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Paying students for grades: Is it sustainable and should it be?

Allison Butler

Kristin Kennedy

Michaela Kennedy

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Introduction

Educational leaders are consistently challenged to find innovative ways to maximize learning outcomes for students. Some of the more recent approaches aimed at improving student achievement that have emerged in public school systems involve paying students cash for good grades, attendance and good behavior. While these financial incentive programs are only a few years in the making, they have been initiated in many places throughout the U.S. The various programs have been developed with slightly different specifications and have been given unique names, but they all entail financially compensating students, many of whom are socioeconomically disadvantaged.

This paper highlights some of the most notable cash incentive programs, questions why the flow of money into these programs is not totally transparent and well known to the taxpayers who fund some of them, and reviews literature on the psychological, motivational, and ethical issues surrounding this policy. We would like to question how much public funding is being spent, especially since towns and school systems are struggling in these difficult financial times with miniscule operating budgets.

One looming question is whether or not the programs are sustainable. Can these programs continue even if they are good for the students? Will the students respond favorably if the financial rewards do not increase, or if they decrease? What happens to students when the money stops? Reasonably it seems that it must.

Specifying the Funding for Programs

Of the many payout programs for students that are implemented in the U. S. today, many are funded privately. In most of the programs, however, at least some money must be supplied by the school district. Taxpayers certainly have the right to know how much if any public money is being used for these programs, yet we suspect that the average taxpayer is not aware of this practice.

Indeed, the money trail can be hard to track. School districts often state vaguely that “other donors” besides the notable philanthropic organizations are supplying funds as well (Hernandez, 2008). Would not “other donors” like it to be known that they are giving to supposed worthy education causes? It is also difficult to discern funding sources because grants from the government or state can be well-imbedded into school district budgets.

Here is a brief list of some of the longer established programs:

The Education Innovation Laboratory (EdLab) was founded by Roland Fryer of Harvard University in collaboration with Eli Broad and the Broad Foundation. Well over a million students are now involved through EdLab, a \$44 million initiative for minority and low-income students (Hernandez, 2008).

Depending on the program, teachers are also compensated. All of the EdLab projects require matching funds from the school districts (Hernandez, 2008). Presumably, school districts will look for other donors as well, but there is a question as to whether taxpayers are paying for this program at any level. It would seem reasonable to assume that some federal or state grant money is used, especially since some of the school districts do not specifically state how their portion of the bill is funded. Edlab programs are underway in the following cities:

- New York City: Edlab has initiated several different programs, mostly geared towards fourth and seventh graders receiving money such as \$500 per year for doing well on reading and math tests. Interestingly, these happen to be years that determine how much federal grant money will be awarded to the districts. There are several versions of these programs such as the Million, The Spark Program, Rewarding Achievement, the Children's Zone, and Opportunity NYC, in which parents also receive \$25 – \$50 per month for 95% school attendance (Marques, Negron, & Silva, 2007).
- Washington D.C.: The Capital Gains Program. Half of the \$2.7 million project came from the Broad Foundation with Edlab and half through the district (Turque, 2008a). Fourteen schools and approximately 3,300 middle school children will be paid \$100 every two week for grades, attendance, and good behavior (Turque, 2008a). The district is responsible for raising their portion. How they are paying for this amount is not clear.
- Chicago: The Green for Grade\$ Project. This program estimates a cost of \$1 to \$2 thousand per year. Edlab and "other donors" pay the bill (Roberts, Becker, & Ibanga, 2008). Do "other donors" include any grant money? EdLab pledged an initial \$2 million over two years, paying out \$265,986 in the first year, to 1,650 students in 20 schools (Razul, 2008). One of the other partners with EdLab for Chicago Public Schools was the Children's First Fund, through the Knight Foundation. The Paper Project, a second Green for Grade\$ project, allowed 5,000 ninth grade students to have the ability to make about \$2,000 in the first year for good grades in math, science, English/reading, social studies, and physical education (Chicago Public Schools, 2009). Some financial awards are given for SAT and ACT scores. Note that at this point in time, The Paper Project has failed due to lack of matching funds.

A second widely accepted program is the Advanced Placement Incentive Program (APIP). Kirabo Jackson of Cornell University developed the program, offered through the U.S. Department of Education.

- Texas: Initiated in 1996, students are paid from \$100 to \$500 for good grades on AP exams. Many teachers are also given salary bonuses between \$3,000 and \$10,000, which can range higher in some programs if the results are good. The total cost ranges from \$100,000 to \$200,000 per year, and the program is aimed at predominantly minority and low income students. About 75% of the cost is covered by private donors and the district covers the other 25% (Jackson, 2008, p.2). It would seem reasonable to assume that the last 25% is indeed taxpayer money.
- Arkansas, Alabama, Connecticut, Kentucky, Massachusetts, and Virginia have begun programs replicating the APIP program. Each has a five year grant of \$13 million from the National Math and Science Initiative, a non-profit funded by Exxon Mobil, and other donors are not specifically mentioned (Singer-Vine, 2008).

Other publicly funded programs:

- Baltimore: The Maryland Incentive is part of a \$6.3 million initiative. This program uses public funding. The state has paid up to \$935,000 to low income inner city kids for AP tests and graduation state exams (Ash, 2008; Toppo, 2008).
- Des Moines, Iowa: The Education Brain Trust pays parents to attend seminars and meetings from a \$20,000 county grant and the payouts are co-sponsored by the Ask Family Resource Center (Feyerick, 2008).
- Coshocton, OH: Since 2005, half of the school children from third through sixth grade have been paid \$20 for standardized state tests. This program only worked for math, not for science, reading or social studies. Once the money stopped due to students not being selected by lottery again, the scores fell (Turque, 2008b).

Psychological & Ethical Concerns

To fully evaluate whether these programs are worthy investments, the potential psychological toll on teachers, students, and parents, and the ethical concerns associated with this practice must be considered.

Psychological Impact on Teachers

In many programs, teachers carry the burden of the record-keeping that is necessary to determine which students will receive compensation. In some schools this means carving out time during the school day to fill out specially constructed behavior and attendance forms, sometimes called “classroom capture sheets” (Turque, 2008c). In addition to the extra time commitment, teachers can be asked to nominate the particular students who should receive incentives during a given pay period. It does not seem fair or appropriate to ask the students’ teacher to nominate which of them will be entitled to take home a paycheck. This creates an ethical burden when the teacher knows that the majority of students are from low-income families. Finally, there is always the potential that paying students for good grades could lead to grade inflation.

Psychological Impact on Students

Critics are also concerned about the impact of incentive programs on students’ self-esteem and on their relationships with their peers. First, we must consider the psychological toll on students who are genuinely struggling academically, for example, those with learning disabilities (Weekly Reader, 2008). They realize that their effort is not enough to reach the criteria for payment. Yet they witness their less hard working peers receiving rewards. Once it becomes clear that some classmates are receiving compensation and some are not, envy and jealousy can quickly set in.

While it might seem cynical or dramatic to suggest that mayhem will erupt when students are offered financial incentives, that is precisely what occurred at Washington D.C.’s Hart Middle School in the fall of 2008. The school was participating in the Capital Gains Program, and as a result of a recordkeeping mix-up by teachers, the students who misbehaved were financially rewarded, and those who rightfully deserved checks were denied them. Violence and disorder in the school escalated to a level that

required intervention by district administrators and security personnel. The fallout from the incident included the firing of the school principal (Turque, 2008c).

Psychological Impact on Parents

The high-stakes nature of this policy is heightened even more when we consider the role that parents may play in this scenario. There is the potential for financially strained parents to put pressure on their children to earn the payouts, which could lead to increased tension in the home. In some families, parents may need or want to spend the money themselves; in other homes, students may be free to do what they wish with their earnings. Either way, a problematic aspect of these new classroom incentive programs is that there is absolutely no accountability for how the financial rewards are spent. This fact stands in sharp contrast to merit-based programs such as Georgia's Hope Scholarship, where students' monetary prizes come in the form of financial aid for college (Henry & Rubenstein, 2002).

Bribing Students to Succeed

Policy critics state that financially compensating students to do well in school is no more than bribery (Willingham, 2007-2008). Bribery teaches students to expect payoffs for future efforts, such as doing what is expected of them in school and ultimately in the workplace. Bribery is also viewed as "dehumanizing" and a means of coercive control which is destructive to motivation. Indeed, there is research to suggest that students will be less likely to do a task, even one that is enjoyable to them, if they feel coerced (Ryan, Mims, & Koestner, 1983). Essentially, critics are concerned that paying students for grades, test scores, attendance and other desirable school behaviors sends the wrong message about learning. Ironically, advocates have said that the aim of the policy is to cultivate a lifelong appreciation for the value of learning (Chicago Public Schools, 2009). However, many argue that paying students implies that learning only has a monetary value.

Intrinsic vs. Extrinsic Motivation

Critics who suggest that learning should be a reward in itself highlight the concept of intrinsic motivation. Intrinsically motivated individuals work and play in search of enjoyment, interest, self-expression or challenge. Intrinsic motivation consists of a desire to perform a behavior for its own sake (Myers, 2007). Extrinsic motivation, by contrast, represents a desire to perform a behavior because of promised rewards or threats of punishment (Myers, 2007).

A substantive body of psychological research has shown that promising rewards to a child for performing a task that he or she already enjoys doing often results in decreased interest and engagement (Myers, 2007). For example, studies that promised children a payoff for playing with an interesting puzzle or toy reported that those participants later play with the toy less than children who are not promised any rewards for playing (Deci, Koestner, & Ryan, 1999). "It is as if the children think, 'If I have to be bribed into doing this, then it must not be worth doing for its own sake'" (Myers, 2007, p.335). Indeed some say that paying for grades substitutes an external reward for an internal sense of accomplishment and interferes with the development of a work ethic (Weston, 2008). An important caveat is that rewards only seem to decrease motivation for tasks that students initially like (Willingham, 2007-2008). In the context of academic learning, this means that extrinsic rewards may cause students to like school subjects less than they did before rewards were offered (Willingham, 2007-2008). While rewards can undermine intrinsic motivation for individuals of all ages, Deci et al.'s

(1999) meta-analysis of 128 studies found the effects of extrinsic rewards to be especially detrimental for children.

Interestingly, it is not just psychology scholars who claim that financial incentives may not be the best approach for fostering children's life-long commitment to learning. Ask the kids themselves, who will tell you that being paid for grades is far less important to them than a host of other factors. In a research study by Public Agenda, 89% of students indicated that getting into a good college motivates them "a lot" to work hard in school. Eighty-nine percent also were motivated by getting a college scholarship. The next three most common motivators were: having to show a transcript to get a job (84%), fear of being held back a grade in school (74%), and avoiding summer school (72%). Personal satisfaction (72%), pleasing their parents (70%), and losing sports and extracurricular privileges (61%) came next. Finally, getting paid for better grades (61%) was only more motivating than one other factor, which was making teachers proud (46%) (Public Agenda, 1999, p.103). This data makes a powerful case against paying students for grades and suggests other avenues for improving student achievement, such as appealing to students' sense of personal satisfaction (i.e., intrinsic motivation).

The Advocates' Perspective

With many unanswered questions remaining, advocates maintain that the programs should be properly appraised for their merits, and in due time, educational experts will be able to discern whether they were worthwhile or not. Proponents of financial incentive programs feel strongly that this approach could be a viable solution for boosting achievement in low-performing schools across the nation. They feel that cash incentives give children from disadvantaged backgrounds an opportunity to be financially rewarded in school in the same way that middle and upper-income children have been given monetary rewards at home for getting good grades (Turque, 2008b). Others feel that school is a child's job, and therefore, they should get paid for doing it well (Weston, 2008). Beyond the potential to improve grades and test scores, advocates believe that the practice could provide opportunities for financial "life lessons" such as the value of managing money, which could prepare kids for earning money in the working world (Weekly Reader, 2008).

Assume for a moment that these programs are truly a stroke of genius, and that they will lead to underprivileged children realizing that they can succeed in school. Assume that these programs are the magic bullet that will make all of our schools successful under No Child Left Behind. Unfortunately, there are already programs that failed solely due to lack of funding. Dr. Fryer abandoned a program that would reward students with cell phone minutes, but the city did not raise enough money from private donors (Hernandez, 2008). The Paper Project in Chicago has also failed due to inadequate financing (Vargas, 2009). Thus sustainability is likely not possible, especially considering the overall amount of money being spent on these programs around the country at a time when many school systems cannot even afford all the teachers they need. As we have seen with the program in Coshocton, OH, when the money stopped because students were not selected by the lottery again, the test scores fell (Turque, 2008b). Indeed, once the motivational element was taken away, students went back to their old habits.

Conclusion

No hard data has been released as of yet to the general public for review. However, a recent article published by the Associated Press mentions that rewards programs to students in New York City had no effect on test scores or attendance for low performing high school students, and in fact the programs

made only modest differences for high achieving students (Kugler, 2010). The program that began in 2007 awarded a total of \$14 million to 2,400 participating families not only for students performing better in school but also for adults to keep a job. Mayor Bloomberg stated that the program did not work.

Though the intention of the programs is to motivate students to improve their academic performance, policymakers may not have thoroughly considered the psychological and moral ramifications of this strategy, not to mention the possibility that paying students for grades may actually have adverse effects on student motivation over the long-term. Given the potential for widespread negative effects of educational policies that provide students with monetary rewards for academic achievement, alternative approaches for boosting student achievement should be considered.

Research by Elias and Haynes (2008) suggests that interventions to improve achievement of disadvantaged students specifically should address social-emotional competencies, classroom climate, and teacher support of students. Additionally, reform efforts could focus on keeping class sizes small, developing after-school programs, offering professional development opportunities for teachers, and providing tutoring experiences and mentoring programs for students. Indeed, providing funding for “best practices” in education that have proven track records of success may be preferable to cash incentive programs when all of the financial, psychological, moral, and motivational costs of this approach are taken into account.

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