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**MAYOR BLOOMBERG AND MAJOR PHILANTHROPIC FOUNDATIONS UNVEIL
SIZE, SCOPE, AND SCHEDULE OF *OPPORTUNITY NYC*, THE NATION'S FIRST-EVER
CONDITIONAL CASH TRANSFER PROGRAM**

\$42 Million in Private Funds of \$50 Million Multi-year Fundraising Goal Already Met

*Mayor Bloomberg and Deputy Mayor Gibbs to Travel to Mexico in April to Study Existing
Conditional Cash Transfer Program*

Mayor Michael R. Bloomberg and Deputy Mayor for Health and Human Services Linda Gibbs today announced that \$42 million of the proposed \$50 million in funding for the City's new conditional cash transfer program to help families break the cycle of intergenerational poverty has been raised from private foundations, laying the groundwork to launch the program this September. The Mayor today outlined the framework for this public-private partnership, called *Opportunity NYC*, detailing the number of participants, the proposed activities for which incentives will be distributed, and the method of evaluation. Joining the Mayor at the Brownsville Multi-Service Family Health Center in Brooklyn were Dr. Judith Rodin, President of the Rockefeller Foundation, which, as the lead organization in this effort, provided the initial research and development capital; Florence Davis, Director and President of the Starr Foundation; Michael Weinstein, Chief Program Officer of the Robin Hood Foundation; Herbert Sturz, Open Society Institute Trustee; and Ned Cloonan, Vice President of Corporate & International Affairs, American International Group (AIG). 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.

"If you're serious about tackling poverty, an entrenched problem that has proven resistant to conventional government programs, you have to be serious about trying new things, taking a new tack. That's what we're here to do today," said Mayor Bloomberg. "Conditional cash transfer programs have proven effective in countries around the world and, frankly, we need some new ideas here in New York City to fight poverty. We are grateful to The Rockefeller Foundation for spearheading this innovative program, and to The Starr Foundation, The Robin Hood Foundation, the Open Society Institute, and to AIG for their support."

"Since its founding, The Rockefeller Foundation has been committed to supporting projects that can make a significant impact in New York City," said Dr. Judith Rodin. "Moreover, as a
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global foundation, Rockefeller has a keen interest in finding models that can be replicated around the world. We strongly believe that *Opportunity NYC* meets both of those objectives. We applaud Mayor Bloomberg and Deputy Mayor Gibbs, for launching this innovative program to address poverty on a local level, and we're proud to be supporting it," said Dr. Rodin.

The *Opportunity NYC* program will include a sample of approximately 5,000 families – half of which will be part of a control group – 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. Unlike conventional approaches to poverty reduction which 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 incentives will be awarded when households meet specific targets. *Opportunity NYC* will provide cash incentives to families in three key areas: education, health, and employment and training.

- Education incentives will promote superior attendance and good behavior in school, achievement and improved performance on standardized tests, and parental engagement in children's education.
- Health incentives will be offered to maintain adequate health coverage for all children and adults in participant households as well as age-appropriate medical and dental visits for each family member.
- Employment and training incentives will promote increased employment and earnings or combine work activities with specific job training activities.

Families will potentially earn from \$50 to \$300 for completing a conditioned activity or meeting a specified target. Cash incentives will be awarded on a bimonthly basis with the total amount contingent on the number of defined activities completed. It is estimated that participant families may earn \$3,000 to \$5,000 per year depending on family size and level of targets met. The draft protocol will be peer-reviewed by leading national-respected academics to ensure the highest possible integrity of design.

Opportunity NYC is an initiative of Mayor Bloomberg's Center for Economic Opportunity, which was created to implement the recommendations of his second-term Commission on Economic Opportunity, which was also known as the Poverty Commission. The *Opportunity NYC* program is based on the model of successful conditional cash transfer program models in operation around the world. To date, Mexico's conditional cash transfer program has been the most comprehensive and most rigorously evaluated. Best practices from this program have been applied internationally to replicate new and country-specific models to reduce poverty.

On April 24, Mayor Bloomberg and Deputy Mayor Gibbs will be in Mexico City with a small delegation sponsored by The Rockefeller Foundation to observe first-hand how Mexico's conditional cash transfer program works. The objective of this site visit is to develop effective implementation strategies which can be uniquely applied in New York City.

Opportunity NYC's design was led by Gordon Berlin, President of MDRC, a nonprofit, nonpartisan education and social policy research organization dedicated to learning what works to

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improve programs and policies that affect the poor. Additional design support was provided by Diane Baillargeon, President and CEO of Seedco, a national community development intermediary that focuses on creating opportunities for low-wage workers and their families, as well as by City agencies including the Departments of Health and Mental Hygiene, Education, Consumer Affairs, Housing Preservation and Development, Small Business Services, and the Human Resources Administration. Working through community partners to facilitate outreach, enrollment and monitoring of *Opportunity NYC*, Seedco will manage the implementation and ongoing operations of the program.

The *Opportunity NYC* program will be rigorously 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 NYC, and will serve to inform future policy decisions. MDRC will conduct the evaluation of *Opportunity NYC* under the close supervision of the Center for Economic Opportunity.

“This initiative is an effort to fight the intertwined problems of child and adult poverty in a bold new way. Although this approach has proven to work around the world, no one knows whether it will work in New York City,” said Gordon Berlin, President of MDRC. “However, it is only when we take risks in trying new approaches that we learn how to effectively develop new policies. The purpose of this rigorous evaluation is to show whether the program produces lasting reductions in poverty, improves kids’ school performance, and enhances preventive health care practices. Our goal is to give policymakers credible evidence to help them decide whether the program is worth replicating on a larger scale.”

The Rockefeller Foundation

The Rockefeller Foundation was established in 1913 by John D. Rockefeller, Sr., to “promote the well-being” of humanity by addressing the underlying causes of serious problems. With assets of more than \$3.5 billion, it is one of the nation's largest private foundations. The Foundation works internationally to expand opportunities for poor and vulnerable people and to help ensure that the benefits of globalization are more widely shared.

The Starr Foundation

The Starr Foundation was established in 1955 by Cornelius Vander Starr, an insurance entrepreneur who founded the American International family of insurance and financial services companies, now known as American International Group, Inc. The Starr Foundation currently has assets of approximately \$3.5 billion, making it one of the largest private foundations in the United States. Starr makes grants in a number of areas, including education, medicine and healthcare, human needs, public policy, culture and the environment.

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Robin Hood Foundation

Since 1988, The Robin Hood Foundation has targeted poverty in New York City, funding the best and most effective programs and partnering with them to maximize results. By applying sound investment principles to philanthropy, The Robin Hood Foundation has helped the best programs save lives and change fates. The Robin Hood Foundation operates on a four-prong approach: providing one hundred percent of all donations directly to programs; focusing on the roots of poverty; leveraging investments by helping programs become more effective; and measuring and evaluating program results.

Open Society Institute

The Open Society Institute (OSI) is a private operating and grantmaking foundation created in 1993 by investor and philanthropist George Soros that aims to shape public policy to promote democratic governance, human rights, and economic, legal, and social reform. On a local level, OSI implements a range of initiatives to support the rule of law, education, public health, and independent media. At the same time, OSI works to build alliances across borders and continents on issues such as combating corruption and rights abuses. The Soros foundations network encompasses more than 60 countries, including the United States.

AIG

American International Group, Inc. (AIG), world leaders in insurance and financial services, is the leading international insurance organization with operations in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world.

Center for Economic Opportunity

The Center for Economic Opportunity (CEO) was established by Mayor Bloomberg to implement innovative ways to reduce poverty in NYC. The CEO works with City agencies to design and implement evidence-based initiatives, including strategies and programs, aimed at poverty reduction. The CEO manages an Innovation Fund through which it provides City agencies annual funding to implement such initiatives and will oversee a rigorous evaluation of each to determine which are successful in demonstrating results towards reducing poverty and increasing self-sufficiency among New Yorkers. The CEO is also charged with oversight of *Opportunity NYC*, including its design, management and implementation.