Strengthening FSS Program Outcomes: Lessons from Research on Compass FSS Programs

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Abstract

The nonprofit Compass Working Capital is one of the largest administrators of the Family Self-Sufficiency (FSS) program, a U.S. Department of Housing and Urban Development (HUD) program designed to help households in HUD-assisted rental housing make progress toward economic security. A series of program evaluations by Abt Global of FSS programs coadministered by Compass have found positive impacts on participants' earned income and credit outcomes, with the benefits outweighing program costs.

This article summarizes and explores the implications of the evaluations and reflects on distinctive features of the Compass FSS model that other FSS programs may benefit from employing. The article also discusses policy implications and areas for future research.

Distinctive features of the Compass FSS model that we believe may contribute to its success include a marketing approach that speaks to program participants' aspirations; a client-centered approach to coaching program participants; a focus on early wins, such as improving participants' credit and debt profiles for continued engagement; the adoption of an asset-building lens, using FSS escrow balances to motivate participants to build wealth and achieve their financial goals; a goal of graduating as many households as possible; an ongoing focus on training and supervision for program staff; and ongoing use of data to improve program performance.

Introduction

This article summarizes and explores the implications of findings from a series of quasi-experimental, outcome, and cost-benefit analyses of Family Self-Sufficiency (FSS) programs administered by the nonprofit organization, Compass Working Capital (Compass), in partnership with public housing agencies (PHAs) and private owners of HUD-assisted multifamily housing. The article also summarizes findings from implementation research on Compass FSS programs, drawing out lessons that can be applied by the broader universe of FSS program providers to help strengthen participant outcomes.

This section provides an introduction to the FSS program and Compass. Following a brief review of other research, this article describes the core features of the Compass FSS model and the findings of a series of program evaluations of local implementations of Compass FSS programs and related implementation research. This article concludes with a discussion of the implications of these findings for policy and research.

Family Self-Sufficiency Program

Authorized by Congress in the Cranston-Gonzalez National Affordable Housing Act of 1990, the FSS program seeks to help households in HUD-assisted rental housing make progress toward economic security. Initially available only to households in the Housing Choice Voucher (HCV) program (also known as Section 8 tenant-based rental assistance) and public housing, the FSS program expanded in 2015 to include households living in multifamily housing subsidized with project-based Section 8, another HUD rental assistance program. In its FY 2025 Congressional [Budget] Justifications, HUD reports that, in calendar year 2022, "over 57,500 households actively participated" in the FSS program (HUD, 2024). This figure does not include FSS participants in the initial 39 Moving to Work agencies, estimated in the same document at 10,000 additional households, or FSS participants living in HUD-assisted multifamily rental housing.

The FSS program has two main components: (a) an escrow account that grows as a participant's earnings grow and (b) coaching or case management services designed to help participants increase their earned income and achieve other individually identified goals. Families assisted by a housing provider that offers FSS are free to enroll or not enroll in FSS at their discretion: their enrollment, participation, graduation, and/or termination from FSS do not affect their housing assistance receipt or level of assistance. Participants who enroll in the FSS program sign a contract of participation that specifies the participant's responsibilities and the program administrator's responsibility for calculating and disbursing FSS escrow funds and coordinating the provision of services for the participant. An accompanying individual training and services plan (ITSP) specifies each participant's goals and the activities or services the family will engage in to achieve those goals. Participants have at least 5 years to achieve their goals; program administrators may extend the participant's timeline for up to 2 additional years. Participants who graduate from the FSS program gain access to all the money accrued in their FSS escrow account, including interest, which they receive tax free and can use for any purpose. Depending on the local FSS program's policies, participants may also request access to escrowed funds while in the program for purposes that help them stay on track toward achieving their goals.

Although FSS is governed by a detailed set of program regulations codified in 24 C.F.R. Part 984, program administrators have considerable discretion to adapt the program as they wish. Among other options, program administrators can choose whether to use a case management or coaching model, how often to meet with participants, which services to provide directly (as opposed to referring families to service providers), the size of the program, and the precise nature of the support they provide for improving participants' employment opportunities and helping them achieve their goals. Although most FSS programs focus on helping participants increase employment or secure higher-paid jobs, the approaches and emphases of program administrators vary, with some programs focusing primarily on increasing human capital (education and training) and others emphasizing immediate employment first. Some programs help participants improve their credit and debt profile, although this is not a primary focus for most agencies. Some programs also focus on helping FSS participants become homeowners.

Documenting learning from research on established FSS programs can help local providers make informed decisions about how to structure their programs. This review focuses on the characteristics and outcomes of one provider, Compass, whose financial coaching-based FSS model has been the subject of a series of program evaluations by Abt Associates (Abt; now Abt Global). The review also includes updated data about FSS programs from Compass.

Compass Working Capital

Compass is a nonprofit financial services organization that works to help low-income households build assets and financial capability and make progress toward their financial goals. Compass launched its first FSS program in 2010 in partnership with the Lynn Housing Authority and Neighborhood Development (LHAND), drawing on Compass' experience working with Individual Development Accounts and small savings programs (Kimbrel and Venner, 2014). Compass expanded to coadminister FSS programs in partnership with the Cambridge Housing Authority (CHA) in 2012 and Metro Housing|Boston (MHB), a nonprofit agency administering Massachusetts' voucher program in the Boston metropolitan area, in 2014. Compass also administers FSS programs in multifamily rental properties owned by the nonprofit organization Preservation of Affordable Housing (POAH) and provides support for local partners who administer FSS and higher-level guidance to FSS practitioners through its Compass FSS Link network.

Compass is now one of the nation's largest providers of FSS-related services, collaborating to administer FSS programs in partnership with three PHAs and six multifamily housing providers, including more than 60 multifamily properties in all regions of the United States.[1] Compass reported in September 2024 that it had served more than 5,000 households through the FSS programs it co-administers and has helped participants save a cumulative total of $19 million.[2]

Compass has developed a distinct FSS program that includes a primary focus on participant-driven financial coaching, helping families to strengthen their credit and debt profile, motivating participants through communication about goals and escrow savings growth, and graduating as

[1] Since October 2010, Compass has collaborated with five PHAs to administer their FSS programs; two of those collaborations have concluded.

[2] Compass Working Capital, email message to author, September 9, 2024.

many families as possible. This model is described below in a section detailing key attributes of the Compass FSS model.

Literature Review

Two early HUD-sponsored research studies tracked longitudinal FSS participant outcomes (Ficke and Piesse, 2004; Silva et al., 2011). Both studies found that FSS participants experienced significant increases in earned income over time, but the studies did not present findings for a control group.

In 2007, MDRC launched the Work Rewards Demonstration in New York City (Nuñez, Verma, and Yang, 2015). In this demonstration, families were randomly assigned to be offered FSS, a conditional cash transfer (CCT) program, both the FSS and CCT interventions, or neither program (the control group). Neither FSS alone nor the FSS+CCT models led to increases in earned incomes overall, but the FSS+CCT model saw employment and earnings gains among households not working at baseline and declines in welfare receipt and food stamp (now known as Supplemental Nutrition Assistance Program-SNAP) receipt for households in this group. In a cost-benefit analysis, MDRC found that the benefits of FSS (but not the FSS+CCT model) outweighed its costs, largely due to impacts on the families not working at baseline.

In 2012, MDRC launched a HUD-sponsored evaluation of a convenience sample of 18 FSS programs across the United States. The evaluation of this randomized control trial analyzed longitudinal data on 2,556 volunteer study participants for 7 years; these participants were randomly assigned to be eligible for FSS (treatment group) or not eligible to enroll in FSS for 3 years (control group) between October 2013 and December 2014. Although the evaluation showed that FSS participants were able to build escrowed savings and that the participants reported improvement in overall well-being, it did not show significantly different financial outcomes in terms of earnings and credit scores for FSS participants compared with the control group (Freedman, Verma, and Vermette, 2024).

In 2014, Abt began a series of quantitative and qualitative evaluations of local implementations of FSS by Compass in partnership with public housing agencies and private owners.[3] These studies, described in more detail below, have found consistently positive impacts on earned income and credit scores, improved debt outcomes, and a positive cost-benefit profile. These studies have also provided insight into participant experiences during and after participation in the FSS program, reasons for enrolling in the program, reasons for leaving the program, and reasons why some eligible households that might benefit from the program did not enroll.

Because the MDRC study of 18 programs and Abt's studies of Compass FSS were of different local FSS programs with different program models and local conditions and used different research methodologies, it is not possible to definitively isolate what factors led to the diverse conclusions of these two bodies of work. However, the much lower graduation rate found in the MDRC study suggests that the differences between the study outcomes are not simply due to the differences in evaluation methodology. In its final report, after 6 to 7 years of follow up, MDRC found that

[3] Other studies of FSS include Anthony (2005); Gibson (2002); Holgate et al. (2016); and Santiago, Galster, and Smith (2017).

although roughly 90 percent of the treatment group invited to participate in FSS chose to enroll in FSS, only 20.4 percent of the treatment group members graduated successfully, resulting in a graduation rate of roughly 22 percent among enrollees (Freedman, Verma, and Vermette, 2024). By contrast, Compass reports a graduation rate of 66 percent among FSS enrollees.[4] At a minimum, this finding suggests that Compass FSS participants generally experience a longer and more complete exposure to the FSS program than participants in the MDRC study and are more likely to receive final escrow disbursements. To the extent that households that graduate from FSS experience better outcomes than those that do not, the disparity in graduation rates may also help explain the divergent findings across these FSS studies.

Compass' Family Self-Sufficiency Program Model Overview

Following some context about the key features of standard FSS programs, this section describes the distinctive features of the Compass FSS program model.

Standard Family Self-Sufficiency Programs

As noted above, FSS is a flexible program, which allows the program model, strategies, and local policies to vary substantially across providers and communities. All FSS programs include one-on-one case management or coaching and an escrow savings account that grows as participants' earnings and rent increase. Most FSS programs focus on increasing the employment and earnings of FSS program participants by referring them to third-party service providers who offer employment coaching, counseling, or workforce training programs.

At the same time, the type of one-on-one support, focus and frequency of contact, goal-setting process, partnership approaches, services provided or referred, and recruitment and retention practices are different for each program and provider. Specific regulatory requirements specify how escrow accounts are set up, how escrow accrues, and annual reporting to participants of their escrow savings account balance. However, each program may set its own policies for whether and when interim escrow disbursements (before graduation) are permitted and how it communicates about escrow growth beyond the mandated yearly escrow statement.

Most FSS programs are administered by staff working within a housing assistance provider—in other words, a public housing agency (PHA) or a multifamily property owner.[5] Although PHAs and multifamily property owners are not required to receive a HUD FSS coordinator grant to administer an FSS program, most PHAs who operate an FSS program receive this grant. The HUD FSS coordinator grant is the primary or sole source of funding for most FSS programs.

Most FSS programs administered by PHAs serve fewer than 50 families per year; low program sizes are widely attributed to the limited availability of federal funding for the coordinators who administer the program. As of 2022, almost two-thirds (64 percent) of non-MTW PHA-based FSS programs receiving a coordinator grant were awarded funding for just one or one-half of a full-

[4] Data provided by Compass staff on September 9, 2024. The 66-percent rate includes all enrolled households in the denominator. When households that leave subsidized housing are excluded from the denominator, which HUD does in calculating the graduation rate in its FSS Achievement Metrics, Compass' reported graduation rate rises to 75 percent.

[5] Multifamily property owners have offered FSS programs since 2015. Before then, only PHAs offered FSS programs.

time-equivalent position. Twenty-eight percent had funding for two or three coordinators, and just 8 percent had funding for more than three. The median PHA-based FSS program receiving HUD coordinator funding served 46 people in 2022.[6]

As indicated in HUD's 2022 FSS Achievement Metrics (or FAM), in the average PHA-run FSS program, among the FSS households tracked 5 to 8 years after enrollment, 26 percent had graduated.[7]

Compass' Family Self-Sufficiency Model

Compass' FSS programs provide client-centered one-on-one financial coaching designed to help participants build assets and financial capability. We have identified several distinct features of the model, which we describe under three categories: (1) Organizational Structure and Mission, (2) Program Design and Services, and (3) Implementation Funding and Quality.[8]

Organizational Structure and Mission. Compass is a nonprofit financial services organization founded in 2005. Since then, Compass has provided financial coaching to low-income families through their small savings and individual development account programs and through their FSS programs since 2010. Although FSS is generally a small part of the programming a given PHA offers, the FSS program is Compass' primary focus, making it possible for Compass to build FSS-specific infrastructure, make investments in its model, and maintain institutional knowledge and learning. Whereas some PHAs require FSS program staff to handle PHA responsibilities such as annual and interim reexaminations of income, Compass' FSS coaches focus solely on FSS. Compass further ensures that coaches focus on coaching alone by hiring separate Compass staff who are responsible for other FSS program functions, such as planning, operations, outreach, and enrollment.

Philanthropic contributions make up a large share of Compass' FSS program funding.[9] This fact is a key distinction between Compass' FSS model and other FSS programs that predominantly rely on public funds and HUD FSS coordinator grants. Foundation funding allows Compass to hire more coaches and other program support staff than is typically feasible through the FSS Coordinator grant and supports Compass' research, advocacy, and technical assistance activities. The research summarized in this article was funded, in large part, through philanthropic grants that enabled Compass to enter into research contracts with Abt (HUD also provided matching funding to support some of this research). Compass reports using insights from research (both external and internal) to improve its program delivery.

Compass staff shared that they believe that, as a nonprofit organization, they have more flexibility than a governmental organization in making organizational changes and adopting innovative approaches. Staff have also noted that Compass' status as a third party, separate from

[6] Calculations by the authors based on 2022 FAM (FSS Achievement Metrics) scores, 2022 Participation measure.

[7] Average calculated from the 2022 FAM score. This calculation excludes FSS participants who exited the HCV or public housing program without graduation from FSS and households with a head who is age 62 or older or has a disability. The calculation also includes only FSS programs run by a PHA without initial MTW status.

[8] Much of this section draws on an unpublished report that Abt prepared for Compass and its funder related to a technical assistance initiative (Thomas, Nava, and Lubell, 2019).

[9] On the basis of the data used in the 2021 Cost Benefit Analyses report, almost two-thirds of Compass' FSS program costs are covered by philanthropic contributions, with PHA payments to Compass for administering their FSS programs constituting only about one-third of Compass' costs (Dastrup, Freiman, and Lubell, 2021).

the PHA or multifamily housing owner, helps them build trust with residents. A number of FSS participants in Abt's implementation studies of Compass FSS programs noted that they trusted Compass more than the PHA.

Compass has scaled its operations and partnered with PHAs and multifamily owners in different ways since it started its FSS operations in 2010. Compass has coadministered the FSS program with multiple PHAs (including the Cambridge and Boston Housing Authorities), helped launch and operate new FSS programs (such as the multifamily FSS programs for the nonprofit property owner, POAH), and trained an affiliate on Compass' FSS model who provided close partnership support to FSS programs and implemented Compass' FSS model with high fidelity. Compass also, for a brief period, implemented a program to provide high-touch direct technical assistance to a small network of FSS programs. Compass currently provides light-touch technical assistance, training, and networking opportunities to FSS providers through Compass FSS Link, an online learning platform.

Program Design. Compass' FSS programs use a multipronged approach to help FSS participants build assets and achieve their financial goals, embodied in what Compass calls financial coaching. Although helping participants to increase earned income—a central feature of most FSS programs—is one component of their model, Compass' approach also focuses on helping residents build savings, improve their credit scores, pay down high-interest debt, and build their budgeting capabilities.

Compass' focus on financial coaching is rooted in the belief that "assets are a stronger predictor than income of financial well-being and economic mobility" (Compass, 2016). Compass' theory of change is centered on "empowering" people to achieve their financial goals and overall aspirations and to become financially secure. Their financial coaching model incorporates principles from the fields of asset building, psychology, and behavioral economics to engage program participants and help them achieve their financial and employment goals. Of note, a core component of their coaching model is building a relationship of trust with program participants, which we call "relational coaching" in this article.[10]

By contrast with most FSS programs, which tend to be small (fewer than 50 participants) and cap enrollment at a specific number of FSS slots, Compass generally seeks to enroll as many families as possible in its FSS programs to increase the programs' reach and benefits; additional fundraising beyond HUD coordinator grants helps make this broader reach possible. Typical FSS programs engage in limited marketing focused on program characteristics (such as the FSS escrow account). Compass has developed a targeted outreach and marketing strategy that aims to convey aspirational messages through images and quotes from previous participants via postcards sent every month to eligible families to achieve high rates of participant enrollment. In contrast to the very small FSS programs at many PHAs, participation in HCV Compass FSS programs generally equals about 10 percent of the number of households with heads that are neither elderly nor have a disability that are served by the partner housing provider, with higher participation at some multifamily developments.

[10] The important first step in financial coaching is to build a trusting and nonjudgmental relationship. See Schickedanz et al. (2023) for an example.

Until 2017, Compass would invite families not yet in the FSS program to participate in Compass' financial education workshops, which aimed to help families better understand their spending practices and financial behaviors and provide tools to track spending, review bank statements, and obtain credit reports. The workshops, which were a precondition for enrollment into FSS, were designed to help build participants' confidence and commitment to thoughtful and intentional financial decisionmaking to ensure participants' buy-in. In 2017, Compass discontinued the requirement for participants to attend these workshops before FSS enrollment. The workshops are now offered on a voluntary basis, and Compass coaches also cover the content during coaching meetings. Compass also offers participants voluntary workshops on specific topics, such as car and home ownership, job search, and filing taxes.[11]

Once enrolled, participants are assigned to a Compass financial coach with FSS coaching as their sole or primary responsibility. This one-on-one financial coaching is at the core of Compass' FSS program. According to Compass, their full-time FSS coaches currently have an average caseload of between 150 and 200 participants, which is substantially higher than the average caseloads for case managers or coaches in standard, smaller FSS programs (although average caseloads may have been smaller during the earlier stages of Compass FSS partnerships included in the evaluations described below). Coaches meet participants multiple times each year—at least three times per year in the first year and semiannually starting in year 2. Participants are also encouraged to reach out informally to their coaches between appointments, and coaches may meet with a participant more frequently if there are motivating events, such as a new job or a goal that the participant is working on intensively. Before the COVID-19 pandemic, most coaching appointments happened in person, either in a professional environment outside the PHA offices or on site at the multifamily properties. Compass coaches now conduct almost all coaching appointments via either phone or computer. Compass' coaching model emphasizes participant-driven interaction and goal setting. This model is designed to empower participants to make decisions and set goals that they are motivated to achieve. Once the goals are set, the financial coach helps review the participant's financial picture and progress toward goals on an ongoing basis. Coaches help participants prioritize which types of debt to pay off first and then make plans to accommodate any unanticipated financial needs by improving earnings, budgeting, and building savings.

Compass trains FSS coaches to remind families at each appointment of the power of the FSS escrow account to help build assets that they can use to make progress toward their short- and long-term financial goals. Compass has also redesigned the FSS escrow statement to make it accessible, drawing on behavioral economic principles to help participants quickly understand the status of their savings. The statements are designed to be similar to a standard bank statement to drive home the point that this is real money that participants are accruing and will receive once they graduate. Compass works with PHAs and property owners to obtain monthly updated FSS escrow information so coaches can share current information with participants during meetings

[11] Although all Compass FSS participants still receive the core workshop content through their coaches, it is possible that the participants who enrolled before 2017 were more motivated on average than later groups of enrollees. The reason for this difference is that participants in the pre-2017 period had to complete the workshops to enroll in FSS (and therefore were already engaged with FSS), whereas later participants did not. The studies presented in this article all include the pre-2017 period; however, this potential difference should be considered when producing or interpreting any future evaluations.

or if the participant requests an update. Compass is in the process of developing a software application that will allow FSS participants to check their balance and receive notifications.

Compass partners with local organizations and programs to refer FSS participants to employment coaching and other services. Compass programs seek to engage local partners on an ongoing basis to check alignment in the service approach and service quality.

Implementation Quality. Compass leadership has opined that rigorous hiring and training practices yield quality implementation. To that end, the hiring process includes a functional interview simulating a coaching conversation with an FSS program participant. Compass assesses candidates' interactions with the participant on the basis of their attitude, cultural competence, and knowledge of structural and individual barriers to financial security. Some Compass staff, including some financial coaches, are themselves former Compass FSS graduates. Compass reported that, once hired, new coaches undergo 4 weeks of orientation focused on soft skills, understanding programmatic processes, and building personal finance knowledge. New coaches then shadow an experienced coach for 1 to 2 months before they handle a caseload. Compass has said that its training emphasizes judgment-free reflective coaching approaches, grounded in the concept that participants are the best experts on their own goals, needs, strengths, and experiences; training includes a focus on active listening and reflective questioning, including approaches such as motivational interviewing.

In addition to a well-developed program for onboarding new coaches, Compass reports that it facilitates a collaborative environment conducive to knowledge sharing, monitoring, and continuous learning. Compass adopts a delineated staffing structure for implementing its FSS program; Financial Coaches are focused on supporting participants, Program Managers manage operations and compliance matters, and Client Outreach and Enrollment Specialists are focused on marketing and enrollment. Bimonthly Lunch and Learn sessions help staff discuss challenges and learn from their colleagues. Coaches also contribute actively to developing materials and program resources through collaborative resource development sessions. Shared development of policies and procedures helps coaches implement Compass' model with high fidelity. Compass offers coaches monthly professional development days and the option to obtain credentials, such as an Accredited Financial Counselor certificate. Compass has also invested in innovations such as new technology to increase touchpoints with participants and better communicate information about escrow savings and progress toward goals (Thomas, Nava, and Lubell, 2019).

Compass uses a performance monitoring framework to track program performance, setting measurable goals to assess and improve its program and organizational performance. For example, exhibit 1 shows the goals Compass set as part of its FY 2023–29 strategic plan (Compass, 2023).

Exhibit 1

Compass FSS Program Core Model Outcome Targets

Metric	Target
Graduation rate	75%
Average escrow at graduation	$8,000
Average increase in earnings at graduation	$10,000
% of participants who move from being asset poor to being asset secure (can cover 3 months or more of expenses with escrow or other savings)	75%
% of graduates who use one or more positive financial practices	85%
% of graduates who have paid all debts on time for 3 months or more	70%
% of graduates who utilize 30% or less of revolving debt	50%

Source: Compass, 2023

Compass monitors program outcomes in real time using a dashboard supported by a customized data platform. The platform helps standardize operations across multiple sites and provides the tools necessary to compare, assess, and identify areas for improvement.

Exhibit 2 summarizes the key differences between Compass FSS and traditional FSS programs.

Exhibit 2

Comparison of Traditional and Compass FSS Models (1 of 2)

Program Element	Traditional FSS Programs	Compass FSS
Entity providing Family Self-Sufficiency (FSS) Coaching/Case Management	Public housing agency (PHA) or private property owner whose primary focus is providing rental assistance.	A private nonprofit organization (Compass) whose primary focus is delivering the FSS program.
Staffing	Most FSS programs have very few staff. Most have a single FSS coordinator, who provides services and operates all aspects of the program essentially alone. It can be challenging to maintain continuity when an FSS coordinator leaves.	FSS coordinators work within a larger organization of FSS coordinators with training, peer support, procedures and best practices, and the benefit of institutional knowledge. Coaches are primarily responsible only for coaching. They are supported by programmatic and communications staff responsible for planning, operations, outreach, and enrollment.
Funding	HUD FSS Coordinator grants.	Compass receives contract funding from PHAs and multifamily owners administering FSS programs, including funds from HUD FSS Coordinator grants, and additional fundraising from philanthropic organizations.
One-on-one support	Many FSS programs limit the services they directly provide families to case management, making referrals to other providers for all other services.	Compass financial coaches deliver a core service—participant-driven financial coaching—in addition to referring participants to other providers.

Exhibit 2

Comparison of Traditional and Compass FSS Models (2 of 2)

Program Element	Traditional FSS Programs	Compass FSS
Emphasis	Most FSS programs focus first and foremost on increasing participants' earnings and employment. Some seek immediate gains in earned income, whereas others focus on building skills first through education and training. Homeownership and financial capability are common secondary goals.	Compass focuses on helping participants build assets and financial capability. Financial coaches provide regular credit and debt analysis and financial coaching on various topics as part of their ongoing support. Employment is part of this overall picture, but it is only one component.
Escrow communication	The program is required to provide a statement at least annually (implementation above this minimum varies).	Compass provides an annual escrow statement, which has been adapted to be easy to understand and mimic a bank statement. In addition, Compass works with its partner PHAs and property owners to obtain frequently updated escrow information for coaches to share during meetings with participants and when participants request an update. Coaching highlights progress in escrow savings and the connection between savings and participants' goals.
Marketing and outreach	Marketing tends to focus on program features.	Monthly marketing campaigns through postcards, newsletters, and other routes focus on aspirational messages that tap into prospective participants' goals.

Source: Modified from Compass' core model description included in Thomas, Nava, and Lubell (2019)

Abt's Evaluation of Compass Family Self-Sufficiency Programs

Abt conducted a series of evaluation and implementation studies of Compass FSS programs between 2014 and 2024. The studies focused on several Compass FSS implementations using quasi-experimental, cost-benefit, outcome, and qualitative study methods. We describe here the analyses conducted as part of these studies, focusing particular attention on the most recent study findings. These studies produced the primary findings discussed in this article.

Analysis of Impacts on Earnings and Public Benefits Receipt: Abt has conducted three analyses of the impact of Compass FSS programs on participant earnings and public benefits using quasi-experimental designs. Abt published the first report in 2017 comparing outcomes for participants in the Lynn Housing Authority and Neighborhood Development (LHAND) and Cambridge Housing Authority (CHA) FSS programs to outcomes for similar households served by PHAs with no or very small FSS programs using HUD administrative data (Geyer et al., 2017). The study found that FSS was associated with a positive impact of $6,305 on annual household earned income ($p<.01$) and a decline of $496 in receipt of public benefits ($p<.01$). On average, participants in this study had been enrolled in Compass FSS for 2.7 years (see exhibit 3 for more outcomes). About one-half of the increase in earned income appears to be due to gains by the head of household. On the basis of the ages of other household members with increased earnings, it appears that most of the remaining earnings gains were by adult children in the household.

Abt produced an updated impact analysis in 2021 using a slightly modified methodology.[12] This study analyzed data for 524 Compass FSS participants from CHA, Metro Housing|Boston (MHB), and LHAND with a matched control group of voucher households from comparable PHAs (Moulton, Freiman, and Lubell, 2021). The comparison group included voucher households from 20 of the most comparable PHAs in Massachusetts, Connecticut, and Rhode Island who lived in census tracts with comparable employment rates, income, and demographic composition.[13] Households were matched through the nearest neighbor in Mahalanobis distance, based on preenrollment characteristics selected using the Least Absolute Shrinkage and Selection Operator (also known as LASSO) approach, including earnings reported at annual income recertification. The study analyzed both short-term outcomes (an average of 1.5 years after program enrollment) and long-term outcomes (an average of 3.2 years and within 5 years of enrollment). As summarized in exhibit 3, the 2021 study's analysis of long-term outcomes found that Compass FSS enrollment was associated with a positive impact of $6,032 (23 percent; p<.01) in annual household earned income, a decline of $249 (39 percent; p<.01) in annual receipt of public assistance, and a decline of $565 (19 percent; p<.01) in receipt of Supplemental Security Income (SSI), Social Security, or pension income. Similar impacts were observed in the short-term analysis. Roughly 89 percent of short-term earnings gains and 76 percent of long-term earnings gains were by the head of household (as opposed to other household members).[14]

Abt also conducted a separate quasi-experimental impact analysis of earnings and public benefits receipt of the FSS programs Compass administered in six multifamily rental properties in New England operated by POAH, which, to our knowledge, represented the first analysis of a multifamily FSS program that included a comparison group (Yang, Freiman, and Lubell, 2021). Four of these six properties were part of the pilot FSS program for multifamily properties. The properties started implementing the program before HUD provided program guidance for multifamily property FSS programs in 2017. Using data from 81 program participants who were enrolled in the Compass FSS program for an average of 2.5 years, the study analyzed participant data from January 2016 to February 2019. The comparison group consisted of households with comparable demographic and income characteristics from multifamily properties with similar tenant and rent characteristics. A secondary analysis for this study included another POAH property in Missouri that was implementing the Compass FSS program through an affiliate organization, Community Services League (CSL), that received high-level technical assistance from Compass on its FSS model.

Although the small sample means that the power of the study is limited, the main multifamily analysis found that participation in Compass FSS was associated with a positive impact of $3,709

[12] The change in the methodology accounts for the inclusion of a third site, MHB, in the 2021 study and the biennial income certifications used in the MHB FSS program. The new methodology also follows FSS participants and their matched comparison group on a rolling time period compared with the fixed-time-period approach adopted in the 2017 study, which covered a shorter duration.

[13] Although fully controlling for place-based impact on employment opportunities is impossible due to a variety of neighborhood-specific amenities and local resources, such as transportation and childcare centers, that affect employment opportunities, our geographic selection approach ensures a close comparison group. For a detailed methodology, see appendix A in Geyer et al. (2017).

[14] The reason why the 2021 study found the head of household responsible for a larger share of earnings gains than the 2017 study is unclear. As noted below, more focused research on the outcomes for children of FSS participants would be beneficial.

(24 percent) in earned income, a difference that was marginally statistically significant (p=0.054). The program was associated with a $599 (100%) decline in receipt of public assistance income ($p < .01$) but no difference in SSI, Social Security, or pension income.[15] In addition to having substantially smaller sample sizes than the previous studies, the study of POAH-based programs in multifamily properties captured results for participants in implementations in the startup phase, beginning less than 1 year after FSS implementation was first permitted in multifamily settings.

Cost and Benefit Analyses: Abt also conducted cost and benefit analyses to understand the full estimated costs of delivering the Compass FSS program and the benefits that result from it from both program provider/government and participant perspectives (Dastrup, Freiman, and Lubell, 2021). This cost-benefit study used a quasi-experimental design with a matched control group similar to the 2021 longitudinal impact analysis using the same sample (Moulton, Freiman, and Lubell, 2021) but for a slightly longer average enrollment duration of 3.4 years. It found that "the Compass FSS programs in Cambridge and Boston, Massachusetts, produced a net benefit of $3,885 per participant over the course of the 7-year study period. This figure represents the sum of the costs and benefits to (1) the government and other funders of the program and (2) families participating in the program." On average, Compass and its PHA partners spent $3,014 per participant per year to deliver the FSS program, whereas the program delivered $6,999 in benefits to each participant; "For every net dollar spent by the government/program, the program generated a net benefit of $2.25 to program participants" (Dastrup, Freiman, and Lubell, 2021).[16]

In the 2021 study, costs from the program perspective included the costs of escrow payments to participants and the costs associated with delivering a mature program on an ongoing basis, including costs for staffing, facilities, materials, administration, and others for both Compass and the partnering PHAs. Benefits from the program operations perspective included additional tax revenue to the government from improved participant income, decreased housing assistance payments owed by the PHA toward rent, and decreased non-housing income support and social benefit payments by the government. Costs from the participant perspective included decreased receipts in rental assistance, non-housing income support, and benefits payments and an increase in tax owed. Benefits included increased earnings and the FSS escrow payments. The cost and benefit analysis includes benefits accrued from increased income only during the term covered by the analyses and does not consider long-term effects or effects on other parties. It also does not factor in any benefits associated with credit and debt outcomes.

[15] The Compass FSS group had no public assistance income at followup. Caution should be exercised in interpreting these results because the sample size was small, and outcomes may have been affected by time limits to receipt of public assistance benefits.

[16] A cost-benefit analysis based on the earlier 2017 impact analysis found that benefits exceeded costs by $10,069 per participant (Dastrup, Freiman, and Lubell, 2017). Although the two studies largely covered the same cost and benefit items, differences in the impact analysis methodology may have contributed to the different net benefit findings.

Exhibit 3

Summary of Abt's Recent Compass FSS Program Evaluation Outcome Findings (2021–2023) (1 of 2)

Impact Analysis	Outcomes for Compass FSS Participants		
	Compass FSS Programs Serving PHAs[1]		Compass FSS Programs Serving Multifamily Properties[2]
Sample Size	Total sample size: 564 LHAND (n=143), CHA (n=230), and MHB (n=191)		Total sample size: 81 at 6 POAH properties
Data Collection Timeframe	October 2010 to October 2018		January 2016 to February 2019
When Impacts Assessed/Average Duration of Exposure to FSS	1 to 3 years after FSS enrollment/average of 1.5 years	Most recent data available but not longer than 5 years after enrollment/average of 3.2 years	Most recent data available but not longer than 5 years after enrollment/average of 2.5 years
Average Earnings	21% higher than comparison group** $4,997 more than comparison**	23% higher than comparison group** $6,032 more than comparison**	24% higher than comparison group[a] $3,709 more than comparison[a]
Average Public Assistance	50% lower than comparison group** $447 less than comparison**	39% lower than comparison group** $249 less than comparison**	100% lower than that of the comparison group** $599 less than comparison**
Average SSI, Social Security, and Pension Income	15% lower than comparison group** $388 less than comparison**	19% lower than comparison group** $565 less than comparison**	(not statistically significant) (not statistically significant)
Costs and Benefits Analysis of Compass FSS Programs in Two PHAs[3]			
Sample Size	Total sample size: 421 CHA (n=230) and MHB (n=191)		
Data Collection Timeframe and Duration of FSS Exposure	October 2012 to March 2020 Average duration of exposure to FSS = 3.4 years. Followup observations occurred, on average, 4.25 years after baseline.		
Net effect on government/program expenditures	Cost of $3,114 per participant		
Net effect on participant	Benefit of $6,999 per participant		
Total net benefit	Benefit of $3,885 per participant		

Exhibit 3

Summary of Abt's Recent Compass FSS Program Evaluation Outcome Findings (2021–2023) (2 of 2)

Credit and Debt Outcomes of Compass FSS Programs in Two PHA and 8 Multifamily Properties[4]	
Sample Size	Total sample size: 359 CHA and MHB (n=226) and POAH (n=133)
Data Collection Timeframe and Duration of FSS Exposure	May 2016 to March 2020 Average duration of exposure to FSS = 2.5 years. Followup observations of FSS participants occurred, on average, 2.7 years after baseline.
FICO® scores	Among those with a baseline score, Compass FSS participants experienced regression-adjusted gains that were 19.8 points higher than that of the comparison group used as a benchmark.** Compass participants without a baseline score were less likely to gain a FICO score compared with their comparison group counterparts.[a]
Average total debt (excluding mortgage)	Compass FSS participants experienced regression-adjusted growth in total debt that was $3,210 less than that of the comparison group.*
Student debt	Compass FSS participants experienced regression-adjusted growth in student debt that was $2,057 less than that of the comparison group.**

CHA = Cambridge Housing Authority. FSS = Family Self-Sufficiency. LHAND = Lynn Housing Authority and Neighborhood Development.
MHB = Metro Housing|Boston. n = number. PHA = public housing agency. POAH = Preservation of Affordable Housing. SSI = Supplemental Security Income.
[a]Marginally statistically significant, p<0.10.
*Statistical significance levels for two-sided tests are indicated with asterisks as follows: **= p<.01; *= p<.05.*
Note: Data collection start dates vary among the sites on the basis of when Compass started working with the PHA or multifamily owner.
Sources: [1]Moulton, Freiman, and Lubell, 2021; [2]Yang, Freiman, and Jeffrey, 2021; [3]Dastrup, Freiman, and Lubell, 2021; [4]Yang et al., 2023

Credit and Debt Study: Abt completed a credit and debt outcomes study in 2023 for Compass FSS participants in CHA, MHB, and the six POAH multifamily rental properties (Yang et al., 2023). The study analyzed the credit report data provided by TransUnion for 359 FSS participants, including 226 PHA participants and 133 multifamily participants, and a benchmark group of non-FSS participants with similar characteristics as the treatment sample in the same geographic area over the same period. The study used a regression-adjusted difference-in-differences model to account for the differences in baseline values between Compass FSS participants and the benchmarked group. This study found that the FICO® Scores of Compass FSS participants increased by 19.8 points more than those of the benchmarked group (p<.01), total debt grew by $3,210 less (p<.05), and student debt grew by $2,057 less (p<.01) among Compass FSS participants than among the benchmarked comparison group members. Unlike the comparison groups for Abt's quasi-experimental impact studies of earnings and public benefits receipt, the benchmark comparison group in Abt's credit and debt study is not limited to households who receive federal housing assistance (TransUnion does not collect information on housing assistance status), and only estimated income and minimal household data were available. Instead, the benchmark comparison group was matched to the FSS participants by geography, estimated income, and baseline credit profile.

An interim analysis conducted in 2017 also studied the credit and debt outcomes of Compass FSS participants from Lynn and Cambridge PHAs on the basis of credit reports Compass pulled for their participants (Geyer et al., 2017). This study found that FICO® Scores of Compass FSS participants increased by 19.1 points more than those of the benchmarked comparison group (p<.01). The study also found that the share of Compass FSS participants with a FICO® Score increased by 7 percentage points (in contrast to a decline of 1 percentage point among comparison group members; p<.01), and that the share of Compass FSS participants with a prime FICO® Score (above 660) rose by 14 percentage points (in contrast to an increase of 2 percentage points in the comparison group; p<.01). In addition, the study found decreases in derogatory debt and credit card debt among Compass FSS participants, in contrast to a rise in derogatory debt and no significant change in credit card debt among comparison group members.

Implementation studies: Abt has conducted three qualitative research studies of Compass FSS programs; each study focuses on the experiences and perspectives of a specific group of FSS-eligible voucher households served by Compass' partner PHAs. The goals of these studies were to help Compass better understand how their program was working and assess ways to improve the program. The three groups are (1) graduates of the Compass FSS program from LHAND, CHA, and MHB (Thomas, Freiman, and Lubell, 2021); (2) early exiters of the Compass FSS program at CHA and MHB (Thomas et al., 2021); and (3) eligible HCV households that did not enroll in Compass FSS programs at CHA and MHB (Freiman, Thomas, and Lubell, 2021). Findings from these studies provide insights into several aspects of the Compass FSS program model, including relational financial coaching, aspirational marketing materials, and focus on participant retention. Exhibit 4 reviews the key elements of each implementation study.

Exhibit 4

Summary of Implementation Studies

	Research Question	Sample	Findings
Interviews with graduates of Compass FSS program[1]	What was the experience of Compass FSS program graduates?	Total: 17 graduates LHAND (n=3) CHA (n=13) MHB (n=1)	Goal-based coaching was important to graduates because it provided accountability to reach their goals. Graduates developed a sense of financial empowerment to manage financial challenges post-graduation. The relationship with their coach is very important.
Interviews with early exiters from Compass programs[2]	Why did program participants exit the Compass program early?	Total: 22 early exiters CHA (n=16) MHB (n=6)	Those terminated by Compass were unable to comply with program rules for a variety of reasons, including life events. Many who voluntarily left the program encountered relationship challenges with their coaches.
Interviews with eligible households who declined to participate in the program[3]	Why did eligible households decide not to participate in the program?	Review of administrative data for all nonenrolled and FSS enrolled households (n=4,881) Interviews with 22 households CHA (n=8) MHB (n=14	Nonenrolled households were more likely to be single-headed, childless households. Interviewed non-enrollees cited not having seen recruitment materials, lack of time and attention to engage with the program, and confusion about the program as reasons for not enrolling.

CHA = Cambridge Housing Authority. FSS = Family Self-Sufficiency. LHAND = Lynn Housing Authority and Neighborhood Development. MHB = Metro Housing|Boston. n = number.

Sources: [1]Thomas, Freiman, and Lubell et al., 2021; [2]Thomas et al., 2021; [3]Freiman, Thomas, and Lubell et al., 2021

Graduates of the Compass Family Self-Sufficiency Program

This study focused on the experiences of 17 Compass FSS graduates and their perspectives on how the program influenced any changes in their lives upon graduation (Thomas, Freiman, and Lubell, 2021). Abt conducted semi-structured interviews with 17 participants who graduated from LHAND, CHA, and MHB. Participants talked about the importance of both the coaching process and the FSS escrow in improving their financial situations.

Participants identified several aspects of the financial coaching as being important: goal setting, realistic assessment of their financial situation, learning skills of setting financial boundaries, and building confidence in how they engaged with their finances.

Goal setting was important in motivating participants to engage in the program. Graduates identified a range of different goals important to them, including buying a home, investing in their education, and starting a new business. These goals motivated participants to stay in the program. Even though buying a home was the most frequent motivating goal, it was the hardest for graduates to achieve, with just a few managing to reach this goal within 2 to 3 years after graduation.

Graduates also provided insights into the importance of support from their coach—including accountability, concrete advice, and engagement with budgeting—in working successfully toward their goals.

Graduates noted that the sense of empowerment in managing their finances that they gained through the coaching meant they were able to take better control of their budgets and say no to activities on which they previously would have spent money. Several reported how they were able to use these new skills to manage challenging financial situations that came up during the COVID-19 lockdown.

The coaching was not the only element of the program that graduates found helpful. The final escrow savings disbursements were important in a number of ways, helping them pay down debts, funding a savings account, buying a home, paying for children's expenses, and paying for recreation activities. In a few cases, the FSS escrow account provided a financial cushion as graduates navigated large unanticipated expenses, such as covering costs associated with a parent's death.

Graduates noted the important role of their coaches in facilitating their success in the FSS program—the support and coaching provided and the importance of the trust they built with their coach. Some reported that they were frustrated when the coach assigned to them changed because they had to build a new relationship and reestablish trust with the new coach. These interviews suggest that an important aspect of Compass' model can be found in relational coaching, which links goals and aspirations to concrete financial assets. This model helped graduates to increase their self-reported financial capability—skills, knowledge, and confidence—and to complete the program with the reward of the FSS escrow account, which further supported their financial well-being.

Early Exiters

Abt conducted interviews with 22 early exiters from the CHA and MHB FSS programs to better understand why they left the program—former FSS participants who were terminated from the program or left voluntarily without graduating (Thomas, Freiman, and Lubell, 2021). Compass hoped to make improvements to its program on the basis of findings from this study. The study findings provide another data point about the importance of participants' relationship with program coaches to sustained activity and staying in compliance with the program.

Those interviewed were either terminated from the program because they did not comply with program rules or voluntarily left the program (interviews included 14 former participants who were terminated and 8 who formally withdrew from the program). Many of those who were terminated appear to have fallen out of compliance with program requirements because they did not understand the rules of the program—several of these interviewees were interested in reenrolling. A few of those who exited the program and were reported as terminated explained that they had, in fact, left the program voluntarily. This discrepancy usually resulted because they stopped communicating with Compass rather than formally withdrawing from the program, and eventually, after repeated attempts, Compass terminated them for lack of contact. Those who voluntarily left the program generally did so because they did not have a trusting relationship with their coach. The significance of trust in a coach-participant relationship emphasizes the importance of relational coaching to the successful graduation of participants in Compass' FSS programs.

Some early exiters reported that, despite their desire to engage in the program and attain their goals, life events interrupted both their ability to meet program requirements, such as seeking and maintaining suitable employment, and their ability to engage in financial coaching. These events included physical and mental health challenges, the need to care for one or more family members with needs related to physical or mental health, and stressful experiences, such as domestic violence or other traumatic events. A smaller number of early exiters reported that they left the FSS program because they were scared that it might mean losing access to benefits, particularly social security benefits.

Eligible Households Who Declined to Participate in the Program

Abt conducted a mixed-methods descriptive study in 2020 to learn about eligible households who had not enrolled in CHA and MHB FSS programs (Freiman, Thomas, and Lubell, 2021). The study involved the analysis of administrative data about all eligible households and interviews with a convenience sample of households from this eligible pool. The findings from this study point to the challenges in reaching many lower-resourced households, even with aspirational marketing materials.

Administrative data from HUD about all eligible households—both those enrolled and non-enrolled households (n=4,881)—in these two FSS programs showed that enrolled households were more likely to be households with children headed by a female between the ages of 30 and 50 years, with earnings greater than $30,000 a year. Abt staff conducted interviews with 22 non-enrolled households recruited by letter and email outreach. The sample of 22 is nonrandom and a convenience sample from the large pool of eligible households who did not enroll. Many of the

22 non-enrolled households interviewed were unaware of the FSS program or Compass and had not seen any recruitment materials. The postcards about the program that Compass had sent in the mail to them did not register with these individuals, perhaps because, as the interviewees related, they filtered mail for items already known to be important for daily life. Language barriers may also have played a role in some households that did not know about the program. Others who did hear about the program were overwhelmed with other life events and were unable to consider engaging in the program. For one group of interviewees, confusion about the program and conflation with other PHA programs meant they did not follow up to learn more about it. In some cases, the interviews themselves were a route for households to find out about the FSS program, and several interviewees asked for more information about the FSS program at the end of the interview.

These interviews suggest that even with clear, aspirational marketing materials sent to eligible households, reaching all PHA residents is difficult, and ongoing work to spread knowledge about the program and distinguish it from other programs will be critical for programs seeking to expand enrollment.

Discussion

Key Elements of the Compass Model

It is impossible to know with certainty which aspects of the Compass Working Capital (Compass) Family Self-Sufficiency (FSS) program model account for its strong performance in our program evaluations. In our judgment, however, at least four aspects of the program model stand out as likely factors in Compass' high performance. Examining how these elements perform in different implementation contexts would be useful.

The first feature is Compass' focus on quality implementation. Compass focuses on hiring strong coaches and then trains and supports them. Coaches concentrate on working directly with FSS participants and are supported by other specialized staff responsible for operations and outreach. Compass monitors new research and practices for financial coaching to update its program model and training for coaches. Compass also aims to build a peer learning culture among coaches by providing time and resources for knowledge sharing and support. Like other FSS programs, Compass' programs experience turnover when coaches leave. Compass' broader staffing, infrastructure, and community of coaches allow for continuity of services, approach, and institutional knowledge in a way that is difficult for small, stand-alone FSS programs to achieve. Compass also has systems in place to replace coaches quickly to minimize disruption in the participant experience. Compass regularly reviews program data to determine if the program is performing at a high level and whether changes are needed to improve outcomes.

The second feature is Compass' focus on maximizing graduation rates through persistence in client engagement. As noted above, Compass FSS programs have a graduation rate that far exceeds that of the typical FSS program. In a program with such a long duration as FSS, participants have many opportunities to disengage from the program. They may voluntarily withdraw from the program or stop responding to communications or attending check-ins with coaches. All FSS programs experience such disengagement. The question is what the program does when this happens. Does it move on to the next family on the waiting list or take steps to retain existing participants in the program and keep them on track to graduation? Compass prioritizes the latter, which likely leads to a more complete exposure to the FSS program and, therefore, a greater opportunity to have an impact.

A third key feature is a focus on relational coaching that builds trust and engages participants based on their aspirations. It may seem obvious that participants will be more invested in a program that empowers them to focus on goals they identify, but FSS programs seem to vary in the extent to which they provide (a) coaching focused on empowering participants to make progress toward participant-identified goals and aspirations or (b) case management that channels participants through a more standardized program experience.

A fourth notable aspect of Compass' FSS programs is its substantial reliance on philanthropic funding to complement and extend funding provided by HUD and Compass' partner agencies. Compass has demonstrated that foundations and other philanthropies will provide funding to support an expansion of FSS. Whereas organizations that lack fundraising experience may struggle to emulate this success, Compass has demonstrated the potential to leverage HUD FSS funding with philanthropic funding that may be inspiring to those with fundraising capacity. Note that Compass got its start in the Boston area, which is a philanthropy-rich environment; other FSS programs may or may not be in a market with a similar level of philanthropic resources.

Readers may notice that we have not yet mentioned the substantive focus of Compass on helping families build assets. The absence of this discussion is not because we view this approach to be flawed or unimportant but because the four lessons above can be applied broadly to FSS programs, whether they choose to focus primarily on helping participants increase their earned income or another goal, such as Compass' focus on asset building and credit. Of course, programs that wish to help families improve their credit will likely need to make that an explicit focus of their programs. Our analyses found that Compass FSS participants experienced changes in credit and debt outcomes that exceeded the benchmarks we created from credit bureau data, such as FICO® Score (a type of credit score) and improved debt profiles, suggesting that their approach is likely effective in generating improvements in those measures. Some caution should be exercised in interpreting these findings. Although we were able to obtain a rough benchmark of credit and debt data for consumers with some observable similarities, we lacked key information about the comparison group, such as housing assistance status, earnings, and household structure. For this reason, we do not consider our credit and debt analyses to be quasi-experimental.

These characteristics are some of the key factors we believe contribute to Compass' success. However, no rigorous testing has been done to date to definitively identify which factors are responsible for Compass' high performance. As noted earlier, contextual factors such as the job market, service provider networks, and the availability of philanthropic funding in Boston—Compass' primary geography of operations—may be important elements to Compass' success. Another important contributing factor may be Compass' status as a nonprofit organization in raising funding, building trust with residents, and implementing the program independently. Additional research is needed to determine which specific program features and contextual elements, alone or in combination, create the most favorable conditions for a successful FSS program (see the *Recommendations for Future Research* section).

There are likely multiple ways to run a successful FSS program. Implementation research on other FSS programs with strong program outcomes would be helpful to identify promising approaches and which program elements are worth emulating.

Replicating Compass' Family Self-Sufficiency Program Model

FSS programs interested in trying to replicate Compass' approach should be aware that the transition can be challenging. Our evaluation of Compass' FSS Network pilot noted some of the particular challenges involved in FSS programs incorporating Compass' model (Thomas, Nava, and Lubell, 2019). Our evaluation suggested that to scale Compass' FSS program model, additional philanthropic support (or other investment operating support) is needed to invest in the coach training, data systems, changes to escrow statements, and marketing of the program. We observed a number of public housing agencies (PHAs) that faced organizational constraints while trying to implement the Compass FSS model. Multifamily nonprofits, as independent nongovernmental organizations, may find it easier to launch and replicate the Compass FSS model.

FSS programs seeking to replicate the Compass FSS model may need to make a significant upfront investment of time and resources to ensure that staff understand the principles of relational financial coaching and can track ongoing participant interactions and program metrics, with an eye toward participant retention and graduation. Changes to the escrow statement, a one-time upfront investment, represent another upfront time and resource investment. This initial investment requires support—the use of internal PHA administrative funds, HUD funding, or other philanthropic grants—to integrate a new model of implementing FSS effectively and quickly. Any additional coordinators that programs hire to serve a larger caseload will also require ongoing funding. Programs will also need to navigate a range of other challenges associated with implementing organizational change in often overburdened governmental agencies.

An important point is that FSS programs can learn from Compass' experience without fully adopting the Compass FSS program model. The next section highlights a number of recommendations for local FSS programs to consider to strengthen their programs.

Policy Implications

The following is a summary of key policy implications of this research, focused first on recommendations for local Family Self-Sufficiency (FSS) programs and then on recommendations for federal policymakers:

Recommendations for Local FSS Programs

Local FSS programs should review the Compass Working Capital (Compass) FSS program model to determine whether they could incorporate aspects of that model into their program to improve outcomes. The following are some specific elements to consider, grouped into two categories: (a) shifts in program policy and approach and (b) ideas for strengthening program management.

Within each category, the most essential recommendations with the broadest applicability are listed first followed by recommendations that may be useful for some programs and not others or require more fundamental changes in local practice to implement.

Shifts in Program Policy and Approach

1. **Focus on increasing participant retention and graduation rates.** Compass has a much higher graduation rate than the programs studied in the recently completed HUD/MDRC study. This outcome appears to be due, at least in part, to a practice of prioritizing participant retention. Although it may be tempting for local FSS programs to focus on the participants who regularly make their appointments and move on to families on their long waiting lists when existing participants do not show up for planned appointments, coaches need to be persistent and flexible to accommodate participants who are experiencing personal challenges or crises they need to address. This persistence will help to maximize participants' exposure to the FSS program, resulting in a greater opportunity for impact. Coaches should also be flexible in determining when and whether participants graduate—for example, by taking advantage of the flexibility to change participants' initial goals before graduation; such actions will help increase the share of FSS participants who receive access to their escrowed funds. Public housing agencies (PHAs) can use HUD's FSS Achievement Metrics (FAM) data to track their graduation rates over time and compare their graduation rates to those of other PHA FSS programs.

2. I**ncrease and improve communications about the FSS escrow account.** Qualitative evidence suggests that a participant's understanding of the escrow account is often low, impeding the escrow account's effectiveness in incentivizing higher earnings and continued participation in the program. Compass has worked to improve participant understanding, awareness, and engagement by producing clear escrow statements, formatted to look like a bank statement—which provides a reference point familiar to many participants. Local FSS programs should consider emulating this practice, as well as the practice of pulling escrow balances on a monthly basis so that coaches can share updated balances and growth with participants at all regular meetings. In meetings with participants and in other communication, programs should use the accumulation of escrow—including projections about how much the escrow would grow under different scenarios—as a way of encouraging and motivating participants to make progress toward their goals and increase their earnings. Sharing FSS escrow data with families more often than required (once a year) may also help motivate participants.

3. **Make it easier for families to access interim disbursements of escrow.** Some FSS programs restrict families' access to their escrow on an interim basis to help conserve the funds so that families receive larger disbursements at graduation. Although likely well intentioned, this approach runs the risk of depriving families of opportunities to use their escrowed funds at strategic points during their program participation—for example, to repair a car or pay down burdensome debt—and may also weaken families' connections to the program by depriving them of benefits they believe they have earned when they want and need them. Families have many asset needs; one of the great strengths of FSS is its flexibility in allowing funds

to be used for multiple purposes. FSS programs should provide strategic flexibility to allow participants to access escrowed funds to support participant-identified goals.

4. **Enhance outreach and marketing efforts to expand program participation.** FSS programs that have the capacity to expand may be able to learn from Compass' outreach and marketing efforts. Compass' marketing efforts focus on families' aspirations and how FSS helps families achieve their financial goals rather than on how the program works. Compass reaches out regularly with a variety of materials to families receiving housing assistance (e.g., post cards) and uses testimonials and examples, along with graphics and photographs, to produce eye-catching marketing campaigns.

5. **Consider incorporating or increasing the focus on relational coaching.** As noted above, relational coaching builds trust by engaging participants on the basis of the aspirations they identify. Rather than providing explicit recommendations for families, FSS coordinators that use relational coaching empower participants to make informed decisions that advance the participants' priorities. An FSS program does not necessarily need to adopt an explicit focus on financial coaching, as Compass does, to use relational coaching. It can be and is used successfully by other FSS programs that do not focus specifically on financial coaching. To implement relational coaching, incorporate specialized training in the forms of motivational interviewing and participant-centered, or co-active, coaching.

6. **Consider incorporating a specific focus on helping families build assets and achieve their financial goals.** This focus is core to the Compass FSS model and may help families build financial capability and skills that generate benefits even after the program ends. The approach also builds trust in the program by helping families achieve short-term improvements, such as improvements in credit scores. Although the transition from a conventional to an asset-building FSS program model may be challenging to implement, programs can use resources developed by Compass for its FSS Link network to help establish an asset-building focus.

Strengthening Program Management

7. **Focus on staff quality, training, supervision, and succession.** FSS is a staff-driven program; as such, the quality and continuity of the staff are key drivers of program outcomes. As Compass does, local FSS programs should focus on hiring staff with strong interpersonal and coaching skills into client-facing positions and ensure that the staff responsible for developing the overall program structure bring attention to detail, innovative thinking, and a continual program improvement approach to their work. Programs should also provide ongoing professional development and supervision of staff to ensure that they can do their jobs well. In addition, programs should plan for how they will handle staff transitions and departures because interruptions in the client-coaching relationship can impede families' progress toward their goals and, in some cases, lead to families withdrawing from the program. These basic program functions can be challenging for the majority of FSS programs with a very small FSS program staff. Small FSS programs should consider situating their FSS programs within the context of a larger administrative structure, such as the provider's resident services department

or possibly a consortium of local FSS programs that come together to provide administrative support for their programs. As discussed below, FSS coordinator networks can be helpful in developing these staff and program support networks.

8. **Ensure that FSS program staff can focus on the FSS program.** A longstanding debate within FSS programs concerns the advisability of FSS coordinators also having responsibilities for annual and interim income reexaminations. Some argue that it detracts from FSS coordinators' ability to focus on FSS, while others argue that it provides coordinators with useful information and contact with participating families. Whatever staffing model programs adopt, ensuring that coordinators have ample time to execute all their assigned functions will be important. Another important aspect is to ensure that the staffing structure works well for the FSS program and aligns with the coordinators' capabilities. Compass divides the traditional coordinator role, allowing some staff to focus specifically on coaching and other staff to focus on administration, recruitment, partnership development, and logistics. This division of labor is hard to achieve in FSS programs with a single coordinator but is worth considering in larger programs.

9. **Consider ways to situate small FSS programs within a larger support system.** A key advantage to the Compass FSS model is its scale, which allows Compass to provide strong training, staff supervision, and staff specialization while ensuring continuity when staff depart. Although small FSS programs cannot replicate this scale on their own, they can and should investigate ways to situate themselves within a larger support system. This support system could include, for example, a larger resident services staff or partnerships between FSS programs to share training resources and help cover each other's caseloads during transition periods. In some parts of the country, regional FSS coordinator groups have been formed to provide a support system for small FSS programs. For project-based rental assistance, property management companies or owners of multiple properties can provide that larger support system. FSS programs could also elect to join with other FSS programs to run shared programs with a larger footprint.

10. **Consider contracting out responsibility for administering FSS.** Although not a panacea, contracting could be a good option for some small FSS programs by enabling them to engage an organization with experience administering FSS and the ability to achieve the scale that individual programs lack by providing services to multiple FSS programs. The contracted provider could be a service provider that provides this type of service or potentially another FSS program. At the same time, contracting out may introduce contract management issues and requires close coordination between the provider contracted to provide FSS coaching and housing provider staff responsible for income reexaminations, escrow accounting and disbursement, and reporting.

11. **Consider fundraising to augment FSS coordinator resources.** To support its FSS program staff, Compass raises funds from philanthropic sources to augment the funding from PHAs and private owners using their HUD coordinator funding. Raising philanthropic funding can help FSS programs expand their staff to serve more families while achieving a grander scale to facilitate program management and staff specialization. FSS programs can engage private funders through communications and networking efforts, illustrating the program's successes

through personal stories, and communicating about program outcomes and impacts with data and research. In addition to considering funding for ongoing needs, such as additional staff, FSS programs may wish to consider fundraising focused on program improvement and transition, such as developing a new program model, training staff in a new approach to the program, and changing the escrow statement and databases to manage client interactions.

Recommendations for Federal Policymakers

1. **Use the FSS Achievement Metrics (FAM) data to help strengthen FSS programs.** FAM scores provide the basis for assessing the performance of PHA FSS programs and merit wider use. If permitted by Congress, HUD could use the scores to identify high-performing programs to prioritize for supplementary coordinator funding (above and beyond the funding based on program size), providing a tangible reward for PHA performance that could help encourage PHAs to achieve higher scores. HUD could also use the scores as a way to identify poor-performing programs that could benefit from technical assistance to help them address their program challenges. Still another use could be as a research tool to identify samples of higher- and lower-performing programs that could be studied qualitatively to identify the characteristics of higher- and lower-performing programs, which could facilitate a next generation of technical assistance materials designed to help programs achieve the characteristics of higher-performing programs and avoid those of lower-performing programs.

2. **Support expanded use of FSS regional networks.** As described earlier in this article, PHA FSS programs are small, often employing just one person to plan, coordinate, and implement the program. In addition to the considerable burden involved, it can be an isolating experience for an FSS Program Coordinator. Some regions have developed FSS regional networks that function as communities of practice and promote knowledge sharing between local FSS providers. As noted, these networks could potentially serve other functions, such as providing a platform for shared training and potentially even staff support to help programs better manage staff transitions. A regional FSS network could also collect finer-grained data than available through FAM and use it to facilitate joint fundraising to expand philanthropic resources for local FSS programs and foster partnerships with state and regional agencies (such as workforce, the Supplemental Nutrition Assistance Program, and welfare programs) that could provide staff support or resources to help advance employment goals they share with FSS. HUD could use its technical assistance resources and regional office staff to support the creation of new regional networks and strengthen existing ones to help them realize their full potential. HUD could also facilitate a community of practice made up of leaders of regional FSS coordinator groups, allowing for the sharing of ideas across these networks.

3. **Engage regional HUD offices to support the FSS program.** Historically, a number of staff in regional HUD offices have played important roles in strengthening FSS programs in their region. For example, one regional staff person helped start and anchor a regional FSS coordinator group and collected program data to share with programs in the region and potential partners. In addition to helping to start and support regional FSS networks, regional HUD staff can, among other roles, identify opportunities for coordination and shared services across FSS programs, build relationships with strategic partners (such as a philanthropic

organization) that benefit multiple programs in the region, and identify programs in need of technical assistance.

4. **Use research to strengthen the FSS program.** As discussed below, many outstanding research questions could be studied to generate concrete recommendations for strengthening the FSS program. Among other things, the research could help identify why some FSS programs have better outcomes than others, the pros and cons of different administrative structures for FSS, the effects of caseload size, and many other useful data points that HUD could use to help guide future technical assistance and policy changes. Research could also evaluate potential program improvements, such as an add-on to the FSS coordinator fee that local programs could use at their discretion to advance local goals (such as for program improvement measures or for a small loan fund to meet short-term participant needs), to determine their effects.

Recommendations for Future Research

The following are some areas for additional research that can help contribute to the strategic improvement of FSS programs:

1. **Characteristics of higher- and lower-performing programs.** What are the key characteristics of higher-performing FSS programs? What are the key characteristics of lower-performing FSS programs? FAM scores and the data that HUD collects from the National Directory of New Hires could be used to identify higher- and lower-performing programs that could then be studied through qualitative methods to identify salient characteristics of their program model(s) and management approaches. These studies could examine a range of different program elements, including program size and stability of program participants, the overall approach to the program, caseload size, staff capabilities and stability, the extent of training and staff supervision, and so forth.

2. **Comparisons of different case management/coaching models.** FSS programs seeking guidance on how to structure their FSS case management or coaching model, including whether to adopt financial coaching, would benefit from a dedicated study that focuses on this topic. The specific FSS programs using different models could be identified through a survey of FSS programs (see below). Using this survey data along with FAM and other data, researchers could identify a universe of programs to study through interviews with program staff, participating families, and key partners, along with outcomes data.

3. **FSS program surveys.** Given the diversity in FSS program models and regional and programmatic contexts for implementation, gathering information through a national survey of FSS programs that characterizes the approach, challenges, and innovations reported by different FSS programs would be useful. These data would help shed light on the prevalence of different approaches nationally for specific HUD programs and different geographic regions. The data could also be used to identify topics for evaluation and a sample for an evaluation (see above). It could be linked with FAM data to assess whether associations exist between particular FSS program approaches and program performance. In addition, a separate study of

individuals participating in the FSS program could help identify the elements of the programs they find most useful and what they would like to see changed.

4. **Identifying the elements most essential for FSS program success.** A synthesis of the findings across the HUD/MDRC study, Abt Associates' studies of the Compass FSS program, and the additional research proposed above would be useful for identifying which elements are most critical to the success of local FSS programs. Input from experienced FSS practitioners could be used to help interpret and supplement study findings. If needed, limited experimentation with alternative approaches could also be incorporated.

5. **Asset building and second-generation outcomes.** Much of the current literature is focused on whether FSS affects participant earnings, credit scores, and debt levels. A range of important outcomes exist beyond these impacts, however, including the effects of the large infusion of assets that FSS graduates receive and potential impacts on the children of FSS participants, such as child employment and college attendance. Future research studies could help assess these impacts to provide a more comprehensive understanding of the potential benefits of the FSS program.

6. **Resilience during the COVID-19 pandemic.** A useful study would be to evaluate whether FSS participants, with the help of financial coaching and escrowed savings, witnessed better outcomes than comparable households during the economic disruptions associated with the COVID-19 pandemic.

7. **Effects of rising credit scores.** Average credit scores in the United States have risen sharply since 2011 and, in particular, since 2019 (Experian, 2024). In this environment, it would be worthwhile to reflect on the appropriate metrics for measuring impacts on participant credit scores for FSS and other programs. Increases in average credit scores by all households may make it harder for Compass FSS and other financial coaching programs to demonstrate that they produce an increase in average credit scores. Instead, because fewer families might require increases in credit scores to access favorable credit terms, FSS program outcome metrics might focus on the share of families with subprime credit scores who attain prime credit scores above a threshold, such as 660.

Conclusion

The results of the HUD-sponsored multiprogram FSS evaluation by MDRC suggest a pressing need to strengthen FSS program outcomes (Freedman, Verma, and Vermette, 2024). Public housing agencies and private owners seeking to strengthen their FSS programs could benefit from learning more about and incorporating components of Compass' approach. This article identifies specific recommendations for local FSS programs and federal policymakers to consider, along with ideas for future research.

Acknowledgments

This article is based on research studies funded and supported by Compass Working Capital, Inc., JPMorgan Chase & Co., the U.S. Department of Housing and Urban Development's Office of Policy Development and Research, the Oak Foundation, and the W.K. Kellogg Foundation. We acknowledge with appreciation the Abt employees, staff of participating organizations, funders and data providers, and study participants who contributed to these research studies. We would like to acknowledge the current and former Compass staff: Ann Lentell, Markita Morris-Louis, George Reuter, and Sherry Riva, along with Regina Gray of HUD without whose support and interest these multi-year studies would not have been possible. We also thank Meryl Finkel (Abt) and Katie Kitchin (formerly of Abt), for their support and guidance in preparing this article.

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