



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

Family Rewards Demonstration

The Future of Low-Wage Work in Metropolitan America

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Family Rewards CCT



- **Goals**

- Immediate poverty reduction
- Reduce longer-term and 2nd generation poverty via human capital development

- **Inspired by successful international experience**

- Mexico (Progresa/Oportunidades) and other countries
- Children’s health ↑, school enrollment ↑, drop-out ↓

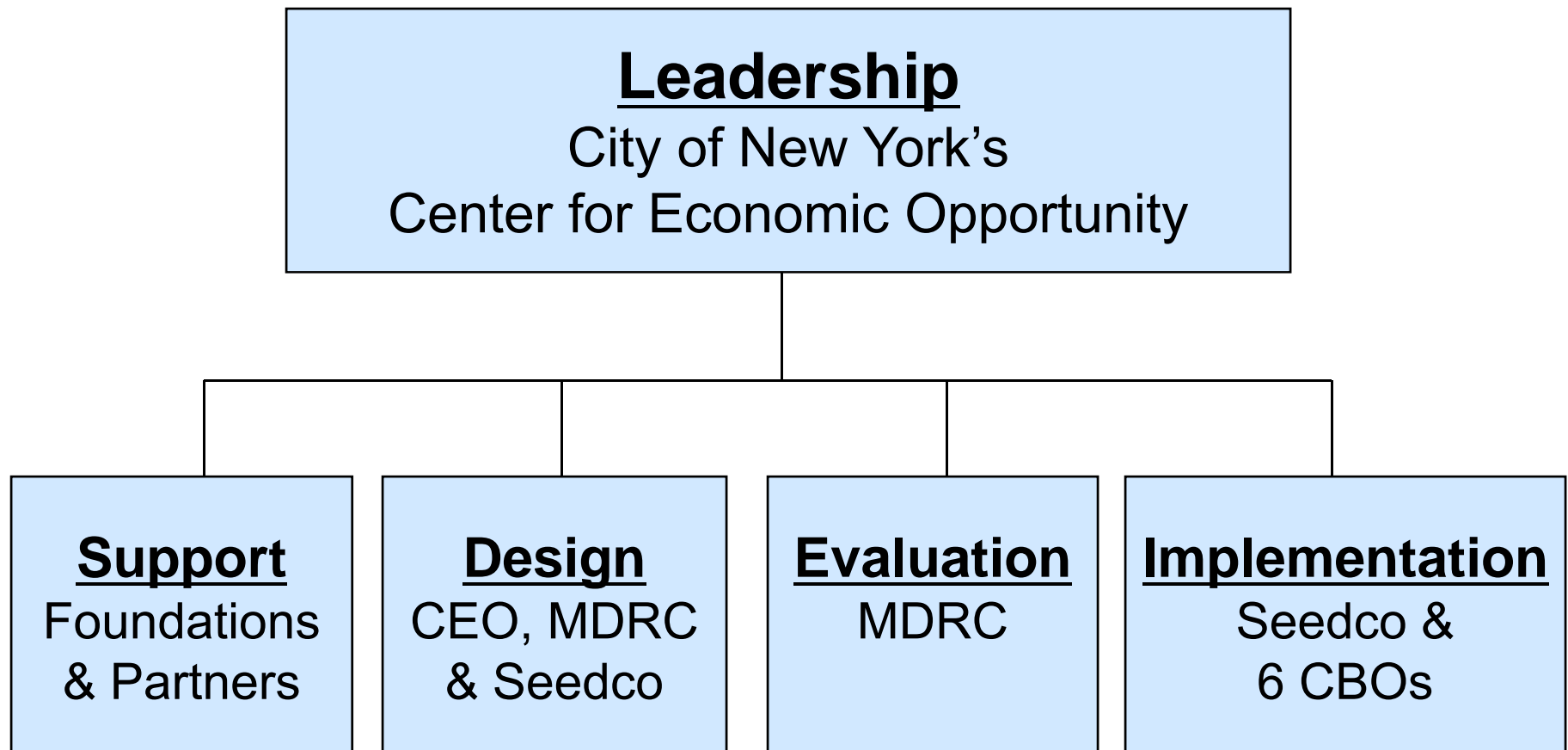
- **Builds on concept of “mutual obligation”**

- e.g., TANF, EITC

- **Layered on existing safety net in NYC** (*not replacement*)

- **Growing international movement**

Family Rewards Partners



A privately-funded pilot

Selecting families

- **Eligible if:**

- Lived in 1 of 6 high-poverty NYC communities
- Had incomes \leq 130% of federal poverty line
(Indicator = enrolled in free school lunch program)
- Had child in Grade 4 or Grade 7 or Grade 9
(but whole family eligible)

- **Recruitment and enrollment process**

- Families recruited from school lists by NPOs
- Volunteer, then random assignment

- **Size of program group**

- 2,400 families *(Similar numbers in CONTROL group)*
- 5,750 children

How payments were set



- **Reward a mix of “inputs” & “outcomes” believed associated with longer-term economic progress**
 - More \$ for more difficulty activities/goals
 - For tests → sensitivity about pressure on kids
 - With more activities → more opportunities to earn, but more complex program
- **Total payment should be substantial**
 - Up to \$4,000-\$6,000 for many (~1/4 to 1/3 of income)
 - Actual total \$ depends on family size & conditions met
 - Available for 2-3 years

Education Incentives: Elementary & middle school

- **Rewards for effort**

- High attendance (95%) ▶ \$25 / month
- Parent-teacher conferences ▶ \$25, 2x /yr
- Discuss annual test results with school ▶ \$50 / yr
- Library card ▶ \$50, 1x only

- **Rewards for achievement**

- Improved or sustained high performance on annual standardized tests
 - ▶ English: \$300 / \$350
 - ▶ Math: \$300 / \$350

- **All payments go to parents**

Education Incentives: **High school**

- **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.)

- **Rewards for achievement**

- Passing Regents Tests ▶ \$600 / test
- Credit accumulation (11 per year) ▶ \$600 / year
- Graduation ▶ \$400

- **Payments split between parents & kids**

Health Incentives:

Preventive health practices

- **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

- **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

- **Non-profit intermediary (Seedco) is responsible for overall implementation**
 - Marketing strategies and direct mail
 - Processes claims and authorizes payments
 - Customer support
 - Oversees 6 Neighborhood Partner Organizations (NPOs)

- **NPOs = the contact points in each community**
 - Recruited and enrolled eligible families
 - Face-to-face support (*when requested by participants*)
 - Informational workshops (*e.g., helping your children in school, work and training, financial education, health, sessions for HS students*)

Payment & verification

2-month cycle:

Verification by Seedco

- Administrative data
- Coupons and documentation submitted by families



Families engage in activities

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Deposited to:

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

* \$50 extra incentive for using bank account

Demonstration timetable



- **Sample recruitment:**
July 2007 through January 2008
- **Participants began earning rewards:**
September 2007
- **Offer of incentives will last 2-3 years,** depending on funding *(until early 2010 or 2011)*

Comprehensive evaluation

- **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 +)