



Center for Economic  
Opportunity

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# Strategy and Implementation Report

## **MAYOR MICHAEL R. BLOOMBERG**

### **On Establishing the Center for Economic Opportunity**

"The Commission gave us thoughtful, practical, and evidence-based strategies. Our Administration is determined to put them to work. The new Innovation Fund will encourage and invest in success so that more New Yorkers will be better positioned to move out of poverty. At the same time, we will carefully monitor these new programs and hold them accountable for producing results - just as a business would. And if we find that a certain program isn't making the grade, we will terminate its funding. Tackling poverty is a big challenge, but by taking a results-based approach, our investments can make a big difference." December 18, 2006.

### **At a Speech made at the Brookings Institution**

"If we're willing to apply the critical lessons we've learned in fighting poverty – beginning with the need to discard ideology in favor of innovation and experimentation – then I believe we can build on the progress we've made over the past 10 years and drop poverty to historic lows over the next ten years." August 28, 2007.

In December of 2006, Mayor Michael Bloomberg established the Center for Economic Opportunity (CEO) to implement, monitor, and evaluate the City's ambitious new anti-poverty agenda. The Center for Economic Opportunity's mission is to reduce the number of people living in poverty in New York City through the implementation of innovative, results-driven initiatives.

CEO is guided by the recommendations of the New York City Commission for Economic Opportunity, which was convened in 2006 under Mayor Bloomberg. Comprised of 30 business and community leaders, the Commission undertook extensive research to develop a strategic agenda for low-income households and individuals. The Commission issued 31 recommendations in its September 2006 report, *Increasing Opportunity and Reducing Poverty in New York City*. Over the past year, the Center successfully designed and implemented a range of programs that fulfill each of these recommendations.

The poverty reduction strategy emphasizes actions that can achieve quick results, as well as investments for long-term gains. The common principles shared by CEO programs are that they seek to build human capital and improve access to the public services that can help all New Yorkers reach their full potential.

CEO is collaborating with City agencies, non-profits, and the private sector to implement 41 initiatives. The initiatives represent new ideas, best practices, and expansions of existing model programs.



### Mission Statement

The Center for Economic Opportunity's mission is to reduce the number of people living in poverty in New York City through the implementation of result-driven and innovative initiatives. Programs are aimed at reducing poverty in three key populations throughout the City: the Working Poor, Young Adults 16-24, and Children 0-5. By drawing from successful examples and bringing together New York's public and private resources, we can help foster a new confidence in our ability to reduce poverty in a systematic and permanent fashion. Ultimately, by reducing need, rewarding personal initiative, and reaffirming hope, we will strive to create a future that benefits every New Yorker.

### TARGET POPULATIONS AND PROGRAMS

CEO concentrates on high-poverty groups with the capacity to make demonstrable progress towards long-term financial stability in a few short years. Its programs aim to reduce poverty among the working poor, young adults, and young children, which together comprise approximately 700,000 individuals, or about half of all people living in poverty in New York City.<sup>1</sup> Many of the programs listed below serve more than one target population.

#### Working Poor

Over 350,000 working New Yorkers live in poverty.<sup>2</sup> Nearly half of all poor households include an employed adult, representing a dramatic change from only 29% of poor households in 1989.<sup>3</sup> This change reflects an increase in work participation among single mothers, as well as persistent wage stagnation for low-skilled workers.

<sup>1</sup> According to the 2006 American Community Survey, 1,547,152 or 19.2 % of New York City residents live in poverty.

<sup>2</sup> U.S. Census Bureau, 2006 American Community Survey; includes all persons aged 16 and over in the work force.

<sup>3</sup> Analysis of 1990 Census data by the New York City Department of City Planning.

CEO's working poor programs promote career ladders, financial literacy and asset building, and improve access to work supports such as child care, child health insurance, Food Stamps, and EITC.

### Working Poor Initiatives

- *Opportunity NYC: Family Rewards*
- *Opportunity NYC: Work Rewards*
- *Opportunity NYC: Spark*
- Office of Financial Empowerment
- Nursing Career Ladders: Accelerated Licensed Practical Nurse Program
- Nursing Career Ladders: Registered Nurse program
- Customized Training Funds (grants to businesses for employee training)
- Work Advancement and Support Center
- Sector Focused Career Center
- Training Provider Directory (online listings of work-force programs)
- Employment Works (employment placement and training for probationers)
- Food Stamp and Employment Training (a policy initiative to draw down Federal funds)
- Community Based Organization Outreach
- Efforts to Increase EITC Receipt
- Language Access (promote city services to LEPs)
- ACCESS NYC
- 311 Health and Human Services Language Access Outreach and Marketing Campaign
- Living Wage Executive Order
- City Agency Hiring Initiative
- Non-Custodial Parents Initiatives
- Security Contracts
- Microlending study

### Young Adults (ages 16-24)

Over 25% of young adults in New York City live below the Federal poverty line.<sup>4</sup> These youth are among the estimated 165,000 young adults who are disconnected from school or work and face an uncertain future.<sup>5</sup>

CEO supports initiatives to reduce teen pregnancy rates, engage young people in school and their communities, provide alternative education models to court involved teens, and increase the number of internship and job placement opportunities for young adults.



### Young Adults Initiatives

- Teen ACTION (service learning program)
- New School-Based Health Clinics in high-poverty neighborhoods
- Young Adult Internship Program
- Expansion of the Multiple Pathways to Graduation program
- CUNY ASAP
- CUNY Prep
- Model Education for Rikers Dischargees: Literacy
- Model Education for Rikers Dischargees: Mentoring
- Model Education for Rikers Dischargees: GED/college
- Youth Financial Empowerment (individual development accounts) for youth aging out of foster care
- Life/Work Skills for Youth in Detention and in the Community
- NYC Justice Corps

### Young Children (ages 0-5)

Over 185,000 young children are poor in New York City, representing one out of three young children.<sup>6</sup> There is strong evidence that early interventions can blunt the negative impact of poverty.

CEO programs targeted to poor children include a tax credit to offset the cost of quality child care and an expansion of the Nurse-Family Partnership program, which provides first-time mothers with at-home nursing care during and after their pregnancy. Many of the programs listed above for working poor and young adults also benefit young children.

<sup>4</sup> U.S. Census Bureau, 2000 Census.

<sup>5</sup> Levitan, Mark. *Out of School, Out of Work... Out of Luck? New York City's Disconnected Youth*. New York: Community Service Society, January 2005.

<sup>6</sup> U.S. Census Bureau, 2006 American Community Survey.

### Young Children Initiatives

- Child Care Tax Credit
- Early Childhood Policy and Planning
- Expansion of the Nurse-Family Partnership program
- Food Policy

A total of 31 CEO sponsored programs started in the past year and are already serving clients. More initiatives will begin operating in early 2008 for a total of 41 initiatives.

### LOCATION AND SCALE OF INITIATIVES

Many CEO programs are available citywide whereas other initiatives are concentrated in select high-poverty neighborhoods. CEO target communities include Bedford-Stuyvesant (Brooklyn), Melrose (Bronx), and Jamaica (Queens). CEO's conditional cash transfer programs target additional low-income communities, including the Central Bronx, Central and East Harlem in Manhattan, and Brownsville and East New York in Brooklyn.



Citywide initiatives include programs with significant reach such as ACCESS NYC, a web-based tool that screens for over 35 City, State, and Federal human service benefit programs; the Child Care Tax Credit, estimated to benefit up to 49,000 low-income families; language access initiatives to ensure that City services are responsive to non-English speakers; and a multi-agency effort to increase receipt of the EITC. Other programs are citywide but serve a more modest number of people, such as a model education program to

provide literacy skills to formerly incarcerated youth, or a nurse training program to create career ladders for low-skilled employees in the health care industry.



### INNOVATION

*“Every other anti-poverty program that’s been tried has failed to get the national poverty rate below 11 percent. So what are the options? Do nothing? Or dress-up the failed old ideas? We have other options – but only if we’re not afraid of thinking outside the box, even if that means breaking taboos. And let’s face it: If we had been afraid of breaking taboos in the 1990s, requiring mothers to work never would have happened as part of the welfare reform – but now almost everyone accepts that it was a good and necessary thing.”*

*- Mayor Michael R. Bloomberg*

The Center for Economic Opportunity represents a fundamentally different approach to combating poverty. It combines a significant new financial commitment with interventions that are highly targeted and performance based. Because of our unique mandate, CEO has attracted interest from the World Bank, the Brookings Institution, the National Governors Association, the U.S. Conference of Mayors, the National Conference of State Legislatures, leading foundations, and many others who want better and more efficient ways to address poverty.

Innovative initiatives include:

### **Opportunity NYC: Learning From Other Countries**

NYC's conditional cash transfer (CCT) programs test the impact of monetary incentives on health, education, and employment outcomes, as well as overall impact on poverty reduction. Opportunity NYC is a privately-funded \$53 million pilot initiative that builds on the conceptual framework and lessons learned from CCT programs internationally. Conditional cash transfer programs have been implemented in Latin America, Asia, and Africa.

Opportunity NYC includes three distinct pilot programs. CEO developed two of its programs, *Opportunity NYC: Family Rewards and Work Rewards*, with MDRC, a national policy research organization, and Seedco, a national nonprofit intermediary organization. *Family Rewards* is the most comprehensive of the three programs and offers participating families incentives for health, education, and employment activities. *Work Rewards* serves residents of subsidized housing and compares the impact of immediate employment incentives to a longer-term matched savings and support program. CEO is also collaborating with the Department of Education and Harvard Economics Professor Roland Fryer to implement *Opportunity NYC: Spark*, a program that offers modest monetary incentives to public school students for academic improvements.

### **Child Care Tax Credit: A Major New City Commitment to Working Families**

This summer New York City became one of only two cities nationwide to offer a tax credit for child care expenses. The Child Care Tax Credit (CCTC) is CEO's largest initiative and

is expected to cost up to \$42 million per year and to provide refundable credits of up to \$1,700 to an estimated 49,000 low- and moderate-income families. The City credit is similar to the State and Federal credits and together these credits provide real support for low- and moderate-income working families, and ensure that children have access to quality child care.

**"Mayor Bloomberg has demonstrated that poverty reduction work shouldn't take a back seat to politics. In a bold move, he challenged and empowered Deputy Mayor Gibbs and her team to come up with creative solutions that dealt with poverty holistically. Following his charge, they sought expert advice from other parts of the world to learn about proven poverty-reducing solutions. After extensive research and careful planning, they worked to develop a program that, unlike so many traditional approaches to welfare, ensures that beneficiaries make long-term investments in the health and education of their families. We strongly believe that Opportunity NYC can make great strides in helping to alleviate poverty in our city, and the Rockefeller Foundation is proud to play a role in this pioneering program."**

**- Judith Rodin, President,  
Rockefeller Foundation**

Governor Eliot Spitzer signed the legislation on August 1, 2007, stating, "Access to quality childcare in New York City has become cost prohibitive for far too many families. The Child Care Tax Credit will support struggling low-income families who are currently forced to weigh child care costs against other important priorities such as the chance to work, put food on the table and pay health care costs. At the same time, this law addresses the needs of young

children in these families by helping them gain access to the quality care and early learning needed to succeed."



### Evaluation: Holding Programs Accountable

CEO is committed to monitoring and evaluating all of its projects to determine which are the most successful. As recommended by the Commission, CEO and partner agencies have identified target outcomes and performance measurement strategies. Agencies and their contractors are required to document robust client outcomes to maintain CEO funding. Successful programs will be positioned to receive ongoing or increased public funding to serve additional participants.

CEO is working with nationally recognized, independent evaluation firms. MDRC is conducting a five-year random assignment evaluation of CEO's experimental conditional cash transfer programs, *Opportunity NYC: Family Rewards and Work Rewards*.<sup>7</sup> Westat and Metis Associates will conduct implementation, outcome, and benefit-cost evaluations of all other CEO programs.

CEO also established a small in-house evaluation team that is collecting program monitoring information and working with agencies to use performance data to improve program services and outcomes.

### A New Measure of Poverty: A better means to understand how New Yorkers are faring

Under the Federal poverty threshold a family of three in New York City or Natchez, Mississippi is considered poor if annual household income is less than \$16,227.<sup>8</sup> The measure reflects neither the cost of living nor the value of public transfer programs, such as Medicaid or the Earned Income Tax Credit. The measure has been widely criticized, and the Mayor's Commission for Economic Opportunity observed that in order to successfully address poverty, the City needed a better set of tools by which to measure it.

CEO will base its alternative poverty measure on a set of recommendations developed by the National Academy of Sciences' Panel on Poverty and Family Assistance.<sup>9</sup> The Panel's approach expands the definition of family resources and updates the income thresholds that draw the Federal poverty line. It has received extensive scrutiny by government researchers and university-based scholars and is widely regarded as a far superior method of measuring poverty than the current measure.



### Nurse-Family Partnership: An Evidence-Based Model

This national model program supports young, first-time mothers through their pregnancies and up until their child's second birthday. Registered Nurses make regular home visits and support good parenting, child development, and participation in maternal education and employment. Program evaluations by the Rand Corporation and others indicate positive effects on behavioral and emotional development as measured by achievement test scores, instances of child abuse, number of emergency room visits, and length of hospital stays.<sup>10</sup> By fall 2009, the program is expected to serve 3,420 families in New York City. CEO is proud to support this and other exemplary programs.

### CUNY ASAP: A New York City innovation

Less than 20% of community college students graduate with an Associate's Degree within six years.<sup>11</sup> The new CUNY ASAP program provides 1,000 students in six New York City community colleges with intensive support to ensure that they graduate within three years. The program offers small classes with a consistent peer cohort, block scheduling to facilitate work and family life, additional tutoring and counseling services, job placement assistance, as well as free books, Metrocards, and other financial assistance.

<sup>7</sup>The American Inequality Lab and Harvard University Professor Roland Fryer are evaluating *Opportunity NYC: Spark*.

<sup>8</sup>U.S. Census Bureau, Poverty Threshold, 2006.

<sup>9</sup>National Research Council, Panel on Poverty and Family Assistance. *Measuring Poverty: A New Approach*. Constance F. Citro and Robert T. Michael, eds. Washington, DC: National Academy Press, 1995.

<sup>10</sup>Karoly, Lynn A., M. Rebecca Kilburn, and Jill S. Cannon. *Early Childhood Interventions: Proven Results, Future Promise*. Washington, D.C.: Rand Corporation, 2005.

<sup>11</sup>U.S. Department of Education. "Beginning Postsecondary Students Longitudinal Study of 1996-2001." 2003.

## ACCOMPLISHMENTS

*“The City responded to our recommendations with resources and a clear plan of action. We commend the Center for Economic Opportunity for all that it has accomplished in one year.”*

– Geoffrey Canada and Richard D. Parsons, Co-Chairs of the Commission for Economic Opportunity

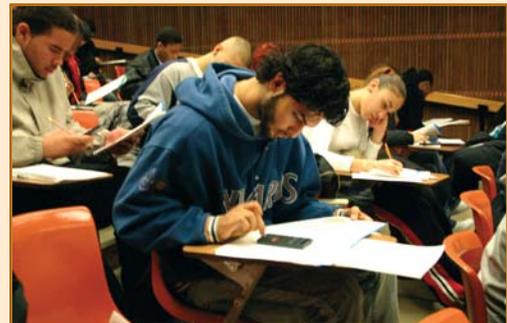
Approximately 100,000 New Yorkers are already benefiting from CEO programs. Early accomplishments include the following:

### CEO Year 1 Program Accomplishments<sup>12</sup>

- Established new Center for Economic Opportunity under the leadership of Veronica M. White. CEO program and evaluation teams collaborate with City agencies and provide program oversight.
- Implemented 31 new initiatives to reduce poverty, including the nation’s first set of conditional cash transfer programs.
- City agencies initiated 13 competitive procurements to select service providers.
- Selected independent evaluation firm, Westat and its subcontractor, Metis Associates, to conduct process, outcome and benefit-cost evaluations of all CEO initiatives; MDRC to evaluate *Opportunity NYC: Family Rewards* and *Work Rewards*.
- Committed to develop a new poverty measure based on National Academy of Sciences’ recommendations.
- City agencies appoint approximately 100 professionals to develop and oversee new poverty initiatives.

### Young Adult Initiatives

- Opened one new school-based health clinic that is providing comprehensive health and reproductive health care to up to 700 Bronx high school students.
- Established 31 service learning programs (more to come in January), serving more than 1,580 students.
- 15 internship programs established for disconnected youth in high-poverty communities.
- Successful expansion of CUNY Prep, a model GED to college program.
- CUNY ASAP established at six community colleges to improve college retention and degree completion for 1,000 students.
- 25 foster youth completing financial literacy program towards initiating individual development accounts.
- 200 additional young adults participating in education programs on Rikers Island.
- 80 former inmates from Rikers Island receiving mentoring and other re-entry support.



### Working Poor and Early Childhood Initiatives

- Over 16,000 households received more than \$10 million in Earned Income Tax Credits (EITC) from a ground-breaking City initiative that mailed out completed tax forms.
- EITC outreach campaign generated 30,000 calls to 311 from New Yorkers during the 2007 tax season, representing a 40% increase from the prior year.
- Up to 49,000 households now eligible for a new City Child Care Tax Credit worth up to \$1,700 per household; one of only two nationwide.
- Expanded the nationally recognized Nurse-Family Partnership program in NYC. Now serving over 900 pregnant and new mothers.
- Implemented three conditional cash transfer pilot programs offering incentive payments for health, education, and employment activities.
- 39 students embarked on an accelerated Licensed Practical Nurse Program; graduates are expected to be in positions earning nearly \$40,000 by the summer.
- Businesses offering customized training to 393 employees.
- 160 low-wage workers receiving advancement and retention support services.
- 657 low-income community residents actively recruited to fill job vacancies.
- 5,000 over-age and under-credited students attending Multiple Pathways programs and working towards high school or GED degrees.
- 148,000 visits to ACCESS NYC, the City's on-line screening tool for over 35 public benefit programs.
- Nearly 10,000 young children enrolled in new Universal Pre-Kindergarten slots.



- Mayor signed executive order enforcing living and prevailing wage requirements for City contractors.
- Enhanced outreach and support for non-custodial parents to fulfill their child support obligations.

## Funding

The Innovation Fund is an approximately \$150 million annual commitment to pilot new solutions to poverty. The Fund includes \$67 million in new City funding, \$11.4 million for educational programs for youth at risk, \$42 million for the new Child Care Tax Credit, and \$7 million in Federal and State funds. Included in this total are private donations that the City is raising for Opportunity NYC, the conditional cash transfer pilot programs. Opportunity NYC costs approximately \$26 million a year and CEO has already raised \$46 million of the \$53 million needed for the two year pilot.

Opportunity NYC funders include: The Rockefeller Foundation, The Starr Foundation, Bloomberg Philanthropies, American International Group (AIG), The Robin Hood Foundation, The Open Society Institute, The Broad Foundation, New York Community Trust, The John D. and Catherine T. MacArthur Foundation, The Annie E. Casey Foundation. CEO appreciates the generosity of its funders and support from the Mayor's Fund to Advance New York City.

## Leadership

Veronica M. White is the Executive Director of the New York City Center for Economic Opportunity, established by Mayor Bloomberg under the Deputy Mayor for Health and Human Services Linda Gibbs.

## Partner Agencies

The following City agencies are implementing CEO initiatives. Many other agencies have also supported this effort.

Administration for Children's Services  
City University of New York  
Department of Consumer Affairs, Office of Financial Empowerment  
Department of Correction  
Department of Education  
Department of Finance  
Department of Health and Mental Hygiene  
Department of Housing Preservation and Development  
Department of Information Technology and Telecommunications  
Department of Juvenile Justice  
Department of Probation  
Department of Small Business Services  
Department of Youth and Community Development  
Economic Development Corporation  
Health and Hospitals Corporation  
New York City Housing Authority  
Human Resources Administration  
Mayor's Office of Contract Services  
Mayor's Office of Immigrant Affairs  
Office of Management and Budget





