

## **Compass Working Capital's Family Self-Sufficiency Program: Breaking the Cycle of Poverty for Low-Income Families in Subsidized Housing**

In 2014, Womenade Boston funded an organization with a mission to change the life trajectory for low-income families living in subsidized housing, over 90% of which are single mothers with dependent children and earning less than \$22,000. Compass Working Capital had begun working in smaller communities nearby Boston to offer financial coaching and savings programs to those eligible for the Family Self-Sufficiency (FSS) Program, a powerful but little-used provision of Federal public housing regulation. Having seen early results in those communities, Compass sought to test their Compass Family Self-Sufficiency asset-building and financial mobility program in the larger Boston market. Womenade's grant not only meant Compass could launch in Boston and help more families, but their Womenade experience prompted a new awareness about the importance of their program particularly for women.

### **The Challenge**

Anti-poverty programs in the US historically focused on helping low-income participants meet basic needs. But asset limits in public benefit programs inadvertently created a disincentive for families to save or work, contributing to what is known as the "poverty trap." In 1990, the U.S. Department of Housing and Urban Development (HUD) established the FSS program to address this disincentive by allowing participants who earn more to bank increased rent payments in special FSS savings accounts for use later on education, home-ownership or other financial goals. Despite its well-conceived design and success in limited geographies, the program was significantly under-utilized. Thought-leaders believed FSS needed two things in order to advance: a means of cultivating an "asset building" perspective in the program, and expanded public-private partnerships to connect housing authorities with expert financial advisory capacity. In 2010, Compass Working Capital became the first nonprofit organization in the country to launch an asset-building model for the FSS program.

### **The Compass Working Capital Solution**

The Compass FSS model integrates financial coaching and asset-building strategies into the traditional FSS model with the goal of promoting economic mobility and financial security for participating families. Compass recognized that FSS had the potential for great impact, but believed that outcomes would improve if: 1) the program were administered by trained financial coaches rather than housing authority case managers, and 2) savings generated by participants were deployed more strategically to measurable financial security outcomes: increased earnings, savings, improved credit score, and reduction in debt and use of public benefits. Compass brings a singular focus on personal finance for the working poor. They provide financial workshops, financial coaching sessions, and access to savings programs and high quality financial products, all designed to empower their clients to tap into their aspirations, re-think their potential to attain financial mobility, and build a tangible asset base from which to reach their goals.

### **Impact in Boston and Beyond**

With their \$23,500 Womenade Boston grant, Compass was able to pursue a partnership with the Metropolitan Boston House Partnership (MBHP), the largest regional provider of rental housing assistance, and enroll 250 families in Compass FSS. Womenade funds supported extended outreach to recruit eligible families and expansion of their signature integrated program of financial skills workshops, access to savings incentives and high-quality financial products, and coaching from highly trained financial services professionals.

Today, the 76 families Compass FSS enrolled in its first year in Lynn are now graduating from the program and have built savings exceeding \$500,000. And on the foundation of their success in Boston, Compass is going national. In September 2016, Compass announced the official launch of the Compass National FSS Network. They are working with partners in Maine and Mississippi and will serve 1,000 families this year, and their plan is to continue to provide training and technical assistance to mission-aligned partners across the country in pursuit of the opportunity to use the Compass Family Self-Sufficiency model to re-shape the future for millions of families in subsidized housing.

## Womenade Boston Spotlight Award Nomination

At Womenade Boston's 2015 Celebrating Impact event, Compass Working Capital Founder and Executive Director Sherry Riva explained the progress made with their Womenade funding, thanked Womenade for the unique opportunity to meet and present alongside other practitioners, and revealed how Womenade Boston - the first women-focused funder to support their work - had transformed their thinking about their program, enabling them to appreciate for the first time the particular impact they make for women - the single mothers and their families whom they serve. It is gratifying to all Womenade members to have supported Compass' remarkable work.

Hear more from Sherry about her Womenade experience here: <https://www.youtube.com/watch?v=AILRyEwVoUE>