

K-12 Education Example: New York City Teacher Incentive Program

- I. **Program description:** This program provided low-performing schools that increased student achievement and other key outcomes with an annual bonus, to be distributed to teachers. The program, funded at \$75 million, was offered to a subset of low-performing public schools (elementary, middle, and high) in New York City, more than 80 percent of which participated for three years. Each year, approximately half to three-quarters of the schools were awarded the full bonus (approximately \$3000 per teacher), and a small additional number received a partial bonus.
- II. **Evaluation method:** Large randomized controlled trial (RCT) with a sample of 396 of the city's lowest-performing schools, conducted 2008-2010.¹ The trial randomly assigned these schools to (i) a group that was offered the incentive program, or (ii) a control group that was not. The study meets widely-accepted criteria for a well-conducted RCT.²
- III. **Key findings on program impact:** During the three years after random assignment, the program had no effect on student achievement, attendance, graduation rates, behavior, or GPA (compared to control schools). Based in part on these results, the city ended the program, freeing up resources for other efforts to improve student outcomes.
- IV. **Cost of measuring program impact: About \$50,000.**³ The low cost was achieved by measuring study outcomes using administrative data (e.g., state test scores) that the school district already collects for other purposes, rather than engaging in costly new data collection (e.g., administering achievement tests as part of the study).

The \$50,000 cost included such items as (i) extracting the administrative data and preparing it for analysis; (ii) analyzing and reporting study results; and (iii) paying overhead costs of the study author's research institution.

Random assignment's contribution to the above cost was negligible. This is because (i) district officials recognized that they did not have sufficient funds to provide the incentive program to all low-performing schools in the city, and therefore were amenable to allocating program participation by lottery (i.e., random assignment); and (ii) the study author personally conducted the lottery at the start of the study, eliminating the need for ongoing supervision of random assignment to ensure its integrity. Thus, the study costs described above, such as data extraction/preparation, would have been incurred even if the study had used a non-randomized design.

¹ Roland G. Fryer, "Teacher Incentives and Student Achievement: Evidence from New York City Public Schools," NBER Working Paper No. 16850, March 2011, [linked here](#).

² *Checklist For Reviewing a Randomized Controlled Trial of a Social Program or Project, To Assess Whether It Produced Valid Evidence*, Coalition for Evidence-Based Policy, 2010, [linked here](#).

³ This does not include the cost of program delivery – e.g., the bonus payments – but rather is the added ("marginal") cost of the evaluation. The study also included phone surveys as part of a process analysis, which are not included in the above cost.