



**Testing Conditional Cash  
Transfer (CCT) Programs in  
New York City**

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# **Family Rewards Demonstration**

NYC Center for Economic Opportunity  
MDRC  
Seedco

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*ACF/OPRE Welfare Research and Evaluation Conference  
May 28, 2008*

# Opportunity NYC: 3 Pilots



## **Families** *(Full CCT)*

Cash transfers tied to efforts to improve:

- (1) children's educational achievement
- (2) family members' preventive health care
- (3) parents' workforce outcomes

## **Adults**

Cash transfers tied to adults' workforce outcomes, for population with housing subsidies

## **Children**

Cash rewards for students performing well on achievement tests throughout the school year

# Family Rewards CCT

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- **Goals**
  - Reduce immediate hardship
  - Reduce longer-term and 2<sup>nd</sup> generation poverty via human capital development
- **Inspired by successful international experience**
  - Mexico (Progres/Oportunidades) and other countries
  - Children’s health ↑, school enrollment ↑, drop-out ↓
- **Builds on concept of “mutual obligation”**
  - (e.g., TANF, EITC)
- **Layered on existing safety net in NYC**

# International Experience



## International CCT Programs (existing, planned, completed)



# Family Rewards Partners



**Leadership**  
City of New York's  
Center for Economic Opportunity

**Support**  
Foundations  
& Partners

**Design**  
CEO, MDRC  
& Seedco

**Evaluation**  
MDRC

**Implementation**  
Seedco &  
6 CBOs

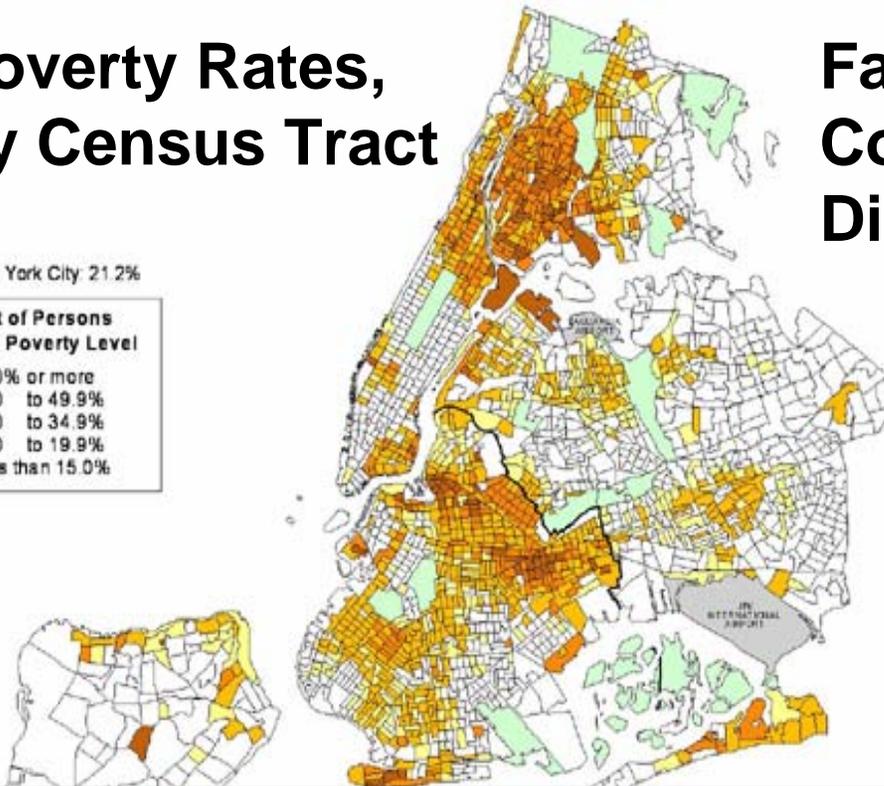
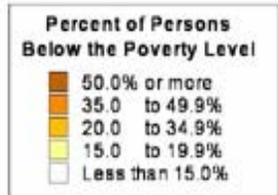
*A privately-funded pilot*

# Geographic Targeting: 6 High-Poverty Communities

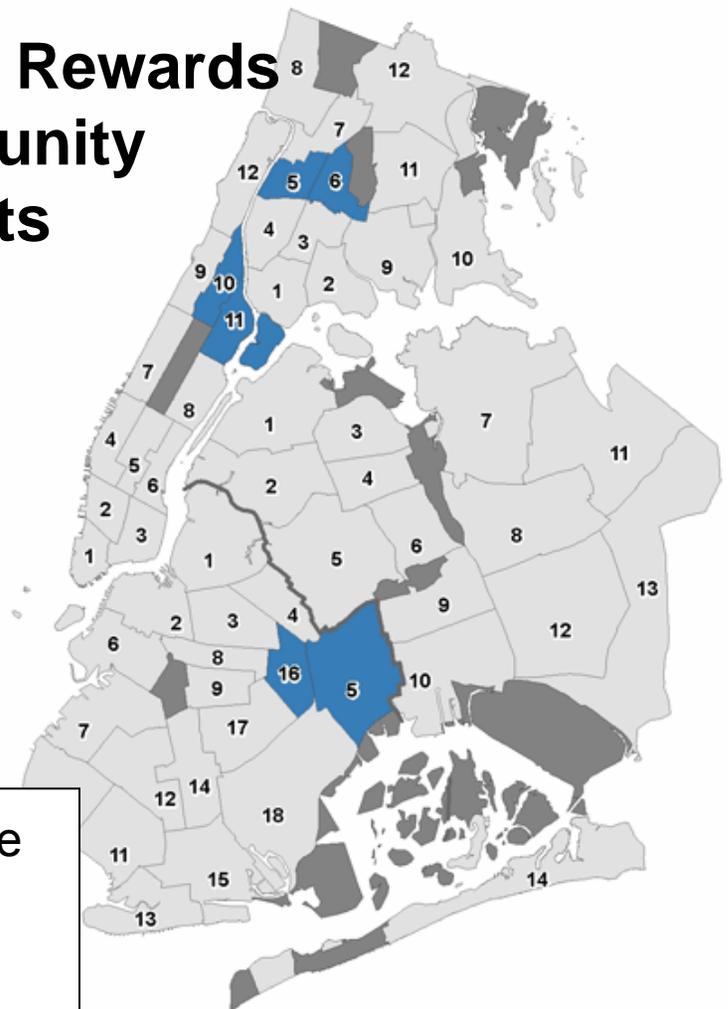


## Poverty Rates, by Census Tract

Percent, New York City 21.2%



## Family Rewards Community Districts



**2 CDs in Brooklyn:** East New York & Brownsville

**2 CDs in Bronx:** Mount Hope, Univ, Heights, Fordham, East Tremont, West Farms

**2 CDs Manhattan:** Central & East Harlem

# Selecting Families

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- **Family and income criteria**
  - Incomes  $\leq$  130% of federal poverty line
  - Child in Grade 4 or Grade 7 or Grade 9  
*(but whole family eligible)*
  
- **Recruitment and enrollment**
  - Families recruited from school lists
  - Free school lunch program = income test
  - Volunteer, then random assignment
  
- **Size of program group**
  - 2,400 families
  - 5,750 children *(Similar numbers in control group)*

# Setting Payments

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- **Payment per year: Approx. \$4,000-\$6,000**
  - Will depend on family size & conditions met
  - Approx. 1/4 to 1/3 of family income for many  
*(Mexico program ~ 1/4)*
- **Mix of activities and accomplishments**
  - Reward amount varies with difficulty of meeting the conditionality
  - For test performance, sought to balance motivational appeal with sensitivity about pressure on kids
- **Available for 2-3 years**

# *Education Incentives:* Elementary & Middle School

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- **All payments go to parents**
- **Rewards for achievement**
  - Improved or sustained high performance on annual standardized tests
    - ▶ English: \$300 / \$350
    - ▶ Math: \$300 / \$350
- **Rewards for effort**
  - High attendance (95%) ▶ \$25 / month
  - Parent-teacher conferences ▶ \$25, 2x / yr
  - Review of interim test results ▶ \$25 / test, 4x / yr
  - Discuss annual test results with school ▶ \$50 / yr
  - Library card ▶ \$50, 1x / program

# *Education Incentives:* High School

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- **Payments split between parents & kids**
- **Rewards for achievement**
  - Passing Regents Tests ▶ \$600 / test
  - Credit accumulation (11 per year) ▶ \$600 / year
  - Graduation ▶ \$400
- **Rewards for effort**
  - High attendance (95%) ▶ \$50 / month
  - Parent-teacher conferences ▶ \$25, 2x / yr
  - Library card ▶ \$50, 1x / program
  - Taking PSAT ▶ \$50 / test (2 max.)

## *Health Incentives:*

# Preventive Health Practices

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- **Maintaining health insurance**

- For each parent ▶ \$20 / month
- For all children ▶ \$20 / month

- **Preventive health care visits**

- Annual non-emergency check-ups ▶ \$200 / visit, 1x / yr
- Follow-up upon recommendation ▶ \$100 / visit, 1x / yr
- Early developmental screening & follow-up, where appropriate ▶ \$150 / \$50

- **Preventive dental care**

- Ages 1-5 ▶ \$100 / visit 1x / yr
- Ages 6+ ▶ \$100 / visit 2x / yr

## ***Workforce incentives:***

# **Employment Retention and Advancement**

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- **Sustain full-time work** ▶ \$150 / month
  - Working at least 30 hours / week
  - For 6 out of every 8 weeks (75% of time)
  
- **Complete approved training or ed. courses while holding a job** ▶ \$ varies with duration (\$3,000 program max)
  - Occupational skills training
  - Community college
  - GED, ESL

*Must be working at least 10 hours per week*

# Program Delivery

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- **Overall implementation by Seedco**  
*(A non-profit service intermediary)*
- **6 Neighborhood Partner Organizations (NPOs) are local point of contact**
  - Recruited target population
  - Enrolled eligible families
  - Provide ongoing face-to-face support *(when requested by participants)*
  - Provide informational workshops

# Payment & Verification

## 2-month cycle:

### Verification by Seedco

- Administrative data
- Coupons and documentation submitted by families



↓  
**\$\$\$**

Families engage in activities

### Deposited to:

- Own bank account\*
- Opportunity NYC Safe Acct.\*
- Stored-value card

*\* \$50 extra incentive for using bank account*

# Customer Support & Information

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- **Payment issues (Seedco)**
  - Via phone (hotline)
  - Via internet (Web site—FAQs)
- **Service referrals and encouragement**
  - Resource guide
  - Income statements and periodic mailings
  - Web site guide
  - Individual sessions with NPO staff
- **Workshops (at NPOs)**

# Workshop Examples

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- Workshop for high school students
- Financial education
- Work and training
- Helping your children do better in school
- Health event

# Early Payment Data: How many participants got rewards?

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	Sept-Oct	Nov-Dec	Jan-Feb
N of adults paid	1,595	1,756	1880
N of HS students paid	266	447	487
Of all families, % paid	67%	75%	78%

# Early Payment Data: Amounts and Verification Method

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	Sept-Oct	Nov-Dec	Jan-Feb
Total amount paid	\$816,376	\$676,250	\$881,320
% of total payments verified by coupon	76%	75%	78%
% of total payments auto-verified	24%	25%	22%
Bank account incentives	\$148,250		

# Comprehensive Evaluation

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- **Implementation study**
  - Family responses, operating lessons
- **Impact study**
  - Poverty, education, health, work, welfare, quality-of-life effects, etc.
- **Cost-benefit study**
  - Family and government perspectives
- **Follow-up Period: 5 years**
  - During program (2-3 years)
  - Post-program (2 years +)

# Looking Ahead

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- **Research Evidence → Scaled-up Policy?**
  - If evaluation evidence is positive, CEO will advocate for adoption as policy
  - Would need federal buy-in, not just NYC support
  - Will share results as they become available:
    - Some preliminary impact findings later in 2008
    - First full, comprehensive report due in fall 2009