OPPORTUNITY NYC | FAMILY REWARDS

Executive Summary

CONDITIONAL CASH TRANSFERS IN NEW YORK CITY

The Continuing Story of the Opportunity NYC–Family Rewards Demonstration

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Funders of the Opportunity NYC–Family Rewards Demonstration

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Overview

Opportunity NYC–Family Rewards, an experimental, privately funded, conditional cash transfer (CCT) program to help families break the cycle of poverty, was the first comprehensive CCT program in a developed country. Launched in 2007 by New York City's Center for Economic Opportunity (CEO), Family Rewards offered cash assistance to low-income families to reduce immediate hardship, but conditioned that assistance on families' efforts to build up their "human capital" to reduce the risk of longer-term and second-generation poverty. The program thus tied cash rewards to pre-specified activities and outcomes in children's education, families' preventive health care, and parents' employment. It operated as a pilot program for three years, concluding, as planned, in August 2010.

Six community-based organizations, in partnership with a lead nonprofit agency, ran Family Rewards in six of New York City's highest-poverty communities. MDRC is evaluating the program through a randomized control trial involving approximately 4,800 families and 11,000 children, half of whom could receive the cash rewards if they met the required conditions, and half who were assigned to a control group that could not receive the rewards. This report presents final results on the experience of operating the program and interim findings on its effects on a wide range of outcomes three to four years after participants entered the program. Future reports will present longer-term findings.

Key Findings

Family Rewards transferred over $8,700, on average, to families during the three-year period. As of spring 2013, it had had some positive effects on some outcomes, but left other outcomes unchanged. For example, the program:

- Reduced current poverty and material hardship, including hunger and some housing-related hardships, although those effects weakened after the cash transfers ended
- Helped parents increase savings and reduce reliance on families and friends for cash loans
- Did not improve school outcomes overall for elementary or middle school students, perhaps in part because, for these children, the program rewarded attendance (which was already high) and standardized test scores (rather than more immediate performance such as good report card grades)
- Had few effects on school outcomes for high school students overall, but substantially increased graduation rates and other outcomes for students who entered high school as proficient readers
- Did not increase families' use of preventive medical care, which was already high, and had few effects on health outcomes
- Substantially increased families' receipt of preventive dental care
- Increased the likelihood of self-reported full-time employment but did not increase employment in or earnings from jobs covered by the unemployment insurance system.

Building on the early evidence that is emerging from this evaluation, MDRC and CEO have revised the Family Rewards model considerably, and MDRC is now testing that new version in Memphis, Tennessee, and the Bronx, New York, in a separate demonstration project.

Preface

The struggle to find effective ways to help low-income populations escape poverty without increasing long-term and multigenerational reliance on government has been with us for many years. Conditional cash transfer (CCT) programs represent one approach that has met with some success in lower- and middle-income countries. But until 2007, when Opportunity NYC–Family Rewards was launched, no comprehensive CCT program had been attempted in a higher-income country.

Built on Mexico's pioneering Oportunidades program and sponsored by New York City's Center for Economic Opportunity (CEO), Family Rewards used foundation funding to offer conditional cash incentives to poor families for a period of three years. Family Rewards was intended to help low-income families reduce economic hardship in the short run and to escape intergenerational poverty in the long run, while also incorporating the principle of reciprocity that has historically been embedded in the nation's major income support programs. It did this by offering cash incentives to families if they took steps to improve their children's educational outcomes, family members' preventive health care practices, and parents' employment. Conditioning transfer benefits is always controversial. But much of America's safety net (including the Earned Income Tax Credit) already conditions transfers on work efforts. In a weak labor market, there may be value in giving low-income families additional opportunities to qualify for income transfers while also enabling them to invest in their own futures.

This interim report on effects through the third year of the program's operation found that, while it operated, Family Rewards continued to reduce poverty and material hardship, increased savings by some families, and had some sustained, positive impacts on educational outcomes for better-prepared high school students. Particularly encouraging, it increased on-time graduation rates for ninth-graders who were academically proficient readers when they entered the program. The program also increased families' receipt of dental care. But its effects on poverty and hardship began to fade once the reward payments were no longer available. The program also had no effects on younger students' educational progress or families' overall health outcomes, and it had small effects on parents' labor market outcomes.

Recognizing from the early evidence that the program's original design had produced mixed effects, MDRC and CEO revised the Family Rewards model and launched a separate follow-up demonstration project in Memphis, Tennessee, and the Bronx, New York. The new model targets low-income families with children in grades 9 and 10 only, rather than including children in elementary and middle school, as in the original program. It offers fewer rewards, disburses payments more frequently, and rewards report card grades in addition to attendance and test scores to provide a more immediate incentive for better school performance. It also adds a family

guidance component. It is hoped that this refined version of Family Rewards will be more effective than the original program.

As the current evaluation continues and the new Family Rewards program matures, we will gain evidence about whether and how CCT programs can be effective in various contexts. In the end, we hope to continue to learn whether this approach can reduce long-term and intergenerational poverty so that future generations can look forward to a better inheritance.

Gordon L. Berlin
President, MDRC

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This report reflects contributions from many people. We are especially grateful to the families who participated in the Opportunity NYC–Family Rewards program and the members of the control group who allowed us to learn firsthand from their experiences. We also appreciate the assistance of the many staff members at Seedco and the Neighborhood Partner Organizations (NPOs) for the hours they spent helping us understand their pioneering efforts in operating the program and in supplying us with essential data on families' participation. At Seedco, we would especially like to acknowledge the contributions of a number of former staff members, including Rebecca Ross, Naomi Zuk-Fisher, Juan Pinzon, and Meenakshi Bhatt. Among NPO staff, we particularly thank Harvey Lawrence, Colette Pean, Delores Owens, and Nicole Clark of the Brownsville Multi-Service Center; Carolyn McLaughlin, John Weed, Jacqueline Best, and Maggie Diaz of BronxWorks; Beatriz Diaz Taveras, Talia Lockspeiser, Mustafa Tabakovic, Eileen De La Cruz, and Letticia Batista of Catholic Charities; Richard Buery, Erica Ahdoot, Rosanna Cruz, Candice Perkins, and Crystal Alston of Groundwork, Inc.; David Nocenti, Ellen Simon, Linda Cato, Mildred Maneiro, and Irma Lambert of Union Settlement Association; and Paloma Hernandez, Rosa Agosto, Eileen Leach, José Gonzalez, and Clara Londono of Urban Health Plan.

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We 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, and New York Community Trust.

At MDRC, Donna Wharton-Fields assisted in the overall management of the demonstration while also serving as a liaison to Seedco and the NPOs and contributing valuable observations and insights about the operation of the program. Gordon Berlin, William Corrin, Richard Hendra, and John Hutchins provided valuable feedback on report drafts. Jared Smith and Gilda Azurdia led the processing of the vast amount of quantitative data used in the analysis, with expert assistance from Victoria Deitch, Zakia Barnes, Leila Kerimova, and Nathaniel Roth. Jo Anna Hunter helped manage the survey of parents, which was administered by Decision Information Resources, Inc. Leslyn Hall helped design the survey instrument. David

Greenberg conducted in-depth interviews and contributed to the qualitative analyses. Carolyn Fraker coded most of the qualitative data from the final wave of interviews and produced summary memos. Hortencia Rodriguez provided research support. Anastasia Korolkova coordinated the production of the report. Crystal Ganges-Reid helped with the production of the exhibits and, with Diane Singer, Jaya Varma, Jeremy Welsh-Loveman, and Mercy Emelike, assisted with fact-checking. Alice Tufel edited the report, and Stephanie Cowell prepared it for publication.

The Authors

Executive Summary

In 2010, the operational phase of New York City's first experiment testing a comprehensive conditional cash transfer (CCT) program, known as Opportunity NYC–Family Rewards, concluded — as scheduled — after a planned three-year run. Launched in 2007 as a privately funded initiative in six of New York City's highest-poverty communities, Family Rewards aimed to help families break the cycle of intergenerational poverty. This report presents interim results on the program's effects through its final year of operations and, on some measures, during the first year after the program concluded. A future report will present longer-term post-program results.

CCT programs transfer cash to poor families to reduce immediate hardship and poverty. They condition the cash transfers on families' efforts to improve their "human capital" (typically, children's educational achievement and family health) in the hope of also reducing intergenerational poverty. Such programs have grown rapidly across lower- and middle-income countries, and evaluations have found some important successes. Family Rewards is the first comprehensive CCT program to be attempted in a higher-income country.

Family Rewards tied cash rewards to a prespecified set of activities and outcomes in three domains: children's education, family preventive health care, and parents' employment. The program was available to about 2,400 families for three years. Inspired by Mexico's pioneering Oportunidades program, which offers poor families cash payments that are linked primarily to their children's school attendance and family members' preventive health care, Family Rewards' effects are being measured via a randomized control trial — meaning that eligible families were assigned at random to either a program group, which received the Family Rewards intervention, or a control group, which did not.

The Family Rewards demonstration is one of about 50 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. In addition to managing the overall demonstration, MDRC is conducting the evaluation. A consortium of private funders is supporting the project.[1]

[1]These 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, and New York Community Trust.

This report examines the implementation of the program and families' responses to it through the end of its three years of operations. As noted above, the report also presents interim findings on the program's effects, or "impacts," on a wide range of outcome measures. For some measures, the results cover three years of follow-up after sample members entered the study (that is, when they were randomly assigned). These first three years cover the "program phase" of the follow-up period. For other measures, the follow-up period is somewhat longer, extending into the beginning of the post-program period. The evaluation findings are based on analyses of a variety of administrative records data, a survey of parents that was administered about 42 months (or three and a half years) after they entered the study, and qualitative in-depth interviews with program staff and families.

Overall, this report shows that Family Rewards made payments to virtually all families. It transferred substantial amounts of cash — over $8,700 per family, on average, over the three-year period, with many families receiving considerably more. It succeeded in reducing current poverty and material hardship (its main short-term goal), but those effects weakened after the cash transfers ended. Family Rewards also produced positive effects on some human capital outcomes across all three program domains (children's education, family health care, and parents' work and training), especially for particular subgroups of participants. For example, it produced noteworthy effects on education outcomes for better-prepared high school students. At the same time, it left many other important outcomes unchanged.

Opportunity NYC–Family Rewards was the first comprehensive CCT trial in the United States. Its promising initial effects on poverty reduction and on a number of human capital outcomes offer a reason to continue experimenting with this approach. At the same time, features of the model that did not work as well point to a number of ways in which the Family Rewards approach could be strengthened. Building on the early evidence, MDRC and CEO revised the model considerably, and in 2011, MDRC began testing that new version of Family Rewards in Memphis, Tennessee, and the Bronx, New York.

The Original Program Model

All CCT programs condition immediate poverty relief on families' investments in human capital, especially in children. However, in adopting this core principle, the designers of Family Rewards understood that the model and its delivery structure would have to be adapted to suit a vastly different social, economic, and policy context than was present in Mexico and other middle- and lower-income countries. In New York City, the program attempted to address two-generation poverty in an urban setting, in contrast to the Mexican program's focus on rural poverty, and it was layered on top of an already well-developed network of safety net programs and policies.

Like all CCT programs, Family Rewards was based on the assumption that, for a variety of reasons, families may underinvest in their own human capital development. That lack of investment — while certainly not the only reason for their financial hardship — can make it difficult for parents and their children to escape poverty. The cash payments, in addition to being a short-term income supplement to reduce hardship immediately, were intended to function as enabling resources and as a stimulus to action. As enabling resources, the extra money families earned, once it began to accumulate, could help them to support and promote their children's educational progress, obtain preventive health care, and pursue employment opportunities. As a stimulus, the reward payments could encourage families to make extra investments of time and energy for those purposes.

Types of Rewards

New York City's program included an extensive set of rewards with the following conditions:

- **Education-focused conditions,** which included meeting goals for children's attendance in school, achievement levels on standardized tests, and other school progress markers, as well as parents' engagement with their children's education
- **Health-focused conditions,** which included maintaining health insurance coverage for parents and their children, as well as obtaining age-appropriate preventive medical and dental checkups for each family member
- **Workforce-focused conditions**, aimed at parents, which included sustaining full-time work and participation in approved education or job training activities

The program offered a set of 22 different incentives during its first two years (some of which were discontinued in Year 3), ranging in value from $20 to $600 each per year. (See Table ES.1 for a detailed list.) The program designers included this broad range to create opportunities to assess which incentives might be the most effective. In addition, they sought to give families many different ways in which to earn money and to avoid attaching overly large amounts of money to any given activity or outcome. After reviewing early evidence of impacts, several rewards were discontinued for the third year. This was done to simplify the program, lower its costs, and make it easier to replicate should it prove to be successful.

The Opportunity NYC Demonstration: Family Rewards

Table ES.1

Schedule of Rewards

Activity	Reward Amount
Education incentives	
Elementary and middle school students	
Attends 95% of scheduled school days *(discontinued after Year 2)*	$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 *(discontinued after Year 1)*	$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 *(discontinued after Year 2)*	$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 Regents exams	$600 per exam passed (up to 5 exams)
Takes PSAT test	$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 (*discontinued after Year 2)*	$50 once during program
Health incentives	
Maintaining public or private health insurance *(discontinued after Year 2)*	
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 *(discontinued after Year 2)*	$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)
Workforce incentives	
Sustained full-time employment	$150 per month
Education and training while employed at least 10 hours per week *(employment requirement discontinued after Year 2)*	Amount varies by length of course, up to a maximum of $3,000 over 3 years

The program allowed families to receive cash rewards totaling several thousand dollars per year over a three-year period. The actual amounts that families received depended on the number and particular type of rewards they earned. (Some rewards carried higher payments than others.) Larger families could earn higher payments because each child's actions could earn education and health rewards.

In general, payments were made directly to the parents. However, some education-related payments for high school students were paid directly to the students. Depending on the reward, the entire payment was made to the student (for example, for passing a Regents exam) or split with the parents (for example, for meeting the attendance standard). To maximize the potential incentive value of the rewards, the program imposed no restrictions on how families could spend the money.

The Family Rewards model differs in important ways from CCT approaches in other countries. In many countries, CCT programs function as the main government-sponsored safety net, or as an important component of it, and they most commonly tie the payments only to children's school enrollment and attendance and to routine health checkups. In contrast, Family Rewards included many more conditions and rewards. In the education domain, it was unusual in rewarding children's school *achievement*, including standardized test score results, not just school enrollment and attendance. Its work-related component for parents was also distinctive. And as a short-term intervention layered on top of an already well-developed social safety net, Family Rewards served as a supplemental program rather than as the core welfare system, in contrast to programs in Mexico and a number of other countries. It was also unusual in being operated by private, nonprofit agencies rather than by the government.

The Delivery Structure

Seedco, the main implementing agency, assembled a network of local organizations in the designated community districts to assist in implementing Family Rewards. Called "Neighborhood Partner Organizations" (NPOs), these agencies recruited and enrolled eligible families into the research sample and served as the face of the program in the communities.[2] They provided ongoing customer service to participants who requested assistance, such as in making claims for the rewards or for information about other services in the community. NPOs also conducted informational workshops on how to earn and claim rewards in each of the domains in which the incentives were offered. Seedco maintained a telephone helpline and a Web site to provide additional information and assistance to families.

[2]These organizations are Urban Health Plan and BronxWorks (formerly Citizens Advice Bureau) in the Bronx; Brownsville Multi-Service Center and Groundwork, Inc., in Brooklyn; and Catholic Charities and Union Settlement Association in Manhattan.

Once Seedco verified that families earned rewards (which it did using a combination of administrative data from city agencies and special "coupon book" forms submitted directly by participants), it initiated a process of transferring payments electronically into participants' newly opened or existing bank accounts or, if they preferred, onto stored value cards (which are prepaid cards, like gift cards). To provide families with a safe banking option, New York City officials worked with several banks and credit unions to develop special "Opportunity NYC accounts" that carried no fees and came with debit cards that were impossible to overdraw. The reward payments were made every two months, and families could access the money at any time through any automatic teller machine (ATM).

Envisioned as an "incentives-only" intervention, the program model did not provide social services or case management. However, it did include an information-and-referral component wherein the implementing agencies (Seedco and the NPOs) referred families (upon request) to other agencies in the community that provided relevant services.

The Study Sample

Family Rewards is being evaluated through a randomized control trial involving approximately 4,800 families, with 11,000 children, who applied to the program. The program could not serve all applicants, and the selection of participants was determined on a random basis. Through a lottery-like process, half of the applicant families were picked for Family Rewards and offered the incentives, and half were assigned to a control group that was not offered the incentives. Using such a process helps ensure that the program effects estimated by the evaluation are truly a result of the intervention.

Family Rewards targeted families who lived in selected community districts and who had incomes at or below 130 percent of the federal poverty level. Eligible families had to have at least one child in the fourth, seventh, or ninth grade. Those grades were selected because they are at or near the start of critical transition points in education. Once a family volunteered for the study, *all* children in the family who were school-age or younger were eligible for the program. The parents as well as the children had to be legal residents of the United States in order to be eligible.

Program operations began with the start of the new school year in September 2007. To ensure that the program reached a broad cross-section of children, not just the most motivated and active, potentially eligible families living in the targeted communities were identified from lists of students in the free school lunch program maintained by the New York City Department of Education. Seedco and the NPOs then attempted to recruit a representative group of those families through mailings, phone calls, and home visits, inviting them to apply to be in the study. Those who agreed were randomly assigned to the program or control group.

Implementation and Reward Receipt

A prior MDRC report examined the first two years of program operation in depth.[3] It showed that by the second year, although complex to administer, the program was being operated in a way that was generally consistent with its designers' vision.

Program operations remained strong in the third and final year, which ended in August 2010. During that year, staff also began to focus on an "exit strategy" to prepare families to cope with the ending of the reward payments. Given the relatively short period of the program and the fact that families would be exiting in the wake of the Great Recession, most participants were likely to see their income drop as the program came to an end. The staff tried to help participants prepare for this income cliff by encouraging them to increase their labor market earnings and adjust their consumption patterns.

In-depth interviews with a sample of participants suggest that families reacted to the end of the program with acceptance. They expressed gratitude for having had the experience, but some were doubtful that they could replace the lost income with earnings from employment. Some expected to draw more on savings that they had accumulated during the program, and some expressed an intention to go back to school or try to increase their wage earnings.

- **Overall, families earned a substantial amount of reward money from the program — an average of over $8,700 for all three years combined.**

Virtually all families earned at least some rewards during the three program years, and 89 percent earned at least one reward in Year 3 (when fewer rewards were offered). Reward amounts averaged over $3,100 during each of the first two years and $2,700 in the third year (when several rewards were discontinued). A majority of families — approximately 57 percent — earned at least $7,000 over the life of the program. The top 20 percent earned more than $13,000 in reward money.

To put these amounts in perspective, the federal poverty level for a family of three (for example, a single parent with two children) in 2009 (roughly midway through the program period) was $18,310. Thus, families of that size and income level who received $3,000 in reward payments in a year would increase their annual income by about 16 percent. Similarly sized families with income that is below half of the poverty level (or below $9,155 for the example cited above), which some experts would define as living in "severe poverty," would boost their income by 33 percent. Or, put differently, a reward amount of $3,000 would add

[3]James Riccio, Nadine Dechausay, David Greenberg, Cynthia Miller, Zawadi Rucks, and Nandita Verma, *Toward Reduced Poverty Across Generations: Early Findings from New York City's Conditional Cash Transfer Program* (New York: MDRC, 2010).

about 21 percent to the total wages ($14,560) of a single parent who was paid $8 per hour for working 35 hours per week for an entire year.

Compared with other families, those in the top 20 percent of earners were larger (giving them more opportunities to earn rewards) and tended to be less disadvantaged. For example, the parents were more educated, more likely to be employed, and more likely to be married, and the families were less likely to be receiving government transfer benefits. In addition, in-depth interviews suggest that parents who were top earners may have been better organized, more able to handle the verification procedures associated with the program, and more likely to track their families' performance against the conditions they needed to meet in order to earn rewards.

Most reward money came from the education domain, accounting for 45 percent of the $20.6 million spent on reward payments over the full course of the program. Health care rewards accounted for 34 percent of total payments, and workforce rewards (primarily for full-time work rather than education or training) accounted for 21 percent. Virtually 100 percent of families earned at least one education and one health reward, while about 53 percent earned a workforce reward.

- **Parents used the reward money to pay for basic household expenses, some "extras," and, in some cases, to save for college and pay for special lessons to help their children in school.**

Family Rewards imposed no restrictions on families' access to their reward money or how they could spend it, and throughout the program families used the extra money in a variety of ways. Common uses included paying for basic living expenses, paying off bills, paying for school-related supplies or activities, buying electronic goods, saving for the future, and covering special recreational outings for the family, sometimes as a reward for school accomplishments. For many families, celebration of accomplishments took the form of spending time together on leisure activities, like eating out, going on a trip, or seeing a movie that would otherwise have been prohibitively expensive.

High school students received substantial amounts of money in their own bank accounts for meeting education-related conditions. A companion study of high school students and their parents found that parents exercised varying degrees of control over how much access students had to their rewards.[4] The vast majority of parents who were interviewed for the 42-month survey (72 percent) said that their high school–age child had to ask them for permission to spend the money. Only 17 percent gave their children freedom to spend the money as they wished, and 9 percent did not allow their high school–age children to spend it

[4]Pamela Morris, J. Lawrence Aber, Sharon Wolf, and Juliette Berg, *Using Incentives to Change How Teenagers Spend Their Time: The Effects of New York City's Conditional Cash Transfer Program* (New York: MDRC, 2012).

at all. Despite the sizable money transfers into students' own accounts, the program did not increase parent-teenager conflict, a problem that some observers feared. In addition, the program may have reduced certain troublesome behaviors among the teenagers, such as aggression and substance abuse.

Interim Impacts

Findings on the program's effects, or "impacts," are available on a wide variety of outcome measures covering three to four years after each family's time of entry into the study, depending on the data source. Thus, the results reported here provide a full picture of the program's effects while families were still participating in it and soon after the program ended. (Longer-term post-program impact findings will be presented in a future report.) All impacts that are discussed in this summary are statistically significant unless otherwise noted, thus indicating a high degree of confidence that the observed differences between program and control groups are most likely a result of the program rather than of chance.[5]

- **Family Rewards reduced families' current poverty and economic hardships, including difficulties securing enough food and some housing-related hardships.**

As it is for all CCT programs, reducing current poverty and hardship was a key short-term objective of Family Rewards. In this area, Family Rewards succeeded. It substantially improved families' economic position while they were in the program. For example, counting the value of the reward payments, it boosted self-reported average monthly household income for the program group by $353 in Year 3, an improvement of about 22 percent relative to the control group's average monthly income of $1,620. (See Table ES.2.) This extra income reduced the proportion of families living at or below the federal poverty level by 12 percentage points below the control group rate of 68 percent.[6] The program also cut the proportion of families

[5]Nonetheless, impact estimates are calculated for a large number of outcome variables, raising the risk of finding statistically significant effects just by chance. No formal statistical controls were used to guard against this risk, and caution should be used in attributing meaning to isolated impacts that are not part of a broader pattern of effects.

[6]In this study, income and poverty estimates include self-reported monthly cash income plus the cash value of benefits from the Food Stamp Program, now called the Supplemental Nutrition Assistance Program (SNAP), but it excludes tax credits. Poverty estimates are based on comparisons with the official federal poverty levels for families of various sizes. The reward payments did not affect other public benefits that families may have been receiving, such as SNAP, welfare payments under the Temporary Assistance for Needy Families (TANF) program, Medicaid, housing subsidies, and the Earned Income Tax Credit.

The Opportunity NYC Demonstration: Family Rewards

Table ES.2

Impacts on Selected Outcomes Measuring Poverty, Material Hardship, Banking, Health Care, and Employment Through the Final Program Year or Early Post-Program Period

Outcome	Program Group	Control Group	Difference (Impact)		Change (%)
Income and poverty					
Household income during Year 3 (including Family Rewards payments)					
Average monthly income[a,b,c] ($)	1,973	1,620	353	***	21.8
Annual income at or below federal poverty level [a,b] (%)	56.0	68.2	-12.2	***	-17.8
Annual income less than 50% of federal poverty level [a,b] (%)	16.3	27.4	-11.1	***	-40.7
Household income during early post-program period (excluding Family Rewards payments)					
Average monthly income[a,d]($)	1,700	1,620	79	*	4.9
Annual income at or below federal poverty level [a,d] (%)	66.2	68.2	-2.0		--
Annual income less than 50% of federal poverty level [a,d] (%)	25.9	27.4	-1.5		--
Material hardship (%)					
Family "sometimes" or "often" did not have enough food to eat in past month	15.3	20.7	-5.4	***	-26.2
Family usually did not have enough money to make ends meet at end of month	35.4	41.0	-5.6	***	-13.7
Family did not pay full rent or mortgage in past year[e]	40.0	44.1	-4.2	*	-9.4
Parent agrees "strongly" or "somewhat" that current financial situation is "better than last year"	51.4	46.6	4.8	**	10.3
Banking and savings (%)					
Parent currently has any bank account	64.0	46.6	17.5	***	37.5
Parent cashes check at check casher at least once a month	29.2	31.5	-2.3		--
Family has any savings	24.6	16.8	7.8	***	46.8
Family's average savings exceed $500	12.5	9.2	3.2	**	35.1
Parent borrows cash from family or friends	47.3	52.5	-5.2	**	-9.8

(continued)

Table ES.2 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	Change (%)
Parents' use of health services and health status				
Had a period with no health insurance coverage in past 12 months	15.3	17.6	-2.3 *	-13.3
Uses hospital emergency room as usual source of care when sick	3.0	4.0	-1.0	--
Has seen health professional for any reason in past 12 months	94.4	94.5	-0.1	--
Had a health checkup in past 12 months	90.0	88.9	1.1	--
Treated for any medical condition	50.1	47.8	2.3	--
Self-rated health is "excellent" or "very good"	53.2	48.7	4.5	--
Has seen dentist for any reason in past 12 months	85.4	75.3	10.1 ***	13.4
Had 2 or more dental checkups in past 12 months	45.2	33.5	11.8 ***	35.2
High school students' use of health services (%)				
Uses hospital emergency room as usual source of care when sick	2.5	3.2	-0.8	--
Has seen dentist for any reason in past 12 months	93.8	89.1	4.7 **	5.2
Had 2 or more dental checkups in past 12 months	62.9	44.1	18.8 ***	42.6
Parents' employment outcomes				
Employment status, survey (%)				
Currently employed at the time of the survey	56.0	49.6	6.4 ***	12.9
Working full time (at least 30 hours per week)[f]	44.4	39.5	4.9 ***	12.4
Employment status, UI records				
Ever employed, Year 3 (%)	52.5	53.3	-0.9	--
Average quarterly employment, Year 3 (%)	46.1	46.7	-0.6	--
Average earnings, Year 3 ($)	12,414	12,529	-116	--

SOURCE: MDRC calculations using data from the Family Rewards 42-month survey and New York State unemployment insurance (UI) wage records.

NOTES: Sample sizes may vary because of missing values.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. The p-value indicates the likelihood that the difference between the program and control groups arose by chance. 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 sample members.

(continued)

Table ES.2 (continued)

Rounding may cause slight discrepancies in calculating sums and differences.

Percentage change shown only for statistically significant impacts.

Unless otherwise specified, the survey measures refer to the early post-program period.

Dollar averages include zero values for sample members who were not employed.

UI records include only employment and earnings in jobs covered by the New York State UI program. They do not include employment outside of New York State, nor in jobs not covered by the UI system (for example, "off-the-books" jobs and federal government jobs).

[a]Monthly household income amounts equal to or greater than $10,000 were excluded from this calculation. About 7.2 percent of the sample is excluded from the income measures because respondents did not know or refused to provide the information. An additional 0.6 percent of the sample was excluded because the income provided was over $10,000.

[b]Annual 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 program Year 3. The federal poverty level was calculated 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 2010 or 2011 Poverty Guidelines, depending on when a respondent was interviewed.

[c]The Year 1 income measures reported on the 18-month survey are within 3 percent of the 42-month income measures reported here.

[d]Annual household income is calculated by multiplying by 12 the respondent's income in the month prior to the survey interview. This calculation does not include Family Rewards payments earned during program Year 3. The federal poverty level was calculated 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 2010 or 2011 Poverty Guidelines, depending on when a respondent was interviewed.

[e]Only about 4 percent of the survey sample (N = 130) owned an apartment or a house at the time of the survey.

[f]If a respondent worked multiple jobs at the time of the interview, then only the characteristics of the primary job are reported. (The job at which the respondent worked the most hours is considered primary.)

who were living in severe poverty (that is, families with starting incomes less than 50 percent of the federal poverty level, who make up about half of the study sample).

Most of these poverty reductions are attributable to the cash transfers that families received, rather than to increased earnings from jobs. Once the program ended and the transfers were no longer available, families' incomes dropped and were not substantially different from those of the control group.

The extra income they received during the program period helped families reduce a variety of material hardships, and those effects persisted into the early post-program period. For example, the proportion of families who experienced "food insufficiency" (as indicated by parents responding on the 42-month survey that their families "sometimes" or "often times" did not have enough to eat) dropped from over 20 percent in the control group to about 15 percent

in the program group, a reduction of over 5 percentage points.[7] Program group families were less likely than the control group to report not having enough money to pay their rent some time in the past year. They were more likely to report having enough money to "make ends meet" and that their financial situation had improved over the prior year.

The reductions in hardships were largely concentrated among families who were living in severe poverty at the time they entered the program. Among that group, the program caused a 9 percentage point reduction in the likelihood of reporting food insufficiency after the program ended, and about an 11 percentage point reduction in the likelihood of not paying their full rent in the past year (not shown in table).

- **Family Rewards helped parents increase their savings and reduce their reliance on families and friends for cash loans.**

The parents in Family Rewards were about 18 percentage points more likely than the control group (64 percent versus 47 percent) to report having a bank account after the program had ended. They were 8 percentage points more likely than the control group (25 percent versus 17 percent) to have any savings. They were also more likely to have savings of more than $500, and less likely to borrow cash from family or friends.

Education

- **Family Rewards did not improve school outcomes for elementary or middle school students.**

The analysis examined the effects of Family Rewards on school attendance rates, grade progression, and various achievement measures during the three years of the program and one year afterward — or four years in total after students began the program.

For elementary and middle school students, the analysis found few positive effects on attendance rates, scores on standardized tests, or other school outcomes during the program period or by the end of Year 4. In addition, subgroup analyses did not reveal any consistent patterns of positive effects for particular types of students in those grades. Perhaps the model's limited approach for these children — of rewarding only attendance (which was already high, leaving little room for improvement) and standardized test scores (rather than more immediate performance indicators, such as good report card grades) — might explain in part why Family Rewards did not have an educational payoff for this group.

[7] Slight discrepancies in percentages are a result of rounding.

- **Family Rewards had few effects on school outcomes for high school students overall. However, it substantially increased graduation rates and other outcomes for students who were already stronger readers.**

Students who were behind educationally when they entered Family Rewards did not experience educational gains from the program. In contrast, those who entered better prepared for high school — who may have been in a better position to take advantage of the incentives offer — do appear to have benefited. Although subgroup findings tend to carry less statistical certainty than full-sample results, a number of other studies of education-focused incentives programs have similarly found more positive effects for more capable students.[8]

Family Rewards had particularly strong effects on students in the ninth-grade cohort who had scored at or above the basic proficiency level on their eighth-grade standardized English language arts (ELA) test (which primarily tests reading skills) before random assignment. For this subgroup, which made up almost one-third of the overall sample of ninth-graders, Family Rewards appears to have improved a range of school outcomes. (See Table ES.3.) These include an 8 percentage point increase in the likelihood of graduating from high school within four years (a gain of 12 percent above the 67 percent graduation rate among control group students who were ELA-proficient at the beginning of the study). The program also produced a 10 percentage point increase in the proportion of ELA-proficient students who were enrolled in grade 12 in Year 4, indicating that they were progressing through high school at the expected rate. In addition, Family Rewards increased their likelihood of earning at least 44 credits (the amount needed to graduate) by 9.6 percentage points, and the likelihood of passing at least five New York State Regents exams by 9.5 percentage points.[9] These effects are particularly noteworthy because they occurred without any changes in the schools themselves or in teachers' instructional practices.

For the ninth-graders who were proficient on their eighth-grade math test, Family Rewards produced positive effects on various educational outcomes during the program phase only. For example, as Table ES.3 shows, it improved their attendance rates and credit accumulation while they were in the program. However, these positive effects did not persist into Year 4, when the incentives were no longer available. In addition, the math-proficient subgroup did not experience an increase in on-time graduation.

[8]See, for example, Joshua Angrist and Victor Lavy, "The Effects of High Stakes High School Achievement Awards: Evidence from a Randomized Trial," *American Economic Review* 99, 4 (2009): 1384-1414.

[9]Students must pass at least five tests in specified subject areas in order to graduate with a diploma recognized by the New York State Board of Regents, which sets standards and regulations for all public schools in the state.

The Opportunity NYC Demonstration: Family Rewards

Table ES.3

Impacts on Selected Education Outcomes for Students in Grade 9

Grade Level and Outcome	Program Group	Control Group	Difference (Impact)	Change (%)
Students in grade 9 at baseline				
Graduated within 4 years (%)	49.2	48.2	1.1	--
Enrolled in any grade in Year 4 (%)	80.1	79.2	0.9	--
Enrolled in grade 12, Year 4 (%)	53.1	51.2	1.9	--
Average attendance rate, Year 3 (%)	69.4	67.7	1.7	--
Average attendance rate, Year 4 (%)	60.7	59.7	1.1	--
Attendance rate 95% or higher, Year 3 (%)	25.1	21.9	3.1 *	14.3
Attendance rate 95% or higher, Year 4 (%)	17.4	15.3	2.1	--
Average number of credits earned, Years 1 to 4	32.7	31.9	0.8	--
Earned at least 33 credits, Years 1 to 3 (%)	41.9	40.9	0.9	--
Earned at least 44 credits, Years 1 to 4 (%)	41.5	40.5	0.9	--
Passed at least 5 Regents exams, Years 1 to 4 (%)	36.7	35.7	1.1	--
Students in grade 9 at baseline, by proficiency level on 8th grade English language arts (ELA) test[a]				
Graduated within 4 years (%)			††	
Proficient on 8th grade ELA test	74.8	66.9	8.0 **	11.9
Not proficient on 8th grade ELA test	43.2	45.9	-2.8	--
Enrolled in any grade in Year 4 (%)				
Proficient on 8th grade ELA test	90.9	89.0	1.9	--
Not proficient on 8th grade ELA test	82.7	81.3	1.4	--
Enrolled in grade 12, Year 4 (%)			††	
Proficient on 8th grade ELA test	78.4	68.2	10.1 ***	14.8
Not proficient on 8th grade ELA test	48.3	50.3	-2.0	--
Average attendance rate, Year 3 (%)			††	
Proficient on 8th grade ELA test	83.9	77.1	6.8 ***	8.8
Not proficient on 8th grade ELA test	68.1	67.7	0.4	--
Average attendance rate, Year 4 (%)				
Proficient on 8th grade ELA test	76.7	71.6	5.1 *	7.1
Not proficient on 8th grade ELA test	59.8	60.4	-0.6	--
Average number of credits earned, Years 1 to 4			†††	
Proficient on 8th grade ELA test	44.3	40.0	4.3 ***	10.8
Not proficient on 8th grade ELA test	30.9	31.8	-0.8	--
Earned at least 33 credits, Years 1 to 3 (%)			†††	
Proficient on 8th grade ELA test	68.4	55.4	13.0 ***	23.4
Not proficient on 8th grade ELA test	36.3	40.1	-3.8	--

(continued)

Table ES.3 (continued)

Outcome (%)	Program Group	Control Group	Difference (Impact)	Change (%)
Earned at least 44 credits, Years 1 to 4 (%)			††	
Proficient on 8th grade ELA test	66.1	56.6	9.6 **	16.9
Not proficient on 8th grade ELA test	36.9	39.8	-2.8	--
Passed at least 5 Regents exams, Years 1 to 4 (%)			†††	
Proficient on 8th grade ELA test	72.5	63.1	9.5 **	15.1
Not proficient on 8th grade ELA test	25.8	28.9	-3.1	--
Students in grade 9 at baseline, by proficiency level on 8th grade math test[a]				
Graduated within 4 years (%)				
Proficient on 8th grade math test	74.8	71.3	3.5	--
Not proficient on 8th grade math test	41.7	42.2	-0.5	--
Enrolled in any grade in Year 4 (%)				
Proficient on 8th grade math test	91.1	89.3	1.8	--
Not proficient on 8th grade math test	81.9	80.5	1.4	--
Enrolled in grade 12, Year 4 (%)				
Proficient on 8th grade math test	77.6	71.8	5.8	--
Not proficient on 8th grade math test	47.5	47.0	0.5	--
Average attendance rate, Year 3 (%)				
Proficient on 8th grade math test	82.8	78.2	4.6 **	5.9
Not proficient on 8th grade math test	67.8	66.7	1.1	--
Average attendance rate, Year 4 (%)				
Proficient on 8th grade math test	75.6	72.6	3.0	--
Not proficient on 8th grade math test	59.2	58.9	0.3	--
Average number of credits earned, Years 1 to 4				
Proficient on 8th grade math test	43.5	41.3	2.3 *	5.5
Not proficient on 8th grade math test	30.8	30.6	0.2	--
Earned at least 33 credits, Years 1 to 3 (%)			†	
Proficient on 8th grade math test	67.4	59.8	7.6 *	12.7
Not proficient on 8th grade math test	35.6	37.0	-1.4	--
Earned at least 44 credits, Years 1 to 4 (%)				
Proficient on 8th grade math test	64.4	60.4	4.1	--
Not proficient on 8th grade math test	36.9	36.8	0.1	--
Passed at least 5 Regents exams, Years 1 to 4 (%)				
Proficient on 8th grade math test	69.5	68.8	0.7	--
Not proficient on 8th grade math test	25.6	24.0	1.6	--

(continued)

Table ES.3 (continued)

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

NOTES: Sample sizes may vary because of missing values.

A two-tailed t-test was applied to the differences between outcomes for the program and control groups. The p-value indicates the likelihood that the difference between the program and control groups arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Differences across subgroup impacts were tested for statistical significance. 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 sample members. Standard errors were adjusted to account for multiple observations per family.

Rounding may cause slight discrepancies in calculating sums and differences.

Percentage change is shown only for statistically significant impacts.

Years 1, 2, 3, and 4 cover the 2007-2008, 2008-2009, 2009-2010, and 2010-2011 school years, respectively.

The Regents measures in this table include the following Regents exams: English, Math A, Math B, Geometry, Integrated Algebra, Algebra 2/Trigonometry, U.S. History and Government, Global History and Geography, Living Environment, Chemistry, Physics, and Earth Science.

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

When they entered the study, ninth-graders who were proficient in reading were not necessarily proficient in math, and vice-versa.[10] Why Family Rewards would have stronger and more sustained effects for reading-proficient students is not immediately clear. This question remains an important topic for further investigation.

Family Rewards did not help students who were less prepared for high school. More specifically, the analysis found no pattern of statistically significant impacts on educational outcomes for students in the ninth-grade cohort who had scored below the proficiency threshold on either the eighth-grade ELA or math exams before random assignment.[11]

Some critics of incentives worry that extrinsic rewards can reduce children's intrinsic motivation to learn, especially after the incentives end, and thus harm their educational outcomes. So far, there is no indication that Family Rewards has caused any consistent pattern of statistically significant negative effects on school outcomes, even after the program ended. The evaluation will continue to assess that risk once longer-term data are available.

[10]On the students' eighth-grade standardized tests, the correlation between ELA proficiency and math proficiency was about 0.44.

[11]As Table ES.3 shows, on most outcome measures, the impacts for ELA-proficient students were statistically significantly different from the impacts for non−ELA-proficient students.

Health

- **Family Rewards did not increase families' use of preventive medical care, which was already high, and it had few effects on health outcomes.**

The health-related incentives of the Family Rewards program were designed to encourage low-income families to adopt better preventive health care practices. It turned out that a higher proportion of families than the program's designers had expected were already receiving health insurance coverage and practicing preventive health care. This finding may reflect the success of efforts by New York State and New York City to expand access to health coverage in the years leading up to and during the study period.[12]

Perhaps for that reason, Family Rewards had few noteworthy health-related impacts, according to the 42-month survey. (See Table ES.2.) It did reduce the likelihood that parents or their children would experience an interruption in health insurance coverage in the prior year by over 2 percentage points (even after the health insurance rewards were discontinued in the third program year). But it did not improve the likelihood that parents or children would get health checkups or see health professionals for other reasons, primarily because most families already received those services. A small reduction in families' use of emergency rooms for routine medical care that was evident from the evaluation's 18-month survey faded, with very few families in either the program or control groups reporting on the 42-month survey that they had used emergency rooms for that purpose.

Although Family Rewards did not lead to improvements on a range of parents' health outcomes, or on health outcomes that parents reported for their children, one noteworthy suggestive subgroup finding emerged. Parents who indicated at the time of random assignment that they were in "fair" or "poor" health (about 20 percent of the sample; not shown in Table ES.2) were 6.2 percentage points more likely than the control group (or almost twice as likely) to report that they were in "very good" or "excellent" health at the time of the 42-month survey. They also reported lower rates of asthma.[13] Although the latter finding is not easily explained by other patterns in the data, it may be a topic worthy of further exploration in future studies.

- **Family Rewards produced large increases in families' use of dental care services.**

Family Rewards led to increased dental care for parents and children alike. (See Table ES.2.) For example, parents in the program group were 10 percentage points more likely than

[12]The study sample did not include low-income single adults or undocumented immigrants, who are much less likely to have health insurance.

[13]The difference in impacts on asthma across the health subgroup categories is statistically significant. The difference in impacts on current self-reported health is in the same direction but is not statistically significant, making the finding less certain.

control group parents to report having seen a dentist for any reason in the prior year, and about 12 percentage points more likely to have had two or more dental checkups in the past year. Strong positive effects were also observed among high school students (for example, a 19 percentage point increase in two dental checkups in the past year) and among younger children (not shown).

Employment

- **Family Rewards increased the likelihood of self-reported full-time employment. It did not increase employment in or earnings from jobs covered by the unemployment insurance (UI) system.**

According to the 42-month survey of parents, the program increased the likelihood of working at the time of the interview by 6 percentage points above the control group rate of 50 percent. This difference was driven by an increase in full-time work (which the program rewarded). (See Table ES.2.) However, the program had no statistically significant impact on the average quarterly employment rate in UI-covered jobs over a three-year follow-up period, according to administrative records data.[14] The very small negative effect in Year 3 on average earnings in UI-covered jobs was not statistically significant.

Some jobs are not covered by the UI system, such as self-employment, federal government employment, and domestic work. In addition, the UI system also misses informal (casual or irregular) jobs that are never reported to state agencies. It is not clear why the effects of the program would vary across types of employment. Perhaps for some parents, non-UI jobs were easier to get in a weak economy, particularly those that offered the full-time hours necessary to qualify for the program's workforce rewards. Such jobs may also have been more attractive options if they were more conveniently located, easier to obtain, or offered more flexible schedules than UI-covered jobs.

It is also not clear why the program did not lead to larger increases in all types of employment (including UI-covered jobs), a finding that stands in contrast to previous work incentives programs. It may be that the added income that families received from the education and health rewards offset the program's work incentives for some participants, especially those who would have the most difficult time finding jobs in a tough economy. Indeed, subgroup analyses found that the program had a statistically significant negative effect on labor market outcomes for parents who entered the program with lower education levels and other disadvantages; in other words, they worked and earned less than they would have in the absence

[14]Employers report the wages of workers to the UI system on a quarterly basis.

of the program, according to UI records. For example, those without a high school diploma or General Educational Development (GED) certificate had an average quarterly employment rate in Year 3 that was 3 percentage points lower than that of their counterparts in the control group, and they earned an average of $1,790 less (a reduction of almost 8 percent).[15]

Conclusion

The evidence that is available so far on Family Rewards shows that a CCT approach in one large city in a higher-income country can reduce immediate poverty and material hardship and promote at least some improvements in some forms of human capital investment, especially for certain subgroups. At the same time, the specific model tested in New York City left many important outcomes unchanged.

The evaluation of Family Rewards is continuing and the final story remains to be written. Further evidence will be available in the next evaluation report, to be completed in 2014, which will present findings on the program's effects over five to six years after random assignment. In the meantime, it seems reasonable to draw at least two general conclusions: (1) the Family Rewards model has not demonstrated its value enough to scale it up as a broader antipoverty policy in its *original* form, but (2) because of its success in reducing short-term poverty and material hardship while achieving at least some improvements in human capital development, continuing to experiment with a CCT approach in the United States has merit.

With these conclusions in mind, CEO and MDRC joined forces again to design and test a "next generation" version of Family Rewards. The new model, referred to as "Family Rewards 2.0," builds on the lessons of the original New York City demonstration and incorporates several important modifications. It was launched in the Bronx, New York, and Memphis, Tennessee, in the summer of 2011 for low-income families with high school students in grades 9 or 10, all of whom were TANF or SNAP recipients. It includes a streamlined set of financial rewards, more frequent payments, and a new family guidance component to try to help more parents and students meet the conditions that enable them to earn rewards.[16] It is hoped that these refinements to the model will make it a more effective intervention. The project is an initiative of the federal Social Innovation Fund, sponsored by the Corporation for National and Community Service. Like the original model, Family Rewards 2.0 is being carefully tested using a randomized control trial. An initial report on the sites' operational experiences and information on some early impact findings are planned for release in late 2014.

[15]The difference in impacts on average quarterly employment rates for parents with a high school diploma or GED certificate compared with parents who did not have one of those credentials is statistically significant. The difference in earnings impacts across those two education subgroups is in the same direction but is not statistically significant.

[16]See Chapter 7 of this report for more information about the new Family Rewards model.

EARLIER MDRC PUBLICATIONS ON THE OPPORTUNITY NYC–FAMILY REWARDS DEMONSTRATION

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About MDRC

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

Founded in 1974 and located in New York City and Oakland, California, MDRC is best known for mounting rigorous, large-scale, real-world tests of new and existing policies and programs. Its projects are a mix of demonstrations (field tests of promising new program approaches) and evaluations of ongoing government and community initiatives. MDRC's staff bring an unusual combination of research and organizational experience to their work, providing expertise on the latest in qualitative and quantitative methods and on program design, development, implementation, and management.

MDRC seeks to learn not just whether a program is effective but also how and why the program's effects occur. In addition, it tries to place each project's findings in the broader context of related research — in order to build knowledge about what works across the social and education policy fields. MDRC's findings, lessons, and best practices are proactively shared with a broad audience in the policy and practitioner community as well as with the general public and the media.

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

- Promoting Family Well-Being and Children's Development
- Improving Public Education
- Raising Academic Achievement and Persistence in College
- Supporting Low-Wage Workers and Communities
- Overcoming Barriers to Employment

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