Commentary: Strengthening Implementation and Outcomes in HUD's Family Self-Sufficiency Program

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Introduction

The recent publication of the final report from the latest U.S. Department of Housing and Urban Development (HUD) study on the Family Self-Sufficiency (FSS) program—a long-term effort HUD began in 2012—provides an opportune time to consider the broader body of research on FSS and related programs and the experiences of FSS practitioners. Taken together, the articles in this *Cityscape* symposium on the FSS program cover a lot of ground and highlight past research findings and current policy issues. This symposium includes three articles summarizing formal research. The first illustrates findings from a HUD-sponsored, MDRC-led study of 18 FSS programs (Verma, 2025). The second presents findings from a series of studies that Abt Associates (now Abt Global) conducted on FSS programs run by the nonprofit Compass Working Capital (Sanga et al., 2025), and the third describes early findings from the MyGoals program (Castells, 2025), another housing-based self-sufficiency program. This volume also includes an overview of the experience of multifamily FSS programs (Cramer and McCarthy, 2025), an overview of Compass' FSS programs (Cramer and Reuter, 2025), and several commentaries, including this one.

In this commentary, I offer my perspectives on the symposium articles and the FSS program more broadly, organized into four sections:

1. The first section outlines four potential pathways through which the FSS program may be effective in generating positive outcomes to provide context for the existing research. This section considers whether and to what extent the existing research has fully probed these pathways and whether gaps exist that still need to be filled through future research.

2. The second section considers the implications of the key findings from the HUD-MDRC study that the FSS program did not affect earned incomes, credit scores, or debt levels of participants in the local programs included in that study. What can we learn from that study

and other research on the FSS program's earnings, credit, and debt outcomes about how to strengthen the program to support those outcomes more effectively?

3. The third section focuses on the relatively recent expansion of the FSS program to the multifamily space and considers how to maximize the potential of multifamily FSS programs.

4. The final section considers the proposal—discussed in the Sard (2025) commentary—for an "opt-out" approach in which families are automatically enrolled in the FSS program, or a similar program, to substantially expand the share of eligible households that benefit.

Four Potential Pathways for Generating Positive Outcomes Through the Family Self-Sufficiency Program

To help contextualize the available research on the FSS program, it is helpful to consider a theory of change for the program and examine how much of this theory has been probed through research and how much remains to be examined in future studies. Although a full analysis of the FSS theory of change is beyond the scope of this commentary, this section outlines an overall policy lens through which to consider the FSS program and describes four main pathways through which it could advance the key policy objectives of producing lasting improvements in family well-being and freeing up the limited supply of housing subsidies for other households in need.

I begin with the broader policy context for the FSS program. With the funding available for federal rental assistance falling far short of the amount needed to serve all households in need, it is important to consider how best to use the limited available resources. This question is often approached with admissions preferences in mind—who should be prioritized for the limited number of housing subsidies that become available each year? Although this question is important, I propose that we broaden the inquiry to also consider what happens to households once they are admitted. Specifically, how can the limited supply of housing assistance be leveraged to produce lasting improvements to the well-being of assisted households that benefit them and free up assistance for other households?

In light of this context, I suggest we consider the FSS program through this lens: *How and to what extent can FSS or similar programs contribute to lasting improvements to participating households' well-being that benefit them and free up housing assistance for other households? What are the ways to build on or modify the FSS program to more fully achieve these objectives?*

The FSS program could help achieve these objectives in four main ways:

1. It could help participating heads of household increase earned income, thereby increasing the financial resources available to them and their families. In some cases, the resources could help them afford housing without a deep housing subsidy like the Housing Choice Voucher or Project-Based Section 8 programs. For example, participants' next housing situation could include housing produced through the Low-Income Housing Tax Credit, market-rate housing, or homeownership. Even when households stay in HUD-assisted housing, they may require smaller subsidies, potentially freeing up resources to assist other households.

2. It could help participating households build savings that they then deploy to advance their well-being, such as for a car or home purchase, retirement savings, post-secondary education for adults, and college savings for children. Some of these uses, such as homeownership, may free up housing subsidies for other households.

3. It could assist participants in other ways—such as by improving credit scores or reducing debt—or by helping them access more meaningful, even if not higher-paying, jobs. It could also help participants imagine a different future for themselves and for their families, which leads them to chart a new course, such as moving out of subsidized housing earlier than they might otherwise. The latter situation could similarly free up housing subsidies for other households.

4. It could lead to better outcomes for the children of participating households—for example, by encouraging adult children in a household to increase their incomes to earn more escrow for the household or by providing children with models of persistence and success in the parents the program helps.

As the three articles summarizing the formal research conducted on the FSS program reflect, existing research mostly focuses on the first pathway (increases in earned income) and parts of the third (particularly, improvements in credit and debt outcomes). Aside from a small research project that reported on interviews with graduates of the Compass FSS programs, existing research has not examined the effects of helping families build savings through FSS (the second pathway). Furthermore, none of the research comprehensively covers the effects of the FSS program on the children in participating households, although increased earnings by adult children appear to be part of the reason for the increased household earnings observed in Abt Associates' evaluations of the Compass FSS programs (Sanga et al., 2025).

Highlighting the gaps in FSS research is not a criticism of the articles in this volume or past research—all research has limits—but rather an observation intended to put the research in context. Although the FSS research conducted to date and summarized in this volume has important ramifications for FSS policy, it is incomplete. In particular, it will be important for future research to assess the effects of the asset-building that participating households achieve (or could achieve with the right supports) through the FSS program and its effects on the children in participating households and on program graduates.

This exercise is also useful for identifying new angles for future experimentation and research investigating the first and third pathways. For example, although many FSS programs focus on helping unemployed participants get and keep jobs, it may be worth considering whether the FSS program can encourage households with incomes close to making them ineligible for housing choice vouchers, or otherwise able to afford market rents, to give up their subsidies to free up space for other households. Such households sometimes see their housing subsidy as insurance against job loss and worry about whether they will be able to manage consistently without it. Whether or not these households experience higher earnings, FSS coaching can help them imagine a different future and feel more secure relinquishing their subsidies. Reaching these households and helping them make the transition may require a special FSS program strategy and a special research approach to assess the strategy's effect. But it is the kind of more focused research question that emerges when one considers the larger purposes of the program and segments the eligible population to determine what kinds of supports each segment needs to help advance those purposes.

How Could the FSS Program Be Strengthened to More Effectively Support Increased Earned Income, Higher Credit Scores, and Lower Debt Levels for Participating Households?

The HUD-sponsored randomized controlled trial of 18 FSS programs that MDRC conducted is an important wake-up call for the FSS program (Verma, 2025). Although the study is not necessarily representative of the FSS program as a whole and is weighted heavily toward the outcomes of a small number of large FSS programs, it nevertheless confirms that, for many families, the FSS program is not affecting the heads of households' annual earned income as one would hope and expect.

One finding in the study of particular concern is that only approximately 20 percent of families who enrolled in the FSS program had graduated by the end of data collection, approximately 7 years after enrollment in the study was completed. Slightly more than 45 percent of the sample exited the program without graduating but with a positive FSS escrow balance, forfeiting an average of $3,918 in escrowed savings. Given that FSS graduation requirements—becoming employed, being independent of cash assistance from the Temporary Assistance for Needy Families program, and achieving other self-identified goals, which can be changed as needed—are fairly modest, one has to wonder what happened to allow so many families with so much to gain from graduation to fall through the cracks. Even if we think of the FSS program as primarily an asset-building program rather than a program to increase earned income, we should be concerned about the relatively low graduation rates because participants' failure to graduate prevented them from accessing the full amount of their escrow accounts.

Although we should be concerned, we should not necessarily be surprised. The evaluations of numerous workforce housing programs have found the programs to be ineffective or only marginally effective in increasing individuals' earned income (Peck et al., 2021). Although still early, initial findings from the MyGoals program evaluation through 21 months similarly show insignificant impacts on earned income (Castells, 2025). The finding in the HUD-MDRC study that the FSS program did not affect credit and debt outcomes is also unsurprising because the FSS programs studied generally did not provide the kind of focused financial coaching needed to influence these outcomes.

Something needs to change, but what? To answer this question, one needs to determine whether the problem lies with the *structure* of the FSS program or the *manner* in which it is being implemented. Although the two factors are not unrelated—a programmatic structure can be difficult to implement, even if some can do it well—the distinction is important. If the structure of the FSS program is inherently flawed, then the structure needs to be changed. However, if the lack of effectiveness stems from how the program is administered rather than how it is structured, a different solution is needed.

Fortunately, existing data shed some light on this question. As Sanga et al. (2025) detail, a series of studies by Abt found strong positive impacts of FSS programs Compass administered in partnership with three public housing agencies (PHAs) in increasing the earned incomes of participating households. Abt also found that the credit and debt outcomes of participants in these FSS programs exceeded benchmarks derived from a group of comparison households. Although these studies of Compass FSS did not use random assignment as MDRC did in its HUD-sponsored study, there is reason to believe that the positive findings in the Compass FSS studies are not simply an artifact of the study methodology. Families in Compass FSS programs graduate at about three times the rate of families evaluated in the HUD-MDRC study. This outcome suggests a longer and more complete exposure to the FSS program that provides a plausible explanation for the greater effectiveness of Compass FSS programs.

If Compass FSS programs could produce strong programmatic outcomes using the same FSS statutory and regulatory structure as the FSS programs evaluated in the HUD-MDRC study, perhaps the fundamental problem is not with the FSS program structure but with the manner in which it is often implemented. Sanga et al. (2025) and Cramer and Reuter (2025) outline key features of Compass FSS programs. To highlight just a few of the features that may contribute to positive outcomes for FSS families, Compass—

- Is a large organization that has developed dedicated FSS expertise.
- Hires competent staff and trains and supervises them well.
- Uses a participant-centered coaching model that puts families in the driver's seat in determining how to make progress toward achieving their goals and aspirations rather than a case management approach that requires each family to follow a series of predetermined steps.
- Provides participating families with financial coaching services directed at helping them achieve financial goals that they identify; among other topics, these services include coaching on credit and debt, employment, budgeting, and savings.
- Prioritizes families' continued participation in and graduation from the FSS program, which helps deepen their exposure to the program.
- Communicates clearly about escrow balances and uses data on the families' actual and potential future accumulation of escrowed savings to motivate heads of household to increase earnings.
- Closely monitors outputs and outcomes and uses these data to drive program refinement.

Only one of these features, financial coaching, reflects a programmatic feature that departs from the standard FSS program model, and even this change does not require legislation to implement. Compass has been able to implement it within the current FSS legislation and regulation. Most of the remaining items are elements of basic program administration—developing an effective administrative structure and implementing the FSS program with excellence.

I understand that Compass—as a nonprofit organization specializing in FSS—is a different type of entity from the PHAs and private owners that administer most FSS programs. However, given its apparent success, I encourage PHAs and private owners to consider what can be learned from Compass' experience to strengthen FSS program implementation around the United States. Sanga et al. (2025) include recommendations from my former Abt colleagues and me on specific steps to consider. To avoid repetition, I will not repeat those points here except to emphasize, at a high level, that our recommendations include (1) focusing on staff quality, training, supervision, and succession; (2) prioritizing participant retention and graduation and effective communication about the escrow account; and (3) incorporating participant-centered coaching to ensure the program is responsive to participant priorities. In addition, to the extent feasible, smaller FSS programs should seek to situate themselves within a larger context that can provide supervision and training for FSS staff. This approach could include, for example, a resident services department that oversees multiple programs, a regional FSS network that supports a large number of FSS programs, a contractor that works on multiple FSS programs, or a private owner or property management company that manages multiple FSS programs.

Sanga et al. (2025) also offer recommendations for HUD and other federal actors, including (1) using the FSS Achievement Metrics (FAM) to identify both FSS programs that need assistance and high-performing programs to prioritize for supplemental FSS coordinator resources, (2) conducting research on the characteristics of stronger and weaker FSS programs (identified through FAM and other data) to inform program guidance, (3) training and technical assistance for FSS programs on how to run an excellent FSS program, and (4) supporting regional networks of FSS coordinators that can strengthen program quality of network members through peer support and shared training resources.

The bulk of these recommendations are applicable to any FSS program, regardless of whether a program chooses to follow Compass in implementing a financial coaching model. Although I expect that financial coaching is necessary to positively affect credit and debt outcomes, more research is needed to determine whether it is necessary to positively affect employment and earnings outcomes.

How Can HUD, Private Owners, and Property Managers Maximize the Potential Effectiveness of Multifamily FSS Programs?

Expanding the FSS program to multifamily properties provides an important opportunity to broaden the program's reach and expand the field's knowledge. For example, it allows us to assess how the FSS program performs in a range of contexts, including across different housing assistance types and at different levels of saturation (i.e., share of eligible households that are enrolled in FSS) because a number of multifamily FSS programs enroll a large share of eligible households. Multifamily FSS programs also provide two ready vehicles for achieving the kind of program scale that Compass has achieved—property managers who manage FSS at multiple properties and owners, including mission-driven owners, who offer FSS at multiple properties. Whether the full potential of this scale in multifamily FSS programs is being realized and, if so, whether it is helping to strengthen program quality are key questions that merit attention. Studying the effects on participating families is also important. Abt conducted an early evaluation of FSS programs at several multifamily properties and found initial suggestive evidence of positive impacts on earned income, but the sample size was small, and further research is needed (Yang, Freiman, and Lubell, 2021).

Even before additional research is conducted, policymakers should consider ways to tailor FSS policies to better fit the multifamily context. For example, Cramer and McCarthy (2025) sensibly recommend that multifamily properties be allowed to utilize staff to administer FSS programs at neighboring properties. They also recommend that owners and property managers be eligible to apply for larger amounts of FSS coordinator funding to serve multiple properties. For example, one could imagine a staff structure in which an owner administers the FSS program at 12 properties, with centralized staff responsible for designing the program and hiring, training, and supervising staff and resident services staff that are already present at the properties conducting much or all the coaching. This type of superstructure could provide a helpful, supportive environment for the success of the FSS program at individual properties, but it is not currently considered in HUD funding policies, which require each property to apply for its own grant.

Should Families Be Automatically Enrolled in FSS or an FSS-Like Program as a Way of Substantially Expanding the Share of Eligible Households That Benefit?

The FSS program is one of the nation's largest programs focused on helping very low-income households build assets. However, as Sard (2025) notes, it serves only a small fraction of the households living in HUD-assisted rental housing. Automatically enrolling all families receiving housing assistance into FSS or an FSS-like program is one way to reach a much larger share of HUD-assisted households. Sard (2025) refers to this idea as an "opt-out" approach because families would not need to "opt in" to participate but could choose to opt out. HUD proposed a similar idea in its fiscal year 2024 budget request, which included a demonstration in which up to 3,000 families would be automatically provided with a "universal escrow account" modeled on the FSS escrow account. (It was unclear from the proposal whether and to what extent participating families would receive services.) HUD's fiscal year 2025 congressional justifications included a similar proposed demonstration but described the proposal somewhat differently—as a savings account, without reference to FSS, with automatic enrollment as an option open to participating PHAs and private owners.

The idea of automatically enrolling HUD-assisted families in a savings program is very attractive and potentially transformative, especially if the account grows as families' earnings and rents grow, as in the FSS program. The attraction lies in the potential of such a program to contribute to economic mobility and ultimately enable more families to benefit from subsidized housing. If families build wealth that enables them to become homeowners, start businesses, get higher-paying jobs that facilitate significant earnings growth, or have a financial cushion that makes them feel more comfortable moving out of subsidized housing, the program could free up housing assistance resources to serve other families.

One variation of this idea that Reid Cramer and I have previously proposed would be to limit the duration of the opportunity to build savings through increases in earnings and rents (Cramer and Lubell, 2011). For example, families could be provided with this opportunity for 5 years after the first escrow credit is accrued because of higher earnings. This limit would lead families to experience stages of housing assistance. Rather than simply having or not having housing assistance, families would enter HUD-assisted housing, begin to build savings, and eventually cease to build savings. With the right messaging, families could see the time-limited asset-building period as a unique opportunity to increase earnings, build savings, and consider transitioning to a new housing status after the asset-building period ends. Potentially, families could be given greater latitude in how they spend their accrued savings once they leave HUD-assisted housing, adding an incentive to leave without forcing anyone to leave HUD-assisted housing before they are ready to do so.

A program that provides everyone in subsidized housing with savings equal to 100 percent of their increased rent from increased earnings would be expensive because some of those earnings increases would have been incurred in any event, and HUD is counting on the rent associated with those increases to defray future program costs. However, as Cramer and I have outlined (Cramer and Lubell, 2011, 2009), it may not be necessary for the automatic savings program to give families the same level of savings that FSS provides. At the time Abt evaluated it, the FSS program administered by Compass and the Cambridge Housing Authority provided families with an escrow account equal to approximately one-half of the standard FSS escrow account. Although our evaluation of Compass FSS programs was not sized to allow for a comparison of outcomes between individual sites, the results for Cambridge alone were quite robust, demonstrating a large, significant effect on household earnings despite the lower escrow benefit (Moulton, Freiman, and Lubell, 2021). Another option might be to provide families with escrowed savings only once their earnings rise above a certain threshold level (or strike point), which can allow for the housing provider and HUD to capture some amount of rent associated with higher earnings before families begin building savings. This option would again reduce the government's costs of offering automatic savings. HOME Forward, the PHA in Portland, Oregon, has long applied a version of this strike point model to its FSS program, which it calls GOALS.

Before a program like this one can be rolled out widely, numerous questions need to be answered that would optimally be studied through a demonstration. I am particularly interested in learning whether and if so how housing providers could cost-effectively reinforce the message of the incredible opportunity the savings account presents. Such messaging could include, for example, a marketing campaign and the repurposing of regular recertifications of income to focus on helping families understand the potential to build savings through the program. Other key questions include whether the program affects families' earnings and the likelihood of leaving subsidized housing, whether the addition of services leads to stronger program outcomes, and how families use their escrowed savings. If the demonstration tests a time-limited opportunity to build savings, a further question would be whether families recognize it as a unique and focused opportunity to increase earnings and build savings and, if so, whether that contributes to earnings growth and how the time-limited opportunity affects families' decisions about whether to remain in HUD-assisted housing or transition out. Note that a time-limited savings opportunity could induce some families to stay in HUD-assisted housing longer than they might otherwise, even if the end of the time-limited period leads some families to leave at that point. Mixed methods research will be needed to untangle the net effects of such a policy on families' housing decisions and well-being.

Lessons learned from the Rent to Save Pilot that Compass and the Cambridge Housing Authority launched in 2016 could inform such a demonstration. In the pilot, families in two public housing developments automatically accrued savings during a 3-year period. Families in one development were required to participate in financial coaching to access their savings, whereas families in the other development needed only to complete an exit survey. Lessons learned from that pilot included the presence of significant trust barriers families needed to overcome to believe the program was legitimate and challenges that families experienced understanding how savings were calculated, which was more complicated than in the FSS program. Overall, however, families liked the program and wished it could have continued beyond its initial duration (Lubell and Thomas, 2019; Thomas, Freiman, and Lubell, 2020).

I do not foresee a time in which the U.S. Congress would be open to appropriating the funds needed to offer everyone in an automatic savings program the same level of services provided to families in the FSS program. However, once the opportunity for automatic savings for HUD-assisted families becomes widely available, I can see local housing providers leveraging this opportunity as the fulcrum to encourage local service providers and funders to help families take advantage of their asset-building window.

Certainly, many details need to be worked out and tested, but it would be a shame to pass up the opportunity to evaluate a potentially transformative program that could help expand asset-building and economic mobility for millions of households nationwide.

Conclusion

In conclusion, I encourage a greater focus on implementing the FSS program with excellence and additional research to help identify promising approaches for doing so. I also encourage research to focus on the impact that the FSS escrow account has on participants' lives, the effect of the program on participants' children, and the feasibility of a demonstration that automatically enrolls families in a program in which they build savings as their earnings grow, as they do in FSS.

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Jeffrey Lubell is currently the founder of Housing Innovations Group LLC. At the time this article was initially prepared, he was a principal associate for housing and asset building at Abt Global.

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