Stanford SOCIAL INNOVATION REVIEW

Governing Innovation

By Corey Binns

Stanford Social Innovation Review
Winter 2012

Governing Innovation

New York's Center for Economic Opportunity tests new antipoverty programs from the mayor's office BY COREY BINNS

Mayor Bloomberg with a participant of MillionTreesNYC, a program of the Center for Economic Opportunity.

EACH MONTH, CAROLINA BONILLA struggled to pay her rent, cover electric bills, and care for her two young children. She dreamed of going back to school to ensure a more stable and prosperous future for her family. But between jobs and parenting, the New Yorker couldn't find the time or funds for higher education and assumed a college diploma was beyond her reach. She's not alone: Only 20 percent of students across the United States who enroll in community college eventually graduate.

Bonilla beat the odds when she enrolled in an antipoverty pilot program run by New York City's Center for Economic Opportunity (CEO). In exchange for taking on a full course load, the program provided Bonilla with enough money for tuition, books, and MetroCards for the commute to campus. She received tutoring, academic advisement, and job placement services. The program staff also lent Bonilla a laptop, so that she could do her schoolwork and still be home with her children.

Today, more than 1,000 students from all six City University of New York community colleges are enrolled in the program, and 55 percent of students complete their associate degrees in three years. Bonilla has finished her associate degree and is on track to earn a bachelor's degree in public administration this spring. After graduation, she plans to open a daycare center for children with special needs.

The community college graduation initiative is just one of more than 40 programs tested by CEO, which evaluates and implements innovative antipoverty initiatives, rigorously assesses their outcomes, and makes funding decisions based on program performance. With an annual budget of $100 million in public and private funding, CEO programs have helped New Yorkers find employment, graduate from college, open savings accounts, shop for healthy foods, and earn tax credits.

In 2006, New York City Mayor Michael Bloomberg established a commission to analyze the issues and scope of poverty in the city. At the recommendation of the commission, he formed the center within the mayor's office to better inform the way New York City and the federal government spend dollars fighting poverty. "Usually, mayors are preoccupied with fire and safety and roads and trash pickup," says Gordon Berlin, president of the education and social policy research firm MDRC. Bloomberg, however, faced an extraordinary situation that was difficult to ignore. "The state requires a dollar-for-dollar match on most programs serving the poor," explains Berlin. Researchers at CEO calculated a 19.9 percent poverty rate for New York City in 2009.

"It's daring to talk about poverty and to say: 'We don't have the answers. We're going to build on the work of others, and we're going to try new ideas,'" says Veronica White, executive director of CEO. "It gets you involved in a conversation that a lot of politicians would be afraid to get involved in, and Mayor Bloomberg wasn't."

The center borrows and builds upon existing lessons from private, government, academic, and nonprofit organizations to create its own programs. These antipoverty interventions range from a re-entry program for young offenders that originated in Oregon, to a matched savings program that works closely with the city's Volunteer Income Tax Assistance sites.

INVESTING WISELY

CEO runs pilot programs in collaboration with appropriate city agencies. Its 15-person staff monitors program performance, and each project's success and failure is measured by outside research firms such as MDRC. If analysts find that the program makes a

COREY BINNS is a journalist based in New York City. She writes about science, health, and social change for publications including *Popular Science* and msnbc.com.

measurable impact and an agency can integrate the initiative into its activities with dedicated funding, CEO hands the program over to the agency. "It's very unusual to see this combination of innovation and mainstream take-up in government," Berlin says.

Many of the organization's programs stem from others' successes. "It's essential to understand what's come before you in thinking about programs," says White, who often looks outside New York City for inspiration. "It is about making sure you do that scan of what's in existence, what's working, and what's not working."

Preceding her role at CEO, White was a nonprofit consultant and chief operating officer of Partnership for New York City and president and CEO of Housing Partnership. Staff members at CEO are equally versed in government and nonprofit work as well as in translating research into practice. All senior staff have advanced degrees in economics, sociology, public policy and administration, public health, and law.

CEO was the only government body to win a Social Innovation Fund federal grant to reproduce its most successful programs, including the conditional cash transfer initiative.

White says some of her team's best research comes from talking to providers and participants who are involved in poverty programs every day, asking them about the drawbacks of the existing programs and what they would add if they had more resources. Antipoverty programs dependent on federal funding are often restricted by what they can do with government funds. "There's only so much room to innovate with federal dollars," says Allegra Blackburn-Dwyer, chief of staff at CEO. "We start with other resources and test around the edges."

One antipoverty initiative led Mayor Bloomberg and CEO staff to Mexico. The country's conditional cash transfer program, called Oportunidades, provides 5.8 million poor families with regular payments if they meet certain requirements, such as going for regular health checkups and keeping children in school. Children enrolled in the program are healthier and stay in school longer.

In 2007, CEO refined the Mexican cash incentive program and adapted it for New York City families. Opportunity NYC: Family Rewards became the first conditional cash transfer program launched in a developed country. During its first two years, the program offered 22 incentives, ranging from $20 to $600, for activities including children's school achievement, preventive health care, and parents' work, education, and training. "MDRC worked with CEO and other experts to refine it and adapt it for New York City, and we have put it to a very serious test," says Jim Riccio, the lead MDRC researcher on CEO projects replicated in New York City from elsewhere.

To appraise its programs, the center uses a range of performance management and evaluation techniques, including random assignment studies. The control group is invaluable in measuring changes in poverty levels, particularly today. "In the current economic climate, of course poverty is going up," Berlin says. "If you have a reliable comparison group, you may find that the poverty rate would have gone up even more."

Early results from MDRC's five-year evaluation of the Family Rewards program are promising. Cash rewards reduced debt and hardship and improved health outcomes and, among some high school students, academic performance. The program also cut poverty among participants by 11 percent.

RIPPLE EFFECT

After benefiting from their predecessors, White and her team return the favor by sharing what they've learned. All of CEO's research and evaluation reports are available to the public on the center's website. "Other places have done great work, but they don't necessarily have it available for other people to look at," says White. "We are really interested in formal and informal learning communities."

Now, she will be able to expand CEO's reach even further. The organization was the only government body to win a Social Innovation Fund federal grant of $5.7 million annually for five years to reproduce one or two of its five most successful programs, including the conditional cash transfer initiative, in New York City and seven other cities.

With the federal grant, CEO is replicating its savings account program in Tulsa, Okla., San Antonio, and Newark, N.J. Participants of the SaveUSA initiative are eligible for a 50 percent match, up to $500, if they deposit at least $200 from their tax refund into a SaveUSA account and maintain the deposit for a year. In New York City, the 2,200 participants of the original banking program saved more than $1.7 million in three years.

But not all of CEO's programs have been worth replicating. As planned, the center has discontinued several of its less effective initiatives. Most programs that the center has cut were inadequately put into practice, had flawed models, or offered too few services. When the center partnered with just a single provider and tested a program that proved unsuccessful, researchers couldn't decipher whether the program failed as a result of its design, location, or recruitment.

The center's ventures, successful or not, are not always viewed as positive learning experiences—especially by Bloomberg critics. Heather Mac Donald, a fellow at the Manhattan Institute, has been a vocal challenger of the conditional cash transfer program.

"CEO has to deal with the fact that they're in a political world and can take heat directed by political opponents," Riccio says. He says the scope of the city's poverty problem also can set the center up for failure. "They risk setting expectations that are beyond what they can do. The cause of poverty is affected by macroeconomic forces that the city can't control."

Despite these challenges, White and her CEO colleagues continue to innovate and test models that they plan to replicate in and outside of New York City. "It's important to build on the basis of what other people know," says White. "We're working with what they've done and we're trying to retool it and make it better."

The organization is using some of the Social Innovation Fund award to create how-to guides for five of its antipoverty programs, so that other governments and nonprofits can replicate CEO's star achievements. Says White: "I think part of the long-term value of the center is that we can spread so much of our knowledge base across the country." ■