

# An Evaluation of the Compass Financial Stability and Savings Program: Early Results from the Process and Outcome Study

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# Outline

- Background of Compass FSS Pilot Evaluation
- Research Questions
- Research Objectives and Goals
- Process Evaluation Findings
- Outcome Evaluation Findings
- Takeaway Lessons

# Compass FSS Program Model

The program Compass has developed for FSS draws on its experience with IDAs, as well as best practices in FSS across the country.

What Standard FSS Delivers	Compass FSS Added Value
* Under-resourced communication and recruitment	* Compass graduates as outreach workers * Financial Workshops as “motivation” screen
* Escrow money to participant with no restrictions and minimal use of interim disbursements	* Escrow money directed toward asset building * Strategic use of interim disbursements
* Limited contact with FSS coordinator focused on referrals to resources	* Required financial education * Ongoing customized financial coaching
* Program at local housing authority	* Program housed in community-based setting and operated by nonprofit partner
* Tracking of outcomes limited to increases in income and amount in escrow account	* Extensive tracking of economic stability outcomes (income, credit, debt, benefits, qualitative measures of well-being, targeted use of savings, etc.)

# Research Questions

The three-year study aims to address the following questions:

- (1) 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?
- (2) Does the Compass FSS program deliver long-term positive outcomes for families that are sustained after program graduation?
- (3) What is the return on investment of the Compass FSS model, given its impact, is it cost-effective?

# Research Objectives and Goals

- To explore what has enabled the program to get started, to understand the process, and document the effectiveness of component parts for implementation.
- To establish and document demographic and economic indicators at baseline and annually.
  - Measure participant progress
  - Serve as a benchmark for Compass FSS program goals

# Process Evaluation Highlights: LHAND Relationship

- Trusting relationship with the local housing authority, and authorization to operate the program based on an agreement for oversight and accountability.
- Shared philosophy of empowering participants to foster self-sufficiency and the housing authority's demonstrated commitment at all levels.
- Compass' demonstrated success in promoting asset-building and LHAND's ability to provide technical assistance and overall flexibility.

# Activities Completed by Compass and LHAND

Activity	Compass	LHAND
<b>Outreach &amp; Recruitment</b>	-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.
<b>Participant Selection &amp; Enrollment</b>	-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.
<b>Participant Monitoring &amp; Program Progress</b>	-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
<b>FSS Escrow Account Management</b>	-Communicates with FSS participants their escrow balance -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
<b>Evaluation &amp; Research</b>	-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 -Provides evaluation support

# Findings: Process Evaluation

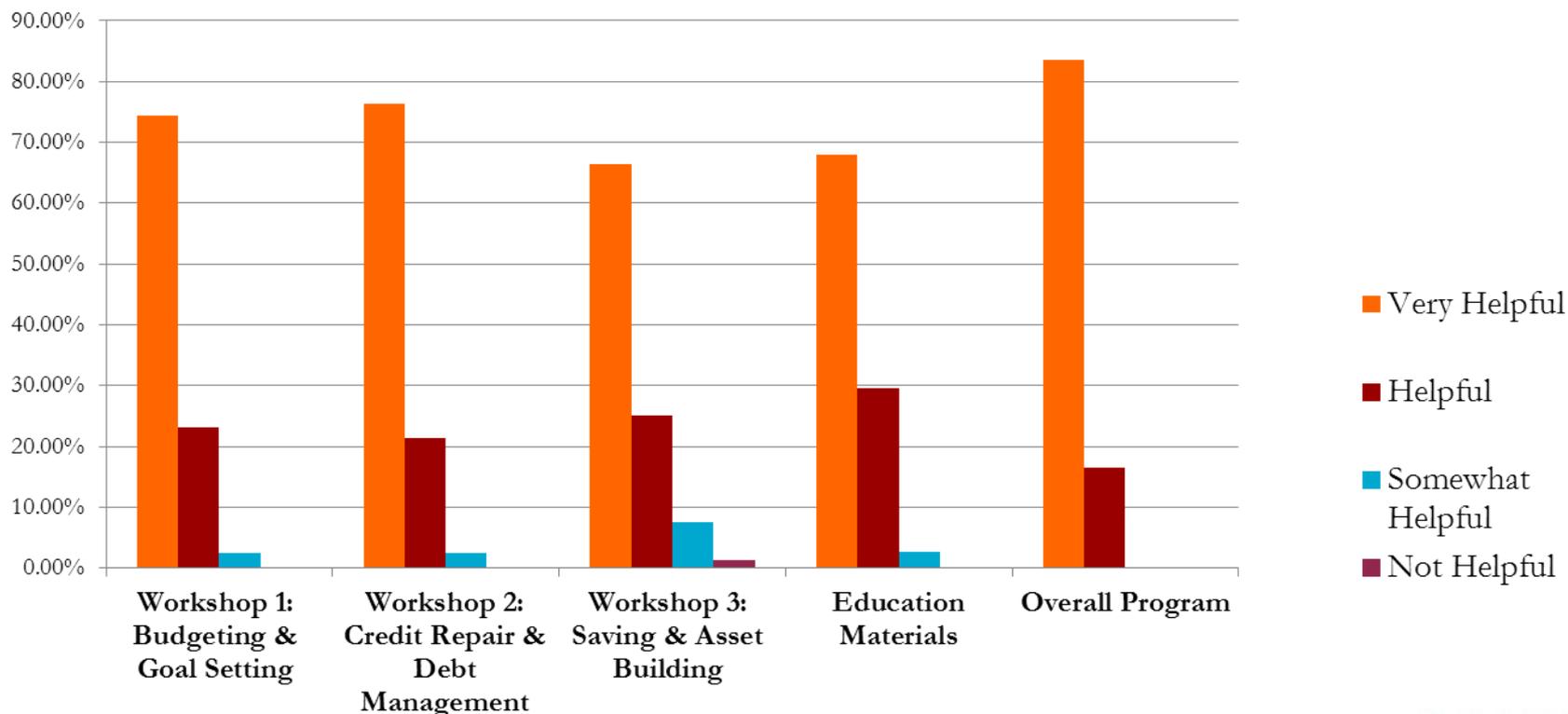
- Through creative marketing and outreach, Compass exceeded its first year target by enrolling 76 new participants in FSS, resulting in a penetration rate of 21% by the second year of potentially eligible Housing Choice Voucher (HCV) holder households in the city of Lynn as compared to a national rate of 5%.

Program Activity	Number/Percent
Targeted outreach to LHAND voucher holders	500
Financial Education cohorts	21
Began Financial Education Workshops	131
Completed Financial Education Workshops	125 (95%)
Enrolled in FSS after completing workshops	107 (86%)
FSS Enrollment Retention Rate to-date	99%
Compass FSS Program Graduates	1
FSS penetration rate of targeted households	21%

# Process Evaluation Highlights: Financial Education

All of the participants in the financial education workshops rated the series overall to be helpful or very helpful and 93% indicated they were extremely likely to recommend it to a friend.

## Participants' Ratings of the Workshop Topics



# Outcome Evaluation Highlights

## Participant Characteristics

- 86% are single-headed families with children with an average household size of three.
- 23% of participants have less than a high school diploma or GED. 31% have attended some college.
- 62% self-identified as Hispanic and 38% as Not Hispanic. Of those who indicated Not Hispanic, 43.6% identify as African-American/Black, 41% as Caucasian/White, 10.3% as Asian and 5.1% indicate Multi-Race as their racial identity.

# Outcome Evaluation Highlights

## Employment and Income at Program Entry

- 88% of all participants, were employed at enrollment with 59% employed full-time.
- Sixty-one percent of Compass FSS participants have annual household incomes less than \$30,000. While participants earn on average \$1,784, their average total income is \$2,172 a month or \$26,060 annually.

# Outcome Evaluation Highlights

## Credit and Debt at Program Entry

- Average credit score was 598. Only 8% had a credit score of 660 at baseline, which Compass considers to be financially healthy.
- Average total debt burden is \$12,337, with credit card debt as most common source of debt at 79%.

## Savings Goals and Escrow Accumulation

- Near the end of year two, escrow funds were deposited for 51% of participants, with average escrow balance of \$1037.47.
- Savings for a house, college for children, and for emergencies were top savings goals.

# Economic Trends at Twelve-Months (as of 6/12)

Among participants reaching 12-months for whom there was data:

- 56% experienced an increase in annual earned income with an average of \$7,282.
- 69% experienced a decrease in public benefits with an average of \$11,304 in the past twelve months.
- 67% increased credit score by an average of 47 points.
- 65% experienced a reduction in debt with an average of \$4968 in the past twelve months.

# Credit and Debt Trends at 6, 12, and 18-months

## Credit Score Trends of Select Participants Reaching 6-month, 12-month or 18-month Enrollment

	In FSS six months				In FSS twelve months				In FSS eighteen months			
	N	Mean at intake	Mean at 6/12	Difference	N	Mean at intake	Mean at 6/12	Difference	N	Mean at intake	Mean at 6/12	Difference
<b>Credit Score</b>	80	594	615	+21	43	588	611	+23	11	563	581	+18

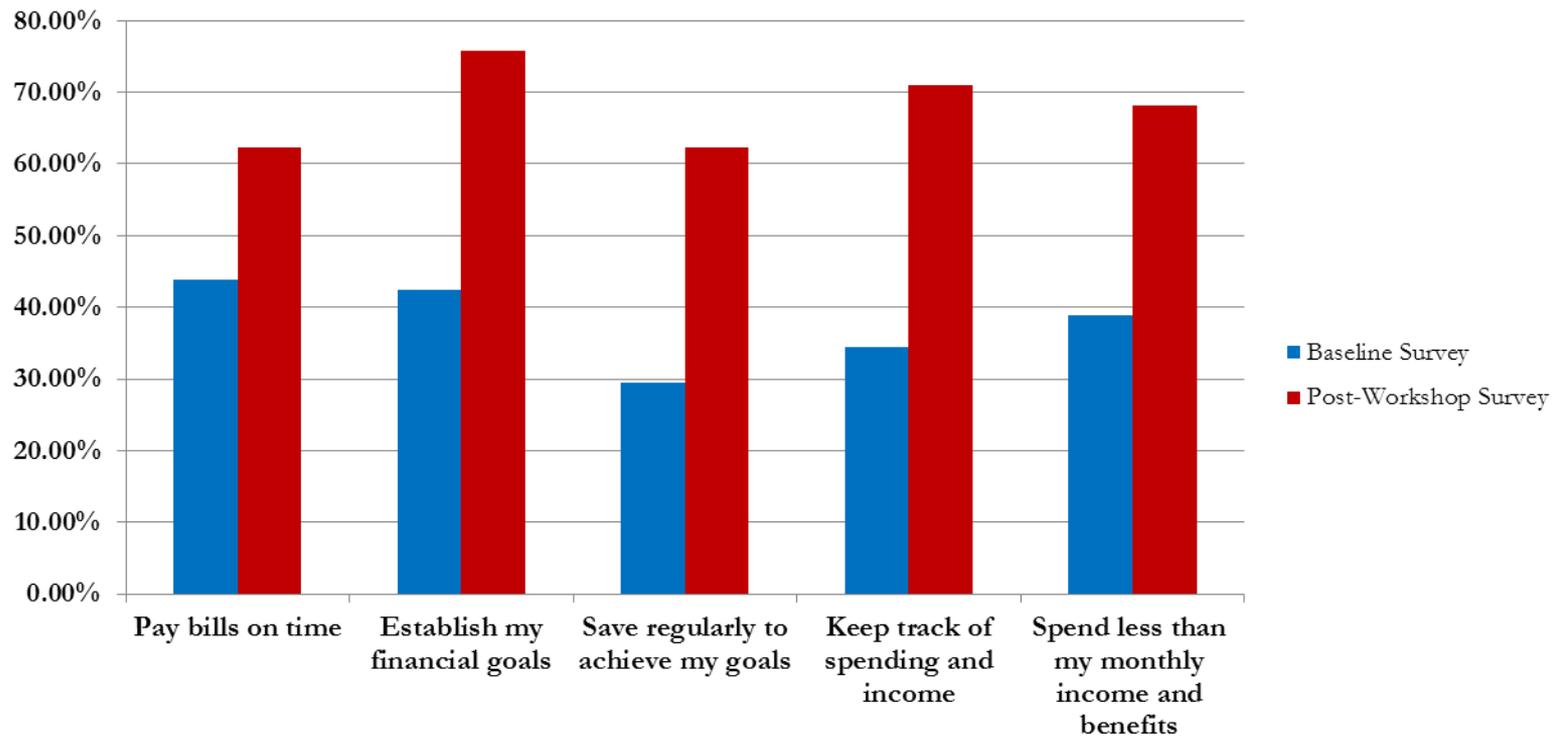
## Debt Reduction Trends of Participants Reaching 6-month, 12-month or 18-month Enrollment

	In FSS six months				In FSS twelve months				In FSS eighteen months			
	N	Mean at intake	Mean at 6/12	Difference	N	Mean at intake	Mean at 6/12	Difference	N	Mean at intake	Mean at 6/12	Difference
<b>Debt</b>	87	\$12,492	\$11,389	-\$652	49	\$13,646	\$11,820	-\$1826	17	\$11,637	\$12,342	+705

# Financial Practices and Confidence

Compass participants scored relatively low on financial practice statements at baseline however, participants experienced a significant increase in confidence related to saving, tracking income, and spending less after completing financial education workshops.

## Percent Confident or Very Confident



# 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 the common obstacle to getting ahead.

However, participants are overwhelmingly optimistic about the future:

- 94% agreed or strongly agreed at baseline to being ready to sacrifice in the present to achieve results in the future.
- 90% of all participants strongly agreed or agreed to being able to support their families without Section 8 (HCV) assistance after financial education workshops.

# Takeaway Lessons

The development of a trusting relationship with LHAND and LHAND's technical assistance and responsive approach to the partnership has resulted in an effective collaboration and a very successful launch of this new approach to the FSS program. Serves as a promising template for replication and model for integrating asset-development with public housing.

- Compass' creative marketing and outreach campaign provides important lessons for increasing program participation rates.
- Financial education and coaching are important program components critical for helping families meet their economic goals especially related to credit and debt.
- Accumulating significant escrow savings provides a rich asset-building opportunity for low-income families that does not require additional financial investment from an agency.

# Thank you!

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# Research Contributions

- Extends research base for FSS
- Longitudinal (tracking of FSS families from enrollment, program completion, 3-years after graduation) to understand longer-term outcomes.
- Tracking of Core Economic Indicators and measures (credit, debt, use of quality financial products, financial practices/confidence) not often applied to FSS programs.
- The addition of financial well-being indicators borrowed from asset development field/IDA evaluation research.

# Opportunities for Improvement

- Lack of Control Group-limited ability to capture added experimental/impact effects.
- Matching analysis of same economic indicators in similar non-FSS HCV population.
- Historical/Longitudinal analysis of LHAND HCV participants over period of time.

# Next Phase of Evaluation

- In-depth qualitative interviews with participants who have reached one-year enrollment to examine progress to economic security, benefits of coaching, and participant perceptions of well-being.
- One-year analysis of well-being survey.