

Compass Financial Stability and Savings Program Pilot Evaluation: Second Year Report

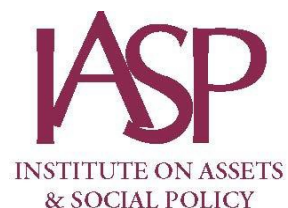
April 2013

Prepared for

**Compass Working Capital
Boston, MA**

Prepared by

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The Heller School for Social Policy and Management
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COMPASS

WORKING CAPITAL

WHERE FAMILIES ASPIRE, PLAN, INVEST

Compass Working Capital

Compass Working Capital (“Compass”) provides incentive-based financial coaching and savings programs that help low-income families access opportunities, build assets, and achieve their financial aspirations. More broadly, Compass seeks to catalyze and expand asset building opportunities for low-income families by sharing innovative, replicable ideas that help place families on the pathway to economic security.

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EXECUTIVE SUMMARY

Historically, anti-poverty strategies targeted to low-income households have focused on income transfer programs, often combined with strategies to encourage greater work. However, theory and empirical research suggest that asset-based social policy has the potential to promote well-being across the life span. Assets play an important role in promoting household stability by serving as a safety net against unexpected life events such as loss of income, illness, or family break-up.

Aimed at helping low-income families save and build assets, the Compass Financial Stability and Savings Program (Compass FSS) is an innovative variation on the U.S. Department of Housing and Urban Development (HUD) Family Self-Sufficiency (FSS) program. Created in 1990, the HUD FSS program is an employment and savings program for families who receive federal housing assistance with the intent of helping families progress toward self-sufficiency by reducing disincentives to working and assisting low-income families to build valuable savings. Through successful partnerships with two housing authorities in Massachusetts—first with Lynn Housing Authority and Neighborhood Development (LHAND) and more recently with the Cambridge Housing Authority (CHA)—Compass has designed a potentially higher impact model for the FSS program for families receiving Housing Choice Vouchers (Section 8). The Compass FSS program is distinguished by the provision of financial education, financial coaching, and asset building strategies to deliver better long-term financial outcomes and help families in subsidized housing achieve economic security.

The current study represents the second report for the multi-year evaluation conducted by the Institute on Assets and Social Policy (IASP) at Brandeis University. This report presents updated findings from quantitative and qualitative data related to program delivery, baseline demographic and economic characteristics, early economic outcomes at key stages of program participation and an in-depth examination of financial practices and well-being over the first two-years (October 2010 through September 2012) of the Compass FSS program pilot.

The findings presented primarily speak to three objectives of the evaluation: 1) to determine if there is a more effective way to implement the standard FSS program to deliver consistently strong outcomes and ensure families move towards economic security; 2) to demonstrate the importance of ongoing, customized financial coaching to help participants reach core economic benchmarks; and 3) to understand the potential benefits of aligning FSS with key asset development strategies focused on improving financial skills, optimizing escrow funds, and strategic use of escrow disbursements toward longer term asset building.

Program Implementation and Delivery

For the process review, research on how the essential elements of Compass' FSS model were implemented draws from participant and staff interviews, as well as program administrative data to develop an understanding of the effectiveness of the design.

Critical to initiating the Compass FSS program was the development of a **Trusting Relationship** with the local housing authority, and authorization to operate the program based on an agreement

for oversight and accountability. Over the first two years, Compass found LHAND to be an accommodating and flexible partner, making effective coordination and the successful implementation of the program possible. LHAND came to rely on Compass' expertise, core competencies, and strong philosophical orientation toward asset-building to guide program development.

Through creative **Marketing** and **Outreach**, Compass continued to increase program participation in the second year with 110 enrollees in FSS, resulting in a penetration rate of 18% for the city of Lynn as compared to a national rate of 4.3%.

Financial Education helps participants understand their financial behaviors, develop and practice new financial skills, and build financial confidence. 88% of those completing the workshops enter the FSS program with many reporting that the workshop experience made them more motivated to enroll in FSS.

Customized **Financial Coaching** focuses on the development of individual asset plans. To aid goal attainment, participants meet with financial coaches to outline short and long terms goals related to five key measures of economic security. Over three-quarters of participants note their desire to work on financial goals with the Financial Coach as a reason for enrolling in the FSS program.

"It's good to have the support and it is good to see credit improve. I would do it anyway, but she pushes me more. Just having the extra push and support. And, I love when I clear stuff off. I would call her and tell her and she would be like, 'yeah!' 'you go!' I really liked her saying that."

Compass FSS Participant

Compass FSS Participant Characteristics at Program Entry

Key **demographic characteristics** of the 110 Compass FSS participants at program enrollment (as of September 30, 2012) are as follows:

- Enrollees are predominantly female (94.5%). They range in age from 20-62 years, with a median age of 38.
- 61% self-identify as Hispanic. Of the 41 participants who indicate Not Hispanic, 44% identify as African-American/Black, 39% identify as Caucasian/White, 10% identify as Asian and 7% indicated Multi-Race as their racial identity.
- Average household size is three with the majority being single-headed families with children.
- 22% of participants have less than a high school diploma; 28% have a high school diploma or GED; 31% have attended some college; and 13% have an Associate's degree or higher.

Economic Status:

- Most (85%) of participants are employed when they enroll in Compass FSS program with 61% employed full-time.

- Nevertheless, 27% have annual household income below \$19,090 or the poverty level for a household of three in 2012.
- At program entry, average credit score is 601 and only 12% have a credit score of 680 or greater.
- Average total debt burden is \$12,155 with credit card debt the most common source of debt (80%) at baseline.
- The average length of time participants have spent in the Housing Choice Voucher (HCV) program is 6.8 years.

Findings from the Second Year Quantitative and Qualitative Analysis

The evaluation includes participant-level administrative and program data, as well as survey data collected from the Financial Practices and Well-being Survey and participant in-depth interviews. Economic indicators tracked since baseline provide an opportunity to measure participant progress toward Compass core objectives:

- Increase in income
- Credit score of 680 or higher
- Debt-to income ratio less than 15%
- Sustained pattern of savings
- Utilization of quality financial services and products
- Increase in sense of financial well-being
- Investment in assets

Economic Status of Participants at 12-month Point in the Program

Participants reaching 12-months for whom there are data experienced:

- Average increase of **\$2,916** in annual earned income
- Average decrease of **\$1,862** in annual public benefits
- Increased credit scores by an average of **21 points**
- Reduced total debt by an average of nearly **\$1,300**

"I had a little idea of what it (a credit report) was but after Compass that is when I learned how to read it, why my credit score was important, and how to use credit better."

Compass FSS Participants

Savings Goals and Escrow Accumulation

Participants have established savings goals and are accumulating funds in the escrow account:

- Saving for a house, college for children, and emergencies are top savings goals.

- At the 12-month enrollment point, the participants who are accruing funds in an escrow account have an average balance of \$1,063.
- By the end of the second year of the Compass FSS program, escrow funds have been deposited for 65 participants, with an average escrow balance of \$1,524 and a total of \$99,075 held in escrow.

“Savings will get me where I need to be. Becoming a homeowner and not having to live on Section 8. The idea of saving has me more focused...I am focused on finishing my school and increasing my income to save.”

Compass FSS Participants

Financial Products, Practices and Confidence

Although many participants were already banked at program entry, there were many marked financial improvements at the one-year follow-up:

- Checking account ownership, savings for children, and direct deposit activity increases from baseline to follow-up.
- The number of participants who have access to their credit report as well as the number who regularly check their credit report substantially increases.
- There is a significant increase in **practices** related to paying bills, establishing financial goals, and keeping track of spending and income.
- Compass participants experience a significant increase from baseline in **confidence** related to saving, tracking income, and spending less after completing the financial education workshops, but this is somewhat less pronounced at the one-year point.

“When I first started the program I didn’t have any idea about how to manage my money. Like no idea, it was really bad. I would get money and spend it and get credit cards and not think about debt, I would just spend it all. I wish I knew about how to budget and I wish I knew how credit reporting went. I had never seen a credit report till I came here.”

Compass FSS Participants

Family Financial Well-Being

Participants typically are uncertain about their financial well-being:

- A large number of participants experience economic strain and worry about money although economic strain is less after the first year in the program.

- Over half of all participants indicate lack of skills, education, and training as common obstacles to getting ahead.

However, participants are overwhelmingly optimistic about the future:

- 86% of participants feel they will be able to support their families without Housing Choice Vouchers (HCV, formally known as Section 8) assistance after the financial education workshops, although this optimism somewhat declines at the time of the one-year follow-up.
- After one-year in the program, the majority of participants believe their financial situation will get better and their children's financial situation will be better than their own.

Implications for Replication of the Compass Model

The next phase of the evaluation study will examine more closely several aspects of the Compass FSS program to add to the learning to-date. The third year analysis will compare the outcomes experienced by the Compass FSS participants to others with similar demographics to better assess program impact. It will study the expansion of the program to a second site in Cambridge, MA. It will also provide a preliminary assessment of the return on investment and identify factors key to replication to help determine the benefits of implementing the Compass FSS model at other sites.

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INTRODUCTION

As a result of a weak economy, families across the country face great concerns regarding their financial security and family well-being. The weak economy has resulted in limited job opportunity and employment instability, as well as stifled income and wealth mobility. These declines are particularly pronounced for low-income households and racial and ethnic minorities.

Recognizing the need to address the increasing vulnerability of families, organizations are implementing innovative financial security and asset-building strategies in an effort to help families achieve economic mobility. Individuals and families are helped to increase their income, manage finances, and build a safety net through strategies such as financial coaching, financial education, and structured savings mechanisms like Individual Development Accounts or youth savings accounts that increase savings and asset holding.

The emphasis on financial security and asset building within these programs is consistent with the growing recognition that savings and assets play a critical role in breaking the cycle of poverty. Historically, anti-poverty strategies targeted to low-income households have focused on income transfer programs, often combined with strategies to encourage greater work. However, theory and empirical research suggest that asset-based social policy has the potential to promote well-being across the life span.¹ Assets play an important role in promoting household stability by serving as a safety net against unexpected life events such as loss of income, illness, or family break-up.

Aimed at helping low-income families save and build assets, the Compass Financial Stability and Savings Program (Compass FSS) is an innovative variation on the U.S. Department of Housing and Urban Development (HUD) Family Self-Sufficiency (FSS) program. Created in 1990, the HUD FSS program is an employment and savings program for families who receive federal housing assistance with the intent of helping families progress toward self-sufficiency by reducing disincentives to working and assisting low-income families to build valuable savings. Through successful partnerships with two housing authorities in Massachusetts—first with Lynn Housing Authority and Neighborhood Development (LHAND) and more recently with the Cambridge Housing Authority (CHA)—Compass has designed a potentially higher impact model for the FSS program for families receiving Housing Choice Vouchers (HCV formally known as Section 8). The Compass FSS program is distinguished by the provision of financial education, financial coaching, and asset building strategies to deliver better long-term financial outcomes and help families in subsidized housing achieve economic security.

The current study represents the second of three reports for the multi-year evaluation conducted by the Institute on Assets and Social Policy (IASP) at Brandeis University. The first report introduced Compass' innovative, asset-building model for the FSS program. It included a process analysis related to program implementation that detailed the extensive planning and design phase, satisfaction with and effectiveness of program delivery, and how the program evolved. Initial results of the implementation analysis as well as participant-level and survey data collected within the first twelve months of program launch, showed that the program demonstrated impressive successes in

¹ Mckernan and Sherraden 2008; Shapiro and Wolff 2001; Sherraden 1991

recruitment, enrollment, retention, as well as early participant gains in income, savings, credit, and financial confidence. This second year report presents updated findings from quantitative and qualitative data related to program delivery, baseline demographic and economic characteristics, early economic outcomes at key stages of program participation and examination of financial practices and well-being over the first two-years of the Compass FSS three-year program pilot.

The findings presented primarily speak to three objectives of the evaluation: 1) to determine if there is a more effective way to implement the standard FSS program to deliver consistently strong outcomes and ensure families move towards economic security; 2) to demonstrate the importance of ongoing, customized financial coaching to help participants reach core economic benchmarks; and 3) to understand the potential benefits of aligning FSS with key asset development strategies focused on improving financial skills, optimizing escrow funds, and strategic use of escrow disbursements toward longer term asset building.

NEW APPROACH TO FAMILY SELF-SUFFICIENCY PROGRAM

Overview of HUD's Family Self-Sufficiency Program

The HUD Family Self-Sufficiency (FSS) program is designed to help families living in public housing and those using Housing Choice Vouchers (HCV, formerly known as Section 8) progress toward self-sufficiency by reducing disincentives to working and assisting low-income families acquire valuable savings over a five year period. The FSS program was enacted by Congress in 1990 and is administered by state and local public housing authorities (PHAs). FSS combines (a) stable affordable housing with (b) case management services to help families access services needed to pursue employment and achieve other goals, and (c) an escrow account that grows as families' earnings grow. The escrow account functions as both an asset-building vehicle and a tangible financial incentive for families to increase their earnings. It creates a structure for residents to save the money that would otherwise go toward increased rent triggered by increased earnings. Participants can withdraw the money in the escrow account upon successful completion of the program and are not restricted in its use. HUD reimburses PHAs for FSS escrow costs and through an annual application process, provides limited funding for FSS coordinator positions based on enrollment patterns at the PHA. Housing authorities are expected to cover other costs associated with recruitment, ongoing communications with FSS clients, and any additional programming.

Compass Working Capital and their FSS Program Development

Founded in 2005, Compass Working Capital is a non-profit organization that provides savings and financial coaching programs that empower low-income families to build assets, achieve their financial goals, and become more financially secure. In seeking new ways to further its work with low-income families, Compass has designed a potentially higher impact model for the FSS program. It is predicated on the theory of change that providing incentives, access to opportunities, and quality financial coaching for motivated, low-income families will help them achieve economic security.

Compass engaged in extensive research and discovered that FSS escrow accounts offer low income families an enormous saving and asset-building opportunity. However, too many families are unaware of the great potential of the FSS program and often miss optimizing the savings structure for long-term gain. For Compass, the central questions are: **What if the FSS program, which has demonstrated some success in helping low income families increase their income, was run by trained financial coaches who helped clients chart a path to economic stability with clear benchmarks and accountability? Could the program then help families optimize their escrow dollars toward asset building purposes? Could it empower participants to build their credit, strengthen their financial capabilities, and invest in their future?**

Housing Authority Partner

Critical to initiating the Compass FSS Program was the development of a trusting relationship with the housing authority, Lynn Housing Authority and Neighborhood Development (LHAND). Through its experience administering its flagship Individual Development Account (IDA) program in Lynn—a city just north of Boston with a population of about 90,000—Compass had established a strong relationship with LHAND, which was very receptive to partnering with Compass to pilot a new approach to FSS. Committed to furthering its mission of fostering economic independence and creating homeownership opportunities for recipients of housing assistance, LHAND established its FSS program in 1994 and had 40 participants as of 2011. LHAND administers about 1,200 HCVs, with approximately half of the vouchers supporting households with elderly or disabled residents who likely would not benefit from participation in the FSS program. Regarding Compass as a trusted partner, LHAND gave Compass full authority to administer their FSS model for HCV participants, which led to a successful Compass FSS program launch in September 2010. After two years of implementing the Compass FSS program in Lynn, the Compass FSS program has successfully enrolled 110 participants.

Compass FSS Program Model

Building on experience administering an Individual Development Account (IDA) program and promoting college savings account (529) plans, Compass aims to leverage the potential of the FSS program and demonstrate a model for FSS that delivers better long-term financial outcomes for families.

Compass believes that FSS can be used not only to help people increase their income, but also to build assets and achieve greater financial stability and security. Compass has renamed it the “Financial Stability and Savings Program” to reflect their rebranding of how participants should think about the opportunities it presents. The program Compass has developed for FSS draws on its experience with IDAs, as well as best practices in FSS programs across the country. Figure 1 below presents the added value of a Compass FSS program compared to what the standard FSS program offers.

Figure 1: Compass FSS Model: Align FSS with Asset-Building Strategies

What Standard FSS Delivers	Compass FSS Added Value
<ul style="list-style-type: none"> Under-resourced communications and recruitment 	<ul style="list-style-type: none"> Compass graduate as outreach specialist Financial Workshops as “motivation” screen
<ul style="list-style-type: none"> Escrow money to program graduates with no restrictions and minimal use of interim disbursements 	<ul style="list-style-type: none"> Escrow money directed toward asset goal at program completion Strategic use of interim disbursements
<ul style="list-style-type: none"> Limited contact with FSS coordinator focused on referrals to resources 	<ul style="list-style-type: none"> Required participation in financial education workshops Ongoing customized financial coaching
<ul style="list-style-type: none"> Program at local housing authority 	<ul style="list-style-type: none"> Program housed in community-based setting and operated by non-profit partner
<ul style="list-style-type: none"> Tracking of outcomes limited to increases in income and amount in escrow account 	<ul style="list-style-type: none"> Extensive tracking of economic stability outcomes (income, credit, debt, benefits, qualitative measures of well-being, targeted use of savings, etc.)

While incorporating the basic elements of the FSS program, Compass seeks to also align FSS with key asset development strategies. Major additional program features include:

Outreach: Compass believes that effective outreach strategies for FSS must tap into, and build upon, parents’ deeply held aspirations for themselves and their children. Through marketing materials, and orientation sessions, Compass frames FSS as a powerful opportunity to pursue financial dreams and goals. Compass hired a dedicated operations manager, who graduated from the Compass IDA program, to focus on outreach and recruitment.

Financial Education Workshops: Participants must complete three financial education workshops for a total of six hours as a prerequisite to FSS enrollment. Workshops provide a “motivation” screen for interested participants and help establish financial skills, confidence, and practices that are predictive of future financial well-being.

Financial Coaching: Participants receive ongoing, customized financial coaching to help them reach benchmark targets in five core areas: income and employment, credit repair and debt management, savings, utilization of quality financial services, and asset building.

Asset Development: The Compass model focuses on optimizing escrow funds, notably through the strategic use of interim disbursements and targeted longer-term asset development goals, including post-secondary education, small business development, and homeownership.

PROCESS EVALUATION (FOCUS ON PROGRAM DELIVERY)

For the process review, research on how the essential elements of Compass' FSS model were implemented draws from participant and staff interviews, as well as program administrative data to develop an understanding of the effectiveness of the design and satisfaction with the key program components. This section explores key features of program implementation during the first two years. Specifically, attention is given to essential components of program delivery, program maintenance, effectiveness of basic elements of the model, and organizational or administrative issues. Figure 2 summarizes the program status of the Compass FSS pilot and this section reports how these results were achieved.

Figure 2: Compass FSS Program Highlights from Sept. 1, 2010 to Sept 30, 2012

Program Activity	Numbers/Percent
Targeted outreach to eligible voucher holders	748
Financial Education cohorts in first year	18
Began Financial Education Workshops	131
Completed Financial Education Workshops	125 (95%)
Enrolled in FSS after completing workshops	110 (88%)
FSS Enrollment Retention Rate to-date	107 (97%)
Compass FSS Program Graduates	1
FSS penetration rate of targeted households	15% (Compass FSS only)

I. Development of Trusting Partnership with Shared Philosophy

Compass has a shared philosophy with LHAND of empowering participants to advance economically and a commitment to achieve program objectives and organizational goals. Compass appreciates LHAND's accommodating and flexible approach to the partnership which has resulted in strong coordination and the successful implementation of the program. LHAND is encouraged by Compass' expertise, core competencies, and strong philosophical orientation toward asset-building. LHAND has found they have learned a lot about how to help participants make progress toward financial security and strategies to incentivize and empower participants to make measurable steps toward their goals. LHAND notes that Compass' entrepreneurial spirit and business-like orientation are unmatched and reflect the reputable track record Compass has created with other agencies. A LHAND staff member remarked that *"their skills and expertise make agencies feel confident in their decision to invest in them"*. In the second year, LHAND has become even more comfortable and confident in the work that Compass does and sees that Compass is running a very successful program *"much more effective than traditional FSS programs"*. A LHAND staff member noted how Compass demonstrates the commitment and dedication necessary to make this program successful:

"They have an entire team dedicated to FSS...everything is working well. It is a very positive relationship. We are doing a lot of things we intended to do. It is refreshing when I come here and I get to work with staff that is really trying to help people. They improved FSS significantly and (the director's) perspective of what is needed"

for the realities of our client community and how that fits with the housing authority—not sure how that would work out without her or a program like Compass.”

II. Management Plan and Arrangement with LHAND

Critical to initiating and successful delivery of the Compass FSS Program was the development of a **trusting relationship** with LHAND; based on a shared philosophy of empowering participants to advance economically as well as shared plan for effective management and coordination of program activities.

Critical to initiating the Compass FSS program and an important component to the trusting relationship with LHAND is a shared plan for oversight and accountability necessary for effective management and coordination of responsibilities. Although Compass operates independently from the housing authority, Compass works closely with LHAND to maintain strong and consistent communication to optimize program delivery. Figure 3 below summarizes the engagement in critical areas of implementation and program delivery between Compass and LHAND.

Figure 3: Activities Completed by Compass and LHAND

Activity	Compass	LHAND
Outreach & Recruitment	-Executes all outreach and recruitment activities which include providing FSS orientations, informational sessions, and direct outreach to the LHAND HCV tenant list.	-Provides access to LHAND HCV tenant mailing list -Collaborates with Compass to identify HCV participants eligible to participate in FSS.
Participant Selection & Enrollment	-Collects necessary application, eligibility, & intake information from participants; -Work with participants to complete Contract of Participation, ITSP, and all other HUD-required documents	- Assists with participant verification and eligibility determination; -Submits all HUD-required paperwork (COP & ITSP) on behalf of Compass.
Participant Monitoring & Program Progress	-Reports regularly to LHAND’s Program Coordinating Committee -Provides monthly data summary of enrolled FSS participants -Consults, as needed with LHAND liaison regarding FSS participants	-Executes FSS-related data entry for LHAND’s client database system (Visual Homes) -Hosts regular meetings with key LHAND and Compass staff to ensure strong communication and progress toward program goals and objectives
FSS Escrow Account Management	-Communicates escrow account information to FSS participants -Reviews and approves requests for interim disbursements	-Fiscal oversight of FSS escrow accounts -Provides monthly reports on escrow accumulation for Compass FSS participants - Processes escrow disbursements
Evaluation & Research	-Provides all pertinent data to IASP for Compass FSS participants for the research and evaluation component of the program pilot	-Grants Compass “read only” access to the Visual Homes database

a. Optimal Coordination

Strong coordination and clear division of roles were important features for successful program delivery in the second year. Both partners discussed how administrative and operational functioning is easier and program coordination is much more efficient. A great deal of attention was spent in year one improving and perfecting a burdensome flow of information between the two partners. Compass worked on simplification of data systems and implemented an electronic information system to automate and expedite data exchanges. Key areas where data flow has become more efficient include communication regarding client status, enrollment contracts, Individual Training and Service Plans, participant files, and escrow account information. Notably, Compass and LHAND have worked diligently to make sharing of escrow information more efficient. This will facilitate the sharing of escrow account information with participants on a regular basis.

Another important component of improved efficiency and coordination between Compass and LHAND, as repeatedly mentioned by Compass staff, is the beneficial role of the PHA liaison. This allows for a point person that can execute the FSS program and HCV related functions quickly. In an arrangement where a non-profit is administering the FSS program it is important to have someone knowledgeable and well versed in both federal housing policy and FSS-related functions to bridge the divide. Still, both partners feel that the system is not perfect. In an effort to optimize management and organizational coordination Compass will continue to work with LHAND to improve communication regarding HCV rules, policies, and income-reporting guidelines, ensuring participants are clear regarding program rules and are optimizing the program for their benefit.

b. Sustainability and Potential for Expansion

Although the coordination between LHAND and Compass is operating extremely well, some challenges still remain in ensuring efficient implementation. While it is advantageous to have a designated liaison to ensure effective coordination between the two partners, the downside is the housing authority may be overburdening its staff resources. There may not be enough FSS coordinator time to perform all the duties that remain with the PHA for the greatly increased FSS caseload. In addition, a great deal of administrative and management duties have evolved and been assumed by the existing FSS coordinator without a significant shift or realignment of other duties and responsibilities. Currently, the LHAND FSS coordinator is responsible for managing her existing LHAND FSS caseload and the Compass FSS coordination, along with numerous other HCV administrative duties. LHAND may need to review and reorganize responsibilities in light of the Compass FSS partnership.

In spite of the staffing burdens, the success of the Compass FSS program at LHAND has both partners thinking about the future of the program and where Compass can expand. Both Compass and LHAND would like Compass to take over the LHAND public housing FSS program. However, Compass is apprehensive because the funding structure of both HCV and Public Housing FSS programs raises sustainability concerns. As stated in the Memorandum of Understanding (MOU) between Compass and LHAND, once enrollment increased Compass expected to become eligible to receive federal FSS coordinator funds, administered annually through a federal Notice of Funding Availability (NOFA) application process. Although Compass reached the target enrollment numbers that qualified LHAND for additional FSS coordinator funding in year two, LHAND has not been granted the funds through the NOFA process. This is due to system data transmission

errors in the federal housing data system that has created a delay in the disbursement of federal coordinator funds.

This data glitch, along with the fact that every FSS program has to re-apply each year for federal funding for existing FSS coordinators, creates program and job insecurity. For Compass it has direct implications for hiring and retaining staff. It has also created uncertainty about a public-private model that relies too heavily on federal funding for support. This situation has also forced Compass to consider new ways to restructure future contracts with housing authorities. For instance, Compass is considering requiring a method of grant payment upfront from future housing partners and/or will only partner with housing authorities who have flexibility with their funding or have a multi-year grant to cover FSS program operations.

In addition to absorbing all FSS functions, LHAND has expressed interest for Compass to expand to other housing and non-housing programs that are outside the traditional HCV portfolio. As an economic development agency, LHAND wants to extend the opportunity of the Compass program to the Lynn community. While this effort would take a significant amount of discussion of how to obtain the necessary resources, the desire comes from the recognition by LHAND that the benefits of the Compass model can be extended to other programs. As an LHAND staff member explained:

“I think that there could be residual Section 8 benefits. I think with participants overall they are improving. I think they are more honest. I think Compass has the ability to get more people energized. They are able to work closely with participants. Realistically the housing authority just doesn’t have that type of relationship with participants. If we can extend that to many in the LHAND community, that would be great.”

III. Outreach and Recruitment

Through creative **Marketing** and **Outreach**, Compass continued to increase program participation in the second year with 110 enrollees in FSS, resulting in a penetration rate of 18% for the city of Lynn as compared to a national rate of 4.3%.

Another factor critical to the program’s successful implementation for the first two years at LHAND was Compass’ creative marketing and outreach campaign, which helped Compass exceed its first-year enrollment target. Early on Compass relied on a combination of public outreach, word of mouth, and referrals from other organizations for recruitment for the FSS program. These methods were not very effective. However, targeted outreach and strategic marketing proved to be much more productive resulting in a penetration rate that far exceeds the national average for FSS. Drawing from the marketing research of the Doorways to Dreams Fund,² Compass observed that persistent and repeated mailings of postcards inspirational messages, creative imaging, and quotes

² N. Maynard and J.Zinsmeyer. (2007). *The Mind of Low-to Moderate-Income-Savers*. A study by the D2D Fund.

and stories from other participants captured the attention of those longing to own a home, go to college, start a small business, or rebuild their credit. To-date Compass has enrolled 15% of targeted potentially eligible households. When this number is combined with the current 33 participants in the original LHAND FSS program, it represents a penetration rate of 18% of potentially HCV eligible households in the city of Lynn. This compares to a national average of 4.3%.

Recruitment efforts were particularly successful in the first year, exceeding set targets. Because of recruitment challenges in the second year, Compass did not meet the second year enrollment target for LHAND. Outreach and recruitment are typically not well understood in the FSS program. When the Compass enrollment targets were created, there was not a good basic understanding of the national FSS enrollment numbers or the national rate of take-up. Currently, Compass' primary concern is to understand what they can do differently to attract potentially eligible families and to respond appropriately to demographics and economics that might play a role. Compass is assessing the demographics of who has not enrolled in Lynn and how to create marketing and imaging strategies to better attract this population.

IV. Financial Education Workshops

Financial Education helps participants understand their financial behaviors, develop and practice new financial skills, and build financial confidence. 88% of those completing the workshops entered the FSS program with many reporting that the workshop experience made them more motivated to enroll in FSS.

Financial education is considered by many proponents of asset building to be the critical component of an asset development program. Over the past five years, Compass has experimented with how best to deliver meaningful, high impact financial education. Compass has recently streamlined its approach to financial education to focus on helping participants develop core financial competencies that are re-enforced and built on through financial coaching.

The workshops for FSS are designed to help participants understand their own financial behaviors, develop and practice new financial skills, and build confidence—all of which contribute to greater financial stability. The first class covers goal setting and budgeting where participants identify and understand their own beliefs about money. The workshop aims to increase participants' financial confidence and to equip participants with skills and knowledge to track income and spending and achieve their financial goals. In the second session, participants learn how to build and repair credit, pay off debt, and how to obtain and review a credit report. In the final workshop, participants learn the importance of building savings and assets. This workshop teaches participants about the value of building an emergency savings account and empowers participants to compare, select and maintain high quality savings products to help them reach their financial goals. Emotional buy-in is an important goal of the Compass financial education workshops as Compass strongly believes acquisition of knowledge alone will not increase confidence or lead to action in making sound financial decisions.

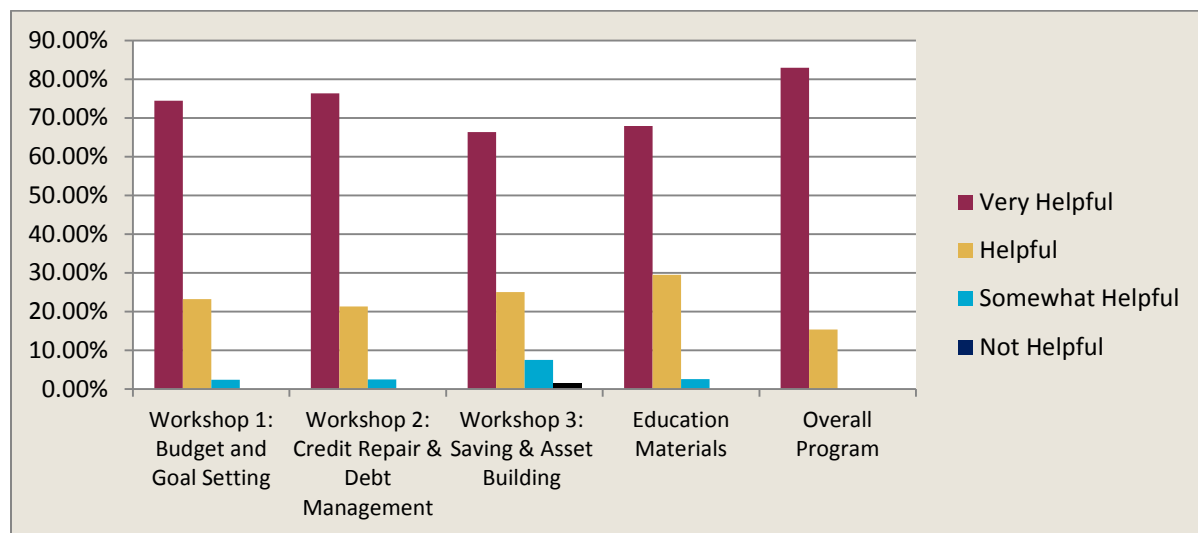
Financial education is used to identify motivated applicants for the Compass FSS program, as individuals need to complete the Financial Education Workshops before being allowed to enroll. This requirement appears to have encouraged, rather than discouraged enrollment in FSS. Eighty-eight percent of those who completed the workshops have gone on to enroll in Compass FSS.

Evaluation of Financial Education Workshops

At the end of each series, Financial Education Workshop participants complete an evaluation survey to assess whether the Compass financial education classes met their needs in terms of content and delivery. The survey asks participants to assess their satisfaction with each topic area, education materials, and overall program. Participants are also asked to provide qualitative responses regarding suggestions for program improvement, important concepts learned, and reasons for wanting to enroll in the Compass FSS program. When the Compass FSS program launched in 2010, interviews were conducted with a random sample of eight participants to gain a more in-depth perspective of perceived gains and motivation to enroll in FSS. (An individual who completed each financial education cohort was interviewed for the first eight months of the program.)

By September 2012, 125 people had participated in the Compass Financial Education Workshops and returned completed evaluation surveys for inclusion in this analysis. For each workshop, participants were asked to rate how helpful they found the sessions, materials and overall program. As shown in Figure 4, most participants found the overall financial education program to be very helpful (83%) or helpful (15%). There were no participants who indicated that the overall program was not at all helpful. In addition, each workshop was analyzed individually to assess participant satisfaction. Figure 4 shows that most participants found the topics ‘Credit Repair and Debt Management’ (96.5%) and ‘Budgeting and Goal Setting’ (97%) to be very helpful/ helpful. A slightly smaller percent (92%) rated ‘Saving and Building Assets’ very helpful/helpful. Although also rating high, the ‘Saving and Building Assets’ session did record a few participants who thought it was only somewhat helpful (7%) or not helpful (0.8%).

Figure 4: Participants’ Ratings of the Workshop Topics



At the end of the financial education classes, participants were asked to provide their perspectives on how the workshops could be improved or comment on any aspect of the workshop. Workshop participants were inspired and motivated by the persistent savings message that was conveyed throughout the classes. General key themes in participants' comments as to what they found most beneficial include:

- Setting savings goals and learning what measures can be taken to achieve them.
- Understanding debt and credit and their role in being able to save.
- Learning how to manage money, track expenses, and distinguish between wants and needs to control spending.

In explaining how financial education would be helpful in the future, one participant noted:

"It made me think about my family's financial stability and the different savings mechanisms that are out there and the importance of emergency savings. I didn't know any of this stuff. I didn't know that I could put a little money in a CD and accrue interest."

Several participants interviewed mentioned that the financial education classes made them want to enroll in FSS even more than when they initially signed up. When asked why they wanted to enroll in FSS, their survey responses reflect a strong desire to continue the learning from the workshops. Figure 5 indicates that the dominant reason for participating in FSS is to *"work on my financial goals with support from a financial coach."* Almost two-thirds (61%) indicated that their primary reason for enrolling in FSS is to save money in the escrow account. Responses also indicate that they are highly motivated to get ahead and leave HCV supported housing.

Figure 5: Reasons for Participating in FSS by those Enrolling in the Program

Reasons for Participating in FSS	Percent
"Work on my financial goals with support from a financial coach"	76.3
"Find other resources that can help my family get ahead"	71.0
"Work toward moving out of Section 8 (HCV) supported housing"	65.3
"Save money that would otherwise go toward rent"	60.6
"Connect with other families who are in a similar financial position"	38.6

The excitement conveyed through the above results reflects how participants felt encouraged by the program. They expressed a new found confidence about their ability to fulfill their aspirations and they believe others can also. Just as participants found the financial education program and the individual workshops to be very helpful for themselves, when asked *"how likely are you to recommend the Compass Financial Education Workshops to a friend?"* on a scale of 1-10 (1 = not at all likely/10 = extremely likely) an overwhelming 93% indicated a '10'. This excitement was expressed in participant comments. One participant shared, *"an amazing program, I wish I signed up a year ago. I would have a house."* Another participant who felt motivated to achieve her goals said, *"I enjoyed the*

environment and all the instructors gave great advice that would help me become more successful in accomplishing my goals.” Another participant simply remarked, “gonna tell my friends!”

While an overwhelming number of responses were positive, several participants commented on the format and structure. These comments focus on the functionality of each class as indicated by recommendations regarding class length, how sessions should be divided up, and finding the appropriate balance for the question and discussion portion of each workshop. Suggestions regarding program delivery seem to focus on having more time to go over material. A few participants expressed wanting more class sessions and clearer explanations regarding certain concepts. A number of participants suggested that some classes should be offered in Spanish, a recommendation that Compass heard early on and has addressed.

IV. Financial Coaching

Customized **Financial Coaching** focuses on the development of individual asset plans. To aid goal attainment, participants meet with financial coaches to outline short and long terms goals related to five key measures of economic security.

a. Customized Model for Financial Coaching

The Compass FSS program reflects a financial coaching approach, rather than a case management approach. Participants are required to meet with the Compass financial coach at least four times in the first year and semi-annually thereafter. Compass provides individual and customized financial coaching that focuses on goal setting and the development of an individual asset plan. To aid goal attainment, participants meet with the Compass financial coach to outline and work towards short- and long-term financial goals related to five key measures of financial security: income and employment; credit and debt; utilization of high quality financial products; savings; and asset development (e.g. homeownership, small business development, post-secondary education).

To promote budgeting, the financial coach helps participants learn how to track, prioritize and control spending using the Client Financial Profile, a unique budgeting and goal setting tool developed by Compass. The coach helps participants understand monthly and annual expenses, the role of benefits in household finances, and the importance of establishing a long-term savings plan. While Compass rigorously helps participants track their spending, there is less emphasis placed on work advancement. Compass acknowledges the need to drill down on participant career goals. The Compass staff recognizes that participants are finding ways to make incremental changes in employment which modestly increase earned income, but program participants need to move beyond these incremental changes. Compass is exploring how to integrate career planning into its current Client Financial Profile and how to partner more effectively with local workforce development, vocational and post-secondary education programs. Compass understands that career advancement is a necessity for many participants to realize increased income, but accomplishing this may be a challenge through the traditional workforce development system.

Credit repair is another major focus of coaching sessions. The financial coach provides participants with their credit report and score at least twice per year and helps participants address negative items on the credit report, develop a debt repayment plan, and establish a long-term strategy for rebuilding credit. Staff members work aggressively on credit because credit improvement and repair gives their clients early wins to feel successful and to help encourage them to keep making progress. The Compass staff works closely to help participants feel empowered with credit. Participants can feel disempowered about their immediate economic situation, and Compass is in position to help participants experience immediate wins with credit. Participant outcomes in credit are outlined in later sections of this report, with individual gains in credit attributable to the Compass FSS model that views credit building as an asset-building strategy. A Compass staff member explained the importance of credit in the financial coaching program:

“I think families really benefit from the personal connection with a financial coach. I really enjoy meeting with them. I enjoy the differences in the families. I enjoy seen credit report increases. I enjoy seeing families get in better financial position because of saving, credit, and just being engaged in the program.”

Another important component of the coaching sessions is to help participants integrate saving into their financial plan. The financial coach helps participants understand the smart savings options available, including retirement opportunities, college savings plans, and different club accounts. The financial coach helps participants appreciate the importance of having an emergency savings account and to compare and select savings products based on each individual’s financial goals. Compass encourages participants to develop a habit of saving through direct deposit and automation of their savings practice.

A later section explores participant perceptions of their own progress toward achieving key objectives highlighted in the financial coaching sessions as well as their overall satisfaction with the financial coaching component. However, a Compass staff member shares her thoughts about the importance of helping participants reach their goals and her efforts to encourage them so they can get the most from the financial coaching sessions:

“I meet with them and take a lot of notes. I try to push them and encourage them. I give them positive scenarios and hypothetical projections about their finances. I think the best part of being the coach is when a participant believes in you and trusts you. Sometimes I can’t wait to see them again ...to see if they accomplished a specific task. It is so rewarding to hear about the progress they’ve made.”

b. Increasing Client Engagement

Coaching sessions provide participants a focused opportunity to work closely with an advisor on substantive financial areas, and regular attendance definitely establishes a routine or a rhythmic flow to Compass FSS program activity. However, Compass is struggling with achieving sufficient face time with clients and thus is seeking more strategic ways to maintain contact. In addition, while the majority of participants are fully engaged, there are a few who have been unresponsive in the second year. Compass is exploring new ways to optimize technology, including texting and other social media strategies, to engage clients more effectively. Compass has also implemented specialized workshops outside of the FSS program to encourage contact and keep the energy high. Compass

had a Zumba class to have a fun, relaxing opportunity to reconnect. Additionally, Compass has also held a homeownership introduction class to dispel the myths of home owning.

Compass is also working on developing a web-based Client Portal, which would enable clients to interact in a more timely and efficient way with the program. For example, clients will be able to log into this portal to complete surveys, to check their escrow account balance, and to review other financial data.

c. Partnering to Complement Program Services

Compass is working to strengthen strategic partnerships in the community to provide participants access to additional services and programs that complement the Compass FSS program's financial education and coaching. Compass has established a connection with KIPP Academy School in Lynn which offers adult educational resources in the community that could be helpful to Compass participants. As highlighted earlier, Compass aims to connect participants with a career employment support partner. North Shore Career Center, as well as North Shore Community College, are education and career advancement programs with which Compass is seeking to partner. Another significant community partner is the One-Family Scholars program where Compass serves as an official sponsor to the scholarship program. This status allows Compass to make referrals directly to the program to help participants access financial assistance for higher education.

Compass continues to build strong partnerships with banking institutions. Early on, Compass developed a working relationship with Metro Credit Union which adapted and waived some fees for savings and credit building financial products for Compass clients. Boston Private Bank is another instrumental partner that provides affordable, first-time homebuyer products for Compass clients transitioning to homeownership. Compass has also partnered with Money Management International, which now teaches the majority of 'Credit Repair and Debt Management' workshops in the Financial Education Workshops series.

V. Expansion to a Second Housing Authority and Potential for Further Replication

Impressed with the demonstrated success of the Compass FSS program in Lynn, Compass' primary funder, Strategic Grant Partners, was interested in accelerating its investment. This allowed Compass to launch a replication effort in partnership with the Cambridge Housing Authority (CHA), the fourth largest housing authority in Massachusetts. The partnership with CHA provides Compass with the opportunity to demonstrate proof of concept in a larger urban market and also positions Compass for broader policy influence at the federal level. After a six month planning phase, Compass launched the FSS + program with CHA in September of 2012. Similar to LHAND, CHA sees their role beyond the provision of just affordable housing. They view housing as a platform for economic mobility that can have a transformational effect on a family's economic advancement.

Not having an existing FSS program, CHA entered the Compass FSS partnership seeking new ways to provide their voucher households with asset-building resources, and the financial education and coaching needed to achieve greater economic, social and wellness goals. The arrangements that were developed and tested with LHAND are now guiding the implementation of the Compass FSS + program with CHA. The experience, skills and knowledge Compass acquired for effective

coordination and flow of information were applied to the launch of the FSS + program. CHA also brings to the partnership an infrastructure that can sustain and advance the FSS model and a strong IT capacity to document results that can inform future policy development.

As one of 34 housing authorities nationally participating in the HUD Moving to Work (MTW) initiative, CHA enjoys programming flexibility that “traditional” housing authorities lack. MTW status permits a housing authority to take a progressive approach in the development of locally-based solutions to the issues surrounding low-income housing. As a result of CHA’s MTW status, Compass has been able to explore important modifications as well as simplify key elements of the FSS + program. The CHA Compass FSS + model provides the opportunity to pilot three key refined program features: 1) the 50/50 “shared escrow” model, a concept developed by Jeffrey Lubell and Reid Cramer³, which is designed to promote program scale and long-term sustainability; 2) restricting escrow funds to be used toward asset building purposes for those who continue to receive HCV rental assistance after graduating from the program; and 3) simplification of the escrow calculation by removing the HUD Standard Income Limits to enable higher income families to build savings in the program.

Compass’ ability to adapt and transfer many of the resources, strategies, policies and documents developed with LHAND to the Cambridge model expedited program implementation and demonstrates the potential for easy replication of the Compass FSS model in other locations. Interest in possible replication has been expressed by several groups who are encouraged by the results the program has demonstrated to-date. Compass Working Capital has been asked to present their philosophy and approach to the FSS program in several venues for others to learn of the results and determine if the model is suitable for replication at their site.

³ See R. Cramer and J. Lubell, “Taking Asset Building and Earnings Incentives to Scale in HUD-Assisted Rental Housing,” July 2011.

QUANTITATIVE OUTCOME EVALUATION

This section presents early findings and individual level outcomes of Compass FSS program participants who enrolled in the Compass FSS program with LHAND between October 1, 2010-September 30, 2012. These findings address the evaluation question: *Is there a more effective way to implement the standard FSS program to deliver consistently strong outcomes and ensure families use this opportunity to move towards economic security?* The study also establishes the baseline economic indicators to answer the second research questions: *Does the Compass FSS program deliver long-term positive outcomes for families that are sustained after program graduation?* The analysis examines key demographic and economic outcomes related to income, employment, asset accumulation, as well as early program effects on financial practices and perceptions of financial security and well-being. Economic indicators tracked since baseline provide the means by which to measure progress toward core Compass FSS program objectives:

- Increase in income
- Credit score of 680 or higher
- Debt-to income ratio less than 15%
- Sustained pattern of savings
- Utilization of quality financial services and products
- Increase in sense of financial well-being
- Investment in assets

I. Data Sources and Methods

The data sources used in this analysis include participant-level administrative and program data, as well as survey data collected from the Financial Practices and Well-being Survey and from the Financial Education Post-Workshop Survey.

Participant-level Administrative Data

To provide information about the characteristics of FSS participants, Compass collected baseline economic and demographic data at program enrollment. This was obtained from the application forms, FSS enrollment materials, and other sources such as pay stubs, credit reports, and public benefit documents. Participant information was entered into the Compass tracking software, Outcome Tracker. **Demographic variables include:** gender, race, ethnicity, marital status, age, and household size. **Economic Variables include:** employment status, years employed, employment income in typical month, cash public benefits and non-cash benefits, years in Section 8, and total annual household income, along with financial status information such as credit score and debt sources and amounts.

Account-level escrow data obtained from Compass provides detailed information on individual escrow balances and timing of escrow deposits for enrolled participants. Specifically, this data documents the monthly account history from participants' first month of enrollment through the end of the second year of program activity.

All Compass program participants are asked to complete the Financial Practices and Well-being Survey administered at the first financial education workshop session. The survey is designed to assess participants' financial confidence, skills, self-efficacy, past and present use of positive and negative financial services, and perceived financial security and well-being. The survey was constructed drawing from several previously validated survey instruments commonly used in savings and asset-building research. Survey items are self-reported and are primarily dichotomous yes/no questions or measured at the ordinal level (i.e. five-point scale from strongly agree to strongly disagree). The survey was developed by IASP and Compass staff and pre-tested with 15 Compass Individual Development Account program participants. Participants are also asked to complete the Financial Education Post-Workshop Survey administered at the conclusion of financial education training. Questions in this survey include select financial confidence and practice items designed to measure changes after completion of the financial education workshops.

Those completing the Financial Practice and Well-being Survey include participants currently enrolled in the Compass FSS program, those who completed the financial education workshops but chose not to enroll in the Compass FSS program, and those who dropped out of the financial education workshops. These baseline questions were administered by Compass program staff between September 1, 2010 and September 30, 2012. The survey is also administered annually to measure change over time in participant perceptions. The analysis presented in this report includes only data from participants who enrolled in the Compass FSS program in the first-two years (N=110) as well as 52 participants who completed the annual follow-up survey (N=52) at their financial coaching session marking their one year enrollment in the program. (The 15 individuals who completed the workshops, but opted not to enroll in FSS at this time constitute too small a cohort for which to conduct a separate statistical analysis.)

II. Compass FSS Participant Demographic and Economic Status

a. Characteristics of Compass FSS Participants

Key characteristics of the 110 Compass FSS participants at program enrollment are as follows:

- Enrollees are predominantly female (94.5%). They range in age from 20-62 years, with a median age of 38.
- 61% self-identify as Hispanic. Of the 41 participants who indicate Not Hispanic, 44% identify as African-American/Black, 39% identify as Caucasian/White, 10% identify as Asian and 7% indicate Multi-Race as their racial identity.
- Average household size is three with the majority being single-headed families with children.
- 22% of all Compass FSS participants have less than a high school diploma or GED; 28% of all participants have a high school degree or a GED; 31% of all participants have attended some college; and 13% have an Associate's degree or higher.
- The average length of time Compass FSS participants have spent in the Housing Choice Voucher (HCV) program is 6.8 years.
- 84.5% were working at the time they entered the FSS program, with 61% of all working participants working full-time and the rest part-time.

It is important to provide context of how the Compass FSS participants compare to other FSS participants. Compared to a sample of 4,828 participants in 99 FSS programs and a tracking sample of 181 FSS participants highlighted in the 2011 HUD FSS evaluation, Compass FSS participants have higher annual incomes, higher employment rates, and higher educational attainment than the typical FSS enrollee and tracking sample cited in that report⁴. While participant economic indicators in Massachusetts rank consistently higher, this is tempered by the higher cost of living characteristic of this state. It also can be anticipated that some Compass FSS participants will face serious challenges in attaining good employment and work advancement as almost one-quarter (22%) do not have a high school diploma and 14% are currently unemployed (three people employment status is unknown). (See Table A in Appendix A.)

b. Income and Public Assistance

- **Most (85%) of Compass participants were employed when they enrolled in FSS program with 61% employed full-time.**
- **Nevertheless, 27% had annual household income below \$19,090 or the poverty level for a household of three in 2012.**

The vast majority (89%) of Compass FSS participants report receiving some income from employment in the past year. At program entry, the average annual earned income was \$21,794. Nearly 40% of all Compass FSS participants report monthly employment income less than \$1,500. The earned income at baseline for Compass FSS participants places them solidly among the ranks of low-income even in a city such as Lynn where median household income is \$42,690 and over 43% of residents live below 200% of the federal poverty level (\$38,180 for a family of three in 2012).⁵ (See Table B1 in Appendix A.)

However, some participants have additional income supports available to their families. These include child support, unemployment insurance, or income from friends and family. Five of the 15 unemployed participants were receiving unemployment assistance when they entered the Compass FSS program. Many receive other public benefits in addition to their housing subsidy. The average amount participants received annually in public benefits at enrollment was \$22,583, exceeding average earnings by nearly \$800. The greatest contributor to this is their housing subsidy from LHAND with an average monthly benefit of \$780. More than half of the participants also receive assistance from the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps). Some Compass participants also receive TANF, SSI, or assistance from other income support programs. The low number (8) receiving TANF assistance is noteworthy since a family must stop receiving TANF assistance for a period of 12 months to graduate from the FSS program. It should also be noted that nearly all TANF receivers were working when they entered the program. (See Table B2 in Appendix A.)

c. Credit and Debt

⁴ de Silva, Lalith et al. (2011). *Evaluation of the Family Self-Sufficiency Program. Prospective Analysis*. Prepared by Planmatics and Abt Associates for the U.S. Department of Housing and Urban Development.

⁵ U.S. Census, 2009-2011 American Community Survey – Three Year Estimates

- At program entry, average credit score was 601 and only 12% had a credit score of 680 or greater.
- Average total debt burden was \$12,155 with credit card debt the most common source of debt (80%) at baseline.

In today’s economy, a good credit score is an important financial asset that allows families to access resources and plays a pivotal role in a household’s capacity to maintain financial security. Good credit helps families handle emergencies, buy a home, or invest in a business or in education. In addition, credit can also affect one’s access to affordable rental housing, employment opportunities, and access to low-cost financial products. Families with a good credit rating will pay approximately \$250,000 less in interest throughout their working lives than those without—savings that could go towards building assets.⁶

A critical component of the Compass FSS program is to help participants increase their credit score and reduce their debt burden. The Compass program communicates to participants that ‘prime’ credit is characterized by achieving a healthy debt to income ratio and a credit score of at least 680. While the majority of participants meet the debt-to- income benchmark, only 12 participants (12%) met the credit score benchmark at baseline as noted in Table C in Appendix. The best-known and most widely used credit score model in the United States is the FICO score (named for Fair, Isaac and Company, the business that develops the credit scoring formulas). The classic FICO score is between 300 and 850 with 60% of people falling between 650 and 799. According to **Debt.org**, in early 2012, Massachusetts residents had an average FICO credit score of 680. An analysis of the credit status of Compass FSS program participants revealed that for the 99 who had credit scores recorded at baseline the mean score was 601.

In addition, low-income families often struggle with high levels of consumer and household debt. In the Compass FSS program, the average total debt burden for participants at program enrollment was \$12,155. Almost two-thirds (63%) of all Compass participants have debt greater than \$5,000; 41% of those owing more than \$5,000 have employment income less than \$1,500 a month (see Figure 6 below). Credit card debt is the most common source of debt (80%) with an average credit debt burden of \$5,018. In addition, almost one-third (30%) of all participants have student loan debt and more than a quarter (26%) have vehicle loan debt. A very high proportion (70%) have debt in collections. (See Table C in Appendix A.)

Figure 6: Debt over \$5,000

Monthly Income from Employment	Above \$5,000 in Debt	
	Frequency	Percent
\$0	7	10%
\$1-1500	21	30%
\$1500-3000	33	48%
Above \$3,000	8	12%
Total	69	100%

⁶ (Richey 2011; Oklahoma Policy Institute).

d. Debt-to-Income Ratio

Many low-income families across the country owe a significant amount of money relative to their income. Like credit score and debt information, the debt-to-income ratio is an important measure to use to track participants' progress toward financial security. Debt-to-income ratio is a standard, personal finance measure that calculates how much current debt a participant owes relative to his/her income. Non-current debt (such as collection debt) is not included in this calculation.

The Compass FSS program aims to help participants achieve and maintain a debt-to-income ratio under 15%. The average debt-to-income ratio for all participants at baseline is 11%, with 78% of participants having a debt-to-income ratio less than 15%. For 44 participants the debt-to-income ratio calculation is zero, but this may be deceiving. Although the majority of participants meet the Compass target debt-to-income benchmark at baseline, it is primarily a reflection of the fact that many of Compass participants (71%) have collection debt, which is not reflected in the debt-to-income ratio. The debt-to-income ratio must be interpreted alongside data cited above related to total debt and credit score in order to reflect a robust analysis of participants' financial health. Moreover, it is important to note that the debt-to-income ratio might actually increase initially as participants reduce their collection debt and establish open trade lines (such as a secured credit card) to rebuild their credit. (See Table D in Appendix A.)

e. Economic Trends

Economic Trends at Twelve-Months in the Program

Participants reaching 12-months for whom there are data experienced:

- Average increase of **\$2,916** in annual earned income
- Average decrease of **\$1,862** in annual public benefits
- Increased credit scores by an average of **21 points**
- Reduced total debt by an average of nearly **\$1,300**

Compass collects and tracks credit, debt, income, and public benefits data for participants on a semi-annual basis during scheduled coaching sessions for the duration of the program. As of September 30, 2012, there is data for 90 participants who have reached the six month point, for 60 participants reaching the 12-month point, and for 21 participants reaching the 18-month point in the program. Below data on the four economic indicators is analyzed in several different ways. First, the analysis states the average results for all participants (for whom there is data) at their 12 month point in the program. Then the average results of these economic indicators are broken down by those participants who have reached the 12 month point and have made positive gains toward meeting Compass' core program objective as noted at the beginning of this section, and those participants who are still struggling to meet these objectives at the 12 month point. Finally, the availability of more detailed data makes it possible to examine the trends for all participants for average credit scores and debt amounts at the six, twelve and eighteen month points in the program.

An analysis of economic trends for participants who had reached the 12-month point suggests that Compass FSS participants made significant gains in earned income, credit, debt reduction, and reduced reliance on public assistance as summarized in Figure 7 below. In an analysis of economic trends for the 43 participants with complete income and public benefit data on file at the 12-month point, participants increased their income on average \$2,916 and reduced the amount received in public assistance by an average of \$1,862. Among the 54 participants with complete credit score data on file, they increased their credit score by an average of 21 points. All participants that reached the 12-month point in the program also decreased their debt by an average of nearly \$1,300.

Figure 7: Economic Trends of Participants Reaching One-year Enrollment

	(N)	Intake Mean	12-Month Mean	Average Change
Annual Earned Income	43	\$22,220	\$25,136	+\$2,916
Annual Value of Benefits	43	\$22,250	\$20,388	-\$1,862
Credit Score	54	589	610	+21
Debt Total	60	\$13,278	\$11,979	-\$1,299

*Total N=43 for income and benefits data. Forty-three of the 60 participants had completed income and public benefits data on file at the 12-month coaching session. N=54 for credit score data and N=60 for debt information. The remaining participants reaching the 12-month point but not included in the analysis either had incomplete data at both intake and 12-month point on file or were scheduled to be coached after September 30, 2012.

In a separate analysis of economic trend data that isolates the participants on track toward meeting Compass' core program objectives, results are even more encouraging. Among the 43 participants with complete income and public benefit data, 60% reported an increase in income for an average of \$8,550 and 65% reported a decreased in the amount received in public assistance for an average of \$5,664. Likewise, among the 54 participants with complete credit score data on file, two-thirds had increased their credit score for an average of 45 points. Additionally, 63% of all 60 participants decreased their total debt for an average of nearly \$5,000. (See Figure 8 below.)

Figure 8: Economic Trends of Participants on Track to Meet Core Economic Objectives

	%	(N)*	Intake Mean	12-Month Mean	Average Change
Annual Earned Income	60%	26/43	\$23,948	\$32,498	+ \$8,550
Annual Value of Benefits	65%	28/43	\$23,816	\$18,153	-\$5,664
Credit Score	67%	36/54	577	621	+45
Debt Total	63%	38/60	\$13,204	\$8,240	-\$4,964

*In cases where numbers in Figures 8 and 9 do not total (N), it is because some individuals experienced no change in these categories.

While the gains made by the participants already on track toward meeting economic benchmarks in the Compass program are substantial, the full picture shows that there is a subset of participants struggling to meet core program objectives. Figure 9 below illustrates that about a third of participants reaching the 12-month point had a significant reduction in earned income, an increase in public benefits, and a drop in credit score, as well as added about \$5,000 in total debt within the

first 12 months of enrollment in the Compass FSS program. These negative trends may reflect the difficulty some FSS participants have securing steady employment or advancing at work during a weak economy, or that they have experienced a financial emergency or other economic shock. In the next section, the qualitative interviews highlight some of the challenges participants have encountered.

Figure 9: Economic Trends of Participants Not on Track to Meet Core Economic Objectives

	(N)	Intake Mean	12-Month Mean	Average Change
Annual Earned Income	14/43	\$20,133	\$13,210	-\$6,922
Annual Value of Benefits	14/43	\$19,253	\$24,861	+\$5608
Credit Score	17/54	604	575	-29
Debt Total	22/60	\$13,407	\$18,438	+\$5,031

A more in-depth analysis of credit score trends among all participants, illustrates that there is steady improvement throughout the first 18 months of the program. In addition to the growth in credit scores shown at 12-months, improvement in credit is seen as early as six-months and continues for participants who have been in the program as long as 18-months. Participants for whom there is data at the 18-month point have increased their credit score an average of 34 points. The figure below illustrates the average improvement in credit score for participants at each enrollment point.

Figure 10: Credit Score Trends of Participants Reaching 6-month, 12-month and 18-month Post-Enrollment

Mean (N = 81)			Mean (N = 54)			Mean (N=15)		
Intake	6-mo	Change	Intake	12-mo	Change	Intake	18-mo	Change
597	619	+22	589	610	+21	566	600	+34

Similar positive trends are seen for debt reduction as well. However, the small number of participants reaching their 18-months of enrollment had lower than the typical debt at intake, but then saw their debt increase on average at 18 months. Participants at 12-months had reduced debt on average almost \$1,300, but for those at 18-months debt has increased \$1,011 as noted in Figure 11. Further analysis is necessary to better understand the implications of these findings.

Figure 11: Debt Amount Trends of Participants Reaching 6-month, 12-month and 18 month Post-Enrollment

Mean (N=90)			Mean (N= 60)			Mean (N = 20)		
Intake	6-mo	Change	Intake	12-mo	Change	Intake	18-mo	Change
\$12,179	\$11,409	-\$770	\$13,278	\$11,979	-\$1,298	\$11,922	\$12,934	+\$1,011

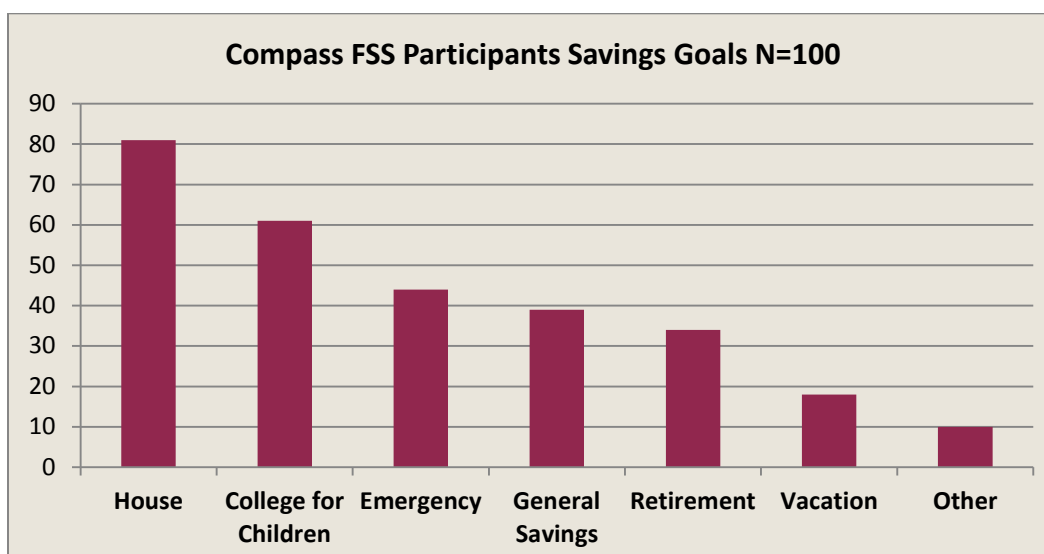
f. Savings Goals and Escrow Accumulation

- Saving for a house, college for children, and emergencies are the top savings goals.
- At the 12-month enrollment point, the participants who were accruing funds in an escrow account had an average balance of \$1,063.
- By the end of the second year of the Compass FSS program, escrow funds had been deposited for 65 participants, with an average escrow balance of \$1,524 and a total of \$99,075 held in escrow.

Savings Goals

An important objective of the Compass FSS program is to promote savings and empower participants to utilize their FSS escrow account savings, as well as other personal savings, toward asset development purposes. When asked to indicate a savings goal, 100 participants identified a total of 288 savings goals. Saving for a house, followed by college for children, and saving for an emergency were the top three goals indicated as noted in Figure 12 below.

Figure 12: Savings Goals



One of the most important benefits of the FSS program is the opportunity to accrue savings in an escrow account. The FSS escrow component represents a promising strategy for helping low-income families build assets. Prior research has illustrated that FSS graduates have succeeded in accumulating significant escrow savings, with the average escrow balance at the time of graduation being about \$5,300 according to the recent 2011 evaluation of HUD's FSS program.⁷ Although FSS

⁷ de Silva, Lalith et al. (2011). *Evaluation of the Family Self-Sufficiency Program. Prospective Analysis*. Prepared by Planmatics and Abt Associates for the U.S. Department of Housing and Urban Development.

graduates can use their savings any way they choose, limited research suggests that common uses are vehicle purchase, down payment on a home, and post-secondary education.

The emphasis on asset-building is consistent with the growing recognition that assets play a critical role in breaking the cycle of poverty. Literature on the importance of assets illustrate that families with assets have greatest potential to progress to financial security by establishing emergency savings for the family, investing in post-secondary education, or securing reliable transportation to maintain steady employment.⁸ Financial assets can also help families purchase a home resulting in greater residential stability and equity that provides long-term asset security for the family.

Escrow Account Balance Data

Escrow account deposits are initiated automatically when the original earned income recorded at the beginning of the FSS Contract of Participation increases. An amount approximately equal to what would normally trigger an increase to the rent is deposited into an escrow account in the participant’s name. At the end of the second year of the program, Compass FSS participants had escrow account balances that totaled \$99,075. Because participants entered the program at different points over the course of the year, participants who have been in the program longer have had a longer time to accumulate funds in their escrow account compared to participants who have been enrolled for a shorter time. Sixty-percent of all Compass FSS participants had begun to escrow by the end of the second year of the program. Among the 65 participants with funds in their escrow account, the average amount as of September 30, 2012 was \$1,524. Figure 13 below illustrates the distribution of the escrow account balances.

Figure 13: Compass FSS Program Escrow Account Balances as of September 30, 2012

Escrow Account Balance	Frequency (N=108)	Percent
\$0	43	40.0
\$1-\$500	25	23.1
\$501-\$1000	15	13.9
\$1001-\$1500	3	2.8
\$1501-\$2000	3	2.8
\$2001-\$2500	6	5.6
\$2501 and \$5,000	10	9.3
\$5,000 Above	3	2.8

The escrow account data is analyzed below in Figure 14 for trends in escrow accumulation for participants who have reached the six and 12-month enrollment points in the Compass FSS program. For the 93 participants with complete escrow account data at the six-month point, the average escrow balance was \$250. Among these 93 participants, 61 (66%) had a zero-balance. For the 32 (34%) participants with funds in their escrow account, the average savings at the six-month point was \$728. Among the 73 participants with complete escrow account data at the 12-month point, the average escrow balance was \$699. Among these 73 participants, 25 (34%) had not yet

⁸ Moore, Amanda et al. (2001). *Saving, IDA Programs, and Effects of IDAs: A Survey of Participants: Downpayments on the American Dream Policy Demonstration: A National Demonstration of Individual Development Accounts*. Center for Social Development. Washington University in St. Louis.

begun to accrue funds in the escrow account. The 48 (66%) participants with funds accrued in their escrow account at the 12-month point had an average balance of \$1,063. Among participants who have reached the 12 month-point, four had escrow balances greater than \$3,000. This significant amount in savings suggests the participants had substantial boosts in earned income shortly after entering the program.

Figure 14: Escrow Account Trends of Participants Reaching Six and 12-month Enrollment

Escrow Balance	All Participants		Participants with Escrow Funds	
	(N)	Average Balance	(N)	Average Balance
Six-months after Enrollment	93/93	\$250.43	32/93	\$727.81
12-months after Enrollment	73/73	\$699.18	48/73	\$1,063.34

Patterns in Escrow Account Balance and Employment

The 2011 HUD FSS study found that FSS participants achieve substantial escrow balances in three ways: (1) some start with full-time work and a relatively high income and their income continues to grow; (2) some were unemployed at program start and become employed; and (3) others start with part-time work and low income and then experience substantial gains in hours and/or income.⁹

Among the 48 participants with positive escrow balances reaching the 12-month point, more than half (58%) worked full-time and 35% worked part-time when they entered Compass FSS program.

Among the 25 participants for whom an increase in income has not yet triggered the establishment of an escrow account, 44% worked full-time and 36% worked part-time when entering the program. Table E in the Appendix A illustrates that a similar number of workers who were full-time (9) versus those who were part-time (8) at baseline have balances greater than \$1,000 as of September 30, 2012. It is noteworthy that three of the four escrow accounts with the greatest amounts belong to participants who worked part-time at baseline.

III. Compass FSS Participant Financial Products, Practices, Confidence and Well-being

The Compass FSS program believes it is important to track participants' use of financial products and services, along with their financial practices, confidence and well-being. Compass FSS participants are surveyed at several different points in the program. Before enrolling in the Compass FSS program all participants are asked to complete the Financial Practices and Well-being Survey to establish a baseline. At each annual coaching session, participants are also asked to complete the Financial Practices and Well-being Follow-up Survey in order to gauge how financial product use and perceptions of financial practices, confidence and well-being have changed over the year. As of September 30, 2012, 52 participants completed the follow-up survey. This section compares responses taken from the full survey sample of Compass FSS participants (N=110) at program entry, as well as responses taken from the follow-up participant sample (N=52) after one year. At

⁹ de Silva, Lalith et al. (2011). *Evaluation of the Family Self-Sufficiency Program. Prospective Analysis*. Prepared by Planmatics and Abt Associates for the U.S. Department of Housing and Urban Development.

the conclusion of this section is a comparison of responses related to financial practices and confidence at program entry and after completion of the Financial Education Workshops to measure changes in these areas at the first three week point in the program.

a. Use of Financial Products and Services at Program Entry and One-Year Follow-up

Financial Products and Services at Program Entry (N=110)

- 89% of program participants had either a checking or savings account.
- 35% of Compass FSS participants met the program’s benchmark goal of utilizing two or more quality financial products and no negative financial products within the last year.

Financial Products and Services at One-year Follow-up (N=52)

- Checking account ownership, savings for children, and direct deposit activity increased from baseline to follow-up.
- The number of participants who had access to their credit report as well as the number who regularly check their credit report substantially increased.

Financial Products and Services at Program Entry

Low-income households in the United States can face significant barriers to accessing mainstream banking services and pay high costs for conducting basic financial transactions through check cashers and other alternative financial service providers. According to the 2011 FDIC National Survey of Unbanked and Underbanked Households, **more** than one in four households (28.3 percent) are either unbanked or underbanked, conducting some or all of their financial transactions outside of the mainstream banking system.¹⁰ Underbanked households may own a traditional checking or savings account, but also, may use an alternative financial service such as a pay-day loan, pawn shop, or check casher. Inadequate access to bank accounts and use of high cost alternative financial services may undermine efforts to help families build assets and achieve financial security.¹¹ Connecting families to optimal financial products and services is an important objective of the Compass FSS program.

To better understand what financial products and services Compass FSS participants use, participants were asked several related questions about their past and present use of certain financial products and services in the baseline Financial Practices and Well-being Survey. Compass FSS participants appeared to be “banked” to a greater extent than typical low-income families. Most (87%) had a checking account, 60% had a savings account and 59% used direct deposit. Only 11% of Compass participants were “unbanked”. While 56% of Compass FSS participants had both a checking and savings account, more than half of participants still utilized alternative financial services such as payday loans, rent-to-own centers, check-cashers, tax Refund Anticipation Loans (RALs), or cash advances on credit cards. However, 35% of Compass FSS participants met the

¹⁰ 2011 FDIC National Survey of Unbanked and Underbanked Households. September (2012).

¹¹ Barr, Michael (2004). *Banking the Poor: Policies to Bring Low-Income Americans Into the Financial Mainstream*. Washington, DC: The Brookings Institution.

program’s benchmark goal for the utilization of quality financial products and services, that is, using two or more quality financial products (i.e. checking account, savings account, retirement account, etc.) and no negative financial products within the last year. (See Table F in Appendix A for details.)

Compass FSS participants were marginally connected to other financial products that will aid in building assets over time. Thirty-six participants (35%) had a retirement account through an employer, but only two participants (2%) had a Certificate of Deposit (CD). None of the families indicated having a dedicated college savings account, although 61% reported college savings for children as one of their top three savings goals. (See Figure 12: Savings Goals.)

Financial Products and Services at One-Year Follow-up

Figure 15 below shows how ownership of banking products and access to services changed after one year of program participation. While most Compass FSS participants were already “banked” at baseline, there were some notable increases. Compass participants reported a higher percentage of checking account ownership, college and child savings accounts, as well as slightly increased ownership of employer and individual retirement accounts. An important finding is that the rate of take-up of direct deposit increased significantly. Another noteworthy finding is that, although all participants receive a copy of their credit report during their coaching session, only 88% actually recalled having seen their credit report. However, this is a significant increase from what was reported at baseline. Similarly, the number of participants who reported checking their credit report each year increased significantly as well. While Compass encourages participants to discontinue use of negative financial products like pay day loans, refund anticipation loans, and check cashers, the number of participants using these services seemed to have only slightly decrease at the one-year follow-up.

Figure 15: Change in Use of Quality and Negative Financial Products at One-Year

Quality Financial Products	Baseline		One-year Follow-up	
	(N = 52)	Percent	(N = 52)	Percent
Checking Account	45	88.2	49	96.1
Saving Account	32	66.7	32	62.7
CD	1	2	1	2
Employer Retirement Account	15	30	16	31.4
IRA	1	2	2	4.1
College Savings	0	0	3	6.1
Other Child Savings	7	14	8	17
Direct Deposit	30	61.2	39	78
Seen Credit Report	33	66	44	88
Check Credit Report	8	16	33	67.3
Negative Financial Products				
Pay Day Loan	4	7.8	3	5.8
Rent to Own	4	7.8	4	8.2
RAL	7	13.7	5	10.2
Check Cashers	5	9.6	2	4.2
Cash Advance	1	2	0	0

b. Financial Practices and Confidence at Program Entry and One-Year Follow-up

Financial Practices and Confidence

- At the one-year follow-up there was a significant increase in **practices** related to paying bills, establishing financial goals, and keeping track of spending and income.
- Compass participants experienced a significant increase from baseline in **confidence** related to saving, tracking income, and spending less after completing the financial education workshops.

Financial Practices of All Compass FSS Participants at Program Entry

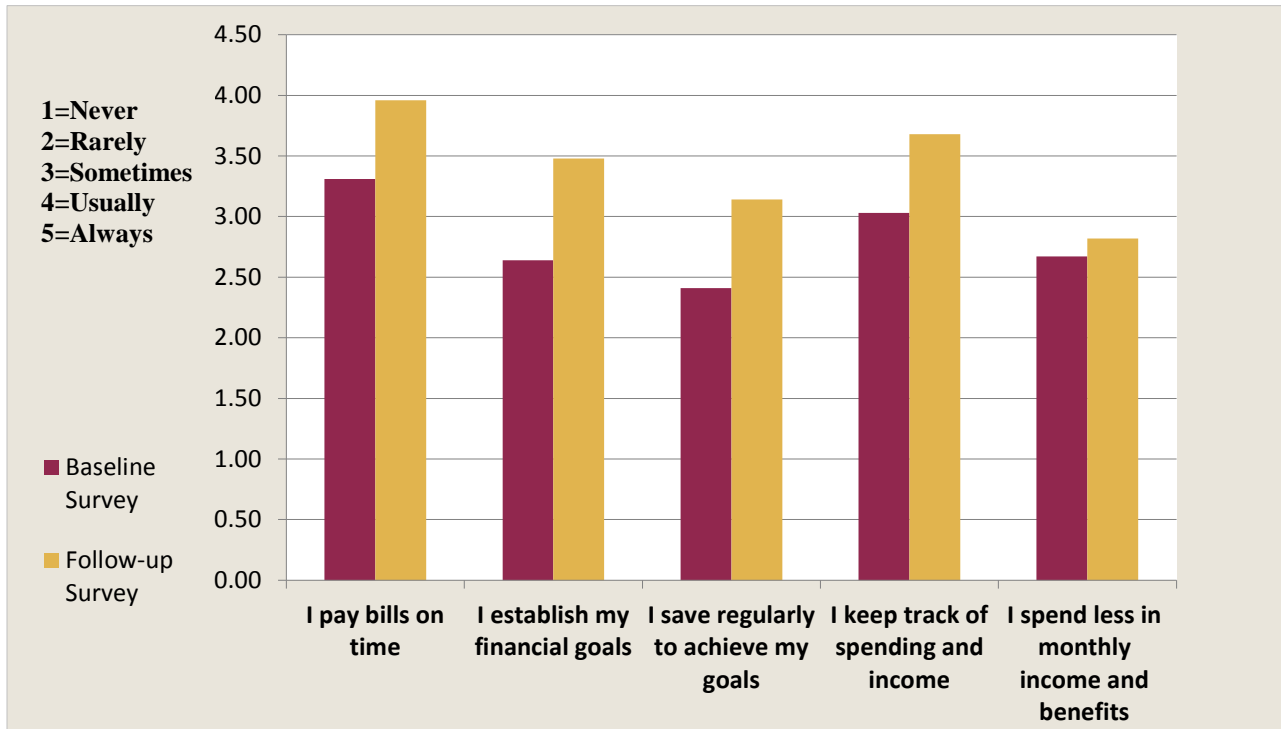
An important objective of the Compass FSS program is to help participants develop core financial competencies, related to budgeting, credit and debt, saving, and asset-building. Through financial education and coaching, the Compass FSS program seeks to increase participants' ability to develop new financial skills and positive financial practices. In the baseline survey, participants were asked to rate how frequently they engaged in the financial practices related to budgeting, tracking income, saving, payment of bills, and overall financial management of basic household expenses.¹² The statement "*I pay my bills on time*" was the positive action with the highest mean score, with 61% of respondents indicating they do this "sometimes" or "usually". Fewer participants indicated an ability to save regularly with only 9% responding that they "always" save regularly, while 37% indicated "never" saving regularly. An encouraging finding is that responses to statements related to the negative financial practices indicated that Compass FSS participants did not typically engage in these with great frequency before entering the program. (See Table G in the Appendix A for participants' mean scores for statements related to both positive and negative financial practices.)

Financial Practices at One-Year Follow-up

The Figures below show the variability of how frequently the sub-sample of 52 participants with one-year survey responses engaged in optimal financial practices from baseline to follow-up. Results in Figure 16 below show these Compass FSS participants scored relatively low on financial practice statements at baseline; however, participants experienced a significant increase in their practices related to paying bills on time, establishing financial goals, and keeping track of spending and income by the time of their one-year follow-up. On the other hand, there is little change in their ability to spend less than what they receive in income and benefits each month.

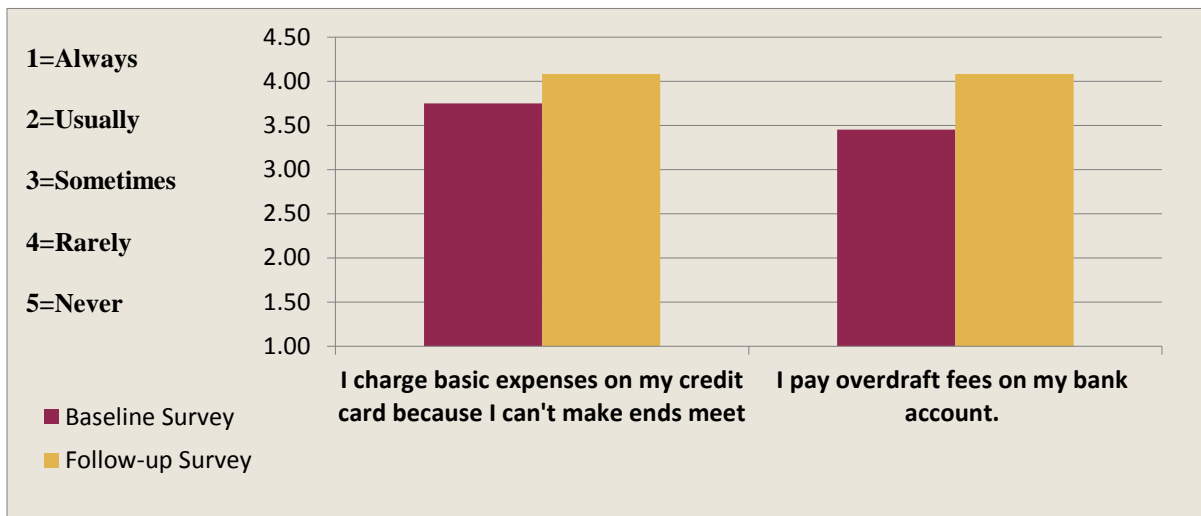
¹² The questions are derived from the financial behavior scale created by the Woodstock Institute (2002) and from the Financial Education Evaluation Manual developed by NEFE.

Figure 16: Changes in Quality Financial Practices: Baseline vs. One Year (N=52)



As opposed to the practices in the above chart, Figure 17 below depicts financial practice statements that are reversed scored. Similar to the above practice statements, Compass participants scored less favorably on financial practice statements at baseline; however, participants improved their financial practice at follow-up with the majority noting “rarely” *charging basic expenses on credit card* or *paying overdraft fees on a bank account*.

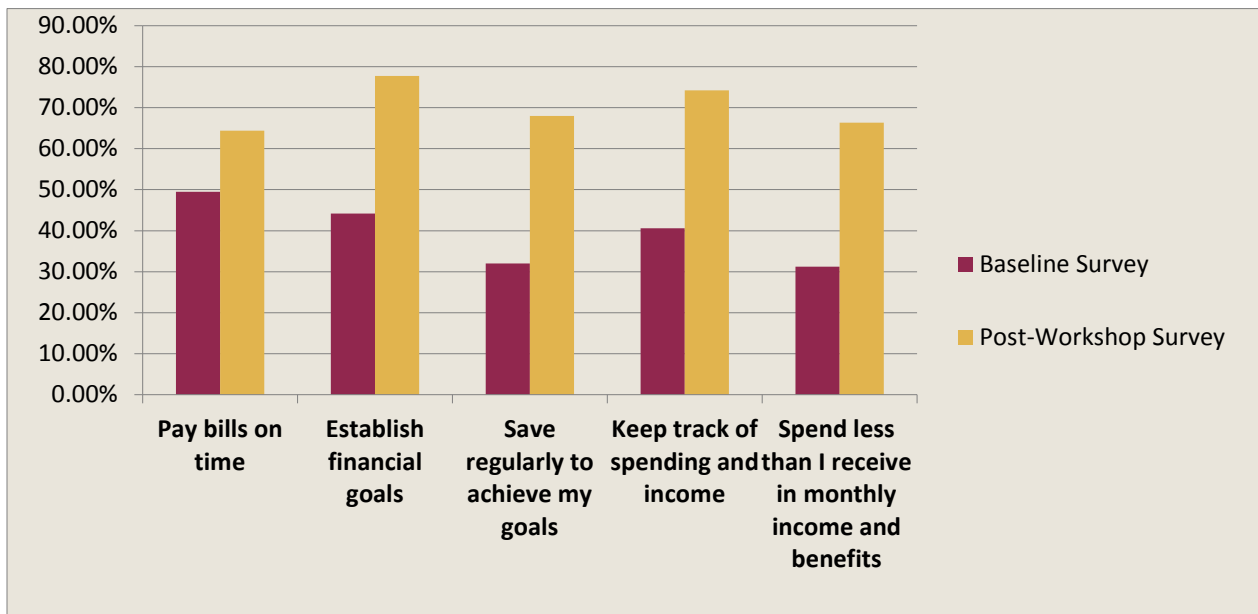
Figure 17: Changes in Negative Financial Practices: Baseline vs. One Year (N=52)



Financial Confidence after Completion of Financial Education Workshop

To help measure the initial impact of the Financial Education Workshops, on a scale from 1 (not confident) to 5 (very confident), participants were asked to rate how confident they were with certain financial practices. Comparing participants' responses at baseline and after completing the financial education workshop, the results demonstrate positive changes in their perceived ability to adopt healthy financial behaviors. The significant increase in confidence related to saving, tracking income, and spending less is particularly notable in Figure 18 below.

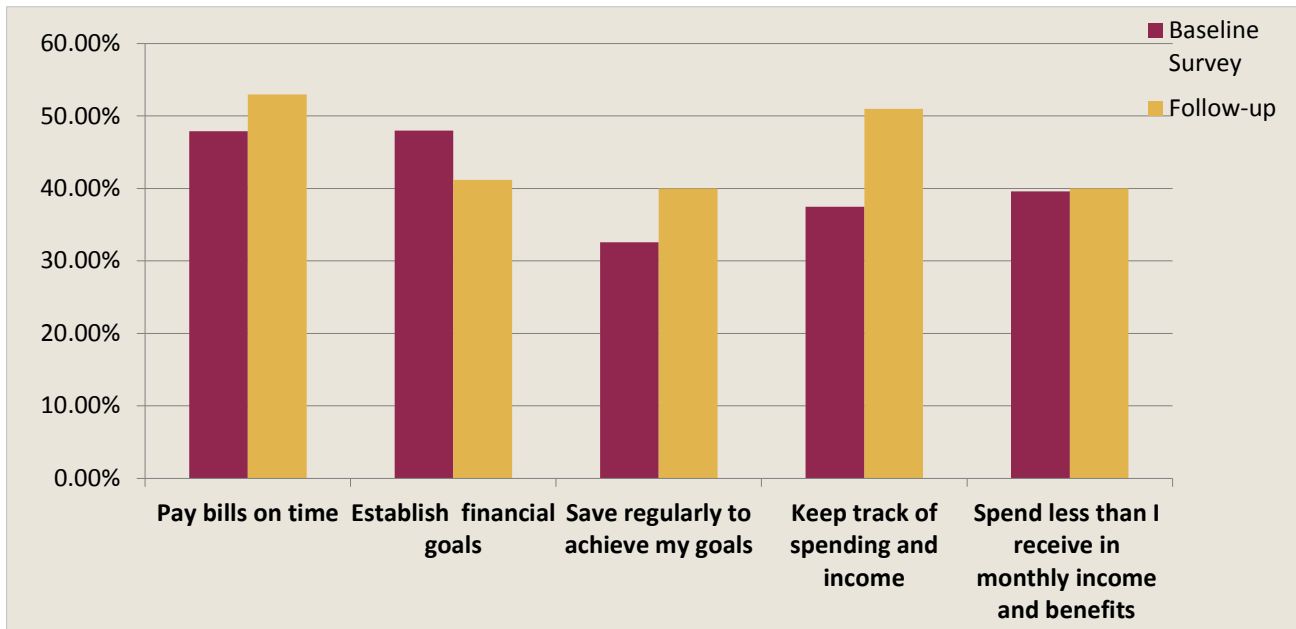
Figure 18: Financial Practices Results: Percent Confident and Very Confident: Baseline vs. Post-Workshop (N = 110)



Financial Confidence at One-Year Follow-Up

While the sub-sample (52) of Compass FSS participants reported significant improvement in their financial practices at one-year follow-up, their confidence related to financial matters appears to be more mixed. Comparing participants' responses across the baseline and follow-up surveys, the results demonstrate only a modest increase in confidence related to paying bills on time and saving, as detailed in Figure 19 below. Additionally, confidence related to establishing goals decreased, and confidence related to spending less than what they receive in income and benefits each month remained unchanged. Taken as a whole these results are surprising. Especially, because the analysis of financial confidence in the full sample (N=110) detailed above, showed dramatic increases in confidence in each area after completion of the financial education workshops. These findings may reflect the challenge participants have applying new financial skills and adopting positive behaviors, in light of their low incomes, household expenses, and other financial challenges. The results of the qualitative interviews conducted with participants report these challenges more in-depth in the next section.

Figure 19: Financial Practices Results: Percent Confident and Very Confident: Baseline vs One-year Follow-up (N = 52)



c. Family Financial Well-Being

Family Financial Well-Being

- A large number of participants experience economic strain and worry about money.
- Over half of all participants indicated lack of skills, education, and training as common obstacles to getting ahead.

However, participants are overwhelmingly optimistic about the future:

- 88% at baseline attested to being ready to sacrifice in the present to achieve results in the future.
- 86% of participants felt they would be able to support their families without HCV (Section 8) assistance after financial education workshops, although this optimism somewhat declines at the time of the one-year follow-up.
- After one-year in the program, the majority of participants believe their financial situation will get better and their children’s financial situation will be better than their own.

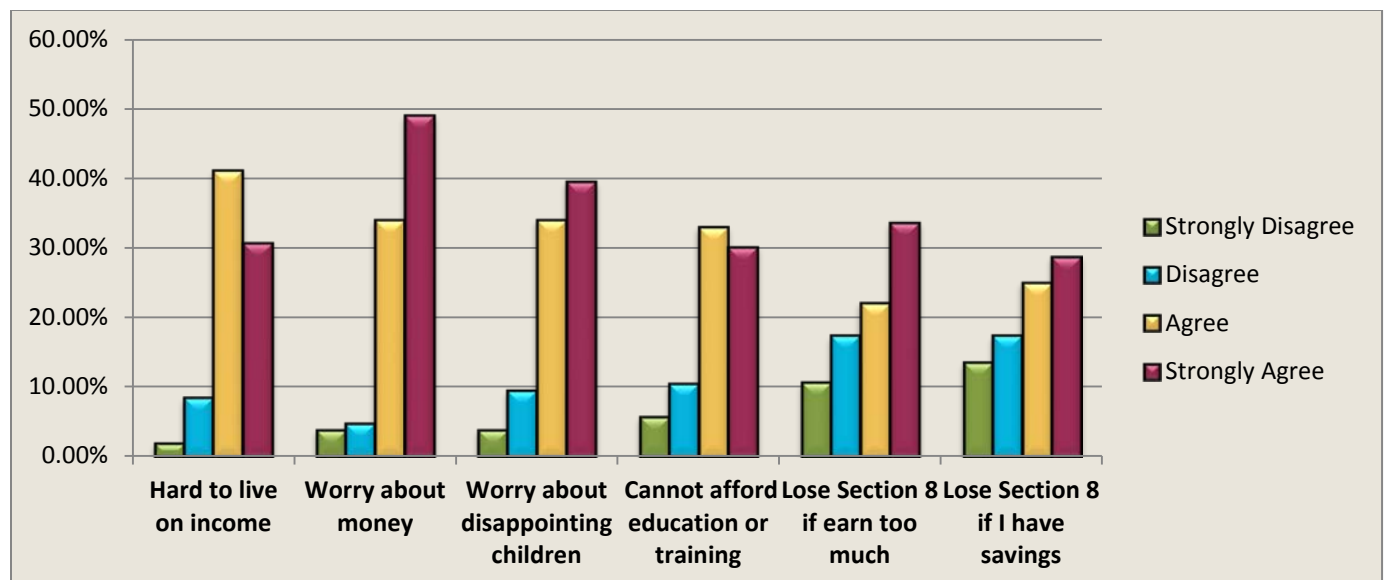
An important objective of the evaluation of the Compass FSS program is to understand participant perceptions of financial well-being as a result of program participation. This focus is supported by the existing research related to the effects of asset accumulation documented by the American Dream Demonstration and SEED Child’s Savings Initiative, both which examined the impacts of savings programs on social and economic well-being. The evidence in the literature supports that

savings and assets appear to increase economic stability in households, decrease economic strain, and promote educational attainment, self-efficacy, and a positive future orientation.¹³ There is also some indication that these effects are particularly strong for economically disadvantaged individuals. While research that demonstrates similar economic effects for participants in FSS programs is limited, the Compass FSS program provides an opportunity to explore this question in the context of a financial coaching and savings program tailored to participants in a subsidized housing program.

Financial Strain

The Financial Practices and Well-Being Survey administered at baseline is used to gauge participants’ perceptions of well-being at program entry. The survey incorporates widely used measures of well-being related to *future orientation, perceived economic strain, and self-efficacy*. Economic strain is defined as the perceived inability of household members to afford food, medical/dental care, suitable housing, utilities, transportation, and clothing. The response scores indicate the greatest agreement with statements regarding the shortage of money for every day expenses and getting ahead. Almost three-quarters (71%) of participants agree or strongly agree with the statement that it is hard to live on their present income. An even larger number (83%) worry about money. Seventy-three percent agree with the statement that they worry about disappointing children. These high numbers indicate that these participants experience significant strain in their lives. In addition, 55% indicated worrying about losing Section 8 (HCV), if they make too much money at work. Similarly, 53% also worry about losing Section 8 (HCV) if they save too much money, despite the fact that rent calculations are income, not asset based. Figure 20 below illustrates the degree to which participants “agree” or “strongly agree” related to each statement. Individual participant experience with economic strain were detailed in qualitative interviews and reported in the next section.

Figure 20: Experience with Economic Strain at Program Entry (N = 110)

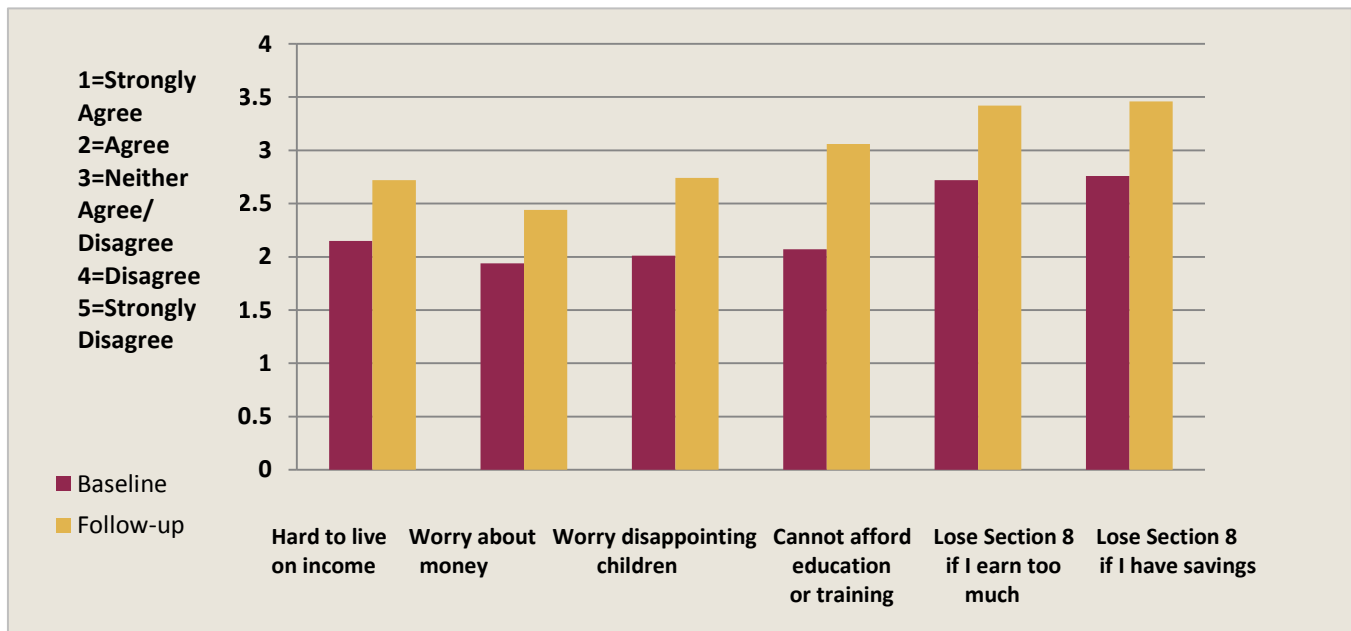


¹³ Moore, Amanda et al. (2001). *Saving, IDA Programs, and Effects of IDAs: Downpayments on the American Dream Policy Demonstration*, Center for Social Development, Washington University, St. Louis.

Shobe, Marcia and Kameri Christy-McMullin (2006). Joining an Asset Building Program: The Social and Economic Correlates. *Journal of Evidence-Based Social Work*. 61-78.Vol. 3(1).

Similar to patterns within the full sample at baseline, a large number of participants experience economic strain and worry about money at their one-year follow-up. In Figure 21 below, the response scores indicate the greatest agreement with statements regarding the shortage of money for every day expenses and getting ahead. However, the severity of economic strain appears to lessen at survey follow-up for each measure. A notable finding is that more participants appear to worry less about losing their housing voucher assistance because of earning too much money or saving.

Figure 21: Experience with Economic Strain at One-year Follow-up (N = 52)



Barriers

Just as Compass FSS participants indicated feeling significant economic strain in their lives, they too recognize the barriers that make it difficult to achieve their goals. Over half of all participants indicated lack of skills, education and training as an obstacle to getting ahead. (See Figure 22 below.) Other barriers frequently identified were limited English proficiency, lack of affordable child care, and lack of reliable transportation. These barriers are consistent with the service needs highlighted by FSS participants nationally. When entering the FSS program, participants across the country particularly cite affordable child care and transportation as the greatest barrier hindering their progress to self-sufficiency.¹⁴

¹⁴ Ficke, Robert C. and Andrea Piesse (2004). Evaluation of the Family-Self Sufficiency Program. Retrospective Analysis, 1996 to 2000. Prepared by WESTAT for the U.S. Department of Housing and Urban Development.

Figure 22: Barriers to Achieving Financial Goals at Program Entry

Barriers	(N)	Yes	
		Frequency	Percent
Lack of Skills/Education/Training	107	59	55
Limited English proficiency	108	30	28
Lack of reliable or affordable childcare	105	25	24
Lack of reliable or affordable transportation	106	21	20
Health or physical disability	107	19	18
Illness	105	9	9
Bad landlord reference or housing history	106	8	7.5
Learning disability	107	8	7.5
Safety concerns and/or domestic violence	106	5	5
CORI/Criminal Record	106	5	5

Future Orientation

Questions regarding future orientation included in the baseline, post-workshop and follow-up surveys provide an opportunity to gauge participants’ feelings of hope and optimism regarding their family’s future. While participants experience economic strain, they are optimistic about the future especially when it comes to beliefs that their own financial situation will improve or their children’s financial situation will be better than their own, as shown in Figure 24 below and Table H in the Appendix A. However, although participants were optimistic, it appears the high levels of optimism participants felt regarding being able to support their families without housing assistance appear to lessen at the one-year survey follow-up (see Figure 23). This slight decline may represent the recognition of the high-cost of housing in Massachusetts as well as may reflect participant’s preoccupation with other financial matters such as improving poor credit and clearing high debt amounts as frequently cited in the participant qualitative interviews reported in the next section.

Figure 23: Support Family without Section 8 Assistance at One-Year Follow-up (N = 52)

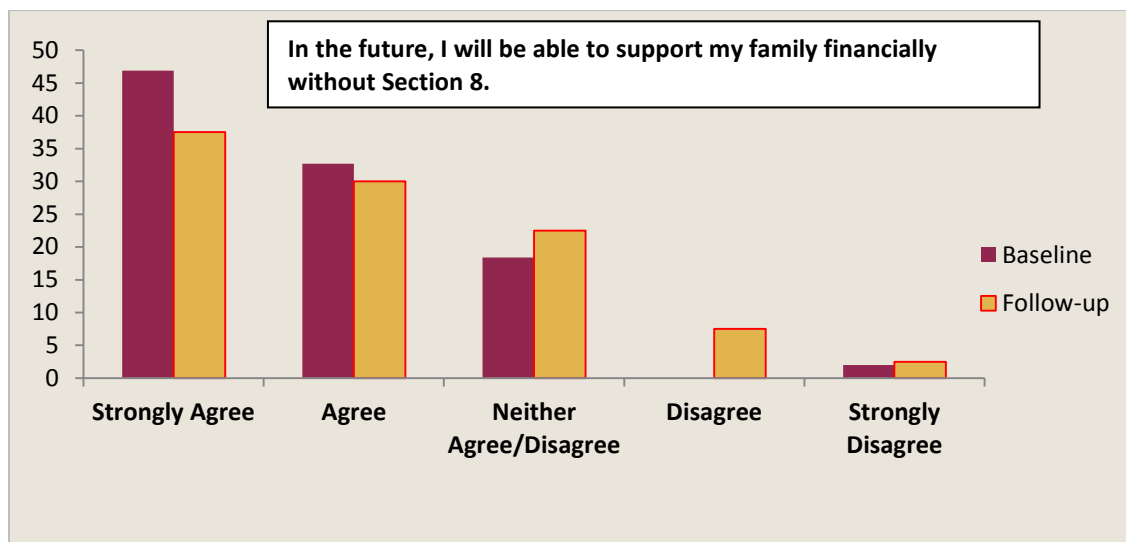
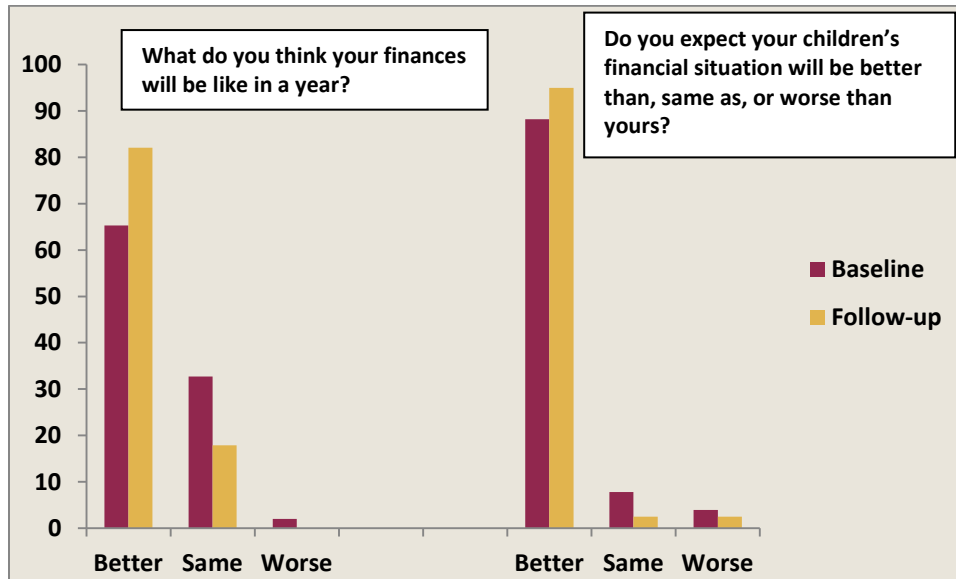


Figure 24: Optimistic about Financial Future at One-year Follow-up (N = 52)



QUALITATIVE INTERVIEWS WITH PROGRAM PARTICIPANTS

The purpose of the qualitative assessment of the Compass FSS program was to assess the effectiveness and perceived benefits of key program components. In-depth interviews were conducted to provide a richer understanding of participant financial experiences, perceptions of financial well-being, goal attainment, and the effects of program participation on financial practices and saving behavior. In addition, qualitative interviews provide an opportunity to understand participant perceptions of their own progress toward achieving the key indicators related to Compass FSS core program objectives.

Qualitative Research Methodology

The qualitative study design called for interviewing 25 participants using a purposive sampling technique. This method was used to ensure that interview participants were of different racial and ethnic background, as well as marital and socioeconomic status. Because several participants failed to respond to attempts to reach them, cancelled, or were a no-show for the scheduled interview, the final number of participants in the qualitative analysis was 15¹⁵. While it is not possible to develop definitive conclusions from this small number of program participant interviews, it was a representative sample whose responses add depth and insight to the quantitative findings. At the time of the interview, all participants had been enrolled in the Compass FSS program for at least one year. Enrollment dates range from October 2010 to September 2011. The interviews were conducted between January 2012 and September 2012.

The Institute on Assets and Social Policy team developed and implemented the interview protocol and procedure. IASP worked with Compass FSS program staff for scheduling and coordinating participant availability. The interview only took place if the participant understood and signed a consent form. Participants were also asked if they consented to be audio-recorded. Interviews were 55 to 90 minutes each. All interviews were conducted at the Compass FSS program office in Lynn, MA or by telephone. Data collected from the in-depth interviews were analyzed using line-by-line analysis and interview contents were categorized according to major thematic topics: **goals and aspirations, activities during coaching sessions, escrow and savings behavior, income and work experience, credit/debt repair, financial practices, and perceptions of financial well-being/economic security.**

The demographic and economic characteristics of the 15 interview participants are presented below. The majority are female, in their 30s or 40s, and predominantly represent single-parent households. A significant number are of Hispanic ethnicity, however the sample is similar to the overall program population in race and ethnicity. While few have only a high-school diploma, many have some post-secondary education, resulting in a relatively educated group. The majority of interview participants are either employed part or full-time, with a few participants who have experienced bouts of unemployment throughout their first year. Interview data reveal that their occupations are primarily in the service sector. (See Figure 25 below for details of demographics and economic characteristics.)

¹⁵ In an effort to reach the target number of study participants, multiple random sampling attempts were made to select additional participants to be included in the study.

Figure 25: Characteristics of Compass FSS In-depth Interview Participants at Enrollment

N = 15	Frequency
Gender	
Male	2
Female	13
Race/ Ethnicity	
Caucasian/White	3
African-American/Black	1
Asian	1
Multi-Race	2
Hispanic (any race)	8
Marital Status	
Single	11
Married	0
Divorced	3
Separated	1
Age	
18-24	0
25-34	6
35-44	5
45-54	4
55-69	0
Education	
Less than high school	1
High School diploma/GED	5
Vocational	1
Associates/2yr college	0
Some College	7
Bachelor's degree or higher	1
Employment	
Unemployed	2
Part-time	3
Full-time	9
Unknown	1

I. Financial Knowledge, Practices, and Money Management

Research suggests that financial knowledge and socialization may be an important component in skill development and successful management of money. A core objective of the Compass FSS program is to equip clients with the financial knowledge, skills, and confidence required to engage in healthy financial behavior, to build assets, and to sustain long-term economic security. This section examines the financial behavior of Compass FSS participants, as well as their views regarding certain financial matters. The interviews seek to explore how participants' financial knowledge and

individual experience with certain financial matters shaped their financial decision-making and practices. Participants described in detail their money management experience prior to entering the Compass FSS program. Participants highlighted their experience with meeting household expenses, paying bills, budgeting and spending, managing credit and debt, and accessing banking services and products. They also described how their financial understanding and knowledge at the time influenced their behavior in these areas. This section highlights how the Compass FSS program's delivery of customized financial coaching and training has helped participants make better financial decisions and modify their practices, especially around budgeting, credit/debt, and saving.

Gaining knowledge and confidence

"Before I didn't really know where to go to find out certain things. Now since I am in the program, I have confidence, before I was intimidated—now I can track down the companies—now I can talk their language!"

a. Previous Financial Knowledge, Experience and Practices

The interview responses suggest that Compass FSS participants have limited financial knowledge/training and lacked important financial skills prior to enrolling in Compass. Combined with having low income and limited economic resources, interview participants explained how their lack of knowledge about certain financial matters, especially credit and debt, contributed to unwise financial decision-making and behaviors. This often compounded existing economic struggle and insecurity. However, many participants noted that they felt empowered with the new confidence and skills gained in the Compass FSS program.

Lack of experience with and knowledge about various financial areas has contributed to poor decision making and financial stress for some participants.

"When I first started the program I didn't have any idea about how to manage my money. Like no idea, it was really bad. I would get money and spend it and get credit cards and not think about debt, I would just spend it all. I wish I knew about how to budget and I wish I knew how credit reporting went. I had never seen a credit report till I came here."

"I mainly wish I knew the importance of credit and interest. I would have treated credit cards differently and not max out cards all for such ridiculous-silly mistakes. I had over \$200 that turned into \$500 now because I didn't pay attention to interest."

"I just wished I would've got into some program like this or had some financial classes before. I would not have had all these credit cards. If I only got into a program earlier, but now I am finally in a program with all my credit cards, after the fact."

Participants expressed appreciation for the training that they are receiving in the Compass FSS program and the specific financial strategies learned.

Compass is “... providing me the ability to tackle my financial problems head on.”

“Before I didn’t really know where to go to find out certain things. Now since I am in the program, I have confidence, before I was intimidated—now I can track down the companies—now I can talk their language.”

b. Managing Money: Meeting Household Expenses and Managing Spending

For many families in this study, meeting household expenses, managing and paying bills, and budgeting and spending concerns are ongoing challenges. Their monthly household budgets are dominated by basic expenditures, and household needs often max out their monthly income, leaving little left over for savings and household extras. Participants talked openly about strategies that they used to manage household finances on a low-income. Generally, participants knew to prioritize bills when finances were tight. They discussed ways they tried to be economical and where they chose to cut back on spending. Participants also noted how they were applying what they learned in the Compass FSS program to better address these ongoing challenges.

Meeting Household Expenses

Although participants described how they find ways to get by, disruption in income or unexpected expenses can cause financial crisis.

“At first I could afford everything, but now not having a job for some time--now the little bit of money I have--I can’t even really just put it on some of the bills. I need to buy stuff for the house and I just don’t have much money. I haven’t paid any of my gas the whole year. So it is like \$1500 dollars right now...’Cause once she (her daughter) is a year, they can shut me off.”

“...I do worry about the income that I am on. Because it’s just not enough to be able to pay my bills and everything else. So, if something did happen, my car broke down, or anything...I worry about stuff like that. I worry about everything.”

When reflecting on prior bill payment habits, some participants were quick to highlight what they learned and how they made immediate changes.

“I learned some better practices, I break down all my bills, and put them on a calendar, and make it easier. Now, I have money leftover because I am staying ahead of all the bills. I always used to wait to last weekend to pay everything—and never have anything—now it’s easier—and I am paying on time.”

“... I think I can do it. I see my friends who do it who make less. So, I think at this point with the things I learned at Compass. I know I have the income for daycare expenses and other things. And, if I budget correctly, I’ll be ok.”

Budgeting and Managing Spending

Many families have tried to scale back and manage their spending. A few participants have had to overcome the pressure they felt from their children; others discussed non-essentials, such as cable and cell phone plans, on which they could cut back.

“Before everything was about my kids. Whatever they needed or wanted, I just wanted to get it for them. And, I just didn’t do a lot of things right. I got approved to buy a house but my credit was too bad. Putting my daughter in school when I really didn’t know how to go about it. Some things could have been prevented, but I guess I wanted the dream too fast...But I am making some changes with my money and getting back on track.”

“So I went and took out most of the cable channels. I went from \$200 dollars to...\$120 and from there on I ended up cutting more...That is a huge amount that I was able to free up and put toward something more serious or put to savings. Yeah, the financial coach encouraged me to do that because I admitted that we really didn’t watch cable that much.”

“My main problem was just spending money on the wrong things and in the wrong way. My cell phone bill for instance was extremely high. I didn’t have any sense with money or value of money--money was just money and I spent it like that. Now I am able to cut down on my bill and a lot of other stuff.”

c. Debt Management

A common theme consistent throughout the interviews was the issue of debt. Debt, especially negative collection debt, can have important implications for families’ ability to reach financial security and to save. Every interview participant mentioned that they worry a great deal about past debt or growing deeper in debt. Participants talked primarily about concerns with credit card debt and delinquent items on their credit report. The Compass FSS program teaches the importance of credit repair and healthy debt management as core program objectives that every participant should aim to achieve.

Most participants discussed how they just did not realize the impact debt had on their financial lives and how challenging it is to pay off debt with limited economic resources.

“I didn’t even know all the companies I owed money to—now I am working on a plan to pay back and to put the right amount of money toward each company and debt. The new (Compass staff person) pulled it recently and I learned that my report is going down and not up because a company wasn’t reporting and now they are. But I am going to tackle the debt I am getting rid of the smallest debts because I can chip away at those. The biggest ones are the hardest.”

“I didn’t feel like I was making progress. Just like every time I get paid I just pay the minimum, get paid...pay the minimum. I want to pay most of them off. Whichever of them I can pay off now I am going to and just work around it and see what else. I just want to try to bring the payments down or pay one of them off...And then if I pay off my car then that is \$250 per month that I don’t have to pay every month. So right there I am cutting a bill.”

Some participants have learned to use the refund they receive from the Earned Income Tax Credit to strategically pay off debt and save when possible.

“I am concentrating on the debt that is the most. Yea, I waited to February and I paid a few of my bills, when I got my taxes. Credit cards I only have two, but stores...I’ve bought, pay, bought, pay, so they never went down. So what I did is pay them all off. So right now there is a zero balance. I’m going to pay for the others this year.”

“I had a lot of stuff in collections, my credit was bad. And I’ve paid a lot of it off, and I plan on paying off the rest of it when I get my taxes this year. I didn’t think about stuff like that, it wasn’t important to me. I wasn’t worried about cleaning my credit. But now, I’ve been paying off the majority of my debt. I have one more account in collections.”

“After winter time I will take tax money and pay everything and then take \$500 out to put in another savings account and just let it sit. I owe more for divorce lawyer around \$5,000. So, I will use taxes to pay him off instead of a new living room set.”(Chuckles)

One participant was proactive and took the steps to get her debt cleaned up prior to enrolling in the Compass FSS program. Unfortunately, her efforts backfired. She detailed the horror of working with a particular debt settlement company.

“So I went to a debt settlement organization (name). They made things so worse. My credit went way down when I got with them. I was taken to court. They totally took my credit from good to bad. They said they were going to help me pay it off in 2 yrs. I was paying them all this money—and my creditors were calling me and I’m thinking they were being paid—everything was being handled—and then they started taking me to court—in 2 years it all tanked. The Debt Settlement Company just basically scammed me for my money. Now I have to start all over. I was so devastated.”

d. Building (and Rebuilding) a Good Credit Report

Just about every respondent talked about their credit ratings and discussed their plans to improve credit. Several respondents admitted that they did not realize the impact their credit score had on their financial lives. A few respondents found that they did not have a credit rating and were trying to establish a credit score. Others who had serious debt problems talked about their efforts to rebuild credit.

“I didn’t realize that your credit score had the impact that it did. I tried to get a new car and couldn’t get a new one. I had to keep getting used cars and end up putting more money into the car.”

“Yes, I knew about credit and I regularly checked my credit report. I often kept a mental thought about my credit—I never forgot—you just need to know where you are and who you owe. I have been trying to improve my credit score more since entering the program. However it’s been slowly but surely.”

Participation in the Compass FSS program has reinforced the efforts of some to establish a good credit rating, but for many monitoring credit is a new experience.

"I had a little idea of what it was but after Compass that is when I learned how to read it (a credit report), why my credit score was important and how to use credit better."

"... in the meetings she always ask me about what I am doing credit wise, if I am paying old debts, and they are always looking at your record, they are always looking at my credit report and they look at it with me to see how it's going and where I can make improvements."

"I guess the first credit check that she did it was 0 or "NA" for my credit score...I never had credit. But then I started paying my bills and I paid off a couple of bills. And the next time she did my credit check it was like 5-something. And I was like, wait a second. Yea, I was like I got a credit score now! So it made me feel good, and now I know things are getting better. So I ended up paying off...the bill for \$400 and something I ended up putting \$150 on it. So I kind of put a dent on that. But the \$600 and something, they sent me something in the mail, if we could settle for \$262. And I was like that's good. So I called them up and they were able to settle the debt with me for even less than that. And do you know how good that made me feel? I actually paid a bill off! And once again, if I wasn't enrolled in the program, I would have never paid that off. I would have never thought, 'oh you got to pay these bills in order for you to fix your credit.'"

Building or rebuilding credit

"I didn't realize that your credit score had the impact that it did. I tried to get a new car and couldn't get a new one. I had to keep getting used cars and end up putting more money into the car."

II. Savings Motives, Experience and Behavior

A core objective of the Compass FSS program is to help participants understand the non-obvious benefits of having savings they may not have previously realized and encourage participants to establish an ongoing habit of saving. The following sections describe in more detail the ways that respondents discussed their saving desires and their individual efforts to save. This section gives particular attention to patterns of savings accumulation in the escrow account as well as participant experiences with other saving mechanisms outside of the Compass FSS program.

a. Importance of Saving

Although most respondents reported not having focused on the importance of saving prior to joining the Compass FSS program, they indicated during interviews that having savings and the act of saving are important. Respondents reported a strong desire to save, primarily for emergencies, and indicated that savings is necessary for future advancement. However, all respondents reported

that saving is very difficult because of limited income and the need to place other financial priorities first.

In describing why saving is important, many participants expressed their desire to save to achieve a sense of stability, especially in the event of emergencies.

“Saving is important to me because I don’t want to see myself in a situation where I don’t have anything. If anything was to happen, and I don’t have a penny to my name, it’s scary. It’s not like that situation hasn’t happen. Like when I have no money until the day I get paid. I don’t want to see myself in that situation. So, I’m trying to help myself get financial stability...by saving a little bit.”

“Just to feel secure. If my car...for emergencies, if I can’t pay for copayments if my kids get sick. It would make me feel good to have a back-up. It makes me feel better that money is there...I don’t have to worry about anything...if something happens. I don’t have to worry. I’ll have the money to fix it.”

Other participants discussed the importance of saving for economic progress and for achieving important life goals, such as homeownership and college for one’s children.

“Savings will get me where I need to be. Becoming a homeowner and not having to live on Section 8. The idea of saving has me more focused...I am focused on finishing my school and increasing my income to save.”

“I’ve been thinking about my kids’ education. I want to get an account for each of them. I should have started this a while ago, but it’s never too late to start. I’m going to see after I pay off my credit card with my taxes what happens and how it works out.”

Motivation to Save and Building an Escrow Account

“Savings will get me where I need to be. Becoming a homeowner and not having to live on Section 8. The idea of saving has me more focused...I am focused on finishing my school and increasing my income to save.”

“... when you complete the program they give that money (savings in escrow account) to you in order for you to accomplish your goals. For example in my case, I want to buy a house. That motivates me to work a lot... In some ways that motivates you to be free from government help.”

b. Saving and Escrow Account

One of the most important benefits of the FSS program is the opportunity to accrue savings using the FSS escrow account. The FSS escrow component represents a promising strategy for helping

low-income families in the HCV program to increase their savings and build assets. An important objective of the Compass FSS program is to empower participants to use the FSS savings, as well as other personal savings toward asset development purposes. Respondents' experiences with accumulating funds in the escrow account varied.

Some participants recognized early on the escrow account as a valuable savings opportunity and described plans to maximize the opportunity for their benefit.

"The FSS savings account (escrow)...it will make it easier. For instance, by paying my rent and on time the way I'm supposed to do...to know that they're saving that money. I know that once the time is up, I'll have all this money there...And, at least I know I'm saving now with it. Nobody can mess with that money. It's just there. So yea, it's good. I couldn't save anything on my own. It was so hard to try and save anything."

"I am looking forward...for example, if you work a lot, they help you save money. And when you complete the program they give that money back to you in order for you to accomplish your goals. For example in my case, I want to buy a house. That motivates me to work a lot... In some ways that motivates you to be free from government help."

While 85% of all Compass participants were working when they entered the program, many participants lamented having inconsistent employment and that the resulting fluctuation in earned income constrains their ability to take advantage of the escrow account opportunity.

"I've had so many drawbacks since entering this program. I am not really paying attention on what is happening in this program. I am not in a position to save any money. I'm not building on any escrow account—when it does happen that will be great but I'm concern right now with finding work. Yea and I'm not quite sure how that works. I was told that, like in the past when I started off at a certain amount...I think I have to go above and beyond that...I have to actually get up to where I was when I was working fulltime in order to have money saved and that is so frustrating right now."

"Because I've been switching jobs, my earnings haven't gone up. I've just maintained paying the same and even less in rent. So they can't save anything. I have to earn more so Section 8 can raise the rent and I can save more. But, until now, I haven't been able to. But this program last 5 years, so I know I can do it soon."

Some participants did not know how much they had in their account; others did not know whether or not they had initiated an escrow deposit. They expressed confusion and some frustration with the perceived lack of communication regarding their accounts.

"They are putting money in there. But, honestly, don't know how much money or the status. My rent was like going up like another \$100, but they put on the paper \$0. They were putting like \$18 a month but when I switch my day care, my account changed for some reason. My rent was supposed to go up and that money was supposed to go into account. I need to get clarification why it did not get in escrow account...They should've put some money in there."

“(Compass staff person) told me about it back then. My rent went down and they didn’t tell me anything. It went down \$75. I guess that may have something to do with escrow, but I don’t really know the status of the escrow.”

c. Escrow Account and Work Strategies

Many participants discussed how their work situation could be improved when they talked about their experience with the FSS escrow account. Participants also mentioned what employment and income changes they would like to make in order to maximize the escrow opportunity for their benefit. Although employment status, work experience and satisfaction varied, an overwhelming theme was that respondents wanted greater career mobility and advancement.

Respondents discussed specific and immediate strategies that they have made or would like to make to increase income. Such strategies included: requesting a promotion or a raise; adding a second job; stabilizing or increasing work hours; searching for a different job that pays more; or enrolling in an education or job training program to improve career advancement opportunities.

A few participants discussed challenges related to becoming employed, as well as strategies to stabilize work hours and increase their wages.

“I’ve been unemployed for 8 months. Since I had the baby, I just finished school when I got pregnant...for phlebotomy and EKG. So I was working at Beverly Hospital when I was pregnant. I’m working with the career center...Yea, it’s just hard. I never had a problem with work. I was working full-time before at a good job—but things just hit me all at once. But, I am trying to find just about anything now so I can take advantage of things like the escrow.”

“I have made a lot of changes to better my work...I had three agencies I was working for. Because one agency...I work only seven hours a week for. But there is another agency that is very unstable. That agency only calls when they need me so I don’t have stable hours with them—You have to work for multiple agencies because one agency will not give you 40 hours a week. I want full-time. I just want to work 40 hours a week and at one job only. Also, I want to get a little bit more money. So I’m going to be working toward that.”

Several participants discussed actively paying more attention to pay raises, gaining additional educational training, or seeking a promotion or different job to increase income.

“I’ve switched jobs. Before I was making \$10 an hour and now I have a job where I make \$15. And all of that has been due to the motivation from this program.”

“I keep track of raises. I received a raise every year and received one last year. It should be coming up in our fiscal year, which is probably only ten cents. But I’m probably too nervous to go to my boss and ask for another...There is another person doing the same thing as me and she makes more...I’m doing her job and she doesn’t even speak Spanish...I’m still stuck with the lower pay and I’m bilingual...I took a course in office skills. I always liked typing so I like being in an office. But to add, what she’s getting is probably like three dollars more. My boss would have a heart attack if I asked for three dollars more. But I know I deserve it.”

“Hopefully this will be a good winter where things will pick up. I am satisfied that I do have a decent job. However, if I took more classes and had more knowledge I could make more money. I need a CDL license or take more classes that’s how you make more money in this work. I am supposed to get a pay raise in December when things speed up.”

“I did receive a raise or promotion rather. I got the promotion when I enrolled in Compass FSS. Ever since I got the promotion I receive an annual raise. So the timing was just right for the FSS savings.”

d. Savings Outside of the Escrow Account

While the escrow account is important for helping participants accumulate savings via income increases, it is not a mechanism whereby participants can actually practice the behavior of ‘saving’. Respondents noted that saving is an important theme within the program and a key aspect that they were introduced to during the financial education workshops. While a few participants discussed the incremental steps and changes they have made to save more, all respondents mentioned wanting to exert greater effort to increase personal savings. However, respondents reported that saving is very difficult because of limited income and the need to place other financial priorities first. As discussed before, most participants struggle with debt, and they tend to use any extra income to pay it off. The majority of respondents said that saving will become more of a priority once debt is cleared and finances have become more manageable.

Several participants appear to be making small and incremental steps toward establishing a regular savings practice. Many discussed opening, at the very least, a savings account, even if they couldn’t make regular deposits. The majority of these participants discussed the importance of keeping their savings account opened with a small amount untouched.

“I just opened savings account three weeks ago because the other one was inactive and closed. I don’t have very much in there. I will start direct deposit on the savings account soon.”

“I don’t have much. Umm...I don’t know...Well in my ING there is like \$100 or \$150. If I need it...it’s meant for you to not take it out but I have taken out. I usually try to not touch my ING. To that goes \$100 every pay period. So I try to just leave it there to save. Unless something happens that I need to take it out.”

For participants who have begun to establish a regular pattern of saving, several mentioned applying behavioral maintenance techniques such as direct deposit or multiple special accounts to facilitate their savings process.

“I do make regular deposits into my savings account every pay check. Having a savings account with direct deposit definitely helps. I never see it, I don’t think about it. It goes directly in there. Ten percent is deposited in there twice a month.”

“I have my check split. It is direct deposited different ways. Part is going to a savings account for the rent. The other part goes to an account that I use to pay the bills. Then the last part goes to another saving account for my savings. My child support money goes in there too. This way I

don't have to worry so much, cause I already know that the money is there for everything. So, I don't touch it."

The majority of respondents said they found it difficult to save on a regular basis. Those who saved intermittently, as well as those unable to save altogether, discussed that emergencies, unexpected and household expenses, or debt payments generally consumed their monthly income, leaving little left over to save.

"Saving is difficult mainly because things are so expensive...I have to use taxes to pay off my debt. I would have more money in my account if I never had to touch my savings...but things are just too high. My gas bill is too high. I had to pay \$500 last month."

"Yes it's hard...Like the other day, I had to pay to renew my license. I had to pay these tickets and it was like \$200 and something. So I took it out of my ING. Yeah, if needed, that is like my last option. If I don't have any other money I just go to my ING."

Although participants overwhelmingly discussed the difficulty associated with saving, several participants discussed ways in which they believed saving and/or having money in a savings account is having a positive impact on their families or will have an impact in the future. Participants noted an improved sense of short-term security, and greater ability to set and achieve goals, as well as positive effects on children.¹⁶

"I talk to my son about the importance of saving. He understands why we got rid of cable TV. He received a few dollars from his grandmother and when I picked him up, he got in the car, he gave me a dollar and said, 'daddy this can go for the new house.' It was so cute...I told him, 'son you can keep your little dollar'. We've been talking about saving to buy a house...because we really need to have a yard...We're working at it."

III. Economic Security and Well-being

An important objective of the Compass FSS program is to help participants achieve financial security. Participants were asked to comment on how they would define financial security and whether they believed themselves to be economically secure. Participants described economic security in modest terms, such as having enough money to pay monthly bills, being able to meet basic needs with a little left over for emergency savings, and having the necessary resources to make plans for the future.

"For me, I think it's getting to a point without struggling. The things we need to live on without struggling, and to get to a point where I can save...I would like to say to my kids we're going to dinner without hurting. I want to have my retirement plan and I want my kids all set for the future. And, that hasn't happened yet."

¹⁶ The effects mentioned by these participants are consistent with theories of the hypothesized effects of savings and assets commonly highlighted in the IDA and Child Saving Account (CSA) literature.

“Right now I don’t. Right now it’s more of a check by check basis. Like I said, I plan on paying most of things on a monthly basis, like the car and bills. And, with the credit cards, I’m trying to mostly work and see if I can pay most of them off. Then start the savings to go into my ING, and just forget it.”

While many spoke of the common obstacles to economic security, a few participants mentioned not being able to establish a child saving’s account for their children’s college as a barrier to achieving a sense of security important for their family’s future.

“The only thing I am lacking in terms of my family’s economic security is college savings. I want to finish my own education and continue with financial education because I am thinking about putting my boys in private school and I want to be able to afford and be prepared for sending them off to college.”

IV. Perspectives on Compass FSS Program

How the Compass FSS program helps inspire change

“They broke it all down and how much I was paying in credit cards... They’ve helped me look at everything... and how much I’ve been paying and where I can cut. You know cut here, cut there. A lot, they have helped, they have.”

Compass FSS participants spoke favorably about their experience in the Compass FSS program and provided positive assessment of the program as it relates to equipping participants with the needed financial knowledge, skills, and information in their efforts for financial advancement. This section takes a closer look at participant perspectives of core features of the Compass program, providing a deeper examination of participant satisfaction with program implementation and delivery.

a. Promoting participation in the Compass FSS program

Most participants recalled receiving a flyer or postcard in the mail that invited them to participate in the Compass FSS program. Participants discussed how the inspirational messages and creative imaging piqued their interest and prompted them to attend orientation or reach out to the Compass outreach manager for more information.

“I received a flyer...on the flyer it asked if you wanted financial coaching...it had homeownership, better credit, etc. These were all things that piqued my interest and I wanted to work on these things. Just before, I was without much guidance.”

“It [postcard] caught my attention. I wanted to save for kid’s college and that was on the post card. The postcard was really encouraging. It was like, ‘I can do this’. It’s going to help me set my goals and could give me good advice.”

Entering the Compass FSS program motivated several participants to set the goal of buying a home as a way to no longer have to rely on HCV housing assistance (Section 8).

“My goal was to no longer be on Section 8. My main goal was to own my own home. And, the first thing they are helping me do is fix my credit. And if I can save my money from the same rent that I pay that is a great help because with that money I can buy a home or achieve any other goal. Therefore, definitely in the future get my own home.”

“What motivated me was I always had a dream to have a house. And that is what I was thinking about at that moment. When I received that flyer in the mail...I was in the process of buying a house. But, it didn't work out...I needed a little push. I wanted to buy a house...I really just wanted a push...I was on the right path, but I needed to deal with all of the debt problems I got myself into.”

b. Perspectives on Financial Coaching Sessions

As outlined in a previous section of this report, Compass delivers a customized and client-focused coaching program designed to promote core financial competencies in the areas of income and employment, education advancement, credit/debt, use of quality financial services, and savings and asset development.

The financial coaching program provides participants with a comprehensive and detailed list of steps to follow for successful completion of their goals in each core area. Interview respondents mentioned several times how they appreciated the opportunity to meet with a financial coach. Several participants noted that the individual meetings allowed them the opportunity to address specific challenges unique to their situation. Participants were very detailed in describing the activities and tasks initiated by the financial coach and their level of satisfaction with each session.

“I thought it was just going to be silly and they just tell me I spend too much money. It was actually more of a reality check. ‘Ok this is what you're doing wrong, you don't realize it but you are wasting money’...I didn't know how to budget. I didn't know the value of the dollar and just spending and spending and wondering why I couldn't meet my goals. I was just staying at a standstill; I wasn't fixing my credit and all that. They're helping with all that”

“They broke it all down and how much I was paying in credit cards...They've helped me look at everything...and how much I've been paying and where I can cut. You know cut here, cut there. A lot, they have helped, they have.”

c. Referral Assistance/Connecting to Other Agencies

In addition to being satisfied with the content and delivery of the financial coaching sessions, a few participants touched on how they appreciated the resources and connections with other agencies Compass had to offer. These participants pointed to how Compass specifically connected them to specialized services unique to their situation. Referrals were made to More than Wheels (a car payment assistance and financing program for low-income people); Metro Credit Union (a credit

union that provides low-cost banking products specific to Compass' clients); and One Family Scholars (a special program that provides tuition scholarships to low-income, single-parents to continue their college education).

"I mean they hooked me up with One Family Scholars. I get a tuition stipend every month. I get allocated money for my school supplies. So that is a big help! If I needed help with other areas, too...They have great resources. Like, no one ever told me about work study or special programs that have scholarships for people like me. I didn't know how to sign up for some of this stuff or I didn't know to go get in these programs."

While some respondents appreciated the connections and referrals facilitated by the Compass FSS program, a few participants expressed the need for stronger employment supports or job placement assistance.

"I think there needs to be more help around jobs...But, there is not a person here that does that...And, quite honestly the local career center isn't very helpful. All they just tell you is, go on the computer by yourself and look for a job. I would like someone to help me coordinate my job search and help me figure out job resources. Like, help me determine which one's I should go on. Even help with my resume. Although, I updated it recently and know how to create one...for some reason I'm not getting any call...So when there's not someone near to help me, I really don't know what else I should do."

d. Staff Support and Encouragement

Like the financial coaching portion of the program, most participants had positive things to say about the staff support and encouragement received in the Compass FSS program. Participants appreciated the individualized meetings, other informal contact, group events and activities, and looked forward to making impromptu calls to program staff to provide an update on their progress. Many participants reported that the supporting attitudes and encouragement exhibited by Compass staff is what distinguishes Compass from other social service agencies and programs at local housing authorities.

"Then there was [Compass staff person] and she was wicked nice. And, we started talking and she explained everything. The way she made me feel...She walked me through all my financials. You should of seen when I came back two months later. I was so proud. I told her my bill went down from \$200 to \$120. And, she was like 'that's good!' They all tell me I'm doing good, which makes me want to keep doing it. This program is making me a better person. I never paid bills on time. This is something new for me. I never paid off a debt. This is all something new for me, but it is all positive and something good. And, it makes you want to keep on doing it!"

"It's good to have the support and it is good to see credit improve. I would do it anyway, but she pushes me more. Just having the extra push and support. And, I love when I clear stuff off. I would call her and tell her and she would be like, 'yeah!' 'you go!' I really liked her saying that."

Most participants also expressed very high levels of satisfaction with the Compass FSS program overall. When pressed to make suggestions on how to improve the program, the response commonly was to make the program widely known, so more people could take advantage of the opportunity to participate. As the following quote reflects, participants were appreciative of what the program was offering them and found the program to be well implemented.

“Compass really is a hand-picked group of special people they really are the most sincere. They made me feel that there is nothing that they can’t help you do—there is nothing that they can’t tackle. I couldn’t believe I accomplish all that I sat out to accomplish in such a short time. My mother was beside herself with everything they’ve done for me. People need to realize you got to work at this stuff—and some of these people don’t want to increase hours or find another job. They (Compass) can’t hand it all to you—you have to do something. But they do a lot!”

CONCLUSION

Innovative financial security and asset-building programs are being implemented to complement income-transfer programs in an attempt to better help families increase their income, manage finances, and build savings and assets. These are all important components that assist in advancing upward mobility for families in subsidized housing. Aimed at helping low-income families save and build assets, the Compass FSS program has been a leading asset-building demonstration program for the HUD Family Self-Sufficiency program.

The program Compass has developed for FSS draws on its experience with IDAs, as well as best practices in FSS programs across the country. The program is distinguished by an emphasis on effective outreach and recruitment, the provision of financial education, individualized financial coaching, and focused asset-building strategies to deliver better long-term financial outcomes and help families in subsidized housing achieve economic security.

Extensive quantitative and qualitative research and data collection is making it possible to conduct a much more comprehensive assessment of program results than standard FSS program reporting. Additionally, since there is limited research that has examined asset-building and financial security strategies outside the IDA and matched saving structure, the research evaluation of the Compass FSS program provides an opportunity to explore the value of an asset-building variation of an existing self-sufficiency program in the context of subsidized housing.

The current study represents the second of three reports of the multi-year evaluation. Expanding upon the promising results in the first-year report, findings from the second year demonstrate continued successes related to implementation and program delivery, as well as positive participant outcomes at key stages of program participation. Several important research findings stand out as the most significant.

Critical to the successful launch and delivery of the Compass FSS program was the development of a trusting relationship with LHAND, which was based on a shared philosophy of empowering participants to advance economically as well as a shared plan for oversight and accountability necessary for effective management and coordination of program activities.

Another crucial factor critical to the program's successful implementation for the first two-years at LHAND was Compass' creative marketing and outreach campaign. Through creative marketing and outreach, Compass continued to increase program participation in the second year. Compass continued to tap into families' aspirations and motivational spirit and as a result increased the penetration rate for recruitment far beyond the typical FSS program.

After completing the financial education component and attending regular coaching sessions participants expressed in the survey and during qualitative interviews a new found confidence in financial knowledge, understanding of financial matters, and the ability to apply new financial skills and practices toward fulfillment of their financial goals. After successful completion of financial education workshops participants noted overwhelmingly feeling encouraged and motivated to enroll in FSS.

Although the outcomes of the FSS pilot will not be fully realized for several years, the results covering the first two-years of the program have been encouraging. The majority of families in the Compass FSS program are single-parent households with some families experiencing below poverty incomes. However, Compass FSS participants as a whole have high employment rates and educational attainment at program entry with a significant number who experienced increases in income and reductions in public assistance after being enrolled just twelve months in the program.

While FSS participants have greater access to optimal banking products than the typical low-income household, they struggle with significant debt and low credit scores at program entry. These problems are largely due to limited understanding and awareness regarding the negative impact of poor credit and debt prior to joining the program. However, participants repeatedly expressed during in-depth interviews a renewed commitment to rebuild credit and pay off debt. This collective desire is seen in the high number of participants who experienced positive gains in credit and reductions in debt at each six-month, twelve-month, and eighteen-month point in the program.

A large number of participants however, reported high levels of economic strain, face difficulty with managing money and meeting household expenses, experience barriers to getting ahead, and are concerned with work advancement. These feelings continue, but are less pronounced after one-year of program participation. However, survey and interview responses show that participants are motivated by the concepts and strategies learned in the program and work to apply new skills related to spending/budgeting, debt management, and creative savings' strategies to achieve economic security and well-being.

While the majority of Compass FSS participants are fully engaged, optimize financial coaching sessions, and feel encouraged overall by the program, Compass struggles to achieve sufficient face time with a small portion of their participants and is exploring creative and strategic approaches to optimizing contact and engagement. However, the Compass staff is encouraged by the current energy, the promising participant outcomes, and the high levels of satisfaction with the overall program.

Implications for the FSS Program and Replication of the Compass Model

The findings in this report suggest important implications for program development, policy, and practice. The successes in outreach and recruitment may suggest the need for a pronounced effort devoted to increasing outreach and recruitment in standard FSS programs to ensure the FSS opportunity is made available to eligible families in subsidized housing. Currently there are roughly 47,000 households participating in the HCV FSS program nationally; many believe that number could be increased significantly.

The inclusion of financial education tailored to budgeting/ spending, credit and debt, and saving and the positive feedback received may suggest the value in incorporating a financial education component in the standard FSS programs. In addition, the importance of ongoing, customized financial coaching to help participants reach core economic benchmarks may suggest the need for expanding beyond the standard case management model to include important economic objectives tailored to participant financial needs. Lastly, the promising outcomes present in the Compass FSS model may speak to the potential benefits of aligning FSS with key asset development strategies focused on improving financial skills, optimizing escrow funds, and strategic use of escrow disbursements toward longer term asset building; features that should be further evaluated and explored in a variety of self-sufficiency and housing demonstration programs.

The next phase of the evaluation study will examine more closely several aspects of the Compass FSS program to add to the learning from the quantitative and qualitative outcome analysis to-date. It is the intent to conduct a comparative analysis of non-FSS participants and/or participants in a standard FSS program in Lynn, MA to the economic outcomes of participants at the end of the third year of Compass FSS pilot program to assess the added value of the Compass model on important economic measures. Regrettably, this comparison may not be as robust as would be desired as historically, limited or incomplete data has made such comparisons challenging. The analysis in the third year will also include a preliminary assessment of the return on investment of the Compass FSS program based on changes in participants' financial status and utilization of public benefits while in the program. In addition, case studies of new Compass FSS graduates will provide insight into what was key to their early success in the program.

Compass' partnership with the Cambridge Housing Authority, with its Moving-to-Work status, will permit examination of the program design within slightly different parameters. Compass' ability to adapt and transfer many of the resources, strategies, policies and documents developed with LHAND to the Cambridge model demonstrates the potential for further replication of the Compass FSS model in other locations. The third year analysis will examine the implementation of the Compass FSS+ program in Cambridge and identify factors key to that replication.

APPENDIX A: QUANTITATIVE OUTCOME TABLES

Table A: Compass FSS Demographic Characteristics at Baseline

					N = 110	Frequency	Percent
Gender							
Male						6	5.5
Female						104	94.5
Ethnicity							
Hispanic						67	60.9
Not Hispanic						41	37.3
Race* (Non- Hispanic only)					(N=41)		
Caucasian/White						16	39.0
African-American/Black						18	43.9
Asian						4	9.8
Multi-Race						3	7.3
Marital Status							
Single						61	55.5
Married						8	7.3
Divorced						25	22.7
Separated						14	12.7
Widowed						2	1.8
Age							
18-23						1	.9
24-34						30	27.3
35-44						42	38.2
45-54						28	25.5
55-69						9	8.2
HH Size							
	1	7	6.4		5	10	9.1
	2	20	18.2		6	2	1.8
	3	39	35.5		7	1	.9
	4	29	26.4		8	1	.9
Children in Home							
0						17	15.6
1						27	24.8
2						38	34.9
3						20	18.3
4						7	6.5
Education							
Less than high school						24	22
High School diploma/GED						31	28.4
Vocational						6	5.5
Associates/2yr college						8	7.3

Some College		34	31.2
Bachelor's degree or higher		6	5.5
Years in Section 8			
Less than 2 yrs		17	16.3
2-5 yrs		33	31.7
5-10yrs		34	32.7
10-20yrs		19	18.3
20yrs+		1	1
Health Insurance check with survey response			
Yes		101	93.5
No		7	6.5
Health Insurance Type			
MassHealth (Medicaid)		52	57
Employer		26	28.5
CommonWealth Care		5	5.5
Employer & MassHealth		2	2.2
Medicare		2	2.2
Other		4	4.4
Employment			
Unemployed		15	13.8
Part-time		36	33
Full-time Employed		57	52.8
Years Employed			
Less than 2 years		19	22.9
2-4 years		15	18.1
4-6 years		14	16.9
6-10 yrs		17	20.5
More than 10 years		18	21.7

Table B1: Income Sources at Baseline

	Frequency	Percent	Mean	Median
Annual HH Income	110		\$26,487.44	\$26,031.96
\$0-\$20,000	32	29.1		
\$20,001-\$30,000	35	31.8		
Above \$30,000	43	39.1		
Annual Employment Income	110		\$21,794.17	\$22,728.66
\$0-\$20,000	47	42.7		
\$20,001-\$30,000	31	28.2		
Above \$30,000	32	29.1		
Employment Income Typical Month	110		\$1,816.18	\$1,894.05
*Annual Cash Benefits Total				
	31/110		\$10,287.82	\$8.376
**Annual Non-Cash Benefits Total				
	110		\$19,683.50	\$20,513.22
Total Annual Value of Benefits				
	110		\$22,582.80	22,887.60
\$0-\$20,000	44	40		
\$20,001-\$30,000	35	31.8		
Above \$30,000	31	28.1		

*Cash benefits include: TANF, SSI, UC & other forms of government assistance

**Non-cash benefits include: SNAP, housing subsidy, MassHealth and childcare subsidy

Table B2: Other Sources of Financial Assistancess

Select Sources of Cash Benefits				
TANF Typical Month	8/110	7.3%	\$334.88	\$369.00
SSI (Adult)	7/110	6.4%	\$927.57	\$698.00
SSI (Child)	10/110	9%	\$693.70	\$711.00
Unemployment	8/110	7.3%	\$1041.49	\$1065.00
Select Sources of Non-Cash Benefits				
Housing Subsidy Typical Month	110	100%	\$780.07	\$821.00
Health Insurance Subsidy (MassHealth) Typical Month	81	68.4%	\$899.42	\$886.30
Food Stamps Typical Month	58/110	52.3%	\$369.29	\$350.00

Table C: Economic Characteristics

	Frequency	Percent	Mean	Median
Credit Score			601 (600.74)	592
400-500	5	5.1		
501-600	49	49.5		
601-700	35	35.4		
701-800	8	8.1		
Greater than 800	2	2.0		
Total	99	100		
Debt				
Credit Card Debt	88	80	\$5,017.67	\$2,719.50
Student Loan Debt	33	30	\$13,235.36	\$7,610.00
Vehicle Loan Debt	29	26.3	\$8,851.62	\$9,181.00
Personal Loan	12	10.9	\$2,401.17	\$1,112.50
Debt in Collections	78	70.9	\$2,220.38	\$1,314.50
All Debt Total	110	100%	\$12,154.75	\$6,797.00
\$0-500	8	7.3		
\$501-999	5	4.5		
\$1,000-4999	28	25.5		
\$5,000-9999	26	23.6		
\$10,000-14,999	20	18.2		
\$15,000-\$24,999	12	10.9		
\$25,000+	11	10.0		

Table D: Debt-to-Income Ratio

Debt-to- Income Ratio	Frequency	Percent
0	44	40
1-10%	33	30
11-20%	16	14.5
21-30%	9	8.2
31-40%	6	5.5
41% and above	2	1.8
Total	110	100

Table E: Escrow Balance and Baseline Employment Information for Compass Participants Reaching One-year Enrollment

Escrow Balance by Employment Status	\$0		\$1-\$500		\$501-\$1k		\$1k-\$3k		Above \$3k		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Full-Time	11	28.2	15	38.5	4	10.3	8	20.5	1	2.6	39	100
Part-Time	9	34.6	8	30.8	1	3.8	5	19.2	3	11.5	26	100
Unemployed	5	62.5	2	25	0	0	1	12.5	0	0	8	100
Total(N)	25	34.2	25	34.2	5	6.8	14	19.2	4	5.5	73	100

Table F: Quality and Negative Financial Products at Program Entry

Quality Financial Products	N	Percent
Checking Account	94	87
Saving Account	63	60
CD	2	2
Employer Retirement Account	36	35
IRA	2	2
College Savings	0	0
Other Child Savings	10	10.1
Direct Deposit	63	58.9
Seen Credit Report	69	63.9
Obtain Credit Report	51	47.2
Check Credit Report	19	17.6
Negative Financial Products		
Pay Day Loan	17	15.7
Rent to Own	11	10.3
RAL	20	19.2
Check Cashers	13	12.4
Cash Advance	7	6.5

Table G: Financial Practices of all Compass FSS participants at Program Entry

Measure (N =110) (Range: 1=Never ; 2=Rarely 3=Sometimes; 4=Usually; 5=Always)	Mean (SD)
I pay my bills on time.	3.44 (1.14)
I have enough money to pay my basic monthly expenses, like food, rent, and utilities.	3.05 (1.28)
I keep track of spending and income.	3.01 (1.33)
I spend less than I receive in monthly income and benefits.	2.63 (1.27)
I establish financial goals.	2.51 (1.15)
I save regularly to achieve my financial goals.	2.38 (1.33)
(Range: 1=Always 2=Usually; 3=Sometimes 4=Rarely; 5=Never)	
I charge basic expenses on my credit card because I can't make ends meet.	3.72 (1.133)
I pay overdraft fees on my bank account.	3.56 (1.40)

Table H: Future Orientation Baseline and Post-Workshop

Future Orientation	N	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
In the future, I will be able to support my family financially without Section 8 housing assistance.						
Baseline	105	41%	35.2%	14.3%	4.8%	4.8%
Post-Workshop	105	58.1%	27.6%	10.5%	1%	2.9%
What do you think your finances will be like in a year?						
	N	Better	Same	Worse		
Baseline	103	65%	31.1%	3.9%		
Post-Workshop	105	93%	7%	0%		
When your children are grown, do you expect that their financial situation will be better than, about the same as, or worse than yours?						
Baseline	105	92.4%	3.8%	3.8%		

APPENDIX B: SAMPLES OF OUTREACH MATERIALS



Believe in Yourself

Getting ahead. Not just getting by.



ORIENTATION

Wednesday, October 19, 2011

100 Munroe Street, Lynn

5:30 pm – 6:30 pm

COMPASS
WORKING CAPITAL

WHERE FAMILIES ASPIRE. PLAN. INVEST

For more information contact: Sandra Suarez
Compass Operations Manager

781.215.1153/www.compassworkingcapital.org



<p>Your Section 8 Can Help You. Get Ahead with the Compass FSS Program!</p>	<p>Su Sección 8 Puede Ayudarle. ¡Supérese con el Programa FSS de Compass!</p>
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<div style="border: 1px solid #003366; padding: 5px; margin-bottom: 10px; text-align: center;"> <p>SAVINGS</p> </div> <div style="border: 1px solid #003366; padding: 5px; margin-bottom: 10px;"> <p>Lynn Housing Authority provides:</p> <ul style="list-style-type: none"> * A savings account where you can save part of your rent as you earn more money at work. </div> <div style="border: 1px solid #003366; padding: 5px; margin-bottom: 10px;"> <p>Compass provides:</p> <ul style="list-style-type: none"> * Credit Repair Assistance * Financial Education * Goal Setting & Budgeting * Financial Coaching * Community Resources </div> <div style="text-align: center; font-size: 2em; font-weight: bold; margin-bottom: 10px;">+</div> <div style="border: 1px solid #003366; padding: 5px; margin-bottom: 10px; text-align: center;"> <p>FINANCIAL SUPPORT</p> </div>	<div style="border: 1px solid #003366; padding: 5px; margin-bottom: 10px; text-align: center;"> <p>AHORROS</p> </div> <div style="border: 1px solid #003366; padding: 5px; margin-bottom: 10px;"> <p>Lynn Housing Authority provee:</p> <ul style="list-style-type: none"> * Una cuenta de ahorros donde puede ahorrar una parte de su alquiler mientras gane más dinero en el trabajo. </div> <div style="border: 1px solid #003366; padding: 5px; margin-bottom: 10px;"> <p>Compass provee:</p> <ul style="list-style-type: none"> * Ayuda Reparando su Crédito * Educación Financiera * Fijación de Metas y Presupuesto * Asesoría Financiera * Recursos en la Comunidad </div> <div style="text-align: center; font-size: 2em; font-weight: bold; margin-bottom: 10px;">+</div> <div style="border: 1px solid #003366; padding: 5px; margin-bottom: 10px; text-align: center;"> <p>APOYO CON SUS FINANZAS</p> </div>
<div style="border: 1px solid #003366; padding: 5px; margin-bottom: 10px; text-align: center;"> <p>REALIZING YOUR DREAM</p> </div> <div style="border: 1px solid #003366; padding: 5px;"> <p>To help you:</p> <ul style="list-style-type: none"> * Buy your own home * Start your own business * Save for your child's education * Go back to college </div>	<div style="border: 1px solid #003366; padding: 5px; margin-bottom: 10px; text-align: center;"> <p>REALIZAR SU SUEÑO</p> </div> <div style="border: 1px solid #003366; padding: 5px;"> <p>Para ayudarle a:</p> <ul style="list-style-type: none"> * Comprar su propia casa * Iniciar su propio negocio * Ahorrar para la educación de su hijo * Reingresarse a la escuela </div>

Compass Financial Stability and Savings (FSS) Program/El Programa de Estabilidad Financiera y Ahorros de Compass