

Mayor Bloomberg Announces First Incentive Payments to Families in Opportunity NYC, The Nation's First Conditional Cash Transfer Program **More than Fourteen Hundred Families Receive \$740,000 in Program's First Payments**

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Mayor Michael R. Bloomberg and Deputy Mayor for Health and Human Services Linda Gibbs today announced that 1,431 families received their first cash transfers for completing specific activities related to education, health and workforce participation and training as part of Opportunity NYC, the nation's first conditional cash transfer (CCT) program. Families earned an average of \$524, for a total of \$740,000, in this innovative pilot program aimed at reducing poverty among New York City's poorest residents. Opportunity NYC, which is funded by private donations, is based on the international model of CCT programs, and is one of the flagship initiatives of the Mayor's Center for Economic Opportunity (CEO) which was established to look at new ways of reducing poverty in New York City.

"It's a positive early sign that many families are meeting the program's targets, and in the process, they're achieving much more," said Mayor Bloomberg. "For example, many who have opened bank accounts for the first time are learning important lessons about responsible financial planning. We are hopeful that the experiences gained through the program will help more families climb out of poverty and become self-sufficient, and we will be rigorously evaluating all aspects of the program as we move forward."

In order to qualify and receive the incentive payments, participants must submit coupons verifying the activities they completed during each of the bi-monthly program periods, the first of which ran from September 1 to October 31, 2007. Families recruited after the close of the first payment period will receive the earned incentives as part of the amount earned for the second payment period ending December 31, 2007. Families can earn an average of \$4,000 to \$6,000 a year depending on their family composition and the activities completed. Incentive payments are directly deposited into existing or recently-opened bank accounts or stored value cards. The program will last for 2 to 3 years.

"Opportunity NYC families that have received monetary rewards this period are completing activities that they know are good for them and their families as a means out of poverty," said Deputy Mayor Gibbs. "This is a great start for Opportunity NYC families; we are excited to see how these monetary incentives help them in achieving self-sufficiency. Whether using the money to buy a computer for their kid's school work, or to purchase textbooks or holiday gifts, the families have an opportunity to put these incentives to good use."

Families were recruited and enrolled through six community-based organizations in Central and East Harlem in Manhattan; Brownsville and East New York in Brooklyn; and Morris Heights/Mount Hope and East Tremont/Belmont in the Bronx – all areas with high concentrations of pervasive poverty. There are 4,700 families currently enrolled in Opportunity NYC – 2,350 of which are part of the program group and are eligible to receive incentive payments.

Unlike conventional approaches to poverty reduction that focus on social services to create a safety net for those in need, incentive-based strategies increase participation in targeted activities and programs that decrease factors that contribute to poverty and long-term dependency. Monetary rewards are granted to participating families that meet specific targets in children's education, family preventive healthcare practices, and parents' workforce efforts. For example:

- Education targets include children's superior school attendance, sustained high achievement or improved performance on standardized tests, and parental engagement in children's education.
- Health targets include maintaining adequate health coverage for all children and adults in participant households, and age-appropriate medical and dental visits for each family member.
- Workforce targets include sustaining full-time work and/or combining work with approved education or job training.

The Opportunity NYC program will be evaluated to determine the impact of incentive-based strategies on child, youth, and family outcomes as well as on overall poverty reduction. Evaluation results will help determine whether incentive-based strategies are a cost-effective approach to reducing poverty in New York City, and will serve to inform future policy decisions.

Donors to Opportunity NYC include: The Rockefeller Foundation, The Starr Foundation, Bloomberg Philanthropies, American International Group (AIG), The Robin Hood Foundation, The Open Society Institute, The New York Community Trust, The John D. and Catherine T. MacArthur Foundation, and The Annie E. Casey Foundation. The donations to pay for Opportunity NYC are being made to the Mayor's Fund to Advance New York City, the not-for-profit organization established to strengthen public programs serving the needs and general welfare of New Yorkers.

Center for Economic Opportunity

The Center for Economic Opportunity (CEO) was established by Mayor Bloomberg to implement innovative ways to reduce poverty in New York City. Led by Executive Director Veronica White, the CEO works with City agencies to design and implement evidence-based initiatives aimed at poverty reduction. The CEO manages an Innovation Fund through which it provides City agencies annual funding to implement its initiatives, and it will oversee a rigorous evaluation of each initiative to determine which are successful in demonstrating results towards reducing poverty and increasing self-sufficiency among New Yorkers. The City of New York and the CEO, in collaboration with MDRC and Seedco, are responsible for the design, management, and implementation of the program.