Implications for Policy and Practice of New Research on an Asset-Building Model for FSS

By Jeffrey Lubell[1]

Overview

Abt Associates recently completed an evaluation of Family Self-Sufficiency (FSS) programs in Lynn and Cambridge, Massachusetts administered by the nonprofit Compass Working Capital in partnership with public housing agencies (PHAs) in those cities. Our initial report found that Compass FSS produced strong earnings gains, a reduction in Temporary Assistance for Needy Families (TANF) program expenditures and improvements in credit and debt outcomes that exceeded available benchmarks. A subsequent cost-benefit analysis found that the program's benefits greatly outweighed its costs.[2]

This paper explores the implications of this evaluation for the broader debate about how to help residents of subsidized housing to increase their earnings and build assets and financial capability. The following are the principal conclusions:

1. **Proof of Concept and Program Execution.** FSS can be an effective framework for helping residents to increase their earnings and build assets and financial capability. But it's likely that the quality of local program execution matters considerably. Compass exhibits many of the hallmarks of a high-performing non-profit organization; additional research is needed to clarify the key characteristics of a successful local FSS program.

2. **Voluntary Self-Sufficiency Efforts.** Compass FSS demonstrates that there is substantial potential to expand FSS programs through self-sufficiency efforts that are voluntary rather than mandatory for recipients of housing assistance.

3. **Effects on young adults in household.** Abt's evaluation found that roughly half the earnings impacts of Compass FSS was attributable to earnings of the head of the household, while the other half was attributable to earnings of other household members, most of whom were young adults in their teens or young twenties. This underscores the potential of Compass FSS to affect the earnings of the children of FSS participants as well the participants themselves, leading to higher household earnings. Further research is needed to determine whether Compass FSS produces long-term benefits for the young adults once they leave the household.

4. **Boosting earnings among families that are already working.** Descriptive data show that strong earnings increases were experienced not only by those with little or no earnings at baseline but also by households with starting household

earnings between $26,000 and $35,000.[3] While more research is needed to assess whether this growth is due to the program, these descriptive data suggest that Compass FSS may have the potential to go beyond helping unemployed or underemployed people to obtain low-wage employment to boost earnings to more substantial levels.

5. **Asset growth.** Since the start of Compass's FSS program, graduates have received an average of $7,600 in disbursements from their FSS escrow accounts. This represents sizable accrued savings that can play an important role in helping families manage income fluctuations and achieve homeownership and other financial goals.

6. **Non-standard escrow model.** More than half of the families in the study received a non-standard FSS escrow equal to about half of the traditional FSS escrow. While further research is needed to test this hypothesis, it may well be that smaller escrow accounts could produce earnings gains of a size similar to that produced through larger escrow accounts, allowing program resources to be spread out to benefit more families. Of course, smaller escrow accounts by definition generate smaller savings for families, so the effects of lower asset accumulation would also need to be considered.

Following an overview of the Compass FSS model and Abt's evaluation findings, this paper explores the six points noted above and then concludes with thoughts on next steps for future research on Compass FSS. Figure 1 briefly summarizes these research recommendations.

Figure 1: Recommendations for Future Research

- Extend initial Compass FSS evaluation to track outcomes over a longer time period and increase sample size to allow for separate analysis of earnings impacts at Cambridge and Lynn sites and for key subgroups, such as households with different levels of starting earnings
- Conduct a randomized controlled trial of a future Compass FSS expansion to generate the highest quality of data on the effects of Compass FSS
- Conduct qualitative research on Compass FSS participants to clarify how graduates spend their escrow balances, why some families fail to complete the program, and why some families choose not to enroll.
- Study FSS programs with stronger and weaker outcomes in order to identify the characteristics of high-performing programs. This research should extend beyond Compass FSS to also include other FSS programs.
- Study the effects of Compass FSS on the earnings, educational and financial capability outcomes of participants' children and the effects of any earnings impacts among young adults on the overall well-being of the household.

Background on Compass' Asset-Building Model for FSS

FSS is a program of the U.S. Department of Housing and Urban Development (HUD) established by Congress in 1990 that seeks to help participants in three HUD rental assistance programs (the Housing Choice Voucher, Public Housing and Project-based Section 8 programs) make progress toward economic security. FSS works to achieve these goals by combining stable affordable rental housing with: (a) case management or coaching to help participants identify and achieve their goals and (b) an escrow savings account that increases in value as participants' earnings and rent contributions rise. See Geyer et al. 2017 for a review of past research on FSS.

Compass is an asset-building nonprofit organization based in Boston, Massachusetts, that works with public housing agencies and private owners in southern New England to administer FSS programs. The oldest Compass FSS programs are in Lynn (launched in October 2010) and Cambridge (launched in November 2012). In addition to the traditional FSS program requirements and components, Compass's implementation of FSS includes several innovative features:

- A strong focus on helping clients build financial capability, pay down high-interest debt, build savings, and improve their budgeting and FICO® Scores, complementing the asset-building that occurs through the FSS escrow accounts. Compass calls this an "asset-building model" for FSS;
- A coaching model for case management that emphasizes participant-driven interaction and goal-setting;
- A program-wide goal of growing the FSS program enrollment rate to 20 percent of the reference population. (Compass defines the reference population as the number of households in each PHA with heads who are neither elderly nor a person with disabilities.[4]) Compass seeks to achieve this outcome through marketing and outreach strategies, including a postcard marketing campaign that taps into and builds upon families' aspirations for themselves and their children;
- A public-private partnership model, supported by philanthropy. While most FSS programs are run entirely by PHAs, the Compass FSS programs are run by Compass, a nonprofit that specializes in financial coaching and asset-building programs in partnership with the public housing agencies; and,
- At the Cambridge Housing Authority, an escrow account that is less generous than in a typical FSS program, providing an escrow equal to half of the traditional amount. The Cambridge escrow model also eliminates the normal cap on escrow accumulation for households with incomes between 50 and 80 percent of the area median income (AMI). The agency has been able to make these changes because it participates in the Moving to Work demonstration program.

Evaluation Findings

Using HUD administrative data, Abt compared earnings and public benefits receipt for FSS participants in Lynn and Cambridge to similar outcomes for a matched set of comparison households identified through propensity scores. Abt also compared credit and debt outcomes for Compass FSS participants to benchmarks established for a group of individuals with similar credit report profiles through analysis of data from the Experian credit bureau.

Abt's evaluation found that, after about three years, Compass FSS produced large impacts on average annual household earnings (an increase of $6,305) and TANF (a decrease of $496) compared to the matched comparison group. Compass FSS participants also experienced sizable increases in FICO® scores (23 percentage points) and the share of participants with a FICO® score (7 percentage points) and sizable decreases in credit card debt ($655) and derogatory debt ($764). These improvements in credit and debt outcomes significantly exceeded benchmarks calculated from credit bureau data.

In its cost-benefit analysis, Abt found that participants experienced **an average net benefit of $10,345 per participant** over the course of the five-year analysis period. This represents the net of substantial gains in earnings and other income; modest reductions in income taxes (largely due to the Earned Income Tax Credit and Child Tax Credit); and accrued savings through the FSS escrow account that more than offset participants' reductions in TANF, housing subsidy and other public benefits. From the perspective of the program and the government, Abt determined that, over the five-year analysis period, the program cost an average of $8,616 per participant but saved the government nearly as much in reduced public benefits and increased taxes (mostly from the employer share of social security and Medicare taxes), resulting in a **net cost to the government and program providers of only $276 per participant.**

Implications for Policy and Practice

1. ***Compass FSS evaluation provides proof of concept that FSS can work, but outcomes for individual sites likely depend on quality of implementation***

There have been only a few studies of FSS that were designed to evaluate the program's impact against a comparison group.[5] Abt's finding that Compass FSS has statistically significant impacts is noteworthy, therefore, as proof of concept that FSS can be an effective framework for helping residents to increase their earnings and build assets and financial capability. But this doesn't mean that all local FSS programs will be similarly successful. FSS is more of a broad framework than a specific program model, with major decisions about how to run the program left to the discretion of local program administrators. These decisions include: (a) how to assess clients' needs; (b) how to define clients' goals and assess progress towards those goals; (c) what type of case management or coaching to provide; (d) how often to meet with clients; (e) how many clients to ask each case manager or coach to serve; (f) whether to allow clients to withdraw escrow on an interim basis; and (g) whether and how to screen clients for motivation. As described above, Compass has adopted a particular asset-building model for FSS. More research is needed to determine whether certain approaches to administering FSS are more effective than others.

In addition to variations in program model, FSS programs also vary in terms of the type of entity administering the program and the quality of local program execution. The overwhelming majority of FSS programs are administered by local PHAs. Compass FSS, by contrast, is administered by a nonprofit organization (Compass) working in partnership with local PHAs. Unlike a PHA, Compass focuses almost exclusively on FSS and related programs, allowing it to devote its entire organizational energy and capacity toward the execution of these programs. Compass also administers multiple FSS programs, allowing it to aggregate expertise in how to run an effective program.

We also know from a separate process study Abt is undertaking that Compass exhibits many of the hallmarks of a high-performing non-profit organization, including:

- A learning culture – Compass regularly reviews data on the outcomes of its programs to determine whether it should be adjusting its approach;
- A reliance on evidence-based practices – this is particularly evident in its use of participant-driven coaching and its adaptation of insights from behavioral economics to enhance its FSS marketing campaign; and
- An emphasis on hiring quality staff, providing structured training and ongoing professional development, and the regular sharing and vetting of challenges among staff.

While Abt's study focused only on Compass FSS and did not compare Compass FSS to other FSS programs, it is reasonable to expect that the quality of local program implementation is a factor in the success of the Compass FSS model. Additional research is needed to better understand the extent to which PHA-run FSS programs have been similarly successful and, if so, whether and to what extent they show signs of quality program execution.

Compass' ability to help FSS participants improve their credit, reduce credit card and derogatory debt, and build assets through escrowed savings should be of particular interest to organizations interested in helping low-income households to build assets and financial capability. Results of the Compass FSS evaluation confirm that FSS can be successfully deployed to achieve these goals. With the recent expansion of FSS eligibility to project-based Section 8 developments, and the longstanding ability of PHAs to expand their programs, there is a potential for other asset-building organizations to follow Compass's lead and develop

Figure 2: Enrollment Percentage as of February 2018

Program	Currently Enrolled	Reference Population	Enrollment Percentage
Lynn (LHAND)	178	818	22%
Cambridge HA	199	1277	16%
Metro Hous-ing Boston	333	2278	15%
Preservation of Afford-able Housing (POAH)	115	411	28%
The Caleb Group	31	93	33%
All Programs	856	4877	18%

Note: This table provides data on the Lynn and Cambridge FSS programs that were the subject of Abt's report as well as other FSS programs administered by Compass FSS and reflects enrollment as of February 2018. The first three rows show FSS programs administered jointly with PHAs. The last two rows represent FSS programs administered jointly with nonprofit owners of project-based Section 8 multifamily housing.

similar partnerships with housing providers. Housing providers with existing or new FSS programs may also wish to adopt an expanded focus on financial capability within their FSS programs. Compass has launched a network – the National FSS Network – to help support the adoption and adaptation of their model by other organizations. Abt is tracking the early experience of this network through a process study.

2. *Compass FSS illustrates potential of voluntary self-sufficiency approaches*

Like all FSS programs, Compass FSS is voluntary for recipients of federal housing assistance. Despite its voluntary nature, however, Compass has been able to enroll more than 850 families in its FSS programs. As shown in Figure 2, this represents about 18 percent of the total number of households with non-elderly non-disabled heads of household in the housing programs being served, the reference population Compass uses to set its enrollment targets.

Nationwide, about 2.1 million households receive one of the three housing subsidies eligible for participation in FSS (public housing, the Housing Choice Voucher Program, or project-based Section 8) and have a head that is neither elderly nor disabled.[6] If FSS programs nationwide could reach the same 18% enrollment percentage that Compass does in its FSS programs, they would be able to enroll more than 375,000 households, more than five times the current FSS enrollment of about 72,000 households.

These data make clear there is substantial room to grow participation in FSS in its current form, as a program that is voluntary for households living in federal subsidized housing. Such an expansion would likely require additional federal funding for FSS staff, since the current funding for FSS coordinator positions is fully utilized and insufficient to accommodate growth. In the Compass FSS program, client-centered coaching plays a key role, tapping into families' aspirations and dreams and helping them identify and pursue their own financial goals. An expanded FSS program will require expanded staff to provide this coaching. Philanthropy could potentially be a partner in these efforts, for example, by helping to seed the creation of new FSS programs or supporting practitioner networks that helped expand program effectiveness.

While a full analysis of the pros and cons of making FSS mandatory is beyond the scope of this paper, the FSS model, both as established by Congress in 1990 and in practice, is premised on participants volunteering to join the program and work on moving up the economic ladder, even if they need help overcoming the obstacles to doing so. It is not clear whether the same model would be intensive enough to work effectively with a broader population of households who may face greater obstacles to work. For example, if FSS were expanded beyond its current voluntary form, additional types of assistance (e.g., child care and transportation subsidies) and smaller caseloads might be needed to facilitate working with clients on a more intensive basis, raising program costs.

The choice set available to policymakers is not limited to keeping FSS voluntary or making it mandatory. Aspects of FSS – for example, the opportunity of housing assistance recipients to build assets as their earnings increase – could be incorporated into the basic model of housing assistance so that all households in subsidized housing have a concrete financial incentive to increase their earnings and an opportunity to build assets they could deploy to strengthen their life trajectory.[7] This could be paired with a professionally coordinated marketing campaign to help subsidy recipients understand the new financial incentives and tap into their inherent aspirations to move up the economic ladder. Individual PHAs could then add coaching or case management to the extent resources were available to provide a deeper level of hands-on assistance to residents who sought it out. Compass and the Cambridge Housing Authority are currently experimenting with variations on this approach in two public housing developments in Cambridge.

3. *Compass FSS may influence young adults in the household to contribute to the total household income*

Most evaluations of employment programs focus on the earnings of the individual in the program rather than the earnings of the broader household. However, our earnings data came from administrative records submitted to HUD by PHAs from periodic recertifications of household income, which allowed us to look at the earnings of both the FSS participant (generally the head of household) and other household members. We found that Compass FSS led to an increase in the number of earners in participating households, and that the earnings of these additional households accounted for about half of the household earnings impacts attributable to Compass FSS. The vast majority of the additional earners were younger adults (many of whom were likely children of the household head) living in the FSS participants' households. All of these individuals were 18 or older as of the end of the analysis period (mean age of 20), but a bit more than half were below 18 as of the time the head enrolled in FSS.

Given the societal interest in helping children of low-income families to move up the economic ladder, these results are important and encouraging. We do not know the exact reason why Compass FSS increased the number of young adults who were working while living in these households. (Compass reports that it discusses youth in the context of a family's overall financial plan, if the FSS participant seems open to talking about them, or if they come to an appointment.) Additional research would be needed to explore the effects of young adults' earnings gains on the overall well-being of the household and to determine if the effects persist over time and lead to long-term benefits for employment, education, or financial capability outcomes.

4. *Descriptive data suggest that Compass FSS may help families that are already working to increase their earnings*

A number of policy approaches have been shown to be effective in helping unemployed or underemployed people gain full-time work in low-paying jobs. This is one way to read the many studies of welfare reform in the 1990s.[8] But few such efforts have shown an ability to help participants who are working attain higher-wage jobs.

While the sample in Abt's study of Compass FSS was not sufficiently large to enable this issue to be examined with statistical confidence in the impact analysis, the descriptive data provide reason to hypothesize that Compass FSS may hold some promise for helping working households attain higher-wage employment. As might be expected, the descriptive data show that the largest earnings increases were experienced by those with little or no earnings at baseline. But Compass FSS households with starting annual household earnings between $26,000 and $35,000 nevertheless experienced an average earnings gain of $7,411 during our analysis period, an increase of 21 to 28 percent. Note that this is the total increase in earnings, rather than the "impact" attributable to participation in Compass FSS program, which cannot be ascertained from this study because the sample was not large enough for impact estimates for portions of the study's sample (subgroups).

Similar suggestive evidence of the potential of FSS to help already employed participants to substantially increase their earnings may be seen in a study of FSS commissioned by HUD, which tracked 170 households who enrolled in FSS in the mid-2000s. After four years in the program, about one-quarter of the households had graduated from FSS; among these households, average annual earnings increased from $19,902 in 2006 to $33,390 in 2009 (all in 2009 dollars). These households, at least, appear to have succeeded in moving from low-wage work to a substantially higher earnings level. Another quarter were still in the program but had been mostly employed during the study period; these households also experienced substantial gains in average earnings and number of hours worked. About one-third were no longer in FSS (some of whom had left housing assistance altogether) and one-sixth were still in the program and mostly unemployed. [9]

This evidence is suggestive, rather than definitive, because the study that HUD conducted did not have a comparison group and because the Compass FSS study was not set up to identify the program's impact for specific subgroups. Moreover, there is a counter-example of a study that MDRC conducted of the Work Rewards program in New York City, which found that FSS plus added incentives had an impact in boosting the earnings of unemployed individuals but not individuals who were employed at the time of initial enrollment. [10]

5. *Compass FSS participants accumulated sizable assets through the FSS escrow account*

As of March 2018, 173 households had graduated from the Compass FSS programs in Lynn or Cambridge. Disbursements of FSS escrow for these households averaged $7,600 with higher average escrow disbursements at Lynn ($8,220) than Cambridge ($5,720). (As discussed below, the lower figures for Cambridge are a function of their non-standard escrow policy.) The averages include both final as well as interim disbursements authorized to help participants achieve their goals prior to graduation. These funds represent sizable accrued savings that can play an important role in helping families achieve their financial goals. Among other uses, Compass FSS graduates report plans to use their escrowed funds to purchase a home, pay down debt to improve their credit score, and build emergency savings.

Research shows that assets can benefit families in a number of ways. Assets provide families with financial security, preventing them from falling into poverty when faced with unexpected expenses, such as job loss, broken down cars needed to get to work, or emergency medical bills. People can also use assets to invest in themselves and their families by pursuing further education or training to increase wages and job satisfaction, starting a business, putting a down payment on a home, or saving for their children's education. Finally, the hope and confidence that successful asset-building instills in a family can both enhance their well-being and encourage them to set, pursue, and achieve long-term goals. [11]

The accumulation of escrow and its potential to help families achieve their financial goals are regular themes of the financial coaching that Compass FSS provides. Since families remain free to spend the funds how they wish, however, additional research is needed to determine how FSS participants have utilized their escrow accounts and what additional impact, if any, this spending has had on their financial stability and success beyond the end of their tenure in the FSS program.

6. ***Cambridge FSS program illustrates potential of non-standard escrow model to stretch scarce government funding further***

While the FSS program at the Lynn Housing Authority uses the traditional FSS escrow model, the FSS program offered by the Cambridge Housing Authority uses a variation on this model that provides residents with smaller escrow deposits. Despite this variation, descriptive data show strong earnings growth by FSS participants at both agencies, and an analysis of the impact of Compass FSS at the two sites show a positive overall impact on annual household earnings.

While additional research would be needed to confirm that the impacts of FSS are statistically significant at the individual site level in both the Lynn and Cambridge FSS programs,[12] the initial results suggest that strong earnings gains can be induced through both the traditional FSS escrow model and one that is less generous. This is important because a less expensive escrow would generate savings that could help pay for an expansion of FSS. The savings come from reductions in housing subsidy payments that exceed the costs of FSS escrow deposits. See the Appendix for an explanation of the two escrow models.

Of note, Cambridge did not have an FSS program in place before the Compass FSS program was established. FSS participants at a PHA shifting from the standard FSS model to the Cambridge model might very well perceive the new model to be a reduction in the level of benefits they had been expecting, which could undermine its effectiveness. The transition from the full FSS model to the modified one may therefore be rocky and would need to be managed with care.

Additional research and experimentation is needed to assess the effectiveness of modified escrow models in incenting increased earnings and the level of cost savings generated by shifting from the traditional to the modified model. Additional research on the role that escrowed savings play in the economic mobility of FSS participants is also relevant to this issue since a reduced FSS escrow model is, by definition, less effective than the traditional model in helping participants to build savings in their FSS escrow accounts.

Recommendations for Future Research

The evaluation findings indicate the Compass FSS model holds significant promise. As discussed above, additional research is needed to follow up on a number of hypotheses to clarify the implications for policy and practice. The following are some of the most important next steps:

- A larger study of the Compass FSS model is needed to assess whether there are significant impacts for specific subpopulations – such as households that start out with a moderate level of earnings – and whether the results for the Cambridge FSS program, with its modified FSS escrow account, are significant on their own. The most cost-effective approach for generating these results in the near-term would be to expand the initial study to add more recently enrolled households.

- A randomized controlled trial of Compass FSS would be an appropriate next step in evaluating the effectiveness of the program. Compass has demonstrated that the organization can recruit large numbers of program participants and that families experience positive earnings, credit, debt, and savings outcomes. They have also shown an ability to replicate their program model at new sites. These facts, together with the positive outcomes from the initial evaluation with a matched comparison group, confirm Compass's readiness for a more rigorous evaluation. While a randomized controlled trial would require the right location and 3 to 5 years to generate meaningful results, it would provide a greater level of rigor than was possible with the initial evaluation, generating more definitive evidence of the program's impacts. It would also create the basis for following up over the long-term with both FSS participants and comparison households to determine whether any impacts experienced during FSS persist over time.

- Qualitative research on the experience of participants in Compass FSS and other FSS programs could help answer a number of important questions. For example, research on program graduates could explore what graduates do with their escrowed savings and what role these savings play in shaping their economic trajectory. Research on program participants who fail to graduate could provide insight on the issues that prevented them from completing the program, and research on housing subsidy participants who chose not to enroll in FSS could help shed light on why they chose not to enroll and whether other recruitment approaches could lead to greater enrollment.

- A comparison of FSS programs with stronger and weaker program outcomes could help to clarify which programmatic and organizational elements are most important for the success of the program. PHAs with stronger or weaker programs could be identified from HUD's new FSS performance measurement system and/or from the national evaluation of FSS that MDRC is conducting for HUD.

- Studies of the effects of FSS participation on participants' children (and other young adults in the household) could help determine what impact their earnings have on the overall wellbeing of the FSS household and whether FSS has an impact on the children's future earnings, educational attainment and financial capability.

Appendix: Comparison of Traditional and Cambridge FSS Escrow Models

Participants in the subsidized housing programs eligible for FSS generally pay 30 percent of their income for rent and utilities. As their earnings increase, their rent increases accordingly. Under the traditional FSS escrow model, the full amount of any increased rent that residents pay that is attributable to increases in earnings is deposited into the participant's escrow account, with the resident gaining full access to the escrowed savings upon successful graduation from the program. This functions as both an incentive for participating households to increase their earnings and an asset-building vehicle. At the discretion of the local FSS program, participants can also access escrow on an interim basis prior to graduation if needed to help achieve their goals.

In the Cambridge model, by contrast, only half of the increased rent attributable to increased earnings is deposited into a participant's escrow account. While the Cambridge model also eliminates caps that apply to the escrow deposits of households with incomes over 50 percent of the area median income, on the whole, it leads to lower average escrow deposits than the traditional model.[13] The Cambridge Housing Authority adopted this escrow variation under its Moving to Work authority, which gives it the ability to obtain waivers from certain housing program requirements, based in part on a model described in Cramer and Lubell 2011. The agency reports it adopted the non-standard escrow model due to funding constraints associated with its MTW funding agreement; the revised escrow model allowed it to feel comfortable pursuing broad enrollment in FSS.

For More Information

To learn more about Abt's Evaluation of Compass FSS, visit http://www.abtassociates.com/CompassFSS.

Endnotes

1 This analysis is supported by funding from the W.K. Kellogg Foundation and relies on research funded by the Oak Foundation and the U.S. Department of Housing and Urban Development. While Abt Associates gratefully acknowledges the support of these organizations for this work, the author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Kellogg Foundation, the Oak Foundation, the U.S. Government, or Compass Working Capital. Abt also acknowledges, with appreciation, the pro bono contribution of data by the Experian Credit Bureau and FICO and the substantial contribution of data and guidance by Compass Working Capital.

2 The full evaluation results are presented in these two reports: Geyer, Judy, Lesley Freiman, Jeffrey Lubell and Micah Villarreal. 2017. Evaluation of the Compass Family Self-Sufficiency (FSS) Programs Administered in Partnership with Public Housing Agencies in Lynn and Cambridge, Massachusetts. Bethesda, MD: Abt Associates; and Dastrup, Samuel, Lesley Freiman, Jeffrey Lubell, Micah Villarreal, and Daniel Weiss. 2017. Interim Cost-Benefit Analysis of the Compass Family Self Sufficiency (FSS) Program. Bethesda, MD: Abt Associates. A number of paragraphs in this policy analysis are reproduced, with permission, from these reports.

3 The sample was not large enough to allow an assessment of whether the program produced a statistically significant impact for households starting the program at different income levels. Further research is thus needed to confirm this preliminary finding.

4 This "reference population" is used solely to set Compass's performance targets for enrollment. Like all FSS programs, the Compass FSS program is open to all households, including households with heads that are elderly or persons with disabilities.

5 MDRC has conducted two impact evaluations of local FSS programs: a study of the New York City Work Rewards demonstration and a national study being conducted for HUD, both of which utilized random assignment. The Work Rewards study is discussed below (see note 10 and related text). The national study is ongoing, with interim results expected out shortly. See https://www.mdrc.org/project/family-self-sufficiency-program-evaluation#overview for information on the national study. See Geyer et al. 2017 for a review of relevant research on FSS.

6 Author's tabulation of data extracted from HUD Picture of Subsidized Housing Database, reflecting 2017 program data. https://www.huduser.gov//portal/datasets/assthsg.html

7 See, e.g., Cramer, Reid and Jeffrey Lubell. 2011. "Taking Asset Building and Earnings Incentives to Scale in HUD-Assisted Rental Housing." Washington, DC: New America Foundation and Center for Housing Policy and Cramer, Reid and Jeffrey Lubell. 2009. Rental Assistance Asset Accounts: An Opportunity to Support Work and Savings Among Recipients of Federal Housing Assistance. Washington, DC: New America Foundation.

8 See Hamilton, Gayle. 2012. Improving employment and earnings for TANF recipients. Prepared by the Urban Institute for the U.S. Department of Health and Human Services Administration for Children and Families; Michalopoulos, Charles and Christine Schwartz. 2001. National Evaluation of Welfare-to-Work Strategies: What Works Best for Whom: Impacts of 20 Welfare-to-Work Programs by Subgroup. Prepared by Manpower Development Research Corporation for the U.S. Department of Health and Human Services Administration for Children and Families.

9 De Silva, Lalith, Imesh Wijewardena, Michelle Wood, and Bulbul Kaul. 2011. Evaluation of the Family Self Sufficiency Program: Prospective Study. Prepared by Planmatics and Abt Associates for the U.S. Department of Housing and Urban Development.

10 FSS on its own did not produce impacts on the earnings of FSS participants in the Work Rewards study, but it did lead to reductions in TANF receipt. Moreover, when considering a broader set of

impacts for all households members (rather than just heads of household), the Work Rewards study found it likely that the benefits of FSS (on its own, even without added incentives) over a ten-year period exceeded its costs – a result that applied to the entire population of households served, even if it was driven by households not working at baseline. Verma, Nandita, Edith Yang, Stephen Nuñez, and David Long. 2017. Learning from the Work Rewards Demonstration: Final Results from the Family Self-Sufficiency Study in New York City. New York, NY: MDRC.

While a detailed comparison of the Work Rewards and Compass FSS studies is beyond the scope of this analysis, it seems likely that the two programs took very different approaches to the coaching / case management they provided to FSS participants, and that the organizations administering them had very different skill sets. This illustrates the point made earlier that FSS is more of a framework for a program than a specific program design, and can accommodate a range of approaches, including approaches that may be aimed at helping nonworking families to gain jobs as well as approaches that may include a stronger focus on helping already employed families experience substantial earnings gains.

11 For more information on the effects of assets see Boguslaw, Janet, Tatjana Meschede, Hannah Thomas, Laura Sullivan, Thomas Shapiro, and Sara Chaganti. 2013. Hard Choices: Navigating the Economic Shock of Unemployment. Washington, DC: The Pew Charitable Trusts; McKernan, Signe-Mary, and Michael Sherraden. 2008. Asset Building and Low-Income Families. Washington, DC: The Urban Institute; and Sherraden, Michael. 1992. Assets and the Poor: A New American Welfare Policy. New York: Routledge.

12 As noted above, the study's sample size prevents an examination of the impacts of FSS on specific subgroups, so the impacts of Compass FSS on FSS participants at Cambridge and Lynn cannot be assessed independently or directly compared.

13 Legislation has been introduced that would eliminate the 50% of AMI cap for all FSS programs.