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### Schools Pay Students to Learn

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Schools use cash as an incentive to boost attendance and scores

Baltimore schools teach students about the stock market and let them keep money from their portfolios. Are cash rewards bribery or a creative way to inspire students?

By Sean J. Miller | Correspondent

BALTIMORE

Asia Cole usually finishes the newspaper on the bus before she arrives in front of her computer in the morning. That way she knows roughly what to expect when she logs on to check her stock portfolio. Clicking the keyboard of her Mac on a recent Friday, Asia adjusts her glasses and scans the latest market fluctuations – then calculates where her investments stand as the country flirts menacingly with recession.

Asia's morning ritual could be the same as any broker in a cubicle at Merrill Lynch or Goldman Sachs. Except her office isn't on Wall Street – she's sitting at her desk at the Francis Scott Key middle school here.

Asia is part of an unusual experiment in capitalism-meets-education in the Baltimore public school system. She's learning about the stock market, even managing her own portfolio, in an effort to understand the all-important subjects of economics and finance.

But the program also has another purpose: to help kids earn money in the hope that it will improve their attendance and grades.

Almost since the dawn of the classroom, parents and teachers have tried everything from bigger allowances to gold stars to motivate the next generation. Now some districts across the country are paying cash directly to students to boost achievement – despite often vocal opposition.

The result is a budding moral debate about how far schools should go in trying to repair American report cards. Are we entering an era of school-sanctioned bribery, or just tapping a distinctly American tool to help save a flawed education system? "Some teachers give children candy, some teachers give them school supplies," says Kevin Burnett, who teaches the stock-market class here. "We have a new era of children coming through. For a lot of them, money is a motivator."

The Francis Scott Key Elementary/Middle School sits two streets up from Baltimore

Harbor, across from a Marine Corps League hall and a factory that makes ingredients for glass. It is a squat brick building with a modern metallic sculpture out front.

Inside, students trickle in to Mr. Burnett's computer class on the second floor. Burnett, a tall, lissome man wearing a dark suit and open-collared shirt, tells his students to check out a website that displays stock performance data and recent business news.

His class is part of the "Stocks in the Future" program, a private initiative run in partnership with the school district. It is taught to some 400 sixth-, seventh-, and eighth-graders in Baltimore and Washington, D.C. The students earn up to \$80 a year, which they can invest in blue chip stocks and cash out when they graduate.

"We're dangling money in front of them as a way of getting their attention, and we've got it," says Pat Bernstein, who founded the incentive program with the help of Johns Hopkins University.

Baltimore school officials like the idea of cash incentives enough that they are now ambitiously expanding the concept. Starting this spring, the school district will pay up to \$110 to students who improve their scores on the High School Assessment (HSA) exams. The tests are administered on the four core subject areas needed to graduate in Maryland: American government, algebra, English, and biology.

Once the HSA testing starts in May, the school board will determine if at-risk students – those who have already failed at least one of the exams – are making progress toward graduating. If so, they will receive cash rewards pegged to improvement in their scores.

The district has earmarked almost \$1 million for the program over the next 18 months. The goal is to boost the city's graduation rate, which hovers around 60 percent. "It benefits the students as well as the schools," says Roger Shaw, the district official in charge of implementing the program, noting it can help schools meet mandates under the federal No Child Left Behind Act. "The ultimate incentive is they will pass the tests and earn their high school diplomas."

Other cities like the idea of cash rewards, too. New York has launched "Opportunity NYC" as part of a broader antipoverty effort. It pays students in fourth and seventh grades up to \$100 for improved scores on English and math exams. The program, privately funded, targets schools in low-income neighborhoods.

Similarly, Fulton County, Georgia, outside Atlanta, has launched a Learn and Earn initiative that pays students at two schools up to \$8 an hour to show up for after-hours science and math lessons. The eighth- and 11th-graders were picked for the program based on troubling attendance, grades, and test scores.

Still, critics of cash-reward initiatives argue that they instill the wrong values in kids –

promoting a love of money instead of a love of learning. "The question isn't will rewards motivate kids," says Alfie Kohn, author of the book "Punished by Rewards." "The question is what kind of motivation do rewards create?"

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Cash incentives often divide parents, too. Dennis Moulden, a former PTA official in Baltimore, worries about appearances. "I would prefer that it was grant money as opposed to tax dollars so it doesn't look like the [school] system is trying to pay these kids off," he says.

But Mr. Moulden also notes that middle- and upper-class parents have offered their kids monetary incentives for years – something not always available to poor families. "For a lot of these kids, parents don't have the resources," he says. "The [school officials] are supplanting the parents in that respect. It's kind of like an educational welfare system."

Underneath all this looms another question: Do incentives really work? One recent study by a Cornell University professor, who examined a Texas program that paid students in poorer districts for passing Advanced Placement tests, found that the rewards did help increase participation in the AP classes and improved scores. But the author has cautioned that other factors might have contributed to the improvements.

At the middle school, Burnett presses on with a discussion about the stock market and economy. He removes his suit jacket and rolls up his sleeves. The class stirs. One girl mentions her mom has stopped buying juice because it's too expensive. Other students point out high gas prices. Another boy puts up his hand and explains: "I was going to the store and I left the TV on and my mother started yelling that I didn't pay any bills."

The comment draws laughter, but Burnett links it back to the high cost of energy and asks how that might affect the stock market. After a few minutes, he tries a different tack.

"How many of you are buying video games?" he asks. He veers the conversation toward the performance of Sony and Microsoft stock. Then he segues into financial strategy. "We invest in companies that we know are going to be around for the long haul, so it's not like a game of Monopoly – you can't go two spaces and end up living on Park Place," he says.

So far, the class seems to be working. The students are absorbed, not because of any dividends they might get from their portfolios but because of the window into capitalism. "I don't really need money to come to school," says Asia. "I like coming to school because I want an education."

Classmate Nakia Lyna concurs. "Some adults think that we don't like coming to school, that we don't like learning," she says. "But in this class, we have fun learning about money."

Nakia, in fact, believes paying students may just confuse them. "If you bribe them with money, they're going to have a reason to come just for the money," she says. "They're not thinking about what they're going to learn in social studies the next morning or in computer class. They're going to think about how much money they're going to get and when they're going to spend it at the

store."

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