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This document summarizes:

Margaret Beale Spencer, Elizabeth Noll and Elaine Cassidy. “Monetary Incentives in Support of Academic Achievement: Results of a Randomized Field Trial Involving High-Achieving, Low-Resource, Ethnically Diverse Urban Adolescents.” *Evaluation Review* June 2005: 199-222

Despite the rise in federal spending for elementary and secondary education, the achievement gap between students of different income levels continues to grow and overall student proficiency has remained stable over the past thirty years. This study looks at one possible solution to this problem—monetary incentives for low-income students who perform well in the classroom. The study, which focuses on performance-contingent monetary incentives in low-resource urban youths, finds that those who received stipends were more likely to maintain good grades than those who did not.

For students in low-income communities, the monetary incentives may provide psychological benefits along with the financial ones. Because many of these students face unique obstacles to their schooling such as affording public transportation and school supplies and helping to support the family financially and physically, the stipends can alleviate some of this stress and allows the students to spend more time focusing on their school work. Further research is needed to study the benefit of monetary incentives on students who face difficult obstacles in school such as learning disabilities, but the study does provide evidence of the benefit of monetary incentives for a select group of students.