

FSS Partnerships

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A Diamond in the Rough: the Remarkable Success of HUD's FSS Program

by Jeff Lubell

Enacted by Congress in 1990, the Family Self-Sufficiency (FSS) program of the U.S. Department of Housing and Urban Development (HUD) has long labored in the shadows of the much larger and better known programs funded by HUD and other federal agencies. Administered by the same public housing agencies (PHAs) that run the Public Housing and Section 8 Housing Voucher programs, FSS seeks to help low-income families in those subsidized housing programs build assets and make progress toward self-sufficiency.

While there has not yet been a national evaluation of FSS, the available data suggest that the program has had a strong positive impact on participants' life opportunities. This analysis examines data supplied by 19 FSS programs in early 2004, as well as other sources of recent FSS program results. Among the programs that provided data for this analysis:

- Earnings increases among FSS program graduates have been robust, with many programs reporting average earnings increases of 100 percent or more.
- Most programs report employment gains among current FSS participants of 40% or more.
- FSS graduates have succeeded in accumulating significant escrow savings – with the typical program yielding per-graduate escrow savings of nearly \$6,000. A growing body of research and analysis suggests that asset accumulation is critical for breaking the cycle of poverty, helping families “get ahead” by using their savings for such investments as homeownership or advanced education, starting a business, or purchasing a car that enhances employment opportunities.¹
- About one-third of FSS graduates have used their accrued FSS escrow savings to become homeowners. (Given their extremely low-incomes at the outset of the program and the generally high cost of homeownership in the communities providing data for this analysis, this is an extraordinary result.) Other common uses of escrowed savings include advanced education, starting a business, purchasing or repairing a car, and paying off high-interest credit.

While quantitative data on other outcomes are generally not available, the program descriptions and “success stories” submitted by FSS program coordinators suggest that many programs have also succeeded in helping participants achieve other key goals such as: improved employment skills, education, and other credentials; enhanced self-esteem and self-confidence; improved credit and financial literacy; and a stronger capacity for identifying goals and pursuing strategies to achieve them.

The Challenge of Helping HUD-Assisted Families Make Progress Toward Self-Sufficiency

Few would question the value of helping non-elderly non-disabled families in the public housing and housing voucher programs make progress toward self-sufficiency.² The overwhelming majority of such families have incomes below the poverty line and struggle to make ends meet, despite their housing subsidies. Higher earnings and incomes would improve their quality of life and reduce the amount of federal subsidy needed to keep them stably housed. In addition, to the extent that currently assisted families experience increases in incomes sufficient to enable them to afford housing costs without assistance, their housing subsidies could be made available to other families in need. (Due to limited federal funding, only about one-fourth of the families in need of a federal housing subsidy have one.)

While the importance of the goal of economic independence is clear, the challenges involved in achieving it are substantial. Many individuals in the public housing and housing voucher programs have poor employment histories, low skills levels, and multiple barriers to work. Among other such barriers are health and substance abuse problems, limited English proficiency, and the lack of a high school education. While the strong economy of the late 1990s helped to boost employment among individuals in the public housing and housing voucher programs, employment rates have declined somewhat since 2001.³ These individuals' progress toward self-sufficiency is also greatly hindered by a shortage of affordable child care and inadequate transportation access to the suburban locations where many of the available jobs are located.

As described above, the challenge is largely similar to that of helping long-term welfare recipients and other unemployed or marginally-employed individuals with multiple barriers to work. But there is another aspect to the challenge that stems from HUD's basic mission of helping families to afford their housing costs. Studies have shown that former welfare recipients who find work typically have annual earnings of \$8,000 to \$12,000.⁴ While this type of low-paying job can conceivably replace the loss of welfare income, there is virtually no market in the country where a family with such earnings can afford decent-quality rental housing (both shelter costs and utilities) without government assistance. So this type of exceedingly low-paying job does not "solve" a family's housing problem. While rents and incomes vary substantially from area to area, on average, throughout the U.S., a family would need earnings equal to at least full-time work at \$15.21 per hour (approximately \$31,600 per year) to afford housing renting for the local Fair Market Rent.⁵

To facilitate independence from housing assistance, then, self-sufficiency efforts must aim beyond dead-end jobs toward real careers with opportunities for advancement. This often involves investments in training and education over a several-year period – a strategy proven to boost individuals' prospects for higher-paying jobs.⁶ Self-sufficiency efforts in this context also tend to focus on asset-building strategies that lead to homeownership as homeownership has the potential to truly "solve" a family's housing affordability problem.

The focus of housing-related self-sufficiency programs on asset-building and homeownership is consistent with the growing recognition over the last decade or so that assets play a critical role in helping to break the cycle of poverty. When low-income families have little or no assets, they have no cushion against the loss of a job or a family emergency, leading to increased reliance on government benefits. Similarly, families without a car or with a cheap car that breaks down

frequently – particularly in areas with limited public transportation – have greater difficulty finding and retaining work, again leading to increased reliance on government benefits.

On the other hand, families that accumulate assets have the potential to make substantial progress toward self-sufficiency, for example, by investing in post-secondary education or by starting a new business. Assets also help families to purchase homes that provide greater residential stability, reduce the need for ongoing rental housing subsidies, and enable the family to build equity that can be invested in the family's children for such purposes as after-school enrichment programs and post-secondary education. Equity in a house also gives families the type of cushion against the loss of job or a family emergency that they may need to avoid slipping into poverty.

For all of these reasons, asset growth is one of the more important objectives of programs that seek to help families in public and assisted housing make progress toward self-sufficiency.

Meeting the Challenge: HUD's FSS Program

It is to this ambitious challenge that HUD's FSS Program responds. Based on experience with two large-scale pilot programs, Operation Bootstrap and Project Self-Sufficiency, as well as the Gateway Housing Program operated by the Charlotte Housing Authority in North Carolina, FSS combines three elements that together provide a strong model for helping families build assets and make substantial progress toward self-sufficiency:

- *Housing assistance.* All families in the FSS program live in public housing or have their rents subsidized through the housing voucher program. By stabilizing families' living situation, housing assistance can help families focus on getting and keeping jobs.
- *Case Management.* Families in the FSS program work with a case manager to develop an individual personal training and services plan specifying their goals for making progress toward self-sufficiency over the course of the five-year program. The Case Managers also refer families to appropriate services in the community.
- *Earnings Incentive / Asset-Building Vehicle.* As families' earnings increase, their rent goes up. (Families in public and assisted housing usually pay approximately 30 percent of their income for housing.) An amount generally equal to their increased rent, however, goes into an escrow account that is paid to them upon their successful graduation from the program.⁷ To graduate successfully, families must meet their basic commitments in their personal plan (including a commitment to seek, obtain and retain employment) and become independent of welfare assistance for at least the last 12 months. While the basic program length is five years, many families graduate in shorter periods. Among 22 FSS programs in Oregon and Vancouver, WA, for example, FSS graduates require an average of 34 months to complete their contracts.⁸

HUD supports the program by funding the escrow accounts. (For reasons explained in the endnotes, the net cost to the government of FSS escrow deposits is likely to be significantly less than the total amount of funds disbursed.⁹) HUD also provides limited funding for FSS coordinators to provide case management services and administer the program. Currently, public housing agencies can obtain funding for two FSS coordinator slots – one each for their Section 8

voucher FSS program and public housing FSS program. (Some housing agencies received funding for additional FSS coordinators in prior funding competitions and have had those coordinator grants renewed, but that option is no longer available to additional PHAs.) This is a significant improvement over the funding situation at the outset of the program, when HUD provided coordinator funding only to small public housing agencies (and as a result, the program was viewed by many housing authorities as an unfunded mandate).¹⁰

However, the limited funding currently available for FSS coordinators also operates as a significant constraint on program growth, as one service coordinator can only handle so many clients. HUD has generally specified that one FSS coordinator can handle 50 individuals (many coordinators believe that 40 is a more realistic figure¹¹), but some coordinators try to serve many more. At some point, the effectiveness of case management clearly diminishes due to overextended staff.

Number of FSS Participants and Programs

HUD administrative data indicate that, as of the end of February 2004, there were approximately 67,700 individuals enrolled in the Housing Voucher FSS program and another 7,700 individuals enrolled in the Public Housing FSS program. (HUD staff have indicated that the actual number is likely to be higher, as some participating individuals are not identified as FSS participants in the administrative records.) While still far short of the estimated 139,500 individuals that Congress mandated be served by the program,¹² it nevertheless represents a sizable program that has impacted thousands of individuals nationwide.

According to the most recent publicly available data, as of 1999, more than 1,200 Section 8 voucher programs and 240 to 255 public housing programs had established FSS programs. While the current number of local FSS programs is unknown, the number of programs has almost certainly increased since 1999.¹³

FSS Outcomes

There has not yet been a large-scale national evaluation of the FSS program.¹⁴ However, HUD has commissioned an analysis of the administrative records of FSS participants to see what can be learned about their progress through the program. This analysis is expected to be released sometime in 2004. In addition, there have been a number of research papers about and local evaluations of FSS.¹⁵

While national data on program impacts are not available, a number of PHAs have collected and reported data on the performance of their local programs. These data generally support the conclusion that FSS has generated impressive results.

In February 2004, the author posted a request for FSS program data on a listserv of FSS practitioners. Some 19 Section 8 voucher FSS coordinators responded over the next several weeks with detailed data about their programs, including a large contingent from the Greater Boston FSS Coordinator's Group.¹⁶ These data, together with supplemental data on FSS programs in Maryland and Oregon, provide the raw data that informs this report. These data are not offered as "representative" results of the FSS program as a whole, but rather as illustrations

of the success experienced by many individual FSS programs in helping low-income families in public and assisted housing build assets and make progress toward self-sufficiency.¹⁷

1. Earnings Growth

Table 1 highlights some of the more striking results on earnings increases among graduates reported by individual FSS programs. Each of the FSS programs listed in Table 1 reports extremely impressive earnings growth among their graduates, with increases ranging from 141% to 651%. Equally impressive is the significant level of average annual earnings achieved by the graduates, ranging from \$17,500 in Portland, Oregon to \$33,000 in Salem, Massachusetts – in all cases well above the earnings of full-time work at the minimum wage.

Section 8 Voucher FSS Program	Graduates	Earnings at entry	Earnings at graduation	Increase
MHA of Council Bluffs, IA	37	\$2,764	\$20,762	651%
Montgomery County, MD ¹⁸	347	\$9,180	\$27,130	196%
Gardner HA, MA	26	\$9,005	\$21,683	141%
Salem HA, MA	29	\$6,282	\$33,000	425%
Portland Housing Authority, OR ¹⁹	120	\$4,000	\$17,500	338%

A number of FSS programs reported equally impressive earnings growth among graduates but are not included in Table 1 because of small sample size or because they provided data in a different format. Such programs include Fairfield, CA (average earnings among eight graduates in last two years rose from \$6,103 to \$34,713), Chelmsford, MA (average earnings among 14 graduates rose from \$10,000 - \$18,000 to \$35,000 - \$40,000), Community TeamWork, Inc., in Lowell, MA (average earnings among three recent graduates rose from \$2,329 to \$32,232), Framingham, MA (average earnings among seven graduates rose from \$6,924 to \$28,186), Metropolitan Boston Housing Partnership, MA (average income increased by \$18,932 among FY 2003 graduates and by \$12,715 among FY 2004 graduates to date) and Tri County Housing Council, NY (average earnings among five graduates rose from \$2,200 to \$17,500). Information on the balance of programs is reported in the endnotes.²⁰

These results are consistent with information on earnings growth among FSS programs reported elsewhere. In Maryland, for example, a working group of FSS programs collects data on program outcomes for 21 programs in Maryland and the District of Columbia. Five of these programs (Calvert County, City of Frederick, Howard County, Prince George's County, and the State of Maryland) reported average earnings increases of \$20,000 or more among 2002-2003 graduates, with 15 out of the 16 remaining programs reporting earnings increases of \$9,500 or more.²¹

The data on earnings growth reported above relates solely to FSS program *graduates*. Not everyone who begins the program succeeds in graduating from it; as a result, these results are not representative of the typical outcome for *all* individuals who enroll in the program. (Such data are not available.) They do, however, show that the model has been effective for a significant number of individuals.

Data on *current* FSS participants provides a look at a somewhat broader slice of FSS participants. These data similarly show strong employment growth. Of the 15 FSS programs that provided data on this subject in response to the author’s call for program data in early 2004, 10 have experienced increases in employment rates among current FSS participants of 40% or more and five have increased employment growth of more than 100%. Table 2 shows the employment growth for the 10 programs reporting employment growth of more than 40%. Information on the balance of programs is reported in the endnotes.²²

Table 2 – Employment Increases Among Current FSS Participants (as of early 2004)

Section 8 Voucher FSS Program	Participants	Employed at entry	Currently employed	Increase
MHA of Council Bluffs, IA	29	22%	66%	200%
Acton HA, MA	21	25%	57%	128%
Chelmsford HA, MA	26	46%	81%	76%
Gardner HA, MA	22	18%	45%	150%
Methuen HA, MA	24	50%	71%	42%
Metropolitan Boston Housing Partnership, MA	340	47%	70%	49%
North Andover HA, MA	22	50%	73%	46%
Salem HA, MA	47	35%	83%	137%
Tri County Housing Council, NY	41	26%	44%	69%
Lake Metropolitan HA, OH	132	20%	50%	150%

2. Asset Growth

According to the Center on Budget and Policy Priorities: “As of November 2000, about 48 percent of FSS participants who had been enrolled in FSS for 12 months or more had positive escrow balances. These families had an average escrow balance of about \$2,400 and were adding to their accounts at the average rate of about \$300 per month.”²³ Certain FSS programs report significantly greater asset accumulation. In Portland, Oregon, for example, escrow payouts at graduation have averaged \$7,000.²⁴ The FSS program in Montgomery County, MD, reports average escrow accumulation by graduates to date of \$8,000 per family.²⁵ The average escrow payout among 22 FSS programs in Oregon and Vancouver, WA is at least \$3,297.²⁶

Table 3 shows the average escrow accumulations among graduates at the 15 FSS programs that provided data on this subject in response to the call for data. Average escrow accumulations by graduates ranged from \$2,515 to \$9,637, with nine of the programs reporting average escrows of \$5,000 or more. (A straight average across the 15 programs was \$6,091.) Largely because of the \$9,467 average escrow accumulation at Metropolitan Boston Housing Partnership – the program with the largest number of graduates in the group – the average of the escrow payments to graduates in the 15 programs was \$7,194.

In addition to the escrowed savings graduates receive at graduation, the FSS program permits interim releases of escrowed funds at the discretion of the FSS coordinator when needed to meet one of the objectives of the participant’s FSS contract. One of the most common reported interim uses of escrow funds is the repair or purchase of an automobile. As many individuals need a car to get to work, such disbursements can play a critical role in ensuring that FSS participants get and keep jobs.

Among programs responding to the data call that reported both amounts, the total dollar value of interim disbursements was about five percent of the total dollar value of disbursements to FSS graduates. This average hides great diversity, however, as some programs report authorizing very few interim withdrawals while others report authorizing significant amounts of such withdrawals.

Table 3 – Average Escrow Disbursements to FSS Graduates (as of early 2004)

Section 8 Voucher FSS Program	Graduates	Average Escrow Paid at Graduation
Fairfield HA, CA	36	\$9,637
HA of Stanislaus County, CA	43	\$8,500
MHA of Council Bluffs, IA	37	\$4,100
Acton HA, MA	18	\$6,422
Everett HA, MA	6	\$8,825
Framingham HA, MA	7	\$9,358
Gardner HA, MA	26	\$4,337
Greenfield HA and Franklin County Regional HRA, MA	38	\$5,421
Leominster HA, MA	5	\$5,383
Lowell HA, MA	30	\$3,654
Methuen HA, MA	5	\$2,896
Metropolitan Boston Housing Partnership, MA	129	\$9,467
Salem HA, MA	29	\$7,561
Tri County Housing Council, NY	5	\$3,288
Lake Metropolitan Housing Authority, OH	10	\$2,515
Average of programs		\$6,091
Average of graduates		\$7,194

3. Homeownership

While graduates have the right to use their escrowed savings for any purpose, many choose to use it for homeownership. Some 40 percent of FSS graduates in Portland, Oregon and 25 percent of FSS Graduates in Montgomery County, MD, have used their escrowed savings to become homeowners. The homeownership rate among the 1534 graduates of the 22 programs in Oregon and Vancouver, WA has been approximately 32 percent.²⁷

The programs that provided input for this report generally follow the same pattern, reporting an average homeownership rate of 34 percent.²⁸ Three of the programs (Methuen, Framingham, and Leominster, MA) reported homeownership rates of 80 percent or better, though the total number of graduates from all three programs is only 17. Among programs with more than 25 graduates, Community Teamwork Inc. in Lowell, MA (46 percent of 28 graduates); Fairfield, CA (44 percent of 36 graduates), Stanislaus County, CA (42 percent of 43 graduates), and Gardner, MA (42 percent of 26 graduates) reported the largest homeownership rates.

Similarly, the homeownership rate was 30 percent among the 570 individuals that graduated from 21 FSS programs in Maryland and the District of Columbia in the 2002 – 2003 period. Of particular note were the homeownership rates of FSS programs in Rockville City (80% of 10

graduates), Baltimore County (66% of 128 graduates), Anne Arundel County (50% of 10 graduates) and Prince George's County (46% of 35 graduates).²⁹

In assessing these results, it is important to remember that many FSS program graduates were unemployed or marginally employed when they began the program. Many also had poor credit histories and little or no advanced education. Finally, most of the communities whose data are compiled in this report have above-average homeownership costs. Even given the selection bias inherent in focusing only on FSS program graduates (rather than *all* individuals who enrolled in FSS), a homeownership rate of 30 to 34 percent under these circumstances is extremely impressive. Indeed, since these data count as homeowners only those individuals who go on to homeownership immediately following the FSS program, it is likely that the actual percentage of graduates who become homeowners in the 5 to 10 years after graduation is even higher. Homeownership rates among FSS graduates are also likely to rise as more and more PHAs begin Section 8 homeownership programs, under which families apply their voucher subsidies to mortgage payments, rather than rent; many Section 8 homeownership programs have targeted FSS graduates as prime candidates for this emerging homeownership vehicle.

4. Other Uses of Escrowed Savings

Data on other uses of escrowed savings are less consistently available across sites. Of the sites answering the data call that provided data on graduate use of escrows for education, 16 percent of graduates had done so. (In addition, 18 percent of graduates at sites reporting data on this subject had attained their GEDs while enrolled in the program.) Although data are not available on their frequency, the following additional uses of escrowed funds were frequently cited by FSS practitioners responding to the data call: starting a business, buying or repairing a car, paying off bills, and retirement savings.

5. Other Outcomes

In their completed questionnaires, the FSS coordinators that answered the data call listed a wide variety of services they help program participants access (generally through referrals). Such services include: one-on-one personal coaching and assistance in goal-setting; resume building, job search and job counseling; ESL, GED and basic literacy education; computer training; child care and transportation assistance; credit repair, financial literacy education and homeownership counseling; mental health counseling; parenting education; free tax preparation; and energy assistance. A number of programs also reported that they help participants access community college and other post-secondary education and training opportunities.

While no quantitative data are available on the frequency with which such services are accessed, or the impacts of these services, the program descriptions and "success stories" provided by FSS coordinators suggest that many programs have also succeeded in helping participants achieve other key goals such as: improved employment skills, education, and other credentials; enhanced self-esteem and self-confidence; improved credit and financial literacy; and a stronger capacity for identifying goals and pursuing strategies to achieve them.³⁰ Importantly, many of these achievements apply not only to FSS graduates, but also to FSS participants that drop out of the program, fail to satisfy the requirements for graduation, or fail to accumulate escrow. FSS programs also report improvements among family members, especially in the likelihood of FSS participants' children pursuing marketable job skills training and post-secondary education.

Conclusion

The available data strongly suggest that FSS can have a profound impact in helping low-income individuals in the Section 8 voucher program and public housing build assets and increase their earnings. While data are available only on FSS graduates and current participants (and not on individuals that drop out or otherwise fail to complete the program successfully) for a limited number of programs, the available data indicate that the program has led to significant asset accumulation, earnings growth and homeownership attainment among a very hard-to-serve population. These findings confirm the impression of practitioners that the FSS program is a strong model worthy of continued investment and support.

Endnotes

¹ The seminal work is Michael Sherraden. 1991. *Assets and the Poor: A New American Welfare Policy*. Armonk, NY: M.E. Sharpe. A useful recent compilation of research on the subject is Thomas M. Shapiro and Edward N. Wolff, eds. 2001. *Assets for the Poor: The Benefits of Spreading Asset Ownership*. New York, NY: Russell Sage Foundation.

² Analyses of self-sufficiency in the housing context tend to focus on “nonelderly nondisabled” individuals as a proxy for those who are physically able to work and expected by society to do so. Of course, many elderly persons and persons with disabilities are able to work and there is no bar to their participation in FSS.

³ For an analysis of employment among non-elderly families in public and assisted housing as of 2000, see Jeffrey M. Lubell, Mark Shroder, and Barry Steffen. 2003. “Work Participation and Length of Stay in HUD-Assisted Housing.” *Cityscape* 6(2). More recent HUD data show that employment among this population has declined somewhat since 2001. HUD FY 2003 Performance and Accountability Report, Part II, Indicator 3.1.3.

⁴ See Julie Strawn. 2004. “Why Congress Should Expand, Not Cut, Access to Long-Term Training in TANF.” Washington D.C.: Center for Law and Social Policy. See also Sharon Parrott. 1998. *Welfare Recipients Who Find Jobs: What Do We Know About Their Employment and Earnings?* Washington D.C.: Center on Budget and Policy Priorities.

⁵ National Low Income Housing Coalition, *Out of Reach 2003*. Available on the Internet at: <http://www.nlihc.org/oor2003/>. *Out of Reach* follows HUD’s lead in assuming that rental housing costs (including rent and utilities) are affordable when they consume no more than 30 percent of a household’s income.

⁶ See Strawn 2004, *supra*, and Karin Martinson and Julie Strawn. 2003. *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform*. Washington D.C.: Center for Law and Social Policy.

⁷ This is a general overview of the process. The actual process is somewhat more complicated, particularly for households benefiting from the public housing earned income disregard or paying a flat rent in public housing. For other exceptions to this basic rule, see endnote 7 of Barbara Sard. 2001. *The Family Self-Sufficiency Program: HUD’s Best Kept Secret for Promoting Employment and Asset Growth*. Washington D.C.: Center on Budget and Policy Priorities. <http://www.cbpp.org/4-12-01hous.htm>.

⁸ FSS Annual Progress Report Summary through 9/30/2003, prepared by Joy McCray of HUD. This data summary covers both Section 8 and public housing FSS programs. The average time to complete the FSS contract was 35 months among Section 8 voucher FSS graduates and 33 months among public housing FSS graduates.

⁹ The initial source of FSS escrow deposits is increased rent paid by FSS program participants as a result of increased earnings. While HUD reimburses housing agencies for the “loss” of revenue that results from such escrow deposits, the real cost to HUD of such reimbursement is likely to be significantly less than the total escrow funds disbursed. Take, for example, a hypothetical FSS participant whose earnings steadily increase over a four-

year period of participation in FSS such that the participant's annual earnings (after HUD's adjustments) at graduation are \$10,000 more than they were at the outset of the program. Assuming a uniform rate of increase over the four-year period and no other income sources, the individual's annual adjusted earnings over the period would average \$5,000 more than they were at the outset and the resident would build up an escrow of approximately \$6,000 ($.30 * \$5,000 * 4$). The "real" cost to HUD of the \$6,000 paid to this FSS graduate is not \$6,000, but rather 30 percent of the hypothetical amount by which the individual's earnings would have increased if the individual had not been enrolled in FSS. If we assume, for example, that the individual's earnings increase over this period would have been only one-third what they ultimately were in light of the services provided through FSS, the real "loss" of resident revenue resulting from this escrow disbursement is \$2,000 ($.30 * \$1,667 * 4$). This is, of course, just a hypothetical example – determining the real discount would require a major research project – but it illustrates the basic point that the net federal cost of the FSS escrow accounts is less than the total amount disbursed. Other reasons why this is true include: offsets to federal costs resulting from the forfeiture of escrowed funds by participants that do not succeed in graduating and the higher rent paid by those FSS graduates that do not leave housing assistance immediately upon graduation (relative to what they would have paid but-for participation in the program). Looking more broadly, in light of their higher earnings, FSS graduates pay higher taxes than they would have absent participation and are likely to rely less on public benefits over the long term.

¹⁰ In its FY 2005 budget, HUD has proposed major changes in how Section 8 Voucher FSS programs would be funded. Those changes are beyond the scope of this paper.

¹¹ William M. Rohe and Rachel Garshick Kleit. 1999. "Housing, Welfare Reform, and Self-Sufficiency: An Assessment of the Family Self-Sufficiency Program." *Housing Policy Debate* 10(2).

¹² PHAs that received new increments of federal housing assistance between 1993 and 1998 (or special incentive funds in 1992) are required to run an FSS program. Originally, Congress required such PHAs to establish FSS programs equal in size to the number of new increments of housing assistance they received during this period. In 1998, Congress relaxed this requirement to specify that, for each individual a PHA successfully graduates from FSS, the PHA's mandated program size would be reduced by one. The 1998 legislation also authorized PHAs to establish voluntary FSS programs or to expand mandatory programs beyond the mandated size. This estimate of the number of mandatory FSS slots is based on Sard 2001, *supra*.

¹³ Sard 2001, *supra*.

¹⁴ An evaluation of the FSS program would be very valuable but also very difficult. Among the difficulties are: (a) the great variation in FSS coordinator caseloads and in the services made available through each individual program; (b) the challenges of identifying a comparable group that does not enroll in FSS; (c) the long time-cycle of the program; a complete cycle from enrollment to graduation can take five years (or more if individuals receive extensions); (d) the importance of non-quantitative outcomes (improvements in self-esteem and skills) as well as quantitative ones; and (e) the usual limitations of administrative data. For these and other reasons, it might be more productive for future evaluations to examine the programmatic factors that tend to lead to more or less successful programs, rather than try to render a single "verdict" on the success of the program nationally.

¹⁵ The most comprehensive research article to date is Rohe and Kleit, *supra*. This article presents a useful analysis of the multiple challenges faced by FSS programs. It does not address the program's impacts, however. Results from an evaluation of the Portland, OR FSS program are discussed below. Sard 2001, *supra*, also includes some data on programmatic outcomes as well as a comprehensive analysis of the program's structure. For citations to additional research studies on FSS and related topics, see the evolving "Research" bibliography at www.fsspartnerships.org.

¹⁶ The author gratefully acknowledges the assistance of the 19 FSS coordinators from the Family Self-Sufficiency Listserv and Greater Boston FSS Coordinator's Group who provided information about their local programs. Unless otherwise specified, all data summarized in this report were provided by these FSS coordinators to the author and are as of early 2004 or the end of 2003. A spreadsheet collecting the data for all 19 programs is available from the author on request.

¹⁷ This study relies primarily on self-reported data that have not been verified by a third-party source. While data collected and validated by a third-party would be preferable for a number of reasons – including enhanced reliability

and consistency across sites – to the author’s knowledge, no such data exist.

¹⁸ Data provided by Nancy Scull, FSS Coordinator for the Housing Opportunities Commission of Montgomery County, MD. Graduate data are as of 12/31/03.

¹⁹ Karen J. Gibson, Assistant Professor, School of Urban Studies and Planning, Portland State University, *The Goals Family Self-Sufficiency Program: A Survey of Graduates*, December 2002. (A longer paper based on these data is currently under review for publication at *Feminist Economics*.) Data represent administrative records of the Portland Housing Authority for 120 individuals who graduated between September 1997 and February 2001. It is important to note that the economy was strong during much of the time period covered by this evaluation. Earnings growth among FSS participants has apparently slowed during the more difficult economic conditions of recent years.

²⁰ The data reported above cover nine of the 19 FSS programs that responded to the author’s call for data. Of the remaining programs, one reported earnings growth of 102%; three reported earnings growth of between 18% and 49%, one indicated that earnings had grown from \$11,202 to a point where most of the families were no longer eligible for assistance; and five did not provide any data on earnings growth.

²¹ Data on Family Self-Sufficiency Programs in Maryland and the District of Columbia, November 2003, provided by Nancy Scull.

²² Of the remaining five programs that provided data on this subject, three reported employment gains of 25% to 30% and two reported no or essentially no employment gain. The Maryland data summary does not provide data on employment among current FSS participants, and the Oregon data summary contains no information on employment or earnings.

²³ Sard 2001, *supra*, citing Administrative data provided by HUD.

²⁴ *Summary of Outcomes/Challenges -- Housing Authority of Portland Family Programs*, December 6, 2002.

²⁵ Data provided by Nancy Scull, FSS Coordinator for the Housing Opportunities Commission of Montgomery County, MD. Graduate data are as of 12/31/03.

²⁶ FSS Annual Progress Report Summary through 9/30/2003, prepared by Joy McCray of HUD. This is the combined average for public housing and Section 8 voucher FSS programs. Graduate escrow averaged \$3,661 among Section 8 voucher FSS graduates and \$2,933 among public housing FSS graduates. To be conservative, this data compilation excludes reports that show small numbers of graduates with particularly high escrow payouts.

²⁷ This is the homeownership rate for the 1,534 graduates of FSS programs run by 22 housing agencies in Oregon and Vancouver, WA. It covers graduates of both public housing and Section 8 voucher FSS programs. The homeownership rate was 32 percent (376 of 1177) among Section 8 voucher FSS graduates and 33 percent (118 of 357) among public housing FSS graduates.

²⁸ All programs but MBHP, MA provided data on the number of graduates that have become homeowners.

²⁹ Data on Family Self-Sufficiency Programs in Maryland and the District of Columbia, November 2003, provided by Nancy Scull.

³⁰ See www.fsspартnerships.org for excerpts from the “success stories” submitted by FSS practitioners.