

Los Angeles Times

Cash for Grades

A Santa Ana school trades the green stuff for good algebra scores.

By Scott Feldmann – Partner, Crowell & Moring LLP

LA Times: Editorial Pages

August 15, 2006

WHY DO WE eliminate incentives from our public education system? We all agree that educating our children is important, but we fail to use the most proven performance-enhancement tool of the marketplace — cold, hard cash.

Incentives matter in life. How many of us would put forth our best if we never got a tangible reward? Instead of expecting our children to wait years for the payoff for a good education, we should deliver one sooner. Cash awards reinforce the link between learning now and earning more later.

I'm a partner in a law firm that tried a modest experiment in 2004 at Santa Ana's Sierra Intermediate School, which educates the very poorest students in one of the richest counties in the nation. Eighty-five percent of the children at Sierra Intermediate qualify for free lunches. The typical student is present for only two-thirds of the school year. These children, more than most, need incentives to stay the course and get educated.

In our experiment, we reinforced the importance of striving for excellence with cash prizes for eighth-graders studying algebra. Our modest first-year budget was \$2,500. Of that, \$700 went for a first-class study guide for each student, and the remaining \$1,800 went toward prizes, based on students' scores on a special test. First place earned \$250; second, \$225; third, \$200, and so on to 15th place, which earned \$25.

We designed the test to produce a bell curve, trying to avoid ties. The school administered the program and formed a public-private partnership with us. We awarded 17 prizes (despite the bell curve, there was a tie for 15th place). And when it came time for the state's standardized algebra exam, our eighth-graders improved on the results of Sierra Intermediate's previous eighth-graders — the number who scored "advanced" or "proficient" increased from 13 to 31 in one year.

Our prize structure reflected the reality of our global economy, with the better educated receiving an ever-greater share of the pie. When I graduated from high school in 1978, college graduates could expect to earn only 19% more in their lifetime than high school graduates. Now, college graduates earn 73% more, and that figure is rising.

On awards night, there was an aura of excitement in the hot, packed room. Parents began oohing and aaahing as the prize level rose. The winners were understandably proud, without showboating.

One thank-you letter was especially touching. "I won \$140, and I'm very thankful for it. I really needed the money because my family was having some economic problems." (Of course, money motivates in different ways. After one of our pitches for the program, one young man's hand had shot up quickly. "Does the money go to us or our parents?" He asked sharply. "To you" was the reply — which was just what he wanted to hear.)

For those of us involved in the program, the promise inherent in every child was inspiring. Last year, we expanded the incentives. With the help of a kindhearted client, we added a program in U.S. history for about 340 Sierra Intermediate students and repeated the algebra competition.

Lawyers from the firm met with the kids and talked about the types of jobs that education could deliver. Several of the students were amazed to learn there were jobs that would pay you when you were sick. Others were surprised that they could get paid for three weeks of vacation a year.

It's true that our incentives go only to top-performing students. But that's where they are needed most. Last year, the top winner out of about 90 students correctly answered 48 of 53 questions on what was a difficult algebra exam. That boy should be encouraged to stay on track and to keep on trying, to not quit at 16 to help support his family. Merit can take him far, and it would be a waste if low expectations — whether his or society's — got in the way.

We plan to keep the competition, and the incentives, going. Time will tell whether this approach bears fruit, but the worst that has happened is that dozens of kids got a pat on the head, and some real money. As the girl who won \$140 wrote, "I think this type of stuff encourages us to do our best."