to Educational Trajectories 62
	Conclusion 67

Chapter

5	Challenges for Conditional Cash Transfer Programs and Educational Incentives Policies	69
	Four Challenges Related to Educational Conditions and Family Dynamics	70
	Additional Support That Families May Need	75
	Findings on Educational Incentives	77

Appendix

A	Family Rewards Activity List	79
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References		83
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List of Tables, Figures, and Boxes

Table

ES.1	Schedule of Education Rewards	ES-5
1.1	Schedule of Education, Health, and Workforce Rewards	4
1.2	Summary of Impacts on Select Outcomes Related to Education, Material Hardship and Income, Health Care, and Employment and Earnings	9
1.3	Characteristics of Qualitative Interview Respondents	16
3.1	Impacts on Parents' Engagement in Focal Child's Schooling	40
4.1	Impacts on Material Hardship and Financial Strain	53

Figure

1.1	Overview of Program and Procedures	5
1.2	Ways Family Rewards May Support Educational Achievement Through Family Dynamics	14
A.1	Family Rewards Activity List	81

Box

1.1	How to Read the Impact Tables in This Report	8
2.1	The Influence of Parental Communication Style on Children's Program Knowledge	25
2.2	A Disconnected High School Student	29
2.3	Creating Reward Systems for Younger Children	34
2.4	Parental Reinforcement of Rewards	36
3.1	Differences in Parental Involvement with Schools	46
3.2	Challenges in Study Strategies	48

Preface

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

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

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

Gordon L. Berlin
President

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

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

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

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The Authors

Executive Summary

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

A Unique Approach to Educational Incentives

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

¹The funders include Bloomberg Philanthropies, The Rockefeller Foundation, The Starr Foundation, the Open Society Institute, the Robin Hood Foundation, the Tiger Foundation, The Annie E. Casey Foundation, American International Group, the John D. and Catherine T. MacArthur Foundation, and New York Community Trust.

their engagement with their children's education as a way to improve educational outcomes and sustain those improvements beyond the time frame of the initiative.

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

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

²James Riccio, Nadine Dechaussay, 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).

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

- The Alvarado family included a single mother and her three young children, who had immigrated to Brooklyn from the Caribbean. When the program began, Ms. Alvarado was a full-time college student who struggled to support her family with help from her parents and child support payments she received from her children's father. She was hoping that the program would push her children to do well in school and she continually reminded them that their strong academic performance would help not only them but, because of Family Rewards, would also help the family. Ms. Alvarado was particularly concerned about Clara, her oldest child, who was in seventh grade and had been performing poorly on her state exams. Both mother and daughter found ways to use the program to help them get back on track, and Clara ultimately scored in the highest range on both her standardized English and math exams.
- The Walker family comprised a single mother with four children, three of whom were eligible for Family Rewards. Ms. Walker had suffered a back injury after five years of working as a home health aide, and was receiving disability payments when the program began. The Walkers valued the program but Ms. Walker did not often talk about it with her children because she wanted them to take responsibility for the activities on their own. Her son Mark had always passed his state exams in middle school, but as a high school freshman he struggled academically. He credited the program with giving him the will to persevere in tough classes. By the third year of the program, Mark's brother Chris was at risk of dropping out of school. Ms. Walker found a tutor for him using the referral list that she received from Family Rewards, which she believed helped him get promoted to eleventh grade. When Chris was interviewed, he was in Saturday school and was hoping to improve academically and earn some rewards, but he felt he needed more communication about the program in order to get a motivational boost from it.
- A two-parent family from the Bronx, the Crews had three academically proficient children, ages 8 to 16. Unlike many parents, Ms. Crew took her high school-age son to the orientation for Family Rewards and they discussed the program regularly around the kitchen table. Because Ms. Crew was employed

³The names of the four families and other descriptive information have been changed in this report to protect their confidentiality.

and making ends meet, the family opted to give the earned rewards directly to the children. Although Ms. Crew was a bit concerned at first that earning rewards for performing well in school might have a negative impact on her children's motivation, over time she developed innovative techniques to discuss the program with them in a way that supported their academic pursuits.

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

Education and Family Dynamics

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

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

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

The Opportunity NYC Demonstration: Family Rewards

Table ES.1

Schedule of Education Rewards

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

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

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

coupon, a payment was authorized. Payments were made directly to the participant's bank account every two months.

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

Key Findings

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

Parents were aware of public controversies over being “paid” for tasks, such as taking children to the doctor, that they themselves considered to be part of normal parenting. However, parents and children believed that Family Rewards was a worthwhile idea because it supported children's academic performance and their success over time. All the parents who were interviewed were able to talk about their children's longer-term educational and career aspirations, often in very specific language. At the same time, parents and children were also very concerned about problems in their neighborhoods and schools inhibiting their academic success. This gap between their educational aspirations and their confidence about reaching those goals may have been one reason they endorsed the program — because it appealed to their deeply held beliefs about the value of education and it offered to reward their progress toward difficult-to-achieve educational goals. In essence, Family Rewards helped to bridge the gap between the long-term payoff of education and the distraction created by the immediate attractions of street life. For example, one parent described how her high school-age daughter used her rewards to pay for a summer camp that is situated on a farm with an on-site veterinary hospital, which related directly to both her college and career aspirations to become a veterinarian.

- **Parents did not always know how to help their children improve their educational performance beyond offering general encouragement.**

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

- **Parents often limited discussion of incentives with younger children.**

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

- **Even high school students, who were much better informed about Family Rewards than were younger children, were not always conscious of the incentives until a payment was received.**

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

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

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

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

Family Rewards designers hoped that improvements in quality of life would both enable participants to focus on school and would become a source of ongoing motivation for families to maintain their investments in their human capital. Most families, however, viewed these improvements as a temporary windfall that was unlikely to continue after the program ended. One exception involved highly motivated and relatively proficient high school students, who sometimes used rewards in ways that allowed their college aspirations to seem more at-

tainable (by purchasing a computer, for example), thereby helping to sustain their motivation and build confidence that they could succeed over the longer term. Some high school students also felt motivated by the prospect of participating in enriching activities that the program rewards made possible, particularly those who believed that passing the Regents was within their grasp. For example, one student went to a high school that sponsored trips abroad as an extension of its language curriculum. The student knew she would not be able to take these trips without Family Rewards, and so used the entire schedule of reward payments to help plan for the trip. About half of the high school students who were interviewed described using reward payments to save for college, sometimes adding to accounts that had had small balances prior to the start of Family Rewards.

Recommendations for Conditional Cash Transfer Programs and Educational Incentives Policies

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

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

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

- **Future designers of educational incentives programs may wish to provide more frequent support for “inputs” related to preparation for long-term goals.**

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

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

Chapter 1

Family Dynamics Within the Context of Opportunity NYC–Family Rewards

Opportunity NYC–Family Rewards (referred to as “Family Rewards” in this volume) was an experimental, privately funded, conditional cash transfer (CCT) program that attempted to help families break the cycle of intergenerational poverty. CCTs provide cash assistance conditioned on individuals’ and families’ efforts to improve their “human capital” — generally speaking, the education, skills, and other behavior that may reduce their poverty over the long term. Such programs have grown rapidly across lower- and middle-income countries in recent years, and have had some important successes, perhaps the best known being Oportunidades, a CCT program in Mexico, which provided much of the inspiration for Family Rewards.

Family Rewards provided payments to families for achieving a range of activities related to health, education, and employment, and as such was the first comprehensive CCT program to be implemented in a developed country. Although Family Rewards ended in August 2010 after a planned, three-year period, the program is currently being replicated in Memphis, Tennessee, and in New York City through the Social Innovations Fund (SIF), an initiative of the Corporation for National and Community Service.

This chapter describes Family Rewards, reviews its early results,¹ and lays out the importance of focusing on “family dynamics” within the initiative — defined as interactions within households that were related to the program, and the program’s influence on family well-being. The report looks almost exclusively at educational incentives, and does not provide a comprehensive look at the range of outcomes that the program designers sought. As a qualitative study, it offers a detailed, longitudinal look at the operation of the program within entire families, and for the first time includes data collected directly from children. However, it does not formally test the effectiveness of the initiative — that is, it is not a quantitative study — especially as comparisons between families who participated in Family Rewards (the program group) and families who did not participate (the control group) are still in progress. The report’s observations are also meant to cast some additional light on the early impact findings.² In particular, the report places special emphasis on comparing high school students, some of whom appeared to have benefited substantially from the program, with younger students, who did not. Finally, the report is also meant to speak to the broader field of educational incentives

¹Riccio et al. (2010).

²Riccio et al. (2010).

policies emerging within public education and to inform the design and implementation of future efforts in that field.

This chapter shows that educational incentives initiatives are layered over family interactions and may also change those interactions. That is, Family Rewards had no direct services or case management, and it relied heavily on the ability of parents and children to understand the incentives that were offered, communicate about them, support each other to reach goals, and make decisions about how to use rewards. Part of the rationale for the Family Rewards experiment was, in fact, to test how families could respond to incentives without extensive support or guidance, and program designers had no explicit expectations about how families would embrace an “incentives only” program in practice. In this way, a good deal of Family Rewards “implementation” occurred within the participating families themselves. This chapter describes critical practices related to families’ efforts to help students succeed, describes data and methods for the qualitative study, and introduces four families who are followed throughout the report to illustrate its major themes.

The Family Rewards Program

Incentives and Operations

Family Rewards provided cash payments to families who successfully achieved and documented a number of health, education, and work activities. The Family Rewards demonstration was one of 40 initiatives sponsored by New York City’s Center for Economic Opportunity (CEO), a unit within the Office of Mayor Michael R. Bloomberg that is responsible for testing innovative strategies to reduce the number of New Yorkers who are living in poverty. Its broad origins were in the CCT movement, which has demonstrated success in lower- and middle-income countries in improving human capital and reducing hardship. Two national, New York-based nonprofit organizations — MDRC, a nonpartisan social policy research firm, and Seedco, a workforce and economic development organization — worked in close partnership with CEO to design the demonstration. Seedco, together with a small network of local community-based organizations, operated Family Rewards, while MDRC managed the overall demonstration and is conducting the evaluation. A consortium of private funders supported the project.³

³The funders include Bloomberg Philanthropies, The Rockefeller Foundation, The Starr Foundation, the Open Society Institute, the Robin Hood Foundation, the Tiger Foundation, The Annie E. Casey Foundation, American International Group, the John D. and Catherine T. MacArthur Foundation, and New York Community Trust.

Family Rewards offered a set of 22 different incentives during its first two years, ranging in value from \$20 to \$600.⁴ These incentives are described in Table 1.1. Incentives encouraged families to achieve conditions in three domains: health, education, and work. For example, health activities included payments for going to the dentist, for annual medical checkups, and for follow-up visits recommended by physicians. Regarding work, under the theory that full-time work was necessary to help families escape from poverty, families were given \$150 per month for working at least 30 hours a week for six of eight weeks, and a reward for training completion depending on the duration of the class. Education rewards for younger students involved \$25 per month for attending 95 percent of scheduled school days, \$25 per conference for one or both parents to attend parent-teacher conferences, and \$300 per exam for passing standardized tests in English language arts (ELA) or in math, or for demonstrating improvement in them. For high school students, rewards were higher. They involved \$50 per month for attendance, \$600 for accumulating sufficient credits to move into the next grade, \$600 for each New York State Regents exam passed (a standardized test tied to graduation), \$50 for taking the Preliminary SAT (PSAT), and \$400 for graduating from high school.

Every two months, Seedco verified that families had earned rewards by using a combination of automated data from city agencies and special forms, or “coupons,” that the participants completed and submitted directly to the program. Operators then initiated a process of transferring payments electronically into participants’ bank accounts or into accounts that operate more like gift cards, which were set up depending on the participants’ preference when they entered the program. Reward payments were then made, and families could access their money at any time. A significant feature of implementation was that most rewards for high school students went directly into their own accounts, meaning that these students were in principle much more directly exposed to incentive levels than were younger children, whose parents received rewards for their achievement and therefore had much more of a mediating role. This cycle of achieving activities, submitting any relevant coupons, verification by program staff, and payment to the participant then repeated every two months. (See Figure 1.1.)

One notable feature of Family Rewards was its “incentives only” design. As mentioned, the program was designed to test the feasibility of a model that did not rely on services, so as to devote more resources directly to low-income families and to permit, potentially, the ability to replicate the program on a larger scale. Following recruitment by community-based organizations (known as Neighborhood Partner Organizations, or NPOs), participants were asked to return for orientations during which they were introduced to incentives and were assisted in creating new bank accounts or linking existing accounts to program payments. However, after

⁴In Year 3 of the program, some rewards were eliminated in response to preliminary findings, verification challenges, and the need to ensure that funding could continue for a third year. See Chapter 1 in Riccio et al. (2010), pages 17-27, for a more extensive discussion of the rewards structure and changes that were made to it.

The Opportunity NYC Demonstration: Family Rewards

Table 1.1

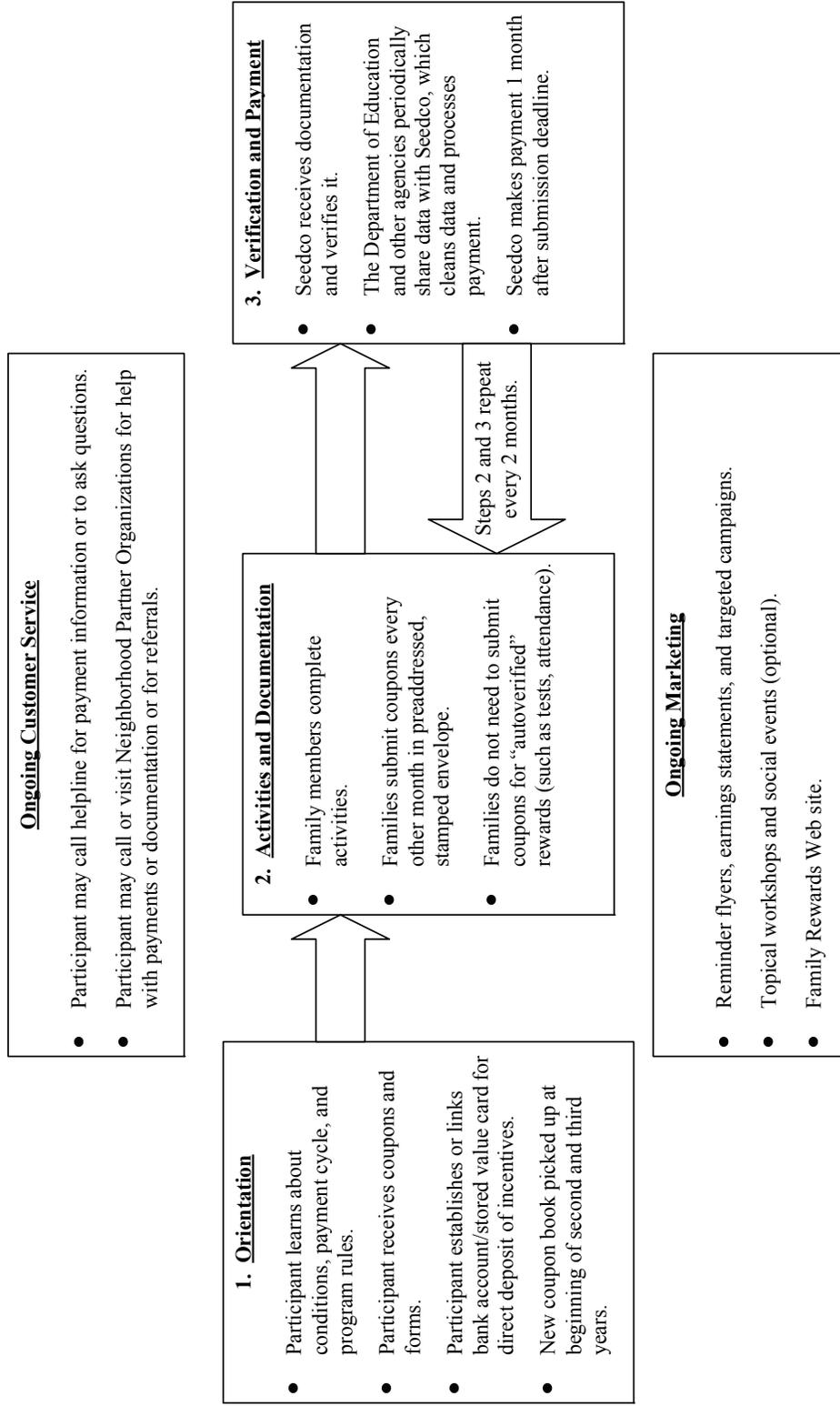
Schedule of Education, Health, and Workforce Rewards

Activity	Reward Amount
<u>Education incentives</u>	
Elementary and middle school students	
Attends 95% of scheduled school days (<i>discontinued after Year 2</i>)	\$25 per month
Scores at proficiency level (or improves) on annual math and English Language Arts (ELA) tests	
Elementary school students	\$300 per math test; \$300 per ELA test
Middle school students	\$350 per math test; \$350 per ELA test
Parent reviews low-stakes interim tests (<i>discontinued after Year 1</i>)	\$25 for parents to download, print, and review results (up to 5 times per year)
Parent discusses annual math and ELA test results with teachers (<i>discontinued after Year 2</i>)	\$25 (up to 2 tests per year)
High school students	
Attends 95% of scheduled school days	\$50 per month
Accumulates 11 course credits per year	\$600
Passes NYS Regents exams	\$600 per exam passed (up to 5 exams)
Takes PSAT	\$50 for taking the test (up to 2 times)
Graduates from high school	\$400 bonus
All grades	
Parent attends parent-teacher conferences	\$25 per conference (up to 2 times per year)
Child obtains library card (<i>discontinued after Year 2</i>)	\$50 once during program
<u>Health incentives</u>	
Maintaining public or private health insurance (<i>discontinued after Year 2</i>)	
For each parent covered	Per month: \$20 (public); \$50 (private)
If all children are covered	Per month: \$20 (public); \$50 (private)
Annual medical checkup	\$200 per family member (once per year)
Doctor-recommended follow-up visit (<i>discontinued after Year 2</i>)	\$100 per family member (once per year)
Early-intervention evaluation for child under 30 months old, if advised by pediatrician	\$200 per child (once per year)
Preventive dental care (cleaning/checkup)	\$100 per family member (once per year for children 1-5 years old; twice per year for family members 6 years of age or older)
<u>Workforce incentives</u>	
Sustained full-time employment	\$150 per month
Education and training while employed at least 10 hours per week (<i>employment requirement discontinued after Year 2</i>)	Amount varies by length of course, up to a maximum of \$3,000 over three years

The Opportunity NYC Demonstration: Family Rewards

Figure 1.1

Overview of Program and Procedures



these orientations, the participants had no mandated contact with Family Rewards. They received mailings related to their bimonthly program earnings and were targeted by marketing efforts that highlighted eligible reward activities, through materials produced by an advertising agency, by access to a Web site, and through automated and staffed reminder calls. Participants were also invited to attend topical workshops and could call either the NPOs or a centralized “helpline” during extended business hours with problems related to payments or for advice about services in the community. However, workshops were generally underattended and participants used the NPOs infrequently as a referral resource. As a result, participant contact with the program could be quite limited — it was, in fact, possible for families to be successful without this contact.

Goals and Expectations

Family Rewards’ broad goals included both immediate poverty reduction and longer-term reductions in intergenerational poverty. The program designers assumed that cash payments, in addition to being a short-term *income supplement* to reduce hardship immediately, would function both as an *enabling resource* and as an *inducement* to change behavior. As an enabling resource, the extra money families earn may make it more feasible for them to support and promote their children’s educational progress, obtain preventive health care, and pursue employment opportunities. This view of cash assistance as an enabling resource is informed by the literature on the negative consequences of material hardship and financial strain on children’s life trajectories.⁵ In this view, the income support provided by Family Rewards was seen to have the potential to influence families’ quality of life, but might also indirectly support parents’ and children’s educational outcomes by reducing family stress, depression, or housing instability. As an inducement, the rewards may encourage families to make extra investments of time and energy for those purposes. This view of incentives takes into account the possibility that low-income families may sometimes “discount the future” for various reasons, and may direct them instead toward investments that might help them over the longer term.

Beyond those broad goals, the program design incorporated much less formal expectations about ways that families should implement incentives within their households — for example, how much parents and children should be talking about rewards, how much money a parent should give to an elementary school student for passing a test, or how parents might spend resources in ways that directly helped educational goals. By imposing no requirements for program attendance, by not proscribing how family members should interact with one another concerning rewards, and by placing no restrictions on how families were able to spend the money, the program attempted to maximize the potential incentive value of rewards and left

⁵See, for example, Duncan and Brooks-Gunn (1997); Miller et al. (2008).

it to families to decide how to use those rewards to spark and support achievement. However, this orientation also means that families' responses to incentives were in essence a "black box" to program designers — the contents of which this report attempts to illuminate.

Preliminary Impacts

Early results reported in March 2010 showed that despite an extraordinarily rapid start-up and early challenges, Family Rewards was operating largely as intended by its second year. Although many families struggled with the complexity of the program, most received a large amount of money for meeting the conditions it established — on average, families received approximately \$6,000 during the first two years of the program. During the period covered by the report, Family Rewards reduced poverty and hardship, and produced a range of effects on a variety of outcomes related to health care, parents' work and training, and children's education.⁶ Box 1.1 explains how to interpret the tables that show estimated program impacts that are presented throughout this report. As shown in Table 1.2 under "18-month survey outcomes," Family Rewards reduced by 11 percentage points the proportion of families with income at or below the poverty line, reduced by 8 percentage points the proportion of families who reported difficulty making ends meet, and increased by 18 percentage points the proportion of families who reported that their financial situation was better than the previous year.⁷

Family Rewards produced no effects on some of the health outcomes, but it had small to moderate effects on others. For example, Family Rewards increased by 10 percentage points the proportion of parents who had two dental checkups and reduced by 3 percentage points the proportion of children who had a period with no health coverage.

The program appears to have decreased by 2 percentage points the proportion of parents who had worked according to unemployment insurance (UI) records, but increased by 6 percentage points those who reported working according to a survey that was conducted at 18 months. The discrepancy between these two assessments may suggest that there was a very small disincentive to work, at least in jobs captured by the UI system, because of the program's additional income support, but also that some Family Rewards participants may have been additionally encouraged to do work that was not captured in the UI records (including self-employment).

Finally, Family Rewards did not improve school outcomes for elementary or middle school students related to school attendance rates or annual standardized test scores in math and English language arts during the first two years of the program. Data from the 18-month parent

⁶Riccio et al. (2010).

⁷These results are statistically significant, meaning that it is unlikely they arose by chance.

Box 1.1

How to Read the Impact Tables in This Report

In the context of this evaluation, an “impact” is a measure of how much Family Rewards changed outcomes for program participants. All the tables in this report that show impacts use a similar format, illustrated in the table excerpt below, which presents data on the ninth-graders’ education outcomes that were obtained from New York City Department of Education administrative records. The top row, for example, shows that 70 percent of ninth-graders in the program group were enrolled in tenth grade in the second year of the program, compared with 69 percent of the control group members.

Because families were assigned randomly either to the program group or to the control group, the effects of the program can be estimated by the difference in outcomes between the two groups. The “Difference” column in the table shows the differences between the two research groups’ outcomes — that is, the program’s estimated *impacts* on the outcomes. For example, the estimated program impact on having earned 22 credits or more in Years 1 and 2 can be calculated by subtracting 44.4 percent from 45.0 percent, yielding a reduction, or estimated impact, of 0.6 percentage point.

The p-value shows the probability that this difference, or impact, arose by chance. In the table below, the difference between the program and control groups in having attended school for 95 percent or more of the required days in Year 2 has a 0.006 percent probability of arising as a result of chance rather than as a result of the program. For this evaluation, only differences that have a 10 percent probability or less of arising by chance are considered “statistically significant” and therefore represent true program effects. The number of asterisks indicates whether the impact is statistically significant at the 1 percent (***), 5 percent (**), or 10 percent (*) level.

Summary of Impacts

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
Impacts on attendance and test scores: 9th-graders (%)				
Enrolled in 10th grade, Year 2	70.3	68.8	1.5	0.446
Attendance rate is 95% or higher, Year 2	28.8	23.7	5.2 ***	0.006
Earned 22 or more credits, Years 1 and 2	45.0	44.4	0.6	0.767
Passed at least 2 Regents exams, Years 1 and 2	38.2	37.6	0.7	0.719
Sample size (total = 1,979)	988	991		

The Opportunity NYC Demonstration: Family Rewards

Table 1.2

Summary of Impacts on Select Outcomes Related to Education,
Material Hardship and Income, Health Care, and Employment and Earnings

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
<u>Education outcomes</u>				
Impacts on attendance and test scores: 4th-graders (%)				
Attendance rate, Year 2	87.9	88.3	-0.4	0.689
Attendance rate is 95% or higher, Year 2	44.5	41.6	2.9	0.225
Percentage proficient on ELA test, Year 2	67.6	68.1	-0.4	0.828
Percentage proficient on math test, Year 2	80.3	78.6	1.7	0.345
Sample size (total = 1,726)	862	864		
Impacts on attendance and test scores: 7th-graders (%)				
Attendance rate, Year 2	86.4	87.6	-1.2	0.182
Attendance rate is 95% or higher, Year 2	36.6	34.9	1.6	0.472
Percentage proficient on ELA test, Year 2	46.5	46.0	0.5	0.824
Percentage proficient on math test, Year 2	61.9	63.5	-1.6	0.414
Sample size (total = 1,671)	823	848		
Impacts on attendance and test scores: 9th-graders (%)				
Enrolled in 10th grade	70.3	68.8	1.5	0.446
Attendance rate is 95% or higher, Year 2	28.8	23.7	5.2 ***	0.006
Earned at least 22 credits, Years 1 and 2	45.0	44.4	0.6	0.767
Passed at least 2 Regents exams, Years 1 and 2	38.2	37.6	0.7	0.719
Sample size (total = 1,979)	988	991		
9th-graders who scored at or above proficiency level on the annual math test in 8th grade ^a (%)				
Remained in 9th grade, Year 2	3.0	8.8	-5.8 ***	0.003
Attendance rate is 95% or higher, Year 2	51.1	36.2	14.9 ***	0.000
Earned at least 22 credits, Years 1 and 2	72.7	64.5	8.1 **	0.032
Passed at least 2 Regents exams, Years 1 and 2	77.6	71.7	5.9 *	0.098
Sample size (total = 584)	298	286		
9th-graders who scored below proficiency level on the annual math test in 8th grade ^a (%)				
Remained in 9th grade, Year 2	22.1	21.8	0.3	0.916
Attendance rate is 95% or higher, Year 2	21.8	19.3	2.5	0.291
Earned at least 22 credits, Years 1 and 2	38.1	40.1	-2.0	0.492
Passed at least 2 Regents exams, Years 1 and 2	22.9	25.2	-2.3	0.343
Sample size (total = 1,143)	565	578		

(continued)

Table 1.2 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
18-month survey outcomes				
Select impacts on material hardship and income				
Food security ^b (1 = low; 4 = high)	3.4	3.2	0.2 ***	0.000
Did not get needed medical care because of cost in past 12 months ^c (%)	6.5	10.4	-3.9 ***	0.000
Family finances are not enough to make ends meet (%)	34.1	41.8	-7.8 ***	0.000
Strongly or somewhat agree that the financial situation is better than last year (%)	62.7	44.5	18.3 ***	0.000
Percentage of families with household income at or below the federal poverty level ^{d,e} (%)	59.4	70.0	-10.7 ***	0.000
Sample size (total = 2,060)	1,051	1,009		
Select impacts on health outcomes (%)				
Some or all of respondent's children had a period with no coverage	14.6	17.9	-3.3 **	0.014
Had a health checkup since random assignment	93.2	91.7	1.5	0.128
Had at least two dental checkups since random assignment	67.4	57.9	9.5 ***	0.000
Average self-rated health is excellent	15.8	13.5	2.3 *	0.064
Currently being treated for any medical condition	47.2	44.4	2.8 *	0.092
Currently employed at the time of the survey	59.9	54.3	5.6 ***	0.000
Sample size (total = 3,082)	1,574	1,508		
Select impacts on UI-covered employment and earnings				
Ever employed (%)	56.2	58.5	-2.3 **	0.011
Total earnings (\$)	12,114	12,354	-240	0.284
Sample size (total = 4,994)	2,513	2,481		

SOURCES: MDRC calculations using data from New York City Department of Education administrative records.

NOTES: A two-tailed t-test was applied to the differences between outcomes for the program and control groups. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of family or sample members.

Sample sizes may vary because of missing values.

Rounding may cause slight discrepancies in calculating sums and differences.

The p-value indicates the likelihood that the difference between the program and control group arose by chance.

Years 1 and 2 cover the 2007-2008 and 2008-2009 school years, respectively.

ELA is the English Language Arts exam, and UI is unemployment insurance.

^aIn New York State, students who score at a level of 3 or higher on a 4-point scale are deemed "proficient."

^bThe food security question describes food eaten by the family in the prior month: 1= Often not enough to eat; 2 = Sometimes not enough to eat; 3 = Enough to eat but not always the kinds of food desired; 4 = Enough to eat of the kinds of food desired.

^cThis excludes prescriptions.

(continued)

Table 1.2 (continued)

^dFamily Rewards payments are based on Seedco's Family Rewards data from Year 2 of the program, which include activities completed in September 2008 through August 2009. The monthly Family Rewards payment amount is calculated by dividing the annual reward amount by 12. The payment data do not include bonus payments that some families received for opening new bank accounts.

^eAnnual household income is calculated by multiplying by 12 the respondent's income in the month prior to the survey interview. For program group members, it includes Family Rewards payments earned during Year 1 (2007-2008) of the program. The federal poverty level was created based on annual income (monthly income multiplied by 12) and the household size at the time of the survey. The poverty threshold was measured according to the 2008 or 2009 Federal Poverty Guidelines, depending on when a respondent

survey indicate that Family Rewards increased the likelihood, compared with control group members, that middle school students would be involved in school-related activities, such as programs to help with schoolwork or homework, school clubs, school musical programs, and dance or art lessons. However, there is no indication so far that these extra efforts have translated into higher academic achievement in school.

Although the program had few effects on school outcomes for high school students overall, Family Rewards substantially improved the educational achievement of high school students who scored at or above the basic proficiency level on their eighth-grade standardized tests prior to random assignment. This group of better-prepared high school students saw a 6 percentage point reduction in the proportion of students who repeated the ninth grade, a 15 percentage point increase in the likelihood of having a 95 percent or better attendance rate (in Year 2), an 8 percentage point increase in the likelihood of staying on track for graduation over the first two years of the program, and an increase of 6 percentage points in the likelihood of passing at least two Regents exams.

Because of these differential findings between younger students and those in high school, and between those high school students who were proficient in eighth grade and those who were not, cases and analyses are presented throughout this report to illustrate how many proficient high school students were able to maintain promising trajectories while many less proficient students were not. Major points from the qualitative analyses are also illustrated with examples from the four families who are followed throughout the report, to show how families with different strengths and challenges (such as parental education, access to community resources, household stress, and other measures of family fragility) responded to the educational components of the CCT program.

Education and Family Dynamics

Although the Family Rewards CCT program is by design a comprehensive one — in that it covers education, employment, and health care — this report focuses on education and on

the range of parent and child responses to the education incentives. Education and family dynamics are important topics within the initiative and should be examined together for three main reasons.

First, when talking about the goals of the program, parents and children focused most upon its educational components. In fact, the entire program was broadly received by most families as a way of supporting children in school and as a reward for good parenting. Outreach workers who described the program to families were faced with initial skepticism that they would be “paid” to do things that they considered part of normal parenting. However, the program successfully navigated this issue by tying the program goals closely to the participants’ strongly held educational goals for their children. Outreach workers often learned to first describe the program as something “for the children” or “for children in the community.” In other words, families often viewed the entire program through the lens of education.

Second, the designers of Family Rewards were interested in demonstrating the feasibility of a model that did not require extensive case management or supportive services. Without those services, incentives alone became the vehicle by which educational outcomes would be obtained. However, because the program as a whole was introduced almost exclusively to parents, because incentives were not always directly marketed to children, and because elementary and middle school students did not receive rewards directly, *parental mediation* was critical to the model. Indeed, Family Rewards’ reliance on parents as the drivers of the program was intentional, as it sought to increase parents’ engagement with their children’s education as a way to produce sustainable change in households beyond the timeframe of the initiative.

Finally, educational rewards were distinctive within the CCT program, in that incentives were weighted toward performance on standardized tests.⁸ Unlike other educational incentives programs, which sometimes reward tasks such as completing homework or reading books — known as “inputs” — the designers of Family Rewards focused on a combination of “inputs” and “outputs,” with cash rewards weighted toward outputs such as standardized test scores. Designers believed that it would be difficult to monitor efforts such as homework on a large scale, that standardized tests presented more objective measures of performance than grades, and that performance on these tests was key to educational advancement. However, because tests occur annually in many cases, succeeding on them often required preparation over the course of the school year. As a result, to understand Family Rewards’ effects on education, it is necessary to understand the strategies that families used over time to reach these longer-

⁸Certain activities that required daily effort, such as attendance, were also rewarded for younger students, and in Year 1, incentives were offered for scoring well on practice assessment exams as part of a greater strategy to reward both effort and outcomes. These rewards were dropped from the program over time, however.

term benchmarks. Those efforts provide valuable information to program designers about the tools that may help make incentives for achieving more distant educational goals work for households that have different strengths and challenges.

Because Family Rewards did not provide direct guidance about test preparation or offer additional educational services, the program worked through the following mechanisms, described in Figure 1.2:

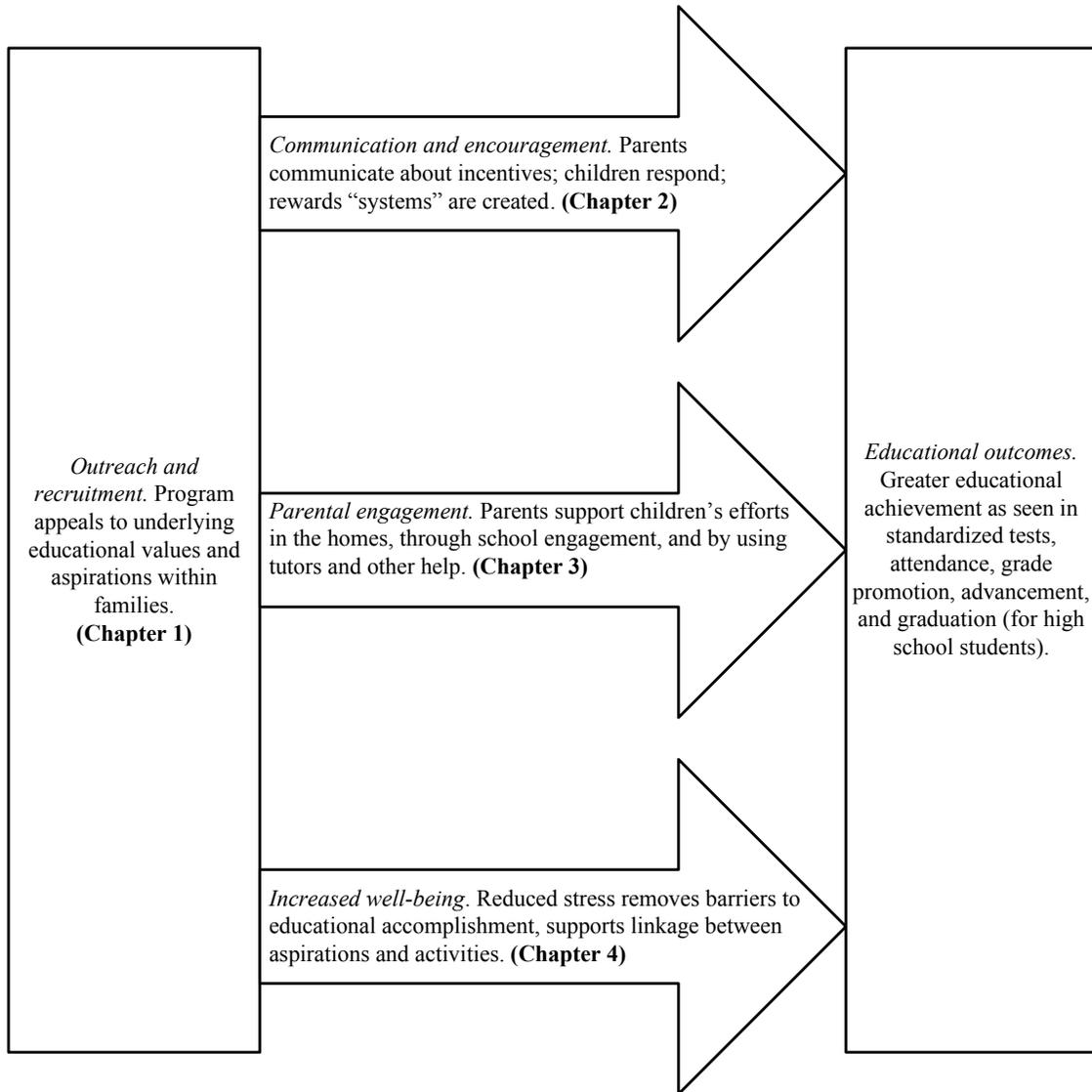
- Families needed to find ways of *communicating* about rewards to motivate achievement and to develop rewards *systems* to reinforce their efforts. That is, parents who wished to use rewards as encouragement needed to find ways of describing the program to their children, and ways of providing rewards that helped motivate them to succeed without sparking resentment within the household. Children, for their part, needed to understand the program and see it as a source of motivation. While this was not the only path for improving achievement, especially for younger children (who may have been better served by other strategies, described below), it was the one most tied to the direct power of incentives for children.
- Families needed to find additional ways of *engaging with the children's education, at home and in school*. That is, Family Rewards incentives might encourage parents to become more active in working with teachers to discover areas in which children may need support and to navigate through school problems that become a barrier to learning. Parents might also be more encouraged to help children prepare for tests at home or to use extra resources for tutors or other out-of-school help to ensure that they succeed. Children, in turn, would need to respond positively to these strategies in order to maintain or improve their performance. This mechanism was especially important for younger children, who were not directly rewarded and whose parents may have found it more appropriate to encourage them in ways other than by providing money or presents.
- In addition to the strategies described above, Family Rewards envisioned that the increased well-being and stability provided by the incentives might reduce barriers that are associated with poverty — like hunger, stress, and hardship — and allow families to focus more on educational accomplishment. As illustrated in Figure 1.2, *well-being* in itself becomes a mechanism by which the program may influence educational goals.

These major topics are the subject of the three chapters that follow this one.

The Opportunity NYC Demonstration: Family Rewards

Figure 1.2

Ways Family Rewards May Support Educational Achievement Through Family Dynamics



Report Data and Methods

Data for this report are primarily qualitative, relying on 156 structured interviews with 75 families in the program group over a period of two years. To select participants, a random sample of program group members was drawn within each community district, and was stratified to ensure coverage of children who entered the program in the fourth, seventh, and ninth grades⁹ — the special targets of the intervention, although all children in the household were eligible for rewards. All of these participants were mailed letters describing the research, and outreach workers conducted follow-up calls during the day and the evening to ensure a balanced sample in terms of those who were working and not working. Scheduling resulted in 75 families in Wave 1 interviews, conducted almost exclusively within participants' homes, with some in MDRC offices when participants' work schedules were conducive to such a meeting. Wave 1 interviews were conducted between April 2008 and May 2009. These families were fairly representative of the program group on a range of relevant characteristics (see Table 1.3).

Because the program's theory of change was that benefits to participation could accrue over time, researchers attempted to conduct follow-up interviews within the same sample approximately one year later so as to trace these longitudinal dynamics within families. Making contact again with families was somewhat more challenging, as some families had moved and many others had phones disconnected. Special efforts were made to reach those participants who described themselves as being less engaged with the program during the Wave 1 interviews, by leaving letters and postcards directly under their doors, but there was little response from this particular group, suggesting that some families had disengaged from the program at that point. In the Wave 2 interviews, a smaller sample of families was recruited for interviews from the original 75, and 40 parents were reinterviewed. The Wave 2 interviews were conducted between May 2009 and February 2010. The second wave of interview participants tended to be somewhat less advantaged (in terms of income and disability status) and somewhat more engaged with the program (in terms of the amount of rewards accrued) than the program group as a whole.

These families were the basis for a third round of interviews, conducted directly with children in the household. Students who entered the program in the fourth, seventh, and ninth grades were especially solicited, but in many cases families were interested in having all children speak to interviewers. As a result, 39 children in 30 families were interviewed during the period of October 2009 through April 2010.

⁹Grades 4, 7, and 9 were “target grades” for the Family Rewards program because these grades and the years following were seen as critical transition periods for students. Participating families had to have a child in grade 4, 7, or 9.

The Opportunity NYC Demonstration: Family Rewards

Table 1.3

Characteristics of Qualitative Interview Respondents

Characteristic	Wave 1 Respondents	Wave 2 Respondents	Program Group
<u>Parents' baseline measures</u>			
Currently at least one parent is working (%)	41.5	36.4	45.9
Annual household earnings (\$)	8,901	6,401	9,880
Living in public housing (%)	31.5	28.2	30.4
Receiving Section 8 rental assistance (%)	23.3	25.6	21.7
Receives public housing or Section 8 rental assistance (%)	54.1	52.5	50.8
Has a physical or mental condition that limits work (%)	28.1	36.4	27.3
Primary language spoken at home is Spanish (%)	17.6	15.0	21.9
<u>Target children's baseline measures^a (%)</u>			
Enrolled in 4th grade, Year 1	28.8	32.5	33.1
Enrolled in 7th grade, Year 1	34.3	30.0	31.6
Enrolled in 9th grade, Year 1	37.0	37.5	35.3
Percentage of target children proficient on ELA test, Year 1	45.1	55.0	38.8
Percentage of target children proficient on math test, Year 1	56.3	70.0	56.2
<u>Summary of rewards earned by families</u>			
Average amount of rewards earned in Years 1 and 2 (\$)	6,714	7,171	6,183
Sample size	74	40	2,377

SOURCES: MDRC calculations using data from Baseline Information Forms, administrative records from New York State, New York City Department of Education administrative records, and Seedco's Family Rewards program data.

NOTES: Wave 1 interviews were conducted between April 2008 and May 2009. Wave 2 interviews were conducted between May 2009 and February 2010.

In New York State, students who score at a level of 3 or higher on a 4-point scale are deemed "proficient."

Sample sizes may vary because of missing values.

Rounding may cause slight discrepancies in calculating sums.

Years 1 and 2 cover the 2007-2008 and 2008-2009 school years, respectively.

ELA is the English Language Arts exam.

^aGrades 4, 7, and 9 are "target grades" for the Family Rewards program, so all families have a child in grades 4, 7, or 9.

All interviews were recorded and transcribed, and were subsequently coded and analyzed using NVivo,¹⁰ allowing researchers to establish reliability among coders around pre-identified themes within transcripts, document the relative prevalence of topics, develop comparisons among different types of respondents, and support inductive analyses. Although this report does not count types of responses by participants, the convention it follows is to use the word “most” when three-fourths of the interviewed participants responded in a particular way, “many” when more than half responded in a certain way, and “some” when one-fifth to one-half responded in a certain way.

Finally, although the report uses data that were collected and analyzed from all 156 interviews, it follows four families throughout, so as to illustrate how major themes played out with reference to households with various strengths and challenges.¹¹

- The **Alvarado family** felt very fortunate to be selected for Family Rewards. Ms. Alvarado had recently immigrated to Brooklyn from the Caribbean with her three young children. The move was hard for Ms. Alvarado’s children, Johnny in fourth grade, David in fifth grade, and Clara in seventh grade. All three children struggled with learning English, and Ms. Alvarado frequently visited her children’s schools to discuss their progress with their teachers. At the time of the interviews, Ms. Alvarado was not working, but was a full-time college student and often used her own experiences to impress upon her children the importance of not just a high school diploma, but also of continuing to attend school with the goal of earning a bachelor’s or master’s degree. (She was able to attend school full time without a job because she received some child support and lived with her family.) Like many parents, Ms. Alvarado viewed Family Rewards as “something for the children” and hoped that it would encourage her children to push themselves in school, while also helping to ease the financial strain that the household was experiencing.
- The **Walker family** regarded Family Rewards as an “opportunity” and communicated frequently about the program goals. Ms. Walker lived with her four children in Brooklyn and received a housing voucher that subsidized their rent. Ms. Walker had previously been employed in health care, but had experienced an injury and was receiving disability when the program began. The Walker family included four children, three of whom were eligible for Family Rewards: 16-year-old Chris (who was in tenth grade), 14-year-old Doug (who was in ninth grade), and 12-year-old Mark (who was in sixth

¹⁰NVivo is a qualitative analysis software program.

¹¹Names and nonessential details of the four families have been changed to protect the family’s anonymity.

grade). Chris and Doug struggled in school, partly because they had fallen in with the “wrong crowd,” and neither son met proficiency levels as eighth-graders. Ms. Walker jumped at the opportunity of earning rewards, and she used the earnings to pay down credit card debts, open “emergency funds,” and purchase a life insurance policy. Ms. Walker described herself as “grateful” for the program, and hoped that the potential rewards would help her sons finish high school.

- The **Crew family** described the experience of being selected for Family Rewards as “surreal.” Ms. Crew, who lived in the Bronx with her children and husband, was both excited about the program and a bit skeptical at first, suspecting that it might be a scam. Over time, Ms. Crew approached Family Rewards as a tool that could help her address some of the motivational challenges she was having with her 8-year-old son, Joey (in third grade); 14-year-old daughter, Rachel (in ninth grade); and 16-year-old son, Andrew (in eleventh grade). The Crew children were all academically proficient at the time of the study. At the time of the first interview, Ms. Crew was not working because she was ill, but by the second interview she was employed full time at a local hospital, and so was able to give the earned rewards to the children directly instead of using the money for household expenses. Ms. Crew was a bit concerned in the first interview that earning rewards for performing well in school might have a negative impact on her children’s motivation, but over time she developed unique techniques to communicate about the program to her children in a way that would support and not hinder their academic pursuits.
- The **Lawrence family** believed that Family Rewards was designed to help low-income families “get ahead.” The Lawrence family included Ms. Lawrence; her daughter, who was not eligible for Family Rewards; and her teenage son, Justin, who was in ninth grade when the program started. The family lived in Manhattan and received a housing voucher that subsidized their rent. Ms. Lawrence entered the program with a great deal of enthusiasm and optimism. However, the family experienced a few setbacks during the course of the program. Ms. Lawrence originally planned to go back to school and work part time in order to complete the work and training coupon, but family obligations prevented her from pursuing those goals. At the time of the interviews, Ms. Lawrence was unemployed and taking care of her daughter’s baby while her daughter worked. Justin struggled as a high school student. He had met the proficiency standards as an eighth-grader, but by the time of the interviews he was in ninth grade, failing many of his classes, and experienc-

ing problems with his peers and with violence. As a result of these problems, Family Rewards never took hold in the Lawrence household. At the time of the child interview, Justin had not earned any education rewards. Justin explained that his family was unable to incorporate Family Rewards into the household because the family's focus on getting him back in school had been a stressful and hectic experience, and incorporating the program and coupon rules did not seem feasible at the time.

Report Structure

This report's structure follows the various mechanisms through which the initiative played out in families with regard to educational attainment, as illustrated in Figure 1.2.

Chapter 2, "Family Communication and Reward Systems," describes parents' communication and messaging strategies around educational incentives in Family Rewards, children's responses to these messages, and the levels of communication about incentives within the household. It also addresses the various conditions that parents created to give children access to cash or presents, and how children responded to those reward systems. Family Rewards is unusual among educational incentives programs in that parents heavily mediate the program, both by explaining it to children and by controlling the rewards that reinforce achievement. As a result, findings around parental communication help clarify what children understood about the program, and how salient the program was within families. Similarly, understanding the different ways that parents provided cash in relation to educational achievement helps interpret what was actually being incentivized within households.

Chapter 3, "Parental Engagement with School and in the Home," describes another path by which Family Rewards attempted to influence educational achievement: by supporting parental engagement in school and in the home. Within the policy literature, some aspects of parental engagement have been associated with improved educational outcomes. Family Rewards also provides extra cash that may be used to support educational enrichment activities, such as tutoring or after-school activities. Accordingly, the chapter describes ways that Family Rewards became part of parents' engagement "tool kit," how parents interacted with schools through the program, how parents helped children prepare for tests at home, and how families used the extra resources provided by Family Rewards to support educational goals.

Chapter 4, "Aspirations, Well-Being, and Educational Improvement," describes how income provided by the CCT program influences family well-being, and the role that increased well-being may play in educational outcomes. Poverty alleviation is a critical component of the CCT model, and an area in which impacts show up early. As a result, well-being is an important topic in itself, and also because deprivation, stress, and depression have been seen to influence

longer-term outcomes in a range of other studies.¹² Chapter 4 also describes ways in which increased material well-being was associated within families with increased confidence in school, families' sense that gains in well-being could be sustained, and how the program influenced families' views of their longer-term trajectories.

Chapter 5, "Challenges for Conditional Cash Transfer Programs and Educational Incentives Policies," sums up the major qualitative findings and covers four topics of relevance to CCT programs that involve education and lessons for the next generation of educational incentives programs. The chapter brings together qualitative findings related to the array of current educational incentives initiatives, examining in particular the factors that program designers may need to consider as they create incentive structures, target programs to various age groups, market incentives, provide guidance to families about how to fulfill conditions for cash rewards, and consider the use of supportive services directly or through referral mechanisms.

¹²Duncan and Brooks-Gunn (1997).

Chapter 2

Family Communication and Reward Systems

Although the designers of Family Rewards envisioned multiple ways in which the conditional cash transfer (CCT) program would improve student performance, the program's most direct route to influence educational outcomes was to offer an incentive for improving test scores and attendance — the conditions on the Family Rewards “Activity List” (see Appendix A), which included all the activities for which cash rewards were being offered. At the same time, Family Rewards oriented parents, not children, to the program, and gave parents the rewards for elementary and middle school students' achievement. This structure meant that parents, particularly those of elementary and middle school students, were free to decide how much or how little to explain about the program, and whether (and how much) to give children cash or presents in exchange for sustained or improved educational performance. Thus, the ways in which families communicated about and reinforced rewards helped determine how children of different ages understood the program and how prominent incentives were within family dynamics. These topics of communication and reward systems are also important because research has shown that parents often create their own conditions for rewarding children with cash or presents,¹ and that the way rewards are framed may influence their reception.²

This chapter opens up this “black box” of family communication and reward systems, addressing how parents chose to explain the program, what children understood about Family Rewards, and the ways parents used payments to reinforce sustained or improved educational performance. It shows that children of all ages often reported a vague understanding of Family Rewards and frequently forgot about the program altogether. Parents of younger children generally did not reproduce the Activity List's rewards, but instead gave children small amounts of money or treats in exchange for efforts or behaviors that the parent deemed important, whether or not these behaviors appeared on the list, such as paying attention in class. High school students, in contrast, both knew more about the program and were more likely to be reminded by their parents of the actual tasks from the Activity List that had to be completed. As a result of these dynamics, younger children were less likely to experience the incentives of the program directly and were instead more likely to feel general encouragement from their parents around schooling, described in the following chapter. In contrast, high school students — whose cash rewards were deposited directly into their own bank accounts — were more directly exposed to the program's incentives model, although parents played an important role in

¹Barnet-Verzat and Wolff (2002).

²See Kahneman and Tversky (1979); Tversky and Kahneman (1981).

reminding them about the program and in some cases controlled access to the accounts by holding onto their ATM cards.

Parents' Communication Strategies

As might be expected, the most common message that parents used when describing Family Rewards was that the children would receive money or presents if they performed well.³ However, the extent to which parents emphasized money or presents in exchange for performance varied within families. Half of the children who were interviewed reported that their parents limited the information that was shared about Family Rewards, sometimes saying that their parents withheld information about the level and timing of payments coming into the household. One-fourth of the children who were interviewed reported that their parents never explained Family Rewards at all.⁴ Even when parents did not withhold information outright, for the most part, Family Rewards was not a large part of parents' conversations with their children about school. According to a survey that was conducted with about 1,500 program group participants approximately 18 months into the program, 24 percent of parents said they never discussed Family Rewards in relation to their children's educational performance. Forty-two percent of parents reported discussing Family Rewards with their children "some of the time."⁵

In-depth interviews reveal additional levels of nuance related to these broad characterizations of Family Rewards discussions, and illustrate the types of decisions that parents face in using a CCT program to encourage children's performance. The most significant factor influencing how much a parent told a child about Family Rewards was the child's age or perceived maturity. Parents of elementary school students often chose to limit the amount of information they shared. In all but one of the cases in which a parent reported withholding information about Family Rewards, her children were in either elementary or middle school. One mother explained her concern that her children were too young to understand the rewards:

I really don't discuss the program too much with my kids, because they're young . . . And I don't want my kids to get the impression that we have to do this to get money. So when I talk to my kids, I just tell them, oh, Mommy got extra money. I can treat you to get a little something, what you want, something that they need.

³More detailed discussion of the conditions that parents created to distribute rewards appears later in the chapter.

⁴More parents said that they talked about the program with their children. The discrepancy could reflect either that parents were reluctant to admit that they did not share information with their children, or (possibly more likely) that children were less likely to recall the details of those conversations.

⁵Riccio et al. (2010).

In addition to less frequent mention of the program altogether, younger children were given fewer details about Family Rewards when it was discussed. Adults in the interviews explained how they avoided discussing the specific dollar amounts with their young children because they did not want to put pressure on them. For example, one mother explained that in the first year of the program she shared very little about Family Rewards with her sixth-grader, but in the second year she decided that her daughter was old enough to learn more — but she shared information in very general terms. She explained, “This is a program that the mayor came up with. And if you do well, they want you to stay in school. They don’t want you to drop out and things like that.”

In addition to age and maturity, parents contemplated the financial needs of the household in choosing how much about the program to describe to children, particularly with elementary and middle school students. Adults who needed to use all the reward dollars on household expenses often made a decision not to tell their children about Family Rewards. Others (about one-fifth of parents interviewed) made the decision to explain to their children the needs of the household and how the extra income would help the family as a whole. These parents were often very explicit with children about how their earnings contributed to family well-being, and in fact attempted to empower their children as new “earners” for the household, explaining how they could help the family make basic purchases. As one mother said:

I told [my daughters] that . . . if they made a bigger effort . . . we would get more money, even for them . . . They would be able to buy things that I couldn’t buy for them . . . and they were very happy. That encouraged them to be more interested in school . . . that we would get more income, a better income.

Parenting style was another factor in how much parents shared about the program. Parents who described being stricter with their children were more likely to limit how much they talked about Family Rewards. This was true both for parents of high school students and for parents of younger children. These stricter parents reported maintaining authority over activities such as when their children could spend time with friends and completion of homework and chores. For some parents who did choose to share more about the program, rewards served as “leverage” over children’s general behavior. For example, a mother explained how her parenting style influenced the way she discusses Family Rewards with her children:

And to me, I said, you know what? I reward you in a certain way because I get these rewards and I feel that I should share them with you, but I’m going to have control of everything that’s going on, from watching T.V. — everything in [moderation].

A final factor influencing the extent of parental communication was the degree to which parents were concerned about the program's potential effect on children's desire to achieve in school as a goal in itself. While there is an active debate about the effect of incentives on "intrinsic" motivation, parents *themselves* were sometimes concerned about the potentially negative consequences of tying cash to educational performance, and sometimes limited the emphasis they gave to rewards as a result. For example, Ms. Walker, who lived in Brooklyn with her children (three of whom were eligible for Family Rewards) and received a housing voucher and disability assistance, expressed concern that the program could potentially have a negative effect on her high school sons' motivation. In contrast, Ms. Crew, who worked full time at a local hospital and lived in the Bronx with her husband and three children, did not express this concern, and instead thought that rewards could help increase her children's motivation. The contrast between their approaches is shown in Box 2.1.⁶ When Ms. Walker explained the program to her three program-eligible sons, she was sure to explain that their job as students is to do well in school, and that education is important regardless of Family Rewards:

Well, I have told them that, first, [doing well in school] is something you're supposed to do, period. You know? It's great that you have an account and money that's coming for you to learn. That's the plus part of it . . . but this is something you should want to do, period, because you're gonna need an education to make it in society, period.

In some cases, parents framed Family Rewards as "extra" money — an additional incentive that should not overshadow doing well in school for the sake of learning. These parents believed that framing the program in this way would help to minimize the degree to which their children's motivation would suffer. These parents emphasized how important it is to enjoy school for its own sake, as a mother of a child in elementary school explained:

And I'm telling my son, you know, when you do things you should do it because you want to do it, and the love of you doing it. And at the end of the day, you will find out that's what works for you . . . The program is not about you abusing it.

More than three-fourths of the parents who were interviewed who talked about rewards as something "extra" had children in elementary or middle school, suggesting that this age group may have been one for whom parents were most concerned about motivation issues. (Other issues relating to middle school students and their conflict with parents are described below.)

⁶See Chapter 1 for a description of the four families who are followed throughout the report.

Box 2.1

The Influence of Parental Communication Style on Children's Program Knowledge

Ms. Crew, who worked full time in a hospital and had three children in Family Rewards, looked at the program as a tool that could help her address some of the motivational challenges she was having with her two older children around attendance and school achievement. She was very transparent in discussing the program — both the activities that were rewarded in all three domains and how much money was associated with each. She took her high school-age son to the orientation for the program and they discussed the program regularly around the kitchen table, so that when her daughter, who was in seventh grade when the program started, was promoted to high school, she already knew about the rewards for high school students. Whenever a bank statement from their accounts or an earnings statement from the program came in, Ms. Crew would use it as an opportunity to talk about the program. As a result, these two students were highly knowledgeable about the conditions for rewards and their own progress in earning rewards.

Ms. Walker, who had become disabled before the program began and was raising three school-age boys, thought that Family Rewards was a great opportunity for her sons to earn money for college. She explained the program to them at the beginning, and one of her sons even put a copy of the Activity List in his wallet. She was strongly motivated by the financial opportunity that the program presented and expected her sons to be motivated as well. However, she thought it was important for her sons to take responsibility and do their part to earn rewards, without extensive reinforcement from others, because they knew what they needed to do to succeed, and the rewards were just a “bonus.” As a result, she did not often talk about the program with her sons. When Mark, who started the program in eighth grade, was promoted to high school, he learned about the new education rewards for high school students from the mother of a friend who was also in the program. In the last year of the program, Mark and his brother, Chris, decided to go to an event sponsored by the local Neighborhood Partner Organization to learn more about what the program had to offer. They knew about most of the rewards for education, but were unclear about some of the details (for example, about how many credits students had to earn each year to qualify for that reward), and did not know there were rewards for medical and dental checkups.

Children's Understanding of Family Rewards

Given the discussion above, it is not surprising that children's understanding of the program varied. The most significant factor in children's knowledge of the program was the age of the child. In half the interviews, children were able to describe incentivized activities in great detail, listing not only the required tasks but also the dollar amounts and frequency of rewards. Of these children who had a great deal of program knowledge, all but one were in high school.

In contrast, students in the other half of the interviews appeared to have a much vaguer understanding of Family Rewards, and about one-third of these children described the program inaccurately, listing activities that were not rewarded.

Younger Students

Children in elementary school knew the least about Family Rewards. These children described Family Rewards as a general support system for good parenting and good students, but provided little detail on the rewarded activities. For example, one student clearly grappling with the program's goals said, "I think...the people that founded this program, they try and see how people would do — how people would take care of their kids differently if you paid them." The youngest students also tended to describe aspects of the program that did not involve rewards — possibly confusing Family Rewards with other school-related programs.

Middle school students were more likely to know more details about the program. However, about half of the middle school students who were interviewed still reported confusion about the rules and goals of Family Rewards. Many children were able to identify general types of rewards (such as the fact that attendance was rewarded) but were less clear about the actual requirements (such as the fact that they needed a 95 percent attendance rate to receive the reward). One example of this diffuse understanding came in an interview with a middle school student:

Interviewer: So would you say you know a lot or a little about Opportunity NYC?

Interviewee: In the middle . . . they sometimes have different things that you can go to and that's it . . . If you do good they reward you for doin' the things that you supposed to.

Interviewer: When you say "doing good," what in particular would you have to do?

Interviewee: Like, school, like pay attention and stuff.

About half of the middle school students who were interviewed identified with the goals of the program in general, reporting that encouraging children to succeed was a positive action and that they felt "proud" to be selected for Family Rewards. One student described it this way:

It's a program that they care a lot about your success and your achievements towards doing good in school, more about being like a class act towards the community, and want you to prepare for college and do good.

Notably, program designers did not intend for all children, especially younger ones, to see a one-to-one correspondence between rewarded activities and money and presents they might receive upon achieving those activities. As described above, parents may have wished to shield their children from pressure or to avoid hindering their intrinsic motivation to succeed.

High School Students

High school students experienced Family Rewards differently from the way the younger children experienced it because they received rewards directly through the program.⁷ Family Rewards operators were also much more likely to communicate directly with teenagers — especially in the second and third years of the program. Family Rewards sent out direct mailings to high school students and organized events for them at local community organizations, although attendance at these events was sometimes low. These factors, and the age of the students, made them much more aware of specific activities and the incentives associated with each. In addition, about three-fourths of the high school students who were interviewed identified with the goals and rewards of Family Rewards, reporting that the program was a positive force and that it supported children in school. Like their parents (in describing the broad goals of the initiative),⁸ many high school students said that Family Rewards could help *other* children who might be falling off track, but none mentioned ways that the program specifically kept *them* on track. For example, a high school student explained how he liked the goals of the program, but distinguished between his own needs and those of other children:

Because if you don't give them some sort of motivation they will never do it. If they have, "Oh, I need to do this because I'm going to get this," it gives them some type of hope and motivation to do things . . . Like [for] me, no matter if there was the money or not I would still be on task, but, yet, not everyone thinks the same way, so there needs to be some type of "keep on going, don't worry, you still could do it."

However, despite this higher level of understanding and identification with the program, high school students were still often confused about specific program rules. In about one-fourth of the high school interviews, teenagers reported on the rules of each reward inaccurately. Perhaps even more powerful than general confusion about program rewards was the fact that many teenagers reported forgetting about the program during the school year. This finding is not surprising, as the program did not interact with students on a weekly or even a monthly basis. Furthermore, because the automated processing of Regents and other rewards took time,

⁷As described in Chapter 1, Riccio et al. (2010) found no effects for high school students overall in Family Rewards, but they did find a range of positive effects for students who were better prepared in eighth grade.

⁸See Riccio et al. (2010), Chapter 4.

students sometimes had to wait several months after taking a test or receiving credits to be paid. Nonetheless, in more than half of the interviews, high school students said they forgot about Family Rewards for some stretch of time, and were usually reminded of it *after* they received a major reward, as did this student:

Well, sometimes I forget about the program, but then after I'll pass the Regents, I'll be like, oh yeah, that's more money inside my bank account and then I'll get happy again and I'll try for the next one to get it higher . . . I'm not saying that I don't think about it, but sometimes you just — it slips your mind or whatnot. But then I know I always do remember after [receiving a reward].

This tendency to forget about Family Rewards for stretches during the school year, only to remember the program in the summer when the Regents payments came in, hints at the possibility that, for many high school students, Family Rewards was viewed as a reward for already doing well in school, and not as an incentive to improve. In some cases, teenagers who were struggling in high school were even more likely to forget about the program, or to disregard it as not being relevant to their own situation. As described in Box 2.2, Justin Lawrence is one example of a student who was struggling in school and not only did not understand Family Rewards, but also did not see it as a tool to encourage him to improve. The fact that the qualitative findings presented in this report stem from child interview respondents in families that were slightly *more* engaged with the program than the average family suggests that intermittent engagement by high school students may have been even more prevalent in the entire program group.

The Role of Family Tensions in Family Rewards

A major concern on the part of the program designers was that using standardized test performance as a basis for receiving money would place too much stress on the children. At least among those families who were interviewed for the program, this scenario did not develop, as only one family reported that a younger child felt burdened by the awareness that cash was “riding” on her academic performance, and in this case the mother then chose to limit her child's knowledge of the program so she would feel less anxious. However, because the program relied so heavily on parental mediation, families that were experiencing tensions *before* taking part in Family Rewards were less able to have constructive discussions about the program, and therefore reported being less likely to use the promise of rewards during discussions of academic performance. One report by a parent about a tension-filled exchange illustrates this point:

Box 2.2

A Disconnected High School Student

Although high school students, compared with younger children, had a more direct connection to the Family Rewards program through their bank accounts, it would be wrong to assume that control of the money alone led students to engage with the program. Parents had an important role to play, introducing students to the program with a clear explanation that could motivate them to participate. Justin Lawrence, however — the only child enrolled in the program in his household — never received such an explanation. As a result, when his academic performance started to slip because of social problems at school and several school transfers, his mother — who was unemployed and facing a number of family challenges — was unable to get him back on track, despite several attempts. Justin vaguely remembered that his mother brought up the program in the midst of her general exhortations to do better in school, but without a good understanding of the monetary value of the rewards and what he would need to do to earn them, these fleeting words made no impression on him. In an interview, he described one of the few times he had heard about the program in his household:

I was, like, getting in trouble and stuff . . . not with . . . teachers or anything . . . like, the kids and stuff . . . I mean she was, like, all you gotta do is do well in school and . . . she was just talking about college, like, this big speech, you know . . . but I remember that program was in there also.

Justin's poor introduction to the program was never corrected over the years. His only source of information about the program and his participation in it was the money he received in his bank account, and because he was often not in school and was failing his classes, he did not consistently earn automatically verified rewards for school achievement. His mother did not submit coupons for his health care appointments, so he did not have a connection to the program through the coupons. He did not know about the events at the Neighborhood Partner Organizations that were associated with Family Rewards, so he did not attend any of them. During the interview, he realized that he was missing out on the program because of his lack of information and asked that the program managers mail him "a notice or something" of the activities for which he was eligible and the activities he had completed. In other words, he asked that the earnings statement that Seedco mailed to every head of household on a bi-monthly basis be sent to him directly.

Well, I was trying to get my daughter to take the parent-teacher conference paper in, but she was like, "No." Okay. So that's your loss. I tell her just like that, "That's your loss . . ." I was telling [my son] this morning, "If you be absent, then you're not going to get the money." And he just looked at me [and said], "But I don't want to go [to school]." Okay, stay [home] then [and] don't ask [me] for money.

As a result of these types of difficult exchanges, some parents chose to mention Family Rewards less frequently — in just over one-eighth of all interviews, adults in the program stated

that they chose to limit the amount of information they shared with their children for fear of creating more tension in the household. A mother who reported high levels of conflict with her teenage son explained why she chose to not tell him about Family Rewards:

[My son and I] didn't have much communication lately because whatever communication we have turns into something like an argument . . . So if I would sit him down again and explain to him [about Family Rewards] then he might say, "Give me the money," which I don't wanna give him, like dollars in his pocket or for what[ever purpose].

Another potential implication of existing family tensions was that they made children less likely to embrace the broad goals of Family Rewards. Among children who reported tension with their parents, three-fourths also described not liking or not agreeing with the goals of Family Rewards. For example, one child who said he had a difficult relationship with his mother also described the program as being irrelevant to him, and said that he was somewhat offended to be offered rewards for performance:

Interviewer: Do you think it's a good idea to pay kids to do the things that they kinda need to be doing in school?

Interviewee: Somebody don't have to say, "I give you a few dollars if you go graduate school." You shouldn't have to say it. They should be already doing what they supposed to do if they wanna get outta high school . . . [Family Rewards] should [only] be for, like, troubled students.

In contrast, children in families that were very transparent about Family Rewards had a much higher level of understanding about the program and often took a more active role in completing the coupons (which were distributed to participating families in a book at the start of the program). These children were more likely to also report embracing the broad goals of Family Rewards. Because these students understood what tasks had to be completed to receive the reward dollars, they were more likely to understand Family Rewards as an incentive to complete tasks. In these more transparent families, the mothers were also more likely to speak predominantly Spanish (although, of course, this transparency was not limited to households in which the parent spoke Spanish). It is highly likely that this finding is a result of the language barriers that some parents faced early in the program, which made it more likely that older children would help parents read through the coupon book (which was originally in English) and otherwise communicate directly with staff from the Neighborhood Partner Organization (NPO) and the helpline. In over two-thirds of these interviews, the adults reported sharing in detail the program rules with their children. A daughter in high school explained her role in remembering the coupons and assisting her mother with Family Rewards:

Well, the [program] materials, they're in English. So I'm the one who reads the mail to my mom . . . I'm also the one who [reads through the coupon book] . . . Like, Mommy, she tells me, "Oh, we need the one for the parent-teacher conference." I have to go through the book and take it out . . . Like, "Oh, we're going to the doctor tomorrow. Take out the ones for the dentist or for the checkup." So . . . I'm the one who goes and looks . . . for them for each of us.

Finally, tensions were most likely to be reported with middle school students. The developmental stage of middle school students likely influenced this finding.⁹ In addition, as described above, middle school students were more aware of the program and the number of rewarded activities than were younger students. At the same time, unlike children in high school, middle school students did not have direct access to any of the rewards they earned. In some cases, middle school children mentioned being jealous of older siblings who had their own accounts. Possibly as a result of these programmatic and developmental dynamics, three-fourths of the middle school students who were interviewed reported general tension with their parents or siblings in relation to the program, as illustrated here:

Interviewer: Was there ever a time when you thought that one of [your siblings] was doing — was receiving more rewards than the other one?

Interviewee: Yeah.

Interviewer: Did you think you were receiving more rewards than [your sister]?

Interviewee: No, I think [my sister] was receiving more rewards than me . . . Because I just think so. It just seems like it. When I, like . . . watch my little brother, she go to school so she get a reward for [attendance], and [I don't], you know?

As suggested, some of these tensions were related to the allocation of rewards within households, a theme that is taken up in the following section.

⁹A large body of literature describes family conflict increasing when children are in this general age range. See Paikoff and Brooks-Gunn (1991) and Laursen, Coy, and Collins (1998).

Creating Reward Systems

Elementary and Middle School Students

As described in the previous section, parents of elementary school-age children did not always tell their children about Family Rewards. Those parents who did explain the program to young children tended to emphasize the positive values of the program — the importance of doing well in school and staying healthy — without setting out to reward children systematically for their performance on specific activities. Parents of young children often described the program as one that helps parents take better care of their children. Parents encouraged elementary school students to “help mommy” by doing their best in school and being all-around “good kids.” As a result, even elementary school students who knew that they were in the program did not experience it as a clear-cut incentives program.

In addition, Family Rewards incentives did not always match what parents actually gave to their children as rewards. Parents of younger children were more likely than parents of older students to add to the list of activities that could be rewarded or to describe the rewards in such general terms that children were not fully aware of what they had to do to qualify for a reward. For example, while some children were told openly that the program rewarded passing or improving on standardized English or math tests, children were also told that the program rewarded “staying in school” or “paying attention” in class. A few parents rewarded their children for doing chores. No parents who were interviewed had created systematic rewards to encourage continual student engagement, such as rewards for doing homework, reading books, or performing well on practice tests.

Parents often split the cash rewards that elementary and middle school students earned to pay for household needs and family activities, and to give the individual child a little extra money or small treats. In a handful of families, cash received from the program was part of a collective conversation in which all rewards were treated as part of a communal family pot. One mother described how her family functions as a unit, discussing all purchases and determining as a family where the money should be spent:

If it's \$340 we received . . . we discussed about the [bank] book. I gave the book to the girl. I also gave her for the MetroCard . . . And we share the \$100 for clothing . . . The next [payment] that is coming, next month, that is already discussed. It will be used for the uniform, materials, things for college for my daughter . . . So much for her, like for the three of us, we are as one . . . All three of us use it . . . for whatever we need at the moment we receive it.

In about one-fourth of the cases, families chose to split the money evenly among family members. In some instances, the children agreed with this decision to split the funds; in other

cases, the parent made the decision for the family. In general, young children experienced the financial benefits of the program regardless of their actual performance in school because they were exposed to the collective financial gains from the program even if they had not individually earned educational rewards. Their parents retained an additional level of control over how Family Rewards money was spent by telling young students that the value of the rewards was very small. A sixth-grade boy who was otherwise quite knowledgeable about the program thought the amount paid for doing well on a standardized test was \$20 (instead of \$300).

Parents did not tend to reproduce an incentives program based closely on the Activity List for several reasons. As described above, they did not want to place undue pressure on their children, and sometimes they needed to spend some of the money that children earned on household expenses. As a result, they may have felt that spending the money in a communal way, such as by taking the family out to eat, was a better use of the extra resources than giving large amounts of cash to young children. In addition, some younger elementary school students had difficulty understanding the mechanics of Family Rewards. They were confused, for example, about how the papers their mother got signed at appointments were associated with having money deposited into a bank account at a later time.

A few parents were creative in translating the program into terms that young children could grasp. Ms. Crew, who worked full time at a local hospital and lived in the Bronx with her husband and three children, provides an example of how this could have been done in Box 2.3. If parents did not engage in this kind of communicative work, it was easier for mothers to say simply that they had more money because the child was behaving well. The ways that parents communicated about the rewards and used the money that was earned from the program contributed to the “diffuseness” of rewards for young children, which in turn may have protected children from potential stress because they did not tend to feel a sense of loss or failure if they did not meet the conditions for a reward.

Middle school students had variable exposures to the financial rewards from the program. Few parents gave middle school students exactly what they earned from Family Rewards. The majority of parents retained part of the middle school rewards for household expenses and attempted to exercise control over how these students spent money from the program. As a result, these children may not have felt as personally connected to the program. One parent who had three children — two in high school and one in middle school — told the middle school child that the program only really started for her in ninth grade, when she would get the money herself. Until that point, the child saw her role as helping her mother by going to the doctor and doing well in school. She saw that her mother benefited financially, which was an advantage for the whole family because “everything helped — it helped the fact that only one person [who takes care of us] is content about everything.” The girl also recognized that her mother would buy her things with the reward money. “Because a certain portion that my mom gets she’ll be

Box 2.3

Creating Reward Systems for Younger Children

In the Crew family, Joey — the youngest of three children — was in first grade when the program started, and he was included in the program in a unique way. Family Rewards was not needed as a way to motivate him to go to school, because he loved school. So his mother transformed the program into a way to teach her young son about saving money. She gave him the rewards for attendance and parent-teacher conferences. (She had previously given him half of the rewards for doctor and dental visits, but with her husband out of work and her own job uncertain, she had to put that money toward household expenses.) She gave the program a child-friendly name — *Ka-pow!* — that included a hand gesture so that Joey would be excited about the program even though he was not getting as much money as his siblings were receiving. She explained:

Well, I don't have a problem with him going to school. He loves to go to school . . . So usually what I say is, "You have to keep going to school and you know that when the others get the *Ka-pow!* money, you get *Ka-pow!* but you don't get as much. So that's why you have to save.

Joey liked to go to the store to buy video games with his program earnings, and quickly mastered the concept of "credit." Ms. Crew noted, "He usually borrows against the money before he gets it, so he never sees it."

like, all right, this portion, you know, I'm going to buy you some of this, so either way, like, I'll get something out of it." This student's relationship with the program changed completely in high school. She started to carefully keep track of her tardiness to ensure she would get the attendance reward. When asked whether her goals as a participant in the program had changed since entering ninth grade, she said, "It's changed, like, now that I know more stuff about it, you know, I'll try to get more on top of it."

While middle school students who received the rewards personally appeared to be the most motivated by the offer and worked actively toward attaining the program goals, middle school students in highly communalistic families provided an exception to this pattern. These families emphasized family unity and cooperation, and had open discussions about the well-being of the family as a whole. Middle school children in these families could be well informed about the program and the financial opportunities it provided without having direct access to the

rewards, and they expressed as much enthusiasm about the program as children who got the full measure of rewards personally.

High School Students and Rewards Systems

As already observed, high school students had their own bank accounts and received some payments for educational outcomes directly, which created a stronger link between specific activities and rewards. However, not all high school students had independent access to these accounts. Some parents exerted significant control over high school student spending by keeping the ATM card for the account, requiring the child to get permission to spend money, or checking up on account statements. In addition, some high school students experienced delays in getting payments or did not receive them at all because the parent was slow to submit bank account information to the NPO or never submitted it. Not surprisingly, when high school students did not have bank accounts, they had a weaker connection to the program — they were less excited about being enrolled and less knowledgeable about the rewarded activities and their own progress in earning rewards.

High school students broadly endorsed the idea of offering students money to encourage a higher level of engagement with school. They found it empowering to have their own money because they didn't have to ask their mother for money, and they found that it taught them about budgeting. Yet, as described above, students frequently forgot about the program (especially when they had alternative sources of income that were not conditioned on academic performance or when they were not focused on school for other reasons).

For these reasons, parents played an important role in reinforcing and reminding students about the program. Since rewards were paid *after* the condition was achieved, it was helpful for parents to give children timely feedback about their progress toward rewards and to find ways of rewarding the short-term investments in hard work that might lead to future rewards. The parents who described the most success at this strategy communicated frequently about the program, made children feel rewarded in an ongoing way, and managed their access to other sources of money. In Box 2.4, Ms. Crew illustrates these practices and how they helped her children stay focused on the program; by contrast, Ms. Walker did not discuss the program, or she offered reinforcement only intermittently, and the program quickly became remote for her oldest son, Chris.

As noted, parents could direct high school students' attention to the rewards by reminding them about the potential pay-off for academic success, planning for future purchases, and discussing the costs of college and how the money they earned from Family Rewards could help to defray those costs. Typically, parents relied on this kind of talk about the benefits of the financial rewards to encourage high school students to do well on their examinations. For

Box 2.4

Parental Reinforcement of Rewards

Ms. Crew, who worked full time in a hospital and two high schools, and had one elementary school student in the Family Rewards program, used the money from the program to draw her older children's attention to its academic goals. She decided from the beginning to give her children everything they earned from the program, but she made it clear that they would get very little money apart from what they earned from Family Rewards. Whenever Ms. Crew had difficulty rousing her children in the morning, she reminded them of the attendance reward, how many absences they had that payment period, and how being late or absent would affect their ability to collect the reward. She found this to be a very effective way of getting her children to school every day, which her son, Andrew, described as one of the ways he had benefited from the program:

Because of this program, it, like, killed my bad habit of wanting to stay home. I would feel, like, the slightest bit sick and I'd say, "I want to stay home. I don't want to go to school. There's nothing to look forward to at school." Then, [after the program started, if] I'd feel a little sick, I said, "I can deal with it. I'll go to school." I mean, I'm getting paid for this anyway, so I go to school.

Ms. Crew noticed the biggest effect of the program on her daughter's achievement. "It affected really my junior higher, my daughter, because she, her grades were always, like, just average, average, average, but now, you know, they improved a lot because she knows she has to do good to pass the test and whatever, so, you see that the grades went up a whole grade."

Ms. Walker, who had become disabled before the program began and was raising three school-age boys, did not use such a hands-on approach to sustain her children's interest in the program and help them earn rewards, even though she faced similar challenges with her oldest son. She told her sons about the rewards for education only, and she did not give them access to their ATM cards because she wanted them to save for college.

By the third year of the program, her son Chris was so far behind that Ms. Walker worried he might drop out of school. Chris was not attending classes, was getting into fights at school, and was starting to fail his courses. Ms. Walker found a tutor for him using the referral list that she received from Family Rewards, and she believed that tutoring was the reason he was promoted to eleventh grade. However, she did not frequently discuss the program to motivate him to do his school work consistently because "it was on him" to follow through on his educational responsibilities. Her message was similar when it came to his attendance: "I would tell him it's his obligation to make it to school on time. That means you have to allow yourself enough time to catch the train." In these ways, as Chris moved through high school, the program did not appear to play a role in his progress.

When Chris was interviewed, he was in Saturday school and hoping to improve academically and earn some rewards from the program. He attended an event hosted by the NPOs at the beginning of that school year to learn more about the education incentives for high school students. He started asking his mother a lot of questions about the program because, he said, "I just felt I needed to ask her to just know myself so I won't forget. So I could just work hard and I know I could get the reward." In this statement, Chris asked for more communication about the program because he recognized that he needed it in order to remember the program and to get a motivational boost from it.

students who were academically proficient, like the Crew teenagers, these discussions may have made a greater impression than they did on students who were not proficient; a student's prior good performance increased the likelihood that the parent and child would be able to talk about school without sparking conflict and anger, and the students could be reasonably confident that their investment of effort would result in obtaining the rewards.

In addition, a few students described how important it is for parents to give them timely, detailed feedback about their progress toward attendance rewards whenever they were tempted to sleep in or skip a day of school unnecessarily. It seemed to be most effective for parents to provide this feedback in a way that translated the 95 percent attendance standard into the everyday behaviors that constituted this level of attendance. A high school student explained how her mother talked about attendance in this way:

Like, if I was, like, absent once in a month, she'd be, like, "Oh, you know that you don't get paid if you don't go to school again?" If you're absent twice in a month, you're not gonna get any money. Or if you're . . . late to school four times, that counts as one absent, so get to school on time.

A final factor that influenced the power of incentives to motivate high school students was whether they had access to other sources of income, even if those sources were limited. Growing up in low-income households, high school students had very limited financial resources but more consumer wants and needs than younger children. All the students who were interviewed were initially interested in the program as a way to fill that gap, but students could sometimes lose interest in the program's promise of rewards if they could find more immediate sources of income. Some students received money or presents from noncustodial fathers and extended family members that were not conditioned on academic achievement, or from jobs. For example, one student worked at an informal job selling hats to make money, relying on this income instead of Family Rewards earnings.

Conclusion

This chapter examined how parents communicated with their children about Family Rewards, and what types of reward systems were actually implemented within the homes. Parents' decisions regarding how to communicate with their children about Family Rewards greatly influenced the child's understanding of the program. Even in cases where parents were transparent with their child about the rules and goals of Family Rewards, children still reported a vague and sometimes inaccurate understanding of the program. As important as the basic knowledge that parents shared with their children was the way that parenting style and general family communication interacted during conversations about Family Rewards. In families that already were experiencing tensions in parent-child relationships, parents were less able to

incorporate the program into their regular communication and were more likely to choose to limit the child's knowledge of Family Rewards. As a result of all these factors, levels of communication varied greatly from family to family. Communication levels shaped the children's understanding of Family Rewards and potentially affected the strength of the program in its ability to directly influence a child's academic performance.

Communication about Family Rewards helped to shape the types of rewards systems used by parents. In many cases, the relationship between activities that were incentivized by Family Rewards and what parents actually rewarded was not always consistent. Instead, parents often created their own "reward systems," in which children who were younger than high school age received money for special purchases but did not get cash outright for conditions they met. Instead, chores or general good behavior often became incentivized. Other parents tried to be "fair" by giving exactly what the child earned, or when household expenses were pressing, by allocating money based on the proportion of what each child had earned. In Family Rewards, the lack of direct correspondence between rewards and activities within households may have made the power of educational incentives more diffuse. It may also explain why better-prepared high school students, who received money directly and were also able to meet conditions, were helped by the program.

Chapter 3

Parental Engagement with Education in the School and in the Home

This chapter describes another potential pathway by which Family Rewards attempted to improve children's educational attainment: parental engagement with education in the school and in the home, which involved (1) encouraging communication between parents and teachers about children's performance, and (2) increasing parental awareness of educational milestones. This pathway was in fact the primary one envisioned for improving the performance of younger children, who did not receive rewards directly. The program designers based their thinking about the potential efficacy of parental engagement on studies that have shown more consistent benefits for student learning when parents are engaged at home,¹ and when there is continuity in expectations and values between home and school.² At the same time, Family Rewards was not a school-based intervention and did not place any demands on teachers or administrators to work with parents. Instead, the program promoted parental engagement through specific activities that were eligible for rewards, such as attending parent-teacher conferences. It also promoted engagement by providing incentives for students' passing standardized tests, which could prompt parents to become more involved in helping their students prepare for these tests over time.

This chapter describes how parents viewed the role of Family Rewards in promoting increased communication between parents and teachers, the creation of a learning environment at home, and the use of financial resources to hire tutors or enroll children in other educational enrichment activities. Early impact findings, described in Chapter 1, suggest that the program did not have an impact on parental engagement (see Table 3.1).³ Qualitative data illustrate why this may be the case, as parents described "rules of thumb" related to engaging with schools that they had always followed and that did not change; in addition, they had only a limited awareness of how they might support educational achievement in the home besides providing general encouragement. Parents also described challenges in navigating school structures and reported that coupons related to parental engagement sometimes sparked only pro forma exchanges with teachers and administrators. These findings about limited avenues for greater parental engagement are particularly significant, given program designers' reliance on this engagement to improve the performance of younger children.

¹See Finn (1998).

²See Phelan, Davidson, and Yu (1998).

³Riccio et al. (2010).

The Opportunity NYC Demonstration: Family Rewards

Table 3.1

Impacts on Parents' Engagement in Focal Child's Schooling

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
<u>Elementary school students</u>				
Parent-teacher interactions since random assignment (%)				
Respondent attended parent-teacher conference	98.1	97.3	0.8	0.441
Respondent talked with teacher about grades, tests, or homework ^a	95.0	93.8	1.3	0.419
School contacted respondent because of a problem	37.5	39.5	-2.0	0.541
Parent-child interactions in past month (%)				
Respondent has done the following (1 = never; 4 = several times per week)				
Talked with child about school	3.9	3.9	0.0	0.211
Helped child with homework	3.6	3.6	0.1	0.341
Checked to see child's homework was complete	3.9	3.9	0.0 *	0.098
Helped child prepare for test	3.3	3.1	0.2 ***	0.001
Sample size (total = 911)	468	443		
<u>Middle school students</u>				
Parent-teacher interactions since random assignment (%)				
Respondent attended parent-teacher conference	96.9	93.6	3.3 **	0.019
Respondent talked with teacher about grades, tests, or homework ^a	94.6	93.0	1.6	0.329
School contacted respondent because of a problem	47.5	48.2	-0.7	0.840
Parent-child interactions in past month (%)				
Respondent has done the following (1 = never; 4 = several times per week)				
Talked with child about school	3.9	3.9	0.0	0.738
Helped child with homework	3.1	2.9	0.2 **	0.034
Checked to see child's homework was complete	3.7	3.7	0.0	0.767
Helped child prepare for test	2.8	2.7	0.1	0.199
Sample size (total = 911)	485	426		

(continued)

Table 3.1 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
High school students				
Parent-teacher interactions since random assignment (%)				
Respondent attended parent-teacher conference	90.3	87.7	2.6	0.231
Respondent talked with teacher about grades, tests, or homework ^a	92.8	92.6	0.2	0.918
School contacted respondent because of a problem	47.8	44.5	3.3	0.328
Parent-child interactions in past month (%)				
Respondent has done the following (1 = never; 4 = several times per week)				
Talked with child about school	3.8	3.8	0.0	0.470
Helped child with homework	2.6	2.5	0.0	0.875
Checked to see child's homework was complete	3.6	3.5	0.0	0.520
Helped child prepare for test	2.5	2.4	0.1	0.416
Sample size (total = 870)	469	401		

SOURCE: MDRC calculations using data from the Family Rewards 18-Month Survey.

NOTES: In Family Rewards, the focal child was the child who was in grade 4, 7, or 9 when the program began. This table presents outcomes only for focal children who were living in the household at the time of the interview and at the time of random assignment.

Sample sizes vary because of missing values.

A two-tailed t-test was applied to differences between outcomes for program and control groups. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members.

Rounding may cause slight discrepancies calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for program and control groups.

The p-value indicates the likelihood that the differences between the program and control groups arose by chance.

^aThis measure excludes discussions at formal parent-teacher conferences.

Communication Between Parents and Teachers

In a very broad sense, the schedule of rewarded activities provided guidance to parents about how to engage with schools and about benchmarks of student achievement. That is, education activities included incentives that directly rewarded parental contact with teachers and indirectly rewarded parental involvement with children's schooling by rewarding student achievement. There were more incentives for direct parent-teacher contact for elementary and middle school children than for high schools students, for whom the education incentives were

mainly focused on achievement outcomes. In the first year of the program, there were also coupon-verified rewards for attending biyearly parent-teacher conferences associated with children of all ages, reviewing up to five New York City Department of Education (DOE) Periodic Assessments per year,⁴ and discussing the child’s annual tests with a teacher or school official.⁵ The amount that could be earned from these activities was relatively small (\$25 per event), and parents described the associated coupons as primarily providing important information about how to get updates on student performance and how frequently that could be done each year.

For high school students, the parent-teacher conference reflected the only activity that promoted contact between parents and teachers. However, rewards for taking or performing well on standardized tests may have had the function of communicating to parents and children how to be “on track” for grade completion and ultimately college. Bimonthly earnings statements also provided some feedback about their children’s school engagement by enumerating the rewards that had been earned in the previous payment period. For example, parents could consult the statement to determine whether their children had met the 95 percent attendance standard, which indicated whether their children were getting to school late. As another example, one parent who complained about the communications system at her child’s school said that she relied on the earnings statement to determine whether her child had passed the annual state exams.

Thus, the reward coupons and the earnings statements had the potential to serve as the basis for informed discussions between parents and teachers about students’ progress toward critical educational goals. In interviews, about half of the parents described some ways that Family Rewards played into parent-teacher communication. For example, a mother who was not familiar with secondary education in New York City said in an interview that the discussion about rewards for Regents examinations made her realize how serious and difficult these exams would be for her children. Another mother shared in a workshop that she had not gone consistently to parent-teacher conferences prior to participating in the program, believing that she could rely on her daughter to pass on information about her school performance. Since starting to attend parent-teacher conferences as a result of the incentive, this parent was introduced to the online portal that gave her personalized information about her daughter’s academic performance and allowed her to exchange messages with her daughter’s teacher

⁴DOE Periodic Assessments are diagnostic tests that give teachers information about where students need additional support. This activity was discontinued after Year 1 because not all schools used the assessments and because parents did not have a good understanding of this activity.

⁵This activity was discontinued as a separate reward after Year 2. It was incorporated into a revised parent-teacher conference coupon that encouraged parents to talk to teachers about test scores and other issues of student performance at these twice-yearly meetings.

throughout the year. A third mother said that, although she had always gone to parent-teacher conferences, she had not known what to ask. She learned from the program that she could use that meeting to review her children's scores on annual exams. This parent also submitted the coupon for obtaining a Periodic Assessment from the school. The interviewer asked whether she had read it. The parent said:

Yeah, I read it. I still have it, too . . . I understand in what I read that my son is doing better at math than at reading. He scored higher in the math than in reading, so that kind of gave me the impression that I need to work with him harder in his reading and writing skills at home . . . It gave me a stand-point . . . to [rely] on, like, knowing what he's doing now.

The interviewer asked whether this parent had known that her son was better at math than at reading. She said, "No, I thought he would be better in reading and writing than in math."

Experiences like those described above were not the norm, however. Most parents said in interviews that they had not changed their previous routines related to contacting teachers, and they believed that their standard level of communicating with teachers and schools was sufficient. This qualitative finding is consistent with earlier impact findings, which found no difference in the likelihood that parents who were participating in Family Rewards would attend parent-teacher conferences at the elementary and high school levels, although parents of middle school students in the program reported a slightly higher likelihood (3.3 percent) of attending parent-teacher conferences (Table 3.1). There was also no statistically significant difference in parents' likelihood of talking to their child's teacher about grades, tests, or homework between those who participated in the program and those in the control group, who did not participate.⁶

As control group parents were engaged in these activities at a high level, there may have been little early room for improvement. However, parents who were interviewed described having rules of thumb about parent-teacher contact, such as, "I'm always in the school"; "I go when I can"; or "I only go when there's a problem." These rules of thumb continued to dictate the level of interaction after the program began. For example, one mother said she would not go more than once a year to speak to her child's teacher unless the child was doing poorly. She explained:

I'm not going to go twice a year just to get money when I know what my kid is expected to do. And the only reason I would talk to my kid's teacher is if my kid is doing bad, and they are going to call me in themselves. So I didn't go out of my way to do [that activity].

⁶Riccio et al. (2010).

The other coupons for direct parental engagement that were available in the first two years (discussing annual exams and reviewing Periodic Assessments) were often overlooked or underutilized. For example, a parent who in the first year of the program did not review the Periodic Assessments or discuss interim test results with teachers was asked why she had not turned in coupons for these activities. She explained that she did not focus on activities that were new and unfamiliar: “I might have seen it and just went through to where I know and what I’m always doing. I think that’s what might have happened.” Another parent received the results of a Periodic Assessment from her daughter’s teacher, but was unable to interpret its results. The experience made her think that she should demand more substantive interactions with the teacher, beyond the biannual parent-teacher conferences:

They give us 10 minutes because there’s so many kids. Their system is really horrible actually for the parent-teacher conferences. If you’re not there first, you won’t see all of the teachers. So it’s rush, rush. So I was thinking, that definitely motivated me to [want to] make an appointment with the teacher — which I haven’t done, to be honest — but I’m, like, “I should. This is absolutely wonderful. I should go make an appointment, have a one-on-one with the teacher and ask her to break down the Periodic Assessments and the exams.”

This parent’s experience suggests that some parents may have come up against challenges navigating the school’s structures to get the most out of the coupons. As a result, they were not able to translate the activity into increased knowledge of student achievement.

In some cases parents described filling out the parental engagement coupons in a pro forma way. That is, the signature on the coupon did not reflect a detailed exchange of information between a parent and a teacher. In one such case, the parent brought one coupon for the parent-teacher conference and three coupons for reviewing Periodic Assessments to the same meeting. This parent did not realize that the assessments should be reviewed at different meetings throughout the year. Another parent said she brought the coupon for discussing annual exams to a parent-teacher conference because a staff person from a Neighborhood Partner Organization (NPO) had encouraged her to do so for efficiency’s sake, and this parent did not realize that the coupon indicated that a distinct conversation had taken place.

In these ways, increased parental engagement might have come about as a result of parents’ actively submitting coupons for activities like parent-teacher conferences and taking advantage of the information that Family Rewards shared in flyers and workshops. However, it appears that in the early stages of the program the coupons reinforced parents’ previous ways of interacting with schools and teachers and did not necessarily bring about more detailed interactions with teachers. For parents who felt alienated from their child’s school, confident in their own methods of engaging with the school, or distracted from the program because of pressing

life issues, there was little opportunity for the program to have an impact. A number of parents described spending a lot of time at their child's school as the result of a crisis — for example, the child got into a fight, was at risk of failing, or needed special education resources — which may have distracted the parent's focus from the program. Box 3.1 describes two families who illustrate opposite levels of parental involvement and the ways in which Family Rewards interacted with these approaches.⁷

Promoting Learning at Home

Past studies of parental involvement in children's education have identified a variety of practices that can support student achievement at home, including discussing school, checking homework, creating quiet study spaces, limiting television, encouraging reading, and maintaining a warm and supportive emotional climate.⁸ The interviews that were conducted for Family Rewards shed some light on parental strategies around reviewing homework and discussing school with children. These two topics are covered in this section.

The program did not create explicit rewards for reviewing homework, but parents might have become more active in doing this as a result of discussing their children's academic strengths and weaknesses with teachers, or in an effort to help children prepare for annual high stakes exams. However, for parents who have limited educational attainment,⁹ homework supervision may be more likely to involve checking to see that work is complete, rather than assisting children directly. This was especially true for high school students. One reason parents may have relied mostly on checking that homework was complete is that they did not know of other ways to help children with their studies.

In all the interviews, parents were asked what they felt they could do to help their children stay on track in education. One mother's response was typical in its appeal to general motivation:

I keep presenting it to him. This is what you're gonna need for your future . . .
Once you finish school — high school, that doesn't mean you're finished
[with] school — you have to go on to the next level, which is college . . .
'Cause this is what you're gonna need . . . for your future.

⁷See Chapter 1 for a description of the four families who are followed throughout the report.

⁸Henderson and Mapp (2002). In Joyce Epstein's influential framework, purchasing private educational services such as tutoring is classified under "learning at home." It has been separated into its own topic in this chapter.

⁹Half of the parents in the entire program group did not graduate from high school, and about one-third had no more than a high school diploma or General Educational Development (GED) certificate.

Box 3.1

Differences in Parental Involvement with Schools

The Alvarado family emigrated to the United States just before the Family Rewards program started. Ms. Alvarado was a single mother raising three young children with support from her family and their father. As a full-time student in community college pursuing a teaching certificate, she was very connected to her children's education. She believed that the quality of the teacher was very important to her children's success: "[It's] not only the program, not only you as a parent, but the teacher has a lot to do with it." She noticed in the second year of the program that her youngest son's performance had fallen off. She worked with his teacher to get him assessed for learning delays and he began to go to the resource room, which Ms. Alvarado believed was making a difference. Ms. Alvarado's engagement with the school predated Family Rewards, but she had been wondering whether she could do more to help her children at home.

I was doing it [talking to teachers a lot] but I would say the program, like [when it comes to] testing and things that the children do before taking the actual test, I was always . . . wondering where they at. Are they practicing for the test? What can I do as a parent to help them out at home? So yeah, it kind of helped me a lot, too, because I found out that there's things you can do as a parent in your house to help your children. Not just in school hours.

Through a Family Rewards flyer that came to her house, she learned about the practice tests that parents can download online and she began giving them to her children "so they can be more or less aware of how the test is and what to expect for that grade level." Her children's performance on state tests improved during the program and she believed that her efforts played a role in making that outcome a reality.

In the Lawrence family, by contrast, Ms. Lawrence — who was unemployed when the program began and was confronted with a series of family challenges — found that Family Rewards had become a peripheral concern as she struggled to maintain her child's enrollment and safety at school. By the third year of the program, Ms. Lawrence's son Justin had been enrolled at four different high schools. He started at a parochial school but the tuition became prohibitive and he was not able to return for the second semester. He was out of school for several months as a result, which caused the Administration for Children's Services to initiate a child neglect investigation. The following September, his mother transferred him to a school that was close to where they lived, but Justin complained that he was ahead of the rest of the class, so she pulled him out after only a couple of weeks. He asked to go to the same school that his friends downtown were attending. Ms. Lawrence did not like that idea, but she let him make up his own mind, reasoning that if he continued to have problems at his chosen school, she would be justified in having him placed in the school of her choice. Within the year, Justin was out of school again because he was attacked by a group of boys. He described the atmosphere at the downtown school as violent and prison-like. His fourth high school, chosen by his mother, was an alternative school, with small classes, individualized learning and daily counseling. He felt confident that he would succeed there. During all of the school transfers, Family Rewards never took hold in the Lawrence household. When he was interviewed in Year 3, Justin had not collected a single reward for education, even though he had been a proficient student before he began high school.

Parents who spoke predominately Spanish faced additional barriers in knowing how to help their children in school. These parents often reported relying on older children or other family members to communicate with the children’s teachers and to help with homework. A mother of four children described her barriers to helping her children in school — both because of a language barrier and her own lack of education:

I don’t know about letters. I didn’t go to school. But I have raised my children by myself and I tried to do as much as possible to help them, the maximum to help them . . . I didn’t go to school . . . I didn’t have anybody to help me . . . [but] I try to do my best to help them . . . to motivate them, for them to pass the tests . . . When you motivate children . . . they make a bigger effort.

Another Spanish-speaking parent explained that she could not help her children with homework because she did not understand the material:

You know, the only way I can help them and push them forward is by giving them strength. I mean, I cannot sit with them and help them with their homework because I don’t know. But I do give them strength. I motivate them.

This parent’s system of general support was a very typical strategy used by parents who participated in Family Rewards. Parents reported providing verbal encouragement and emotional support to children, and not assisting with homework or test preparation. Parents talked to children about the importance of doing well in school and reassured them that they could succeed if they continued to work hard. On the 18-month survey, parents in the program and control groups reported that they talked with their children about school several times per week.¹⁰ A parent whose child was failing described receiving updates from teachers about her child’s problems in school and “staying on [her daughter’s] back” by telling her, for instance, “You do know. You know you’re good. You gotta do right.” In these ways, while participating in Family Rewards did not appear to change parents’ approach to engaging with their children around homework, the program goals were incorporated into the general ways they spoke to their children about school. Parents who shared information about the program sometimes mentioned Family Rewards in the course of encouraging their children to do well, for example, by reminding them about the money they could earn for themselves or the family if they scored well on state exams (see Chapter 2). For children who were struggling in school, parental encouragement was sometimes a limited strategy for improving learning. Box 3.2, for instance, presents the case of Mark Walker, a high school student in a family of three children, who lived in Brooklyn and whose mother received a housing voucher and disability assistance. Despite his

¹⁰Riccio et al. (2010).

Box 3.2

Challenges in Study Strategies

Mark Walker, who was in eighth grade when the Family Rewards program began, had always passed his state exams in middle school. When his mother, who had become disabled before the program started, showed him the Activity List from Family Rewards, he folded it up and put it in his wallet so it would be a constant source of motivation. He passed both the English language arts and math exams in eighth grade with ease. But high school proved to be more difficult than he expected. As a freshman, he failed two Regents exams, and the next year he failed his first-period class because he was frequently late. He credited the program with giving him the will to stay in tough classes. When asked whether he had thought about dropping out, he said,

I haven't thought about droppin' out, but I do think about giving up on some of my classes, like quitting some courses that I find too hard. [The program helps me want to stay in those classes] because I know, well, if I stay in class and pass, I get money. Also, if that's keeping me good then that one course probably may help me get into a college of my choice.

Despite his strong desire to succeed in school both to earn money from the program and to go to college, Mark did not know how to study. He believed that reviewing the material beforehand would give him what he called “brain freeze” during the test, so instead, he did “little fun quizzes with friends” and he took practice exams on the computer the day before the test. He felt supported by his mother, stepfather, and sister, but they had not helped him to adopt more conventional methods of preparation (such as starting to do practice tests earlier) or enrolled him in supplemental education services. The family did not discuss the rewards because Mark was well aware of them — he simply did not know how to improve his academic performance enough to obtain them.

strong desire to do well in school both to earn money from the program and because he dreamed of going to college, Mark lacked the most basic study skills to achieve those goals and did not seem to know where to go for help.

Tutoring and Academic Enrichment

Another way in which the program designers envisioned that Family Rewards would promote engagement with school was by providing extra resources for academic enrichment or by encouraging student participation in after-school programs. This component could have included free or fee-based after-school or Saturday programs, or tutoring. Such activities were not directly rewarded by the program, but these types of activities could have improved performance and might have helped students pass standardized exams and accumulate course credits.

In other words, for children who were struggling in school, obtaining additional educational support outside of school was a potentially useful way to help them attain the outcomes rewarded by the program (and intrinsically valued by the family itself).

Early findings from the 18-month survey suggest that the program did bring about an increase in middle school children's participation in clubs, lessons, and programs to help with schoolwork.¹¹ Parents of older elementary and middle school students spoke frequently in interviews about their efforts to find and enroll their children in appropriate after-school programs. Potentially, money earned through Family Rewards could have helped parents pay for these activities, or NPO staff may have been available to provide parents with referrals. It was possibly easier to keep elementary and middle school students enrolled in programs because those programs served an additional child care function. While participation in after-school and youth development programs can be important for children, the quality of programs varies and evaluations have not shown consistent results on improving academic achievement.¹²

The most direct means to help children improve their school performance is by providing basic educational services. Where these services are provided for free, they are often group classes before or after school. Private educational services are more likely to be intensive, one-on-one sessions. One example is provided by the parent of a middle school child who described her challenges trying to check her son's homework when she was not aware of the assignments in all his classes.

But when you have an example like my son, who is lazy at seventh grade, eighth grade, and doesn't like to do his homework and mom's not there to verify that you have certain homework out of your eight classes, you know, he's not doing what he's supposed to do. So sometimes I have to — you try to do a different method.

With the benefit of the extra resources from the program, this parent decided to try tutoring. She explained:

Instead of a 70, you want an 80, so if there's a reward that you can do for that, then why not? And for him, I put him in the tutoring program for the New York State test that I had to pay, you know, at least I think it was \$160 or about \$200 a month, which with the program . . . it allowed for me to be able to pay for that tutoring, afford that tutoring program. And he went from

¹¹There was a small, statistically significant increase in the likelihood that program group elementary school students would participate in a program to help with homework and that high schools students would participate in any extracurricular activity (Riccio et al., 2010).

¹²See Black et al. (2008).

always getting a level 2 on the ELA test 'cause he has a difficult time with writing essays and, you know, reading comprehension, that he actually scored almost a level 4. He was a high level 3 on the ELA test. And I'm saying it was due to the tutoring program.

However, it was not common for parents to use payments from Family Rewards for tutoring itself. During the qualitative interviews, very few parents reported using their payments for tutoring, possibly because of the constrained family budget.

Conclusion

Family Rewards was designed to promote parental engagement with children's education by encouraging parents to discuss student outcomes with teachers, support learning at home, and use educational resources outside of the school to get extra help for struggling students. Most parents had established ways of supporting learning, which continued after the program was introduced. Parents typically relied on teachers and supportive school-related talk to encourage achievement. For students who were facing serious academic problems, verbal support from parents might not have been enough to raise their achievement, and very few parents in the qualitative sample purchased tutoring for their children, although many mentioned that they attempted to enroll their children in free after-school programs. This qualitative analysis supports early impact findings that parents in Family Rewards were more likely to enroll middle school children in after-school programs, which may in turn lead to higher achievement outcomes in the future.

Chapter 4

Aspirations, Well-Being, and Educational Improvement

As described in Chapter 1, poverty alleviation is a critical component of the Family Rewards model and was an early impact of the program. According to the theory of change upon which conditional cash transfer (CCT) programs are based, reducing poverty and material hardship in the household was both a goal in itself and an indirect means for improving educational outcomes, as families who experienced more stability, it was thought, were better able to focus on school. Over the longer term, designers also hoped that families whose quality of life improved through Family Rewards might be encouraged to continue to take steps to improve their human capital over time. These assumptions are supported by a range of policy studies that find that reduced deprivation, family stress, and parental depression can influence longer-term outcomes for children,¹ and that reduced cynicism about future prospects is associated with greater attachment to the labor market over time.²

For all these reasons, this chapter describes how Family Rewards payments increased well-being, and how children perceived this financial stability. It shows that parents and children were able to appreciate quality of life improvements of different types, from having greater freedom from financial anxiety to making small purchases they would not otherwise have been able to afford. These improvements, however, were seen to have only an indirect influence on younger children's confidence and performance in school and their outlook toward the future.³ In contrast, high school students who received substantial rewards appreciated being able to save money for college, and sometimes created enriching academic or summer opportunities for themselves. High school respondents and their parents did not generally say that these experiences changed students' outlook toward the future — but instead talked about being highly motivated and directed toward school before the program. In these ways, analyses may suggest that a mechanism for supporting academic performance was not increasing but *maintaining* motivation, by allowing college aspirations to seem more attainable and by allowing students to remain on track to graduate while also improving their quality of life.

¹For example, see Duncan and Brooks-Gunn (1997).

²McLoyd, Kaplan, and Purtell (2008).

³It is not necessary for parents or children to make this connection directly in order for reduced hardship to have an effect on educational performance or outlook. However, interview data may suggest ways that participants sometimes had limited experiences of the “enabling resources” of the CCT (described in Chapter 1) as those resources related to educational improvement goals. Such resources may involve both general household stability and instrumental support (for example, permission to miss hours of work to attend a parent-teacher conference).

Family Rewards and Increased Well-Being

Increased Household Stability

At approximately 18 months into the program, Family Rewards participants reported being better off than control group members on a range of measures both related to material well-being and to anxiety about finances. Table 4.1 shows that program group members were less likely to be evicted (2.7 percent versus 4.3 percent for control group members), to have utilities shut off (5.6 percent versus 8.7 percent), and to have their phone disconnected (20 percent versus 25 percent). Program group members reported less food insecurity (not having enough food to eat) and were less likely to report having “insufficient food” at the end of the month (15 percent versus 22 percent). They were also less likely to forgo medical care or fill prescription drugs because they did not have enough money (by 3.9 percentage points and 2.1 percentage points, respectively). While the incidence of depression did not differ between the program and control groups, program group participants reported having less anxiety about finances in several domains, including a general sense that finances had improved since the previous year and that they were able to afford necessities. However, Family Rewards participants were just as likely as control group members to report being worried about the future, a topic that is discussed later in this chapter.

Qualitative data illustrate how rewards payments, material well-being, and reduced anxiety came together within households. The majority of parents who were interviewed reported that they used Family Rewards payments for regular household bills and expenses, and to reduce debt. About one-third of the parents who were interviewed described how Family Rewards payments made a major difference in stabilizing the household financially, and said that they had less stress about making ends meet as a result. For example, corresponding to early program impacts on hunger, many participants said that Family Rewards made it possible for them to worry less about feeding their family. As one mother said, “It’s a blessing every other month knowing that I can put some extra food in the refrigerator; [I can say] ‘Okay, we’re going food shopping...put it in the cart.’ And that feels good.”

Especially for parents who were not working, Family Rewards acted as a critical form of income support and may have allowed families to fend off very difficult circumstances, including the threat of eviction. As one participant said,

I don’t qualify for public assistance. I don’t qualify for regular Medicaid. I don’t qualify for food stamps. And I was still [working] part time. So with this program, it was like — it’s helping me more reward my kids, and it’s helping me more save up to do things that I can do with them.

The Opportunity NYC Demonstration: Family Rewards

Table 4.1

Impacts on Material Hardship and Financial Strain

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
Any housing/utilities material hardship in the past 12 months (%)	55.1	57.3	-2.2	0.316
Did not pay full rent or mortgage	39.0	41.5	-2.5	0.245
Evicted from home for not paying rent or mortgage	2.7	4.3	-1.6 **	0.043
Did not pay full utility bill ^a	29.3	28.2	1.1	0.571
Utility was turned off ^a	5.6	8.7	-3.1 ***	0.007
Phone service was disconnected ^b	20.0	25.4	-5.4 ***	0.003
Financial well-being ^c (4 = low; 16 = high): strongly or somewhat agree with the following (%)	9.2	8.7	0.5 ***	0.000
Financial situation is better than last year	62.7	44.5	18.3 ***	0.000
Don't worry about having enough money in future	19.0	20.3	-1.4	0.443
Can generally afford to buy needed things	69.7	63.7	6.0 ***	0.004
Sometimes have enough money to buy something or go somewhere just for fun	29.2	27.3	1.9	0.353
Family finances usually work out to have the following at end of month (%)				
Some money left over	12.3	12.2	0.1	0.941
Just enough to make ends meet	53.7	46.0	7.6 ***	0.001
Not enough to make ends meet	34.1	41.8	-7.8 ***	0.000
Food security ^d (1 = low; 4 = high)	3.4	3.2	0.2 ***	0.000
Insufficient food ^e (%)	14.8	22.1	-7.3 ***	0.000
Did not get needed medical care because of cost in past 12 months ^f (%)	6.5	10.4	-3.9 ***	0.000
Did not fill prescription because of cost in past 12 months (%)	13.6	15.8	-2.1 *	0.096
Sample size (total = 2,060)	1,051	1,009		

SOURCE: MDRC calculations using data from the Family Rewards 18-Month Survey.

NOTES: The items in this section of the survey were administered to a random subsample (N = 2,060) of the survey respondents.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members.

Rounding may cause slight discrepancies in calculating sums and differences.

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

(continued)

Table 4.1 (continued)

^aUtilities include gas, oil, and electricity.

^bThis measure includes cellular and/or land service.

^cComponents of the financial well-being scale have been coded such that a lower score implies being worse off and a higher score implies being better off. The scale is calculated by summing responses to the four component questions. Thus, the financial well-being scale presented here ranges from 4 to 16 points.

^dThe food security question describes food eaten by the family in the prior month: 1= Often not enough to eat; 2 = Sometimes not enough to eat; 3 = Enough to eat but not always the kinds of food desired; 4 = Enough to eat of the kinds of food desired.

^eInsufficient food is defined as "sometimes" or "often times" not having enough food to eat.

^fThis measure excludes prescriptions.

Supporting quantitative analyses on eviction impacts (Table 4.1), a few participants described how Family Rewards payments allowed their families to stay in their apartments. For example, one unemployed participant who was struggling with depression explained how central the rewards dollars are to her budget:

It was very helpful, because I'm a single mom . . . Right now, they have me as too depressed to work. So, it really, really helped with, like, the bills. Because, like, right now, I'm going crazy, "Oh, they gonna kick me outta here," 'cause I owed them, like, \$600 for rent . . . It was really helpful for me, because I could get to pay some bills.

Other major bills and expenses that Family Rewards helped to cover paint a fuller picture of the ways that extra rewards allowed improvements in quality of life. For example, families used reward payments to cover citizenship applications, to buy a nebulizer when Medicaid would not replace a broken one, to pay for certification tests to advance at work, to buy new beds and mattresses for growing children, to buy weekly MetroCards,⁴ and to pay for life insurance premiums.

Finally, although the Family Rewards 18-month survey found that adults in the program were more likely to be paying off a debt than were control group members, there is qualitative evidence that these debts generally predated Family Rewards and were not part of new debt that was acquired after the program began. Every participant in the second wave of interviews who mentioned debt said that Family Rewards was helping them pay off old car loans, library dues, or medical bills — sometimes part of credit repair strategies taken by adults who needed better credit ratings to find jobs — and not as new debt that was acquired as they entered the program.

⁴MetroCards are used to access public transportation in New York City.

Using the Rewards to Reduce Stress

In addition to the examples given above of increased stability and major improvements in quality of life, families were able to use payments to fund modest vacations and day trips, and reported reduced stress as a result. About half of the families who were interviewed used Family Rewards earnings to pay for vacations or day trips they would not otherwise have been able to afford. As one participant said, “I was able to send my kids to trips that I couldn’t do prior to this program . . . We haven’t been nowhere in a long time . . . as a family.” Most vacations were enjoyed by working parents, who were able to save up rewards over time because regular household expenses were mostly covered through employment earnings. Even for parents who were not working, short day trips to the beach or the country that were possible because of Family Rewards payments were valued as a way to avoid the pressures that children sometimes faced in their neighborhoods. For example, one mother described the contrast between her children’s summer experiences in their neighborhood and the experience of the day trip:

We went . . . with the family to the Poconos [to let the kids] smell fresh air. Look at the trees . . . even if it’s just to read a book while you’re laying in the sun somewhere else, using your imagination . . . as long as you’re doing something with them that’s different, other than sitting in the house or being around the same neighborhood. Because we have [a] lack of recreational centers and things for the kids to do . . . it leaves them on the street. I don’t want my children on the street.

Minor Purchases

Finally, almost all families reported using Family Rewards for small purchases that many households take for granted but that low-income families often cannot afford — for example, eating out occasionally at McDonald’s, fixing broken small appliances, renting movies, or buying Christmas presents. For many parents, the first Family Rewards payments arrived around December 15, 2007, allowing some to pay for presents unexpectedly when they did not think they would be able to afford them otherwise. As one parent said:

The day before Christmas I had, like, three presents under [the tree], and I checked . . . out [my account] and there was \$500 in there — I was so happy. You don’t know how happy I was. I threw on my clothes, went out and rushed . . . That really helped me last year for Christmas. That really saved me. [Before I knew I had the money] I was, like, when they wake up in the morning, what am I going to tell them?

Purchases such as these were obviously valued in themselves, as well as for the increased peace of mind and greater family togetherness they helped foster. For example,

parents described the sense of accomplishment a child felt in being able to send a small gift to a sibling who was living out of state, the pride in being able to decorate his or her own room, or the pleasant surprise of returning from a visit to a grandparent and finding small presents — a comb, boxer shorts, or a Rubik’s Cube game — on the bed.

Children’s Perceptions of Financial Well-Being

Overall, children who were interviewed were attuned to these changes within their families’ quality of life, with about half mentioning the impact that the reward dollars had on their homes’ financial stability and its use for food, bills, and other household expenses. Younger children tended to focus on small presents and minor purchases, suggesting that they were generally aware of improvements in stability, but also that many parents attempted to shield elementary and middle school students from the responsibility of worrying about family finances. No elementary school student who was interviewed said that the program improved general household stability, and middle school students tended to describe these types of improvements in very general terms, as did one student who said, “The money, it just helps us with paying the bills and stuff like that.”

High School Students

As described throughout this report, high school students experienced Family Rewards differently from the way other children experienced it, as they received, and often controlled, rewards coming in through the program.⁵ High school students were twice as likely as younger children to mention making small purchases with Family Rewards earnings and they described using rewards for clothing, shoes, and grooming, among other uses. About half of them used rewards for games, hobbies, or electronics, and about one-third used rewards for occasional small expenditures that they would not otherwise be able to make, such as buying coffee on the way to school or getting a snack after school.

Unsurprisingly, parents reported that high school students were especially sensitive to maintaining their appearance, which often required money that families did not have for things such as haircuts, or for replacing old and undersized shoes. For other teens, Family Rewards payments were used selectively to avoid some of the extra pressures that are associated with the teenage years — for example, for prom expenditures or for graduation presents that they would not otherwise be able to afford, for sports camps, for contact lenses, or for a cell phone.

Another way that high school students experienced Family Rewards differently from younger children was that their own bank account sometimes helped them feel increased

⁵As described in Chapter 2, parents still often maintained control over cards and the withdrawal of funds.

confidence and independence, as they had both money and the ability to make decisions about their own finances. For example, one parent said that having rewards helped her son “to be a man” by starting to be responsible in this way. On a similar note, high school students were more likely than other students to use their relatively substantial rewards to contribute to general household expenses, especially when parents were unemployed. High school students sometimes felt proud to be contributing in this way. As one student said when her mother ran into trouble paying the rent, “I’m like, ‘Oh, mom, take out \$100 and use it toward the bill.’ Mostly that was like a rainy-day fund, like an as-needed fund.”

Connecting Financial Support to Longer-Term Educational Goals: Views of Enabling Resources

As described in Chapter 1, Family Rewards payments were seen as “enabling” resources. Enabling resources could provide either direct support for educational improvement (such as tutoring or after-school fees) or indirect support by enhancing household stability and allowing a greater focus on school. During the interviews, an additional topic emerged about the relationship between financial support and educational improvement: the theme of family educational aspirations and how the program sometimes reinforced these longer-term goals. Every family that was interviewed embraced the broad goal of Family Rewards as helping children escape poverty by investing in their educational success. Most parents hoped their children would attend college, which they saw as a path out of poverty. However, some parents feared that neighborhood pressures — especially those pressures that are often associated with poverty, such as violent schools or negative peer influences — could get in the way.

The following sections describe how Family Rewards payments served instrumentally to support educational goals. They also describe how payments appeared to help a few teens feel that longer-term aspirations for college and a better quality of life were less remote. In this view, Family Rewards payments not only reduced stress and enabled enriching activities, but may have helped some teens reinforce their identities as achievers. Although this type of benefit to rewards was reported infrequently — for reasons also described below — it may be one way that the program helped improve performance among better-prepared high school students, and is a finding that is related to the psychological literature on identity development around educational accomplishment in low-income children.⁶

⁶Markus and Nurius (1986).

Family Rewards and Educational Values

One reason that Family Rewards resonated as an educational program within families may have been that it appealed to deeply held values about education within households. Parents in Family Rewards were very concerned about their children's success and future. All parents who were interviewed were able to share their children's longer-term aspirations, often in very specific language. Most hoped that they would complete college. Parents were also typically detailed in their descriptions of children's goals — possibly reflecting a high level of communication between parents and children around educational aspirations, and their desire to support them, as was described in one family:

[My daughter] told me she would like to be a judge or a lawyer . . . She started telling me, like, about a year [ago] . . . She was like, "I would love to go to Harvard." I'm, like, "Law school?" She was, like, "Yeah." I said, "Well, it's up to you. You know what you gotta do." That's what I tell her . . . And I tell her — my sister has always been a top . . . student. I tell her, "[My sister] was a top . . . student. She entered NYU. I'm not saying you can't do it. I'm just saying don't lose yourself. Remind yourself what you want to do."

Children were even more forthcoming than parents in describing their hopes for the future. In all the interviews, children mentioned wanting to attend college, with almost half naming a specific four-year university. (Only three children reported planning to attend a community college, with many hoping to leave the neighborhood and live independently in a different location.) Most children wanted to leave New York City eventually and move to the suburbs. In all but one of the child interviews, children described specific career goals; many of these careers were ones that require high levels of education beyond a bachelor's degree, such as being a lawyer, a doctor, or an engineer. A middle school student described her aspiration to become a teacher, and explained how she works toward this goal even as a sixth-grader:

Oh, I would like to study being a teacher. When I grow up, I want to be a teacher. And even by myself, I pretend that I'm a teacher . . . Sometimes in my free time . . . I pretend my homework is [my student's] homework. And when the reading teachers pull you out for a reading test to see what level book you are, I do that by myself.

However, although families were especially aware that college was a critical part of future trajectories, college and professional degree paths were not always part of the parent's own experiences. In addition, parents and children were very concerned about problems in their neighborhoods and schools inhibiting their academic success. In over half of the adult interviews, parents described potential barriers that could prevent their children from reaching their

goals. Barriers ranged from concerns about the school environment and dangers from gangs and drugs, to concerns about pregnancy and peer pressure. Even parents who were currently not having any problems with their children were still keenly aware of potential negative influences. One teenage boy touched on many of the concerns heard from both parents and children, and how environmental factors can threaten a child's stability:

I just transferred from [a high school] about two, three weeks ago . . . [My old school] was too far. I didn't get along with the students and the teachers. I just didn't like the school, period. Some kid had brought a [weapon] to school and tried to kill a principal . . . And ever since then the security has really been treating the students . . . like prisoners . . . I just had . . . one fight and then I wined up getting jumped after school . . . I'm not really . . . a [fighter] . . . so afterwards I was . . . shaken up.

In summary, parents had both hopes and fears for their children's future. Given these realities for parents, one broad mechanism by which the program attempted to improve educational outcomes was by creating a sense of attainability around positive, future goals, described in the following section.

Reinforcing Educational Aspirations Through the Use of Rewards

The Family Rewards designers hoped that quality of life improvements would both enable participants to focus on school and would become a source of ongoing motivation for families to maintain their investments in their human capital. Families understood the associations among the goals of reduced hardship, increased well-being, and education in a number of ways. As described above, some small expenditures were associated with school supplies, uniforms, after-school activities, school trips, and summer camp, with about half of the families using their rewards for those purposes. One mother explained that she was able to buy more than one uniform for her daughters, a purchase that she believed made her daughters feel more comfortable and confident in school:

Well, it has helped me so much. It has helped me a lot since we signed up for the program. I buy better uniforms and for my daughters . . . They are better equipped with stuff. They're better equipped with uniforms and school materials . . . That makes them feel happier, more motivated.

Other parents used rewards to pay for their children's music lessons, participation on sports teams, and other extracurricular activities that required small fees to join. As one parent said,

The first year went really well. The extra money helped out a lot, because my daughters are in different programs. My smaller one, my seven-year-old, is in gymnastics, and that helped me out to pay the classes for her once you get into the after-school [program].

These qualitative findings line up with evidence of increased participation in lessons and after-school activities among middle school students, as seen in the earlier impacts.⁷

Well-Being and High School Students' Educational Trajectories

As described above, the Family Rewards experience for high school students differed from that of younger students, in that earnings were deposited into high school students' own bank accounts, even if their parents sometimes restricted access to those accounts. High school students, especially those who were more proficient and therefore better able to access Regents rewards, sometimes saw what they considered to be a substantial amount of cash deposited into their bank accounts. Not only were high school students treated differently by the program, but they also experienced Family Rewards at a different period in their lives. That is, high school students spoke of their awareness that high school was a special time, where their attendance and grades would be scrutinized for college applications.

Like middle and elementary school students, high school students used rewards payments for educationally enriching activities. However, high school students not only had more money to use for these activities, but were also more likely to see them as tied to college or career aspirations — to their own sense of whether they were college-bound. For example, one parent described how her daughter in high school used rewards to pay for a summer camp that related directly to both college and career aspirations:

She wants to be a veterinarian, my oldest . . . They're going out to Massachusetts to live on a farm, and they're going to be in cabins . . . And they have . . . an on-site veterinary hospital, and they're going to show them how to take care of animals.

Looking forward to these enriching activities was especially motivating for some high school students, particularly those who believed that passing the Regents was within their grasp.⁸ For example, as described in Chapter 2, one student went to a high school that sponsored trips abroad, as an extension of its language curriculum. The student knew she would not be

⁷Riccio et al. (2010).

⁸For examples of situations in which Regents or other rewards are seen as more remote, see the descriptions of the Walker and Lawrence families throughout this report.

able to attend these trips without Family Rewards, and so used the entire schedule of rewards payments to help plan for the trip:

When . . . I knew we were going to Costa Rica, I was, like, “This is how much money I need, and this is how much I can earn from — with the coupons.” I added up the money I could earn from the coupons, like going to the doctors, the dentist, attendance, and parent-teacher conference . . . I even had a chart . . . Every time I would get the money, I would check it off, and then I would write how much I needed more.

Buying a computer was another motivating force for high school students (see Chapter 2) and something that they believed could contribute to their academic progress. For example, one high school student described saving up her rewards all year for a laptop:

Interviewee: I’m gonna have my laptop.

Interviewer: So when are you going to get it?

Interviewee: When we get the money on the 15th . . .

Interviewer: So you’ve already thought of which one you want.

Interviewee: Oh, I already [know and think about] . . . the laptop every day before I go to bed. *[Laughs.]* I know where I’m gonna buy it . . . I know everything.

Another important difference in the Family Rewards experience between high school students and younger children was that some high school students used payments to save for college. About half of the high school students who were interviewed described using reward payments to save for college, sometimes adding to accounts that had had small balances prior to the start of Family Rewards. As one student described it,

I have a bank account for Chase . . . and one for Commerce. And that’s, like, mostly for college. And I put most of it into my . . . Commerce account. I’m going to need it if I want to go to a far university and stay on campus for lunch and stuff.

Parents also sometimes set up savings accounts for their children that were linked to college: about one-fourth of the parents who opened a new account for a child said that they’d set up the account specifically so that the child would not have access to that account until enrolling in college and that the account was “closed” for any other use.

College savings may have been a special comfort to families who were anxious about general college expenses and about taking out college loans they were unsure about paying back. As one parent said,

After the fourth child, [I don't want to] have to sign for any loans. That is, like, constant. No loans, no loans . . . I've been putting my portion of the money into the account for her for her graduation.

A girl in another family also described the benefit of saving early for this reason:

You can't wait 'til you get to your last day in high school to start thinking about money for college . . . I don't want to take out loans because you always have to pay them back and you probably won't have enough money at your job . . . so I think saving up money now is a better plan than waiting until you get there . . . Mommy tells me all the time how much books cost and not even classes themselves. It's really expensive.

For these reasons, the significant payments that Family Rewards provided for Regents exams may not only have motivated high school students who were generally skilled enough to pass the exams, but may have also provided additional reassurance that their efforts to succeed in high school would be worthwhile, because they would be better able to afford the college they aspired to attend.

Challenges in Connecting Quality of Life Improvements to Educational Trajectories

Although the descriptions above suggest paths by which some families connected educational aspirations with their experience of rewards, it is not surprising that families rarely made those connections directly. It was not necessary for parents to make a direct connection in order for poverty alleviation to influence educational performance. However, this topic relates to ways in which program participants may or may not have experienced the CCT's "enabling" resources, as described in Chapter 1. During interviews, children were asked about the types of things that helped them feel "on track" toward the future, and whether being in the program helped reinforce those feelings. Even after they were probed, only a few children responded that the program provided such reinforcement in any specific way. In fact, in only one follow-up interview did a parent *directly* attribute better educational performance or outlook to the well-being that the program provided.⁹

⁹While some parents and children reported that rewards motivated them generally, quantitative comparisons between program and control groups are the best way to assess these motivating effects.

Parents and children may not have made a direct connection between education and well-being for several reasons. First, as discussed in the earlier chapters, parents and children tended to frame the program as a *reward* for past behavior as good students and parents, and not as an *incentive* to become better students or more engaged parents. As a result, families tended to view the program's effects on income and stability and its effects on educational motivation as separate topics, and they were generally more likely to observe effects on material well-being than on motivation.¹⁰

Second, saving rewards for college was in fact very difficult for most families, and was especially difficult for families in which the parents were not working. About half of the parents who were interviewed said that they were not able to save *any* reward payments because of bills and regular family expenses, and instead reported just getting by from week to week.¹¹ As one parent said:

I try to save but a lot of times, when we put money in for savings, it's always something that you need, not want, you know, like maybe soap or toilet tissue or something like that, so it's really hard to save money right now, and this recession thing, it's just crazy. Everything is so expensive. It's unbelievable.

Of course, students who were unable to pass a Regents exam early in the program saw no potential savings for college and may have been even less able to envision themselves in college than those students who saw their accounts growing.

Finally, the program did not tend to inspire hope that families who were experiencing severe poverty would be able to escape from it. This finding is evident in the way that parents and children described their feelings about the end of the program. The desire to maintain a job in a volatile economy, illness or disability, or a desire to stay home with children made changes in work a difficult prospect for parents.¹² As a result, families did not feel that they were able to replace rewards income with work or with a better-paying job after the program ended, and instead talked about the program as an unusual and lucky period in their lives — one in which they would have extra help in making ends meet and would be able to enjoy some greater comforts. (Several parents, in fact, called the program a “blessing.”) As a result of the perceived

¹⁰These views coincide with the early framing of the program to the participants — as a reward for doing what parents “should already be doing,” and with psychological studies in which recipients of incentives tend to devalue the effects of the incentives on their performance.

¹¹While earlier impacts suggest some benefit to savings, these impacts were in the hundreds of dollars, and qualitative data suggest that continued anxiety about family finances overwhelmed any positive feelings that participants may have had about these savings.

¹²Riccio et al. (2010).

temporary nature of their improved quality of life, some parents and children indicated that they should not grow too reliant on Family Rewards payments because the payments would end at some point. As one child said,

Basically we're not steady on this program every single day . . . We're not, like, dependent on this program because if something happens where we can't do this program anymore, we have to do the best we can without it and we don't want to go into the program as our own lifeline.

Although, in general, families did not see Family Rewards as an “opportunity” that could translate into longer-term stability, contrasts among case study families demonstrate some variation in this type of thinking and illustrate the potential connections among longer-term aspirations, Family Rewards’ income support, and the program’s motivational power.¹³ The Alvarados connected success in the program with longer-term career goals for both mother and children. Ms. Walker saw how the program could help her get back on her feet as a breadwinner, but she did not see how it would help her support her children’s educational aspirations. Ms. Lawrence, however, did not view reward payments as a way to open the door to a better future; she had more pressing needs that took priority over participating in the program. The experiences of these different families are described next.

The Alvarados: Connecting Program Success with Educational and Career Success

When the program began, Ms. Alvarado was particularly concerned about the academic performance of Clara, her oldest child, who was in seventh grade and had been doing poorly on her state exams. Ms. Alvarado, who was a full-time college student and was struggling to support her family with help from her parents and from child support, decided to be very open with all of her children about how the program could help her financially: “I explained to them — these are my bills, this is how much your father sends me, and this is . . . what really helps me to pay all these bills.” Clara described how her mother encouraged her in school by telling her, “Make sure you get to school. Try to work for your grades. Work for things higher that we all know that you can do. Try to make the best of the future that you can.” And her mother connected that encouragement to the program by adding, “If you do good, you’re not only gonna do good for yourself but you’re helping me too.”

Clara saw that her family was facing a number of troubles and she decided that the program could help them. “We were, like, kinda going down,” she recalled, “and we needed the money — not only for the money, for the studies too. I wanna become a lawyer, so everything

¹³See Chapter 1 for a description of the four families who are followed throughout this report.

has to go right, smooth, and easy.” Even though Clara strongly embraced the program, she occasionally forgot about it during the school year. “But then when I saw the things that she got us, I remembered. It was, like, ‘Oh, it’s ’cause of the help from the people that she’s getting [money].” Her extra determination paid off. Clara scored in the highest range in both English and math exams during the following year.

The Walkers: Family Rewards and Removing Barriers to Self-Sufficiency

Ms. Walker’s situation, in contrast, illustrates how participants might use the income support that Family Rewards provided to “set things in order” before embarking on longer-term efforts toward greater self-sufficiency. Ms. Walker had suffered a back injury after five years of working as a home health aid, and was receiving disability payments.

I was in a funk after I lost my job — [I] had become disabled. It’s a fixed income. And you have a fixed income that comes every month, and you have to make that work. So I kind of got in a funk with that. Because I’m, like, “Okay, I’m so used to going out every day and providing for my family. And now I’m stuck, in a sense, where I have to rely on this, and I’m not able to do so much.” So I was in a funk for a while, not thinking there was anything else. This is all there is to my life. And then the program came along.

Ms. Walker saw Family Rewards as an opportunity to move forward financially, and she tried to submit all the coupons she could. After two years in the program, she had paid down three of her five debts, with two to go — after which, she said, “my credit score will go up.” She also took her boys on two outings and helped pay some of her daughter’s college expenses. She opened a money market account (“like an emergency fund,” she explained), bought life insurance for herself and for her children, and started savings accounts for her sons explicitly for college. She also enrolled in a combined General Educational Development (GED)/associate’s degree program at a local community college so that she would be able to maintain the extra income she earned from the program after it ended: “I’m trying to put myself in a position where the following year [after the program ends], I’m able to generate some other funds to come into the house.”

The Lawrences: Stumbling Blocks to Participation

Finally, Ms. Lawrence’s situation illustrates how extreme financial needs and attendant strains may make it difficult for some families to even see how this stress might be alleviated. When Ms. Lawrence was interviewed toward the end of the second year of the program, she had a thorough understanding of how the program worked administratively. She described how parents were supposed to take coupons to doctors’ appointments and parent-teacher conferences

to get them signed, and then mail them in for payment. She knew how many hours she would have to work to qualify for the work coupon and how to document those hours with pay stubs. But, nearly two years into the program, she had not earned a single reward for any of those activities. She had submitted no coupons, and her family was only getting an automatically verified reward for public health insurance.

The reason seemed to be that Ms. Lawrence was dealing with pressing family issues — a baby granddaughter in need of full-time care, a crowded apartment, her daughter’s unemployment, and her son’s problems at school. At the same time, Ms. Lawrence had acute financial needs that the program could have addressed. She was deeply saddened that her son had to be removed from Catholic school during the first year of the program because she could not afford the tuition, but she felt that Family Rewards did not make up for this shortfall — possibly because the school was too expensive for the program’s rewards to make up the gap, and because the household faced other needs. In her view, Family Rewards was, instead, about making ends meet: “You can pay your phone bill, your electric . . . You could pay your cell phone bill.”

Quality of Life and Education: Summary

The contrast in these cases brings out several points about the potential relationships among longer-term aspirations, Family Rewards’ income support, and the program’s motivational power. For the Alvarado family, the mother’s success in college was an important component of the family’s trajectory out of poverty. When the family strayed from this path and felt as if they were “going down,” they banded together, and the children decided to help their mother by trying harder in school. Similarly, Ms. Walker, although on disability, used the money from Family Rewards to pay off debts and pay for tuition at a community college. For her, Family Rewards may have provided greater motivation because it helped remove barriers to her longer-term aspirations to work, such as poor credit. In contrast, for Ms. Lawrence, reward payments were not seen to open up the door to a better future. She had more pressing needs, and because she did not access the program rewards, those needs remained.

These qualitative findings may address one factor behind the lack of early impacts in some domains of Family Rewards and relate to findings within the behavioral economics literature. An important theme in that literature is that various actors assign different values to their actions, based on personal expectations of the return on effort.¹⁴ While it is not reasonable to expect that Family Rewards could transform families’ outlook toward the future, one of the intentions of the designers was to encourage a shift in mindset among the participants about the “value” of their own educational efforts, by demonstrating how those efforts may be associated

¹⁴See Kahneman and Tversky (1979).

with poverty reduction in the shorter term. One potentially serious implication of participants' pessimism about their future is that they may be more likely both to discount current gains in their quality of life — because they feel that those gains might not be maintained — and to devalue shorter-term “investments” in human capital, because they are less hopeful about the eventual returns on those investments.

Conclusion

This chapter presents a mixed picture about the relationship between improvements in adults' and children's quality of life and educational outcomes and aspirations. On the one hand, families were able to appreciate how the program increased material well-being in a number of ways. Program participants tended to experience freedom from financial anxiety or the ability to purchase items that most middle class families would consider to be fairly modest but that lower-income families often cannot afford. For both very low-income families and for the working poor, these gains were seen as helping to promote stability and to make improvements in their quality of life. For better-prepared high school students who were able to pass Regents tests, earn credits, and attend school regularly — whose success let them save for college and experience some enriching activities — these findings suggest possible ways that the program may have encouraged proficient students to maintain their academic trajectories better than comparable control group members.

On the other hand, participants rarely saw gains in well-being contributing *directly* to educational goals or illuminating longer-term trajectories. While it is not necessary for participants to express these connections during interviews in order to conclude that quality of life improvements influence education, participants generally saw quality of life and educational effort as separate components of the program, and rarely reported that the program helped students feel “on track” to future achievement.¹⁵ One reason that the greater well-being provided by the program was hard to relate to broader educational goals may have been that families felt that these gains were very much temporary windfalls. That is, while families hoped that children would attend college and they saw college as a path toward economic opportunity, few children or adults felt that they would be able to escape poverty in the short term. Although parents held more hope for their children, as did the children for themselves, the link between Family Rewards well-being improvements and longer-term aspirations may have been weaker because these gains were seen as only temporary.

¹⁵These qualitative findings were also borne out in quantitative analyses of Family Rewards data. Non-experimental, exploratory analyses suggest that material hardship — over and above factors such as baseline test scores and overall family income — was associated with students' standardized test scores, but these statistically significant associations were not so strong that program group impacts on well-being translated into an overall effect on school performance.

Chapter 5

Challenges for Conditional Cash Transfer Programs and Educational Incentives Policies

This chapter brings together the major findings of this report to lay out four challenges that are related to family dynamics as they played out in the context of the Family Rewards conditional cash transfer (CCT) program and to describe the relevance of those findings to educational incentives policies more broadly. As described in Chapter 1, Family Rewards is the first comprehensive CCT program in a developed country. This chapter’s recommendations suggest some of the skills and resources that program administrators and community partners may need within CCT programs in the United States and abroad, including recommendations for those who wish to replicate this type of program.¹ At the same time, offering incentives for improved school performance is a rapidly emerging area of educational policy, and insights from Family Rewards may also inform issues that are related to the design and marketing of other forms of educational incentives programs. In an effort to address these various policy areas, this chapter describes a potential role for more extensive service coordination in a CCT program, as well as some basic issues about educational incentives structures — in particular, rewarding “inputs” (such as course preparation or homework) versus “outputs” (such as performance on standardized tests).

Based on earlier analyses, the chapter suggests that program operators (1) help participants to focus on activities for which incentives are offered, rather than on rewards after the fact for “good behavior”; (2) give specific guidance about how children and parents can help prepare students for longer-term goals such as improved performance on standardized tests; (3) provide advice to parents on how to communicate with children of different ages about incentives; and (4) tie children’s educational efforts to parents’ own attempts to improve their human capital, to reinforce steps that the family can take to escape intergenerational poverty. The chapter also recommends that future designers of complex, comprehensive CCT programs offer more extensive connections to supportive services and additional guidance for meeting goals, in order for more families to achieve the conditions for rewards. Finally, it is suggested that developers of educational incentives policies may wish to use some combination of incentivized conditions — reflecting both inputs and outputs — to help families develop a “road map” for increasing their human capital over time. Future impact studies from MDRC will assess both the effectiveness of Family Rewards over time and any new adaptations of the CCT model.

¹Family Rewards is currently being replicated in Memphis, Tennessee, and in New York City through the Social Innovations Fund (SIF), an initiative of the Corporation for National and Community Service.

Four Challenges Related to Educational Conditions and Family Dynamics

As described in Chapter 1, the designers of Family Rewards had no explicit expectations about how families would respond to the incentives or incorporate the rewards into their “tool kits” to improve educational performance. The major findings in this report that are related to increasing the salience and power of incentives in families’ daily lives suggests how CCT operators and educational incentives policymakers may wish to market educational incentives, provide tools for parents, and generally enhance families’ engagement with the CCT program.

- **Challenge 1: Helping families focus on specific incentives and not general values**

As described in Chapter 1, some participants were initially concerned about being associated with a program that “paid” parents for tasks that they considered to be part of normal parenting. For example, many considered parent-teacher conferences to be part of regular parental duties, and felt that those who were unable to go to back-to-school night without an incentive were either bad parents or had other serious challenges. As a result, many parents and children took pains to distinguish between their own family — who deserved rewards — and those in their community who needed incentives to perform. At the same time, parents and children embraced the goals of Family Rewards because they believed that those goals were in line with their own values: education, good parenting, and opportunity for children.

However, this broad sense of being in alignment with the program — combined with the complexity of the incentives schedule — may have obfuscated what it meant to participate in Family Rewards. In other words, some families may have seen participation in the program as a “halo” around very broad, general performance and values. For example, over 60 percent of the participating parents reported incorrectly after about 18 months that the program rewarded children’s good behavior in school.² Thinking about the program’s payments as a reward for general performance and effort appeared to boost some children’s self-esteem, as they felt “chosen” and special among their peers. But Family Rewards did not necessarily help participants to focus on incentivized activities that are difficult to achieve — which require pushing oneself and even risking failure, as may be the case for certain difficult standardized tests or for taking the PSAT or SAT for the first time.

For these reasons, a challenge for CCT program designers and operators is to frame their interventions in ways that both appeal to families’ broad values and goals and ensure that participants will recognize the connection between specific incentives and aspirations. Among

²See Riccio et al. (2010), Chapter 4.

the families who are followed throughout this report, the Alvarado family embraced Family Rewards in this way, as they saw its income support as critical to their longer-term ambitions around work (for the mother) and college and career (for the children). In other Family Rewards households, high school students made the most direct connections between incentivized activities and longer-term values and aspirations. To these students, the major rewards for passing Regents exams were related directly to graduation requirements and as instrumental in helping them realize their college goals by helping them save for it. Given the near-universal aspirations to attend college among the children in this qualitative sample, CCT program designers may wish to frame educational incentives as part of an “opportunity scholarship” that helps create a bridge to college and that not only directs high school students toward standardized tests that are required for graduation, but that also reinforces the specific steps that are required to apply to college by increasing the incentives and marketing for taking the PSAT and SAT.³ Later in the program, Family Rewards operators did, in fact, place greater emphasis on reaching high school students directly in ways that helped create such connections — through, for example, fairs that brought together these students from around the city to discuss the rewards for which they were eligible, and that enlisted students as “ambassadors” to communicate the benefits of working toward incentivized activities..

- **Challenge 2: Giving guidance to families about how to improve children’s academic performance**

Family Rewards tested whether a primarily “incentives-only” antipoverty strategy — without direct services or case management — would help children succeed in school. It also tested whether making significant rewards conditional on educational “outputs” such as passing or improving on standardized tests would encourage parents and students to find ways to prepare for these longer-term goals on their own. As described in Chapter 3, a challenge that many parents faced was that they did not know how to help their children prepare for these tests. Parents who were interviewed also did not often identify additional strategies, such as tutoring or after-school programs, that they could use to help support their students’ learning and test achievement. Among the case study families, Mark Walker — who had trouble with studying in general and with test preparation in particular — is an example of a student who may have needed this type of extra support. These general findings are supported by findings from other demonstrations that contrast input- versus output-focused

³Family Rewards rewarded students for taking the PSAT, but only 1 to 2 percent of students were rewarded, even though more may have taken the test. This may have been a marketing failure, as in many schools students were able to take the PSAT for free and were encouraged to do so.

educational incentives and conclude that many low-income families do not always know how to improve children's performance.⁴

Referrals by Neighborhood Partner Organizations (NPOs) to educational or tutoring services were part of the Family Rewards model. In addition, resource manuals with guides on local services were also made available to participants. However, program restrictions against "case management" meant that NPOs were not able to pave the way for participants by calling service agencies on their behalf and following up to make sure they received these services. As a result of these strong prohibitions, NPO staff may have been wary about discussing potential referrals altogether. Instead, program participants saw NPOs primarily as a resource to help them obtain reward payments or resolve bank account problems, but not to provide information about community resources, so those referrals were underutilized by participants.

Given the findings discussed in Chapter 3, it may be important for future CCT operators to help parents identify strategies for engaging with the program that might directly support the pursuit of incentivized activities. Starting at program orientation, implementing organizations might reinforce their role in directing families to additional resources and might provide some materials directly (such as test preparation books), tailored for audiences with different levels of education, in order to guide parents toward effective strategies for engaging in education — for example, tips about how to help children study for standardized tests and, especially, how to use test preparation books; guidance in identifying tutoring and after-school programs that can help children stay engaged and on track; and information about programs that engage youth who have special learning needs or who face other challenges.

- **Challenge Three: Providing tools to help parents communicate about incentives, and reaching high school students directly**

Family Rewards' designers envisioned that the program might improve educational performance through various pathways, such as increased parental engagement and stabilized household finances that would allow children to focus more on school. However, the program's most direct mechanism for improving educational performance was the incentives structure itself: as parents and children saw money attached to activities, designers hoped they might make an additional effort to complete those activities. But, as described in Chapter 2, parents often limited discussion of incentives, especially with younger children. They sometimes did so because they worried about conflicts related to dividing up rewards or because they thought children were too young for the financial pressure associated with earning rewards. Among the case study families followed throughout this report, the Walker family — in which the mother felt that it was her children's responsibility to take advantage of

⁴Fryer (2010).

potential rewards and not her role to remind them of those rewards — is one example of low levels of communication about the program.

These issues are not surprising, given that the program designers did not have expectations about how frequently families might refer to incentives. At the same time, as a result of the infrequency of these conversations, children — especially younger ones — were not well-informed about specific activities that were eligible for rewards. Indeed, many children often forgot about them for months at a time, which may have been exacerbated by the delay between the time students took standardized tests and the time they received their rewards (often as long as six months, because of data processing issues). In addition, children sometimes found that the extra money that rewards brought into the household gave them an incentive to perform chores and exhibit general good behavior. Although it is unreasonable and may in fact be unproductive to expect that families can be focused constantly on activities that generate rewards — as opposed to getting a good education for its own sake — these generally low levels of communication about the program may reduce the direct power and salience of the incentives.

These findings about low levels of communication and about the existence of alternative reward systems suggest a need to provide parents with different tools to help them talk about incentives with children of different ages, with different personalities, and with different levels of academic readiness. Communication tools might include talking points or short scripts about how to discuss challenges in school in general and how to introduce the program to children, as well as “reminder strategies” for when and how parents might bring the program to mind in an encouraging way. Parents might also be provided with guidance about how to create reward systems or “bargains” within households that are supportive of children’s educational activities — not just involving performance on tests, but also their interim efforts to do their homework, earn good grades, or take practice tests. Alternatively, suggestions could be provided about when and how parents might link allowances or spending money to academic performance.

Finally, because parents may not choose to use these tools within households because they find incentives inappropriate for their child, next-generation CCTs should consider more direct engagement and marketing of incentives to teenagers, who (within qualitative analyses) were most eager to be engaged with the incentives. Starting in its second year, Family Rewards operators in fact attempted to implement these strategies to make the program more salient within families, involving postcards to teens and exploring the use of social media and Web outreach to communicate with teenagers more directly. Family Rewards operators also tried to develop informal peer networks among high school students to help them encourage each other over the course of the program. Students reported being very happy to receive direct marketing from Family Rewards; several children mentioned being excited to receive mail from the program.

- **Challenge Four: Building a bridge between temporary support and longer-term human capital development**

Underlying the CCT model as an *intergenerational* poverty reduction strategy was the theory that both parents and children would improve their human capital at the same time. That is, designers hoped that children would increase their school performance at the same time that adults would find full-time work or undergo training to find a better job. In this model, the cash support provided by Family Rewards had two important functions related to longer-term poverty alleviation goals: as the program improved family quality of life in the shorter term, it would also demonstrate to families how much their lives would benefit over time from their efforts to improve their human capital.

As described in the earlier Family Rewards evaluation and in this report, poverty alleviation was a major component of many families' experience of the program, for families with very little income support as well as those who were working. Families experienced both significant improvements in their ability to make ends meet and gained minor comforts associated with having extra income. However, as described in Chapter 4, the program did not often create the hope that family well-being could be sustained past the time frame of the incentives. Because participants viewed quality of life gains as temporary, they may have been more likely to view improvements as windfalls and not as incentives that led to a route out of poverty over time. Families instead viewed quality of life improvements and longer-term human capital development as separate aspects of the program, and few adults or children reported that the program helped students feel "on track" to future achievement.

In practice, families' low expectations about their future quality of life were rooted in their experience that both work (for unemployed parents) and higher-paying jobs (for those who were employed) were often out of reach to many parents because of family issues such as a desire to be home with younger children or to be home for children at the end of the school day. As a result, the employment incentives of the CCT program seemed less achievable. For example, in the case studies in this report, work was a fairly distant prospect for Ms. Lawrence, who had to care for her daughter's child. Within the Family Rewards incentives schedule, parents' full-time work and training constituted only 2 of the 22 rewarded activities, and many participants reported that they did not focus on it; the earlier findings, in fact, suggest that Family Rewards had mixed effects on work.⁵ Although promoting parents' human capital may

⁵See Riccio et al. (2010), Chapter 5.

seem to be an indirect route to improve children's academic performance, several studies have suggested that supporting low-income parents' work efforts may benefit children as well.⁶

For all these reasons, future CCT programs may wish to find ways to emphasize parents' human capital development at the same time that children improve in school. Work and training might be promoted, for instance, by coordinating CCT programs with strong referrals to high-quality employment services. Family Rewards placed special emphasis on marketing its work incentives. Future providers may also wish to connect participants with free tax preparation services to educate them about the benefits of the Earned Income Tax Credit. Just as the educational components of CCT programs may be framed as a step toward children's college education, work and training rewards may be framed so that families see them as a realistic path out of poverty over time.⁷

Additional Support That Families May Need

Also as described in Chapter 1, Family Rewards was a program designed to test the feasibility of an incentives-only program model, which required no case management or extensive supportive services, and which relied instead upon families to identify services independently that could help them reach their goals. Neither did Family Rewards require participants to engage with practitioners — not even to pick up the coupon book, which was necessary to document activities and receive rewards, although the NPOs encouraged families to do so. This type of program was new to program operators, who had to learn what it meant to administer such an initiative. However, over time, the staff who implemented the program became increasingly convinced that families needed extra guidance to support their achievement within the program, and that prohibitions against services and case management made it difficult to engage deeply with families. Family Rewards NPO staff valued being able to develop relationships with individual participants, and sometimes described their roles as “motivators” and “coaches.” Toward the end of the program, NPO staff also valued being able to conduct outreach calls to participants and having more extensive conversations about how families might “empty their coupon book.”

⁶See, for example, MDRC's evaluations of the Minnesota Family Investment Program (including Gennetian and Miller, 2000; Gennetian, Miller, and Smith, 2005; Knox, Miller, and Gennetian, 2000; Miller et al., 2000) and the New Hope program in Milwaukee (including Bos et al., 1999; Huston et al., 2003; Miller et al., 2008).

⁷Starting in Year 2, Family Rewards operators did, in fact, step up their marketing of work activities through telephone campaigns and direct mail marketing materials that were often related to tax preparation services. However, participants still tended to describe the program over time primarily in terms of educational incentives, which may suggest that the earlier message about program goals was the more salient one to participants.

Practitioners' observations about the need to provide additional guidance to families are supported by this report's broad findings. As suggested by the four challenges identified above, a large number of interactions needed to be managed successfully in order to maximize the power of the educational incentives. Given the extensive tasks that were expected of parents — describing the program to children and using it to encourage them in school, making choices about where and under what conditions to give money to children, and finding ways to engage with school — it may be the case that families need to rely on program operators more extensively for support in order to use the program to its fullest potential.

Two additional factors also suggest the need for more proactive guidance and support for families. First, as described throughout the report, low-income families are not all alike in their educational strengths and challenges. Some families were ready to take advantage of rewards, but others were not, as poor preparation or learning challenges meant that some children were simply not able to perform well on tests. The finding of early impact analyses that better-prepared high school students saw greater academic success but less-prepared students did not reinforces these qualitative findings and suggests that incentives alone may not be enough to help reach disengaged youth, for whom the prospect of rewards was fairly distant.

Second, parents and children who were followed over time sometimes experienced shocks and disruptions in their lives that made it impossible to focus on the program or on education. For example, one mother described how illness and depression made it difficult to submit coupons or focus on rewards for months; another described how a child's illness interfered with school attendance and made it difficult to focus on rewards. Both teenagers in the Walker and Lawrence families, followed throughout this report, dropped out of school altogether for some time. Future CCT program operators could play a greater role in helping coordinate or facilitate services during these difficult periods, to help families get back on track sooner.

Although it may not be feasible or even desirable for intensive services or case management to be part of a CCT program, community providers (the NPOs in Family Rewards, but any front-line program staff in other demonstrations) could refer participants to youth development programs. These connections to youth services might include not only traditional youth development activities, but, given the difficulties that many families experience, mental health and crisis intervention services as well. In areas that do not have rich and local networks of services, it may also be important to engage the help of local providers within a multiservice agency, who can handle referrals internally.

In order to manage this referral process and to monitor family progress, staff at community organizations need to be able to keep records on participants, be authorized to conduct both outreach and follow-up calls to participants, and be authorized to develop facilitated

referrals — all of which was prohibited within Family Rewards. Toward the end of Family Rewards, observations at NPOs suggested that the configuration of staff (approximately two staff members per 400 families) was generous enough to help families submit coupons and work with them on payment problems. Although it is very likely that a larger staffing ratio would be required even for a light case management or service coordination role, customer service functions may decrease over time as participants become more used to program rules and requirements, freeing up staff to engage more actively and more often with families, depending on levels of follow-up and engagement. Although this major change to the Family Rewards model would need to be evaluated rigorously, other random assignment demonstrations in other contexts have shown that the combination of financial incentives and services can be effective in promoting educational outcomes.⁸

Findings on Educational Incentives

As described throughout the report, although Family Rewards focused on a combination of educational “inputs” and “outputs,” the program’s designers made the choice to weight rewards toward performance on standardized tests, which is an output. Educational “inputs,” such as attendance, were rewarded by the program at \$25 or \$50 per month, but the size of rewards for passing tests (\$300, \$350, or \$600, depending on the grade level of students) exceeded those amounts. (For high school students, the substantial reward for completing 11 credits might be seen as a type of input related to graduation goals, although it is an output relative to other shorter-term efforts such as passing individual classes and test preparation.) This choice to weight incentives toward educational outputs was deliberate, as they were considered to be more objective measures of performance than grades, were easier to verify on a larger scale, and were important educational milestones that allowed students to progress within school or to graduate. Program designers were, in fact, interested in incentivizing homework and grades, but it was not feasible to monitor such indicators and they varied among teachers and schools.

Overall, the evidence in the field is mixed with regard to whether educational incentives models should weigh inputs or outputs. Studies have taken different approaches to this question, with different results. On the output side, for example, a program tested financial incentives in Israel for passing national exams, and found that benefits accrued only to those who were close to the margin of passing;⁹ in the case of incentives for both students and teachers in Texas associated with performance on Advanced Placement exams, evaluators found that strong

⁸Angrist, Lang, and Oreopoulos (2007), in a three-way design in a Canadian university that involved random assignment to an incentives group, a supportive services group, or a group that combined the two, found that the combination of incentives and supportive services had the most powerful effects.

⁹Angrist and Lavy (2002).

implementation of the program was associated with positive impacts;¹⁰ and in the case of rural elementary school students who were rewarded for passing standardized tests, evaluators found positive impacts overall.¹¹ On the input side, a series of experiments were conducted that offered rewards for attendance and behavior (in Washington, D.C.) and for reading books, for younger students (in Dallas).¹² Only the Dallas project found positive effects — not only around reading measures, but on performance on standardized tests (that is, on outputs, even though inputs were being rewarded.)

Qualitative analyses of family dynamics in Family Rewards may inform the debate on inputs versus outputs. This report's findings that (1) many children forgot about the program for months at a time, (2) children felt encouraged by receiving rewards, but sometimes only *after* they received them (which suggests that rewards were unable to act as an incentive influencing performance on that activity), and (3) very few parents or children reported knowing how to improve test scores, all suggest that future CCT programs may wish to place greater emphasis on more frequent interim steps toward realizing educational outputs. In focus groups, Family Rewards program practitioners have noted that some reframing of incentives might take place so that rewards — which are right now very *cyclical* (related to a calendar of submission) — are cast instead as part of a *linear progression* toward educational goals or family self-sufficiency, with milestones or tracks explicit in the model. Incentivizing preparation activities — whether they involve attendance, behavior, reading, participation at a recognized tutoring or after-school program, or submission and review of interim tests — may help students feel that these rewards are a response to the often difficult daily task of focusing on educational improvement. It may also provide students with a clearer road map toward achieving their educational goals. At the same time, the feasibility of tracking and verifying these inputs at scale is a very important challenge, and one that may be insurmountable in some cases.

Although the above reflections on the design of educational CCT programs are based on important interim insights about the implementation of Family Rewards, future impact reports will clarify the longer-term success of the initiative in encouraging positive educational outcomes. In the next generation of CCT models and educational incentives, designers and local partners may wish to consider the important mediating role that family dynamics play. However, assessments of the effectiveness of these new models will also require impact evaluations to test rigorously whether properly implemented models help families meet educational objectives and improve their quality of life.

¹⁰Jackson (2009).

¹¹Bettinger (2008).

¹²Fryer (2010).

Appendix A

Family Rewards Activity List

The Opportunity NYC Demonstration: Family Rewards

Appendix Figure A.1

Family Rewards Activity List for Participants



Education (per child)					
	Activity	Documentation	Reward	When	Maximum Reward per year
Elementary School	Child attends school 95% of scheduled days every two months	Automatically Verified	\$50	2 months	\$250
	Parent attends Parent-Teacher Conferences	✓ Activity Coupon	\$25	Fall (once)	\$25
		✓ Form signed by teacher	\$25	Spring (once)	\$25
	Child gets or has a Public Library Card	✓ Activity Coupon ✓ Copy of official library card	\$50	Once during program	\$50 during program
	Child progresses on tests, scores a Level 3 or 4 on the ELA and/or Math Standardized Tests, or improves score	Automatically Verified	\$300	ELA Test	\$300
			\$300	Math Test	\$300
Parent discusses annual tests with teachers, principal, or other school official	✓ Activity Coupon ✓ Form signed by teacher	\$25	Each Test	\$50	
Middle School	Child attends school 95% of scheduled days every two months	Automatically Verified	\$50	2 months	\$250
	Parent attends Parent-Teacher Conferences	✓ Activity Coupon	\$25	Fall (once)	\$25
		✓ Form signed by teacher	\$25	Spring (once)	\$25
	Child gets or has a Public Library Card	✓ Activity Coupon ✓ Copy of official library card	\$50	Once during program	\$50 during program
	Child progresses on tests, scores a Level 3 or 4 on the ELA and/or Math Standardized Tests, or improves score	Automatically Verified	\$350	ELA Test	\$350
			\$350	Math Test	\$350
Parent discusses annual tests with teachers, principal, or other school official	✓ Activity Coupon ✓ Form signed by teacher	\$25	Each Test	\$50	
High School	Student attends school 95% of scheduled days every two months*	Automatically Verified	\$100	2 months	\$500
	Parent attends Parent-Teacher Conferences	✓ Activity Coupon	\$25	Fall (once)	\$25
		✓ Form signed by teacher	\$25	Spring (once)	\$25
	Student gets or has a Public Library Card**	✓ Activity Coupon ✓ Copy of official library card	\$50	Once during program	\$50 during program
	Student passes a Regents Exam (scoring 65 or above)**	Automatically Verified	\$600	Each Regents Exam	\$3,000 during program
	Student takes the PSAT**	✓ Activity Coupon ✓ Copy of official ETS Record	\$50	Up to 2 times	\$100 during program
	Student accumulates 11 credits in school year*	Automatically Verified	\$600	Each Year	\$600
Student graduates and accumulates 44 credits*	Automatically Verified	\$400	Once during program	\$400 during program	

* 50% of Reward is paid to high school student, and 50% is paid to parent ** 100% of Reward is paid to high school student

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(continued)

Appendix Figure A.1 (continued)

OPPORTUNITY NYC activity list
family rewards

Health					
Activity	Documentation	Family Member	Reward	When	Maximum Reward per year
Get or maintain public health insurance including Medicaid, Family Health Plus, and/or Child Health Plus coverage	Automatically Verified	Each Adult	\$40 per adult	2 months	\$240
		All Children	\$40	2 months	\$240
Get or maintain private health insurance	<ul style="list-style-type: none"> ✓ Activity Coupon ✓ Copy of premium payment or pay stub 	Each Adult	\$100 per adult	2 months	\$600 per adult
		All Children	\$100	2 months	\$600
Complete a yearly non-emergency medical check-up	<ul style="list-style-type: none"> ✓ Activity Coupon ✓ Form 	Each Family Member	\$200 per family member	Once a year	\$200 per family member
Complete physician-advised follow-up	<ul style="list-style-type: none"> ✓ Activity Coupon ✓ Form 	Each Family Member	\$100 per family member	Once a year	\$100 per family member
Complete pediatrician-advised Early Intervention referral and evaluation for a child under 30 months	<ul style="list-style-type: none"> ✓ Activity Coupon ✓ Form 	Each Child under 30 months old	\$200 per child	Once a year	\$200 per child
Complete two dental visits per year for family members 6 years and older	<ul style="list-style-type: none"> ✓ Activity Coupon ✓ Form 	Each Family Member 6 years and older	\$100 per family member	Twice a year	\$200 per family member
Complete one dental visit per year for family members ages 1-5	<ul style="list-style-type: none"> ✓ Activity Coupon ✓ Form 	Each Family Member 1-5 years old	\$100 per child	Once a year	\$100 per child

Work					
Activity	Documentation	Family Member	Reward	When	Maximum Reward per year
Full-Time Work Work at least 30 hours per week for 6 out of 8 weeks during the two-month activity period	<ul style="list-style-type: none"> ✓ Activity Coupon ✓ Copy of pay stubs or employer letter 	Each Parent	\$300 per adult	2 months	\$1,800 per adult per year
Work & Education/Training Work at least 10 hours per week, each week, during the two-month activity period, while successfully completing an approved education or training course	<ul style="list-style-type: none"> ✓ Activity Coupon ✓ Copy of stubs or employer letter ✓ Proof of successful completion of course 	Each Parent	\$300 per 35-70 hour course	Upon successful completion of course	\$3,000 per adult during program
			\$400 per 71-140 hour course		
			\$600 per 141 or more hour course		

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About MDRC

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

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

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

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

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