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March 30, 2010

City Will Stop Paying the Poor for Good Behavior

By **JULIE BOSMAN**

An unusual and much-heralded program that gave poor families cash to encourage good behavior and self-sufficiency has so far had only modest effects on their lives and economic situation, according to [an analysis](#) the Bloomberg administration released on Tuesday.

The three-year-old pilot project, the first of its kind in the country, gave parents payments for things like going to the dentist (\$100) or holding down a full-time job (\$150 per month). Children were rewarded for attending school regularly (\$25 to \$50 per month) or passing a high school Regents exam (\$600).

When the mayor announced the program, he said it would begin with private money and, if it worked, could be transformed into an ambitious permanent government program.

But city officials said Tuesday that there were no specific plans at this time to go forward with a publicly financed version of the program. In an announcement at [BronxWorks](#), a nonprofit social services agency, Mayor [Michael R. Bloomberg](#) pointed to a few examples of success: High school students who met basic proficiency standards before high school tended to increase their attendance, receive more class credits and perform better on standardized tests; more families went to the dentist for regular checkups.

But the elementary and middle school students who participated made no educational or attendance gains. Neither did high school students who performed below basic proficiency standards before high school.

"If you never fail, I can tell you, you've never tried new, innovative things," Mr. Bloomberg said. "And I don't know that this is a failure. I think it is, some things worked, and some things didn't, and some things the jury's still out on. And anything new you're going to have that diversity of results."

While payments to the families will end in August, researchers will continue to monitor them for three more years, to see if any behavior encouraged by the initial payments will continue. A final report will be issued in 2013.

The mayor has been applauded for his openness to innovative approaches to fighting poverty; one in five New York residents are poor.

But from the beginning, the program set off controversy. Conservative critics asked whether it was wise to pay people for simple behavior like going to parent-teacher conferences or doctor's appointments; some liberals considered the approach condescending. The mayor, a believer in incentives in business and government, was determined to try it, but he avoided using public money initially.

The program was certainly expensive: Mr. Bloomberg and Linda I. Gibbs, the deputy mayor for health and human services, traveled to Mexico to learn more about Oportunidades, the welfare program there on which the New York City effort was based.

About \$40 million in private donations, including from Mr. Bloomberg's foundation, was collected to finance the effort, called Opportunity NYC Family Rewards. Two years into the program, more than \$14 million had been paid out to 2,400 families. An additional \$10.2 million is for operating costs, and \$9.6 million for research and evaluation.

While most behavioral changes were not large, the cash provided to the families had a short-term effect: Those who participated earned, on average, more than \$6,000 a year in the first two years. Largely as a result, those participating families were 16 percent less likely to live in poverty.

The families used the money to pay for basic living expenses, school supplies, electronic equipment and going to the movies, among other things.

More than 80 percent of the families were led by a single parent, 43 percent had three or more children and just over half of the parents held jobs. All lived in low-income areas in the Bronx, Brooklyn and Manhattan.

The program had a bumpy start, city officials and donors said. It was hard to recruit families from the beginning, said Margot Brandenburg, an associate director of the Rockefeller Foundation, the primary source of financing.

"I think people were confused, and there was some amount of distrust," Ms. Brandenburg said. "For some people it sounded too good to be true. It took a while to explain to people what the offer was."

Ms. Gibbs said many families had been perplexed by the guidelines that were laid out for them. Cash payments were eventually eliminated for actions like getting a library card and follow-up visits with a doctor.

"Too many things, too many details, more to manage in the lives of burdened, busy households," Ms. Gibbs said, standing next to the mayor on Tuesday. "Big lesson for the future? Got to make it a

lot more simple.”

The city has been somewhat sensitive about the results of the program. Ms. Gibbs and other city officials cautioned that the report released on Tuesday reflected only initial results, and said that they were in line with other early results from similar conditional cash transfer programs in Latin America.

“There have never been these overnight, miraculous turnarounds,” Ms. Gibbs said. “These are programs that are working on deeply entrenched, long-term behaviors.”

One Brooklyn family who participated in the program said they collected more than \$7,610 in two years. Janice Dudley and her 16-year-old daughter, Qua-neshia Darden, of East New York, said they received rewards for school attendance, good test scores and receiving regular medical checkups.

“It gives children the motivation to want to go to school because they know they’re going to get something back,” Ms. Dudley said, adding, “We might have a little problem next year when we don’t have money on the card.”

Mr. Bloomberg sounded philosophical on Tuesday as he spoke about the challenges that fighting poverty presents.

“You always hope that you’ll come across a magic silver bullet, and you never do,” he said. “If there were simple solutions, somebody would have found them a long time ago. And you make progress incrementally, particularly if you’re trying to focus on some of society’s biggest problems.”