

Addiction & the Humanities, Vol. 6(8): Cash for Good Grades...or Bad Grades - Motivation to Succeed?

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Ultrinsic, “ULTerior motivation that produces intrINSIC love of knowledge” (“Ultrinsic,” 2010), is a company that allows college students to bet on the grades they will receive during the semester. Students who get their predicted grade, or better, win back their wager, plus a reward from the company. Those who do not get the grade lose their wager. Ultrinsic claims that their monetary incentives motivate students to improve their grades and succeed academically. However, motivation research (Ryan & Deci, 2000) suggests that Ultrinsic’s monetary awards could backfire in the end (see <http://www.psych.rochester.edu/SDT/theory.php> for a summary of Ryan & Deci’s self-determination theory).

Currently, Ultrinsic is available to students at, but not affiliated with, 36 US colleges and universities (e.g., Harvard University). Undergraduate students who do not already have a 4.0 grade point average (GPA) can open an account by providing to Ultrinsic the school they are attending, their course schedule, and academic history. Ultrinsic verifies grades through official transcripts or online school accounts before depositing cash rewards into accounts. Students can use the rewards to place future bets or request a check.

Ultrinsic determines students’ rewards (see Figure 1) using an algorithm based on the amount wagered, the student’s GPA or academic history and the difficulty of the class. Although Ultrinsic allows users to see how much money they can win before they place a bet, students who typically get A’s and bet the same amount for the same grade as students who typically get C’s will win less money.

Figure 1: Ultrinsic’s Betting Activity Types & Hypothetical Contributions (adapted from Ultrinsic.com’s online demo)

Semester Incentive <i>Students bet on a target semester GPA</i>		Semester Insurance <i>Students "bet" on a low semester GPA by paying a premium for full coverage if they get that GPA or lower</i>		Rewards* (Incentives Only)
Target GPA	3.5 and higher	Policy Terms	1.9 and lower	Total Wagered - \$133 (total that can be lost)
Total Incentive	\$117	Premium	\$50	Total Ultrinsic Contributions - \$183 (total that can be gained)
Your Contribution	\$67	Coverage	\$100	Total Rewards - \$316
Our Contribution	\$50			
Course Schedule				
Course	Course Incentive <i>Students bet on a target grade for a cash reward</i>	Grade Insurance <i>Students "bet" on a low grade by paying a premium for full coverage</i>	Multi-Course Incentive <i>Students bet on target grades for up to 3 courses for a cash reward</i>	Rewards* (Insurance Only)
Intro to Calculus	 Total Incentive: \$51 Your Contribution: \$22 Our Contribution: \$29	 Premium: \$17 Coverage: \$42	Math 104: A- and higher English 140: B+ and higher Economics 202: A- and higher	Total Premiums - \$90 (total that can be lost)
Creative Writing	 Total Incentive: \$60 Your Contribution: \$31 Our Contribution: \$29	 Premium: \$23 Coverage: \$58	Total Incentive: \$88 Your Contribution: \$13 Our Contribution: \$75	Total Ultrinsic Coverage - \$200 (total that can be gained)
Ultrinsic also offers a 4.0 GPA Incentive (Freshmen Only): Students can bet they will receive a 4.0 throughout college, a \$20 bet earns \$2000, \$10 earns \$1000, or \$5 earns \$500				Total Rewards - \$290

*Incentives and Insurance are shown separately since most students would not bet on good and bad grades for the same course.

Although Ultrinsic claims its service promotes good scholarship, research suggests that this might not be the case over time. Studies show, for example, that individuals who receive financial external rewards for tasks experience less [intrinsic motivation](#) (i.e., motivation that is generated internally, such as interest or curiosity) to complete those tasks (Deci, 1971). Similarly, compared to [extrinsic goals](#) (i.e., goals that focus on external consequences outside of the task alone), [intrinsic goals](#) (i.e., goals that are self-satisfying independent of external factors) are more likely to lead to short and long-term persistence and a more comprehensive understanding of academic material (Vansteenkiste, Lens, & Deci, 2006). Furthermore, extrinsic goals can also predict several negative outcomes, including cheating (Anderman, Griesinger, & Westerfield, 1998). It is important to note that extrinsic motivation might enhance intrinsic motivation if individuals identify with and internalize extrinsic motivators (e.g., striving to receive a good grade [the extrinsic motivator] because one understands and values the importance of doing well in school for future quality of life). However, reward, punishment or deadline-driven extrinsic motivators are less likely to be internalized (Ryan & Deci, 2000).

Ultrinsic's stated goal is to motivate students to achieve by giving them an opportunity to bet on their grades and receive a cash reward if they succeed. Motivation research suggests that Ultrinsic might compromise this goal. The

company is providing an external reward that is not closely tied to intrinsic motivation. Also recall that Ultrinsic offers rewards for bad grades. If students do not possess intrinsic motivation to succeed academically, they could potentially use the site only for its pay-offs - slacking one semester and then doing really well the next to obtain the most money possible. Future empirical research is needed to determine how this company's goal affects today's students.

-Tasha Chandler

What do you think? Please use the comment link below to provide feedback on this article.

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