

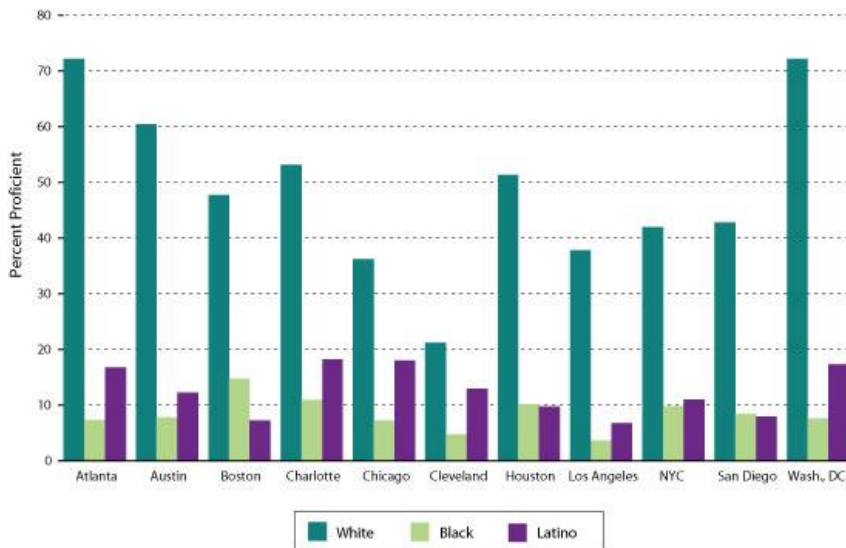
The Power and Pitfalls of Education Incentives

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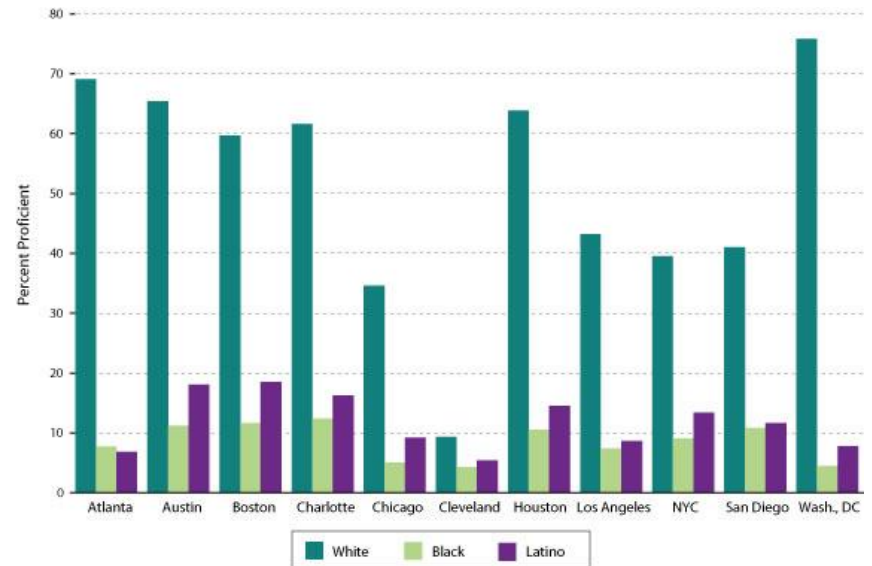


The Racial Achievement Gap

8th Grade Reading Scores (NAEP)



8th Grade Math Scores (NAEP)

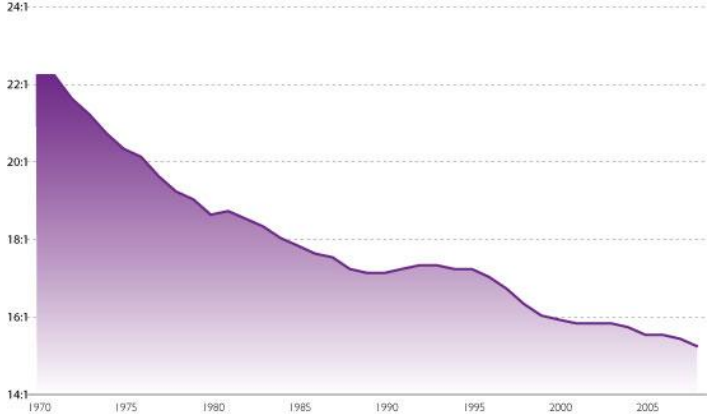


Conventional Wisdom Has Failed

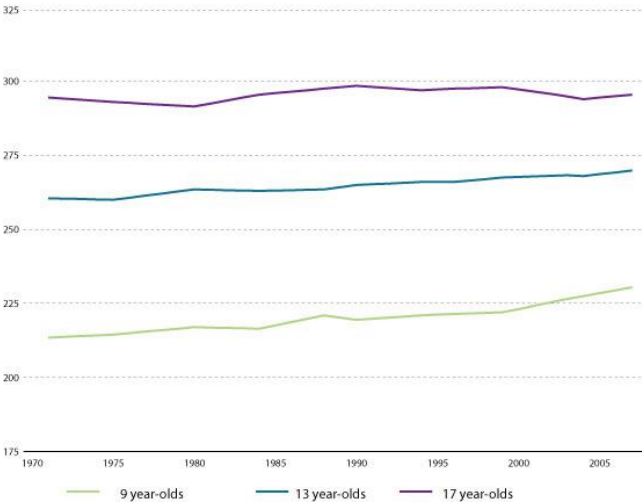
Total Expenditure Per Pupil (08-09 USD)



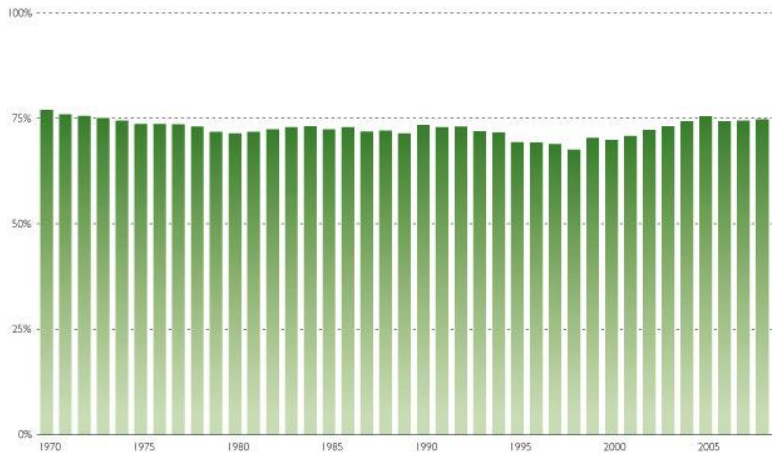
Student to Teacher Ratio



Mean Reading and Math Achievement, 1971-2008



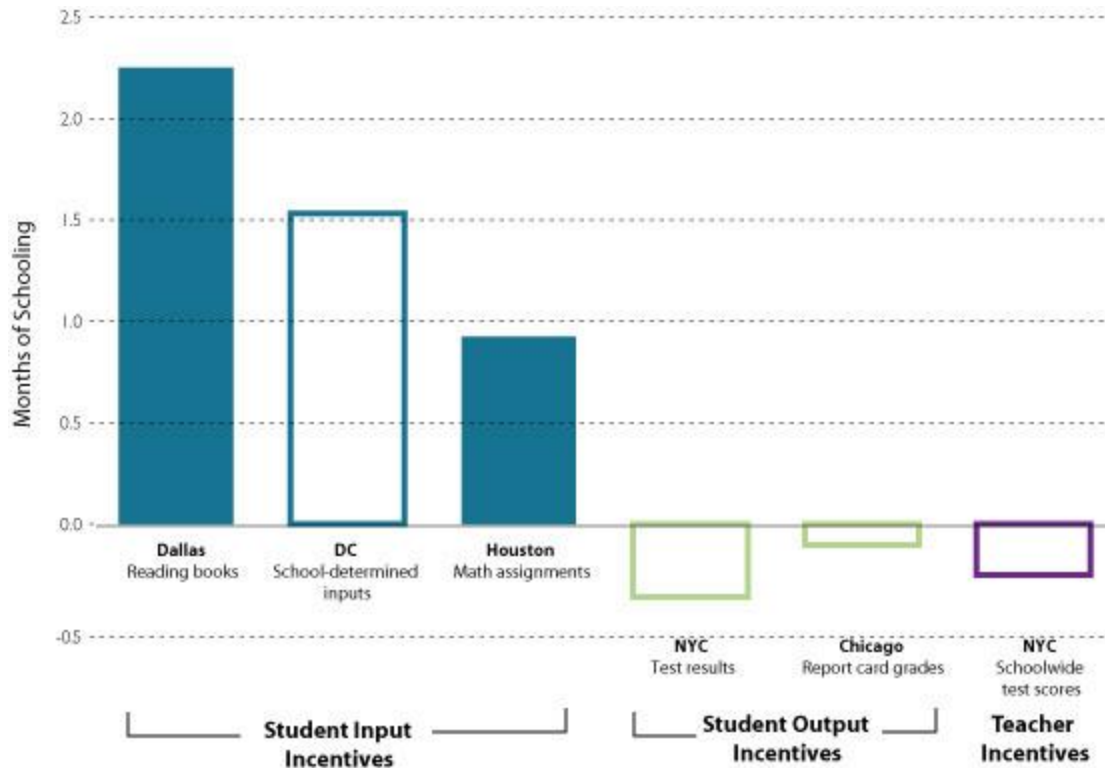
HS Graduates as a Ratio of 17-Year-Old Population



Experimenting with Student Incentives

	Grade level	Reward Structure
Input Experiments		
Dallas	2 nd	\$2 per book read
Washington, DC	6 th – 8 th	Up to \$100 biweekly for performance on five metrics
Houston	5 th	\$2 per math objective mastered
Output Experiments		
New York City	4 th , 7 th	4 th : up to \$25 per assessment approx. every three weeks 7 th : up to \$50 per assessment
Chicago	9 th	Based on report card grades: A=\$50, B=\$35, C=\$20, D=\$0, and F=\$0 (and \$0 for all classes)

Student incentives can be a cost-effective strategy to raise scores but won't close the achievement gap



10 Do's and Don'ts of Education Incentives

- **Do** provide incentives for inputs, not outputs
- **Do** think carefully about what to incentivize
- **Do** align incentives
- **Do** implement what works
- **Do** stay the course
- **Don't** think effects go away after incentives are removed
- **Don't** believe incentives destroy intrinsic motivation
- **Don't** worry students waste their money
- **Don't** be cheap
- **Don't** think incentives are a panacea