



# Family Rewards

## Conditional Cash Transfer Program to Build Human Capital

*Family Rewards* aims to break the cycle of poverty by providing temporary cash payments to poor families to boost their income in the short term, while building their capacity to avoid longer-term and second-generation poverty. The payments are referred to as conditional cash transfers (CCT) because they are contingent upon family members making certain efforts to build human capital, particularly in the areas of education and health.

*Family Rewards* is a conditional cash transfer program being replicated through the national Social Innovation Fund (SIF). The Social Innovation Fund, administered by the Corporation for National and Community Service, is a public-private partnership to replicate successful programs and build evidence for more impactful ways to reduce poverty and improve communities. The SIF requires a 3:1 private match and its focus on evaluation builds in accountability for results.

### THE FAMILY REWARDS MODEL

---

The original Opportunity NYC *Family Rewards* program was launched in New York City in September 2007 as a research demonstration project inspired by evidence from a pioneering CCT program in Mexico and a growing number of programs around the world. Initial findings from Opportunity NYC show that participating families earned an average \$3,000 during each of the first two program years. The program also produced a number of positive impacts across a range of education, health, and workforce measures, and had some success in reducing current poverty and material hardship. These findings suggest that the model, with some strengthening, has the potential to be an important poverty-fighting tool. In the new SIF initiative, participating cities are testing a common program model that builds on the initial New York City experience, while accommodating local variation in the characteristics of the low-income population, the local social service environment, and the local income-support and benefit systems.

The *Family Rewards* replication is similar to the original pilot in that it offers cash incentives to families for activities and outcomes in three key domains:

- **Children's education**, with incentives tied to superior attendance in school, grades, and sustained high achievement or improved performance on standardized tests;
- **Family preventive health care**, with incentives for regular medical and dental checkups for each family member; and
- **Parental employment and education**, with incentives for parents to sustain full-time work and pass the GED test.

In contrast to the Opportunity NYC model, the new *Family Rewards* is simpler and offers fewer incentives, making it easier for families to understand. It also offers more timely payments and provides families with more proactive staff

### Program Providers

#### New York City

- **Seedco with BronxWorks and Children's Aid Society**

#### Memphis, TN

- **Seedco, with Porter Leath and Urban Strategies Memphis HOPE**

support and guidance. For example, a personal Family Earnings Plan is developed by each family to help efforts to earn rewards. Each family's progress toward these goals is reviewed periodically, and family members are referred to other service agencies that can offer assistance as needed. Families struggling to achieve the outcomes that earn reward payments can get help from staff to try to improve their achievement. A small "resource fund" is also made available to families to help them invest in the services and materials that might help them achieve those goals

## TARGET POPULATION AND EVALUATION PLANS

---

The new second generation *Family Rewards* program targets low-income families who are TANF recipients or recipients of food stamps (now the Supplemental Nutrition Assistance Program, or SNAP). The incentive payments supplements, but does not replace (or affect) TANF, SNAP, other benefit payments, or the Earned Income Tax Credit. Incentive payments will continue for three years, even if the parent has left public assistance during that time.

Both the New York City and Memphis, Tennessee *Family Rewards* programs are being evaluated using a random assignment research design, widely recognized as the most reliable way to determine program impact. In each city, twice the number of actual enrollees are being recruited for the study, with half assigned at random to the *Family Rewards* program and half assigned to a control group that cannot enroll in this special program. All families who enroll in *Family Rewards* are eligible for three years, unless they move out of the city.

MDRC uses program data to understand patterns of participation and reward receipt. MDRC also collects administrative records (such as Unemployment Insurance wage records and TANF, SNAP, and Department of Education data) and survey data to determine the program's effects on a wide variety of outcomes, including income, poverty rates, and material hardship; children's educational achievement; families' health care behaviors and health outcomes; and parents' employment, earnings, training, and occupational skills development. The analysis will cover a five-year period, providing evidence on the program's implementation and effects while the incentives are available to families (years 1 through 3), as well as any effects after the offer of the incentives ends (years 4 and 5).