



# **Family Self-Sufficiency Program Outcomes During and After the Great Recession**

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## **Purpose of Study**

- **Evaluate how the Great Recession affected participants in a Family Self-Sufficiency (FSS) Program**
- **Examine affect on (1) earnings growth; (2) savings growth; (3) credit repair; (4) debt reduction; (5) self-sufficiency**
- **Look at participants who entered FSS between 2007-09 (during recession) and 2010-12 (during recovery)**

## **Family Self-Sufficiency (FSS) Program**

- **From income support to asset building**  
(Sherraden, 1991)
- **National Affordable Housing Act, 1990**
  - Allows public housing residents to have earned income
  - Intensive case management and employment training
  - Offers escrow accounts, payouts only upon successful completion
  - Offered to both public housing residents and voucher holders with few restrictions

## **DHA's FSS Program**

### **Participants must be ...**

- DHA resident or
- Housing Choice Voucher subsidy recipient
- DHA can waive certain FSS time limits

### **Penalties for non-compliance**

- Lose escrow account and savings match

### **FSS Benefits:**

- Individual development, planning and services
- Financial assessments, credit reports and credit repair
- Money management counseling and classes
- Rent escrow accounts
- Matched savings accounts (1:1 to \$1500)

# Previous Studies of the Family Self-Sufficiency Program

- Significant gains in employment, earnings and savings of program participants  
(Ficke & Piesse, 2004; Reid and Lubbell, 2005; Nuñez, de Silva et al. , 2011; Verma et al., 2017)
- High attrition rates (Rohe & Kleit, 1999; de Silva et al., 2011)

## Data and Sample

- Administrative data for FSS Program
- Measures of employment, savings, credit, debt, and economic self-sufficiency
- Outcomes measured at time of contract completion or exit from program
- Sample: 2007-2012 cohort of FSS program participants (N=424)
- Split in two groups:
  - Enrolled during Great Recession (2007-2009, N=232)
  - Enrolled during Recovery period (2010-2012, N=192)
- Five-year FSS contract term scheduled to end 2012-2014 or 2015-2017

## Research design

### Propensity score matching using demographics and characteristics at time of FSS enrollment

- Gender, ethnicity, age, educational attainment, marital status, family size, full-time employment, earnings, and DHA housing type
- Why PSM? Concern that different types of participants enrolled at different times
- For each participant who enrolled 2010-2012, select one participant who enrolled 2007-2009

# Research design

- **How to think about results**
  - Comparing outcomes from the 2010-2012 group with those of the control group (2007-2009) created using propensity score matching
  - Causal estimates -- differences in outcomes between the groups are due uniquely to the timing of FSS participation with the recession
  - Otherwise, at least showing whether outcomes in the two groups are very different, controlling for demographic characteristics



## Results: Savings, debt, and escrow

<b>Outcome</b>	<b>2010-2012 group</b>	<b>Estimated difference with 2007-2009 group</b>	<b>SE</b>
<b>Change in personal savings (\$)</b>	156	17	(154)
<b>Change in all-source savings (\$)</b>	174	-898	(810)
<b>Opened a bank account (%)</b>	9.94	5.52	(3.98)
<b>Change in monthly debt (\$)</b>	20	48	(65)
<b>Monthly debt decreased by more than 15% (%)</b>	8.72	-11.41	(4.72)
<b>Amount of FSS escrow paid/forfeited</b>	266	-527	(999)

## Results: Credit and debt

<b>Outcome</b>	<b>2010-2012 group</b>	<b>Estimated difference with 2007-2009 group</b>	<b>SE</b>
<b>Change in credit score</b>	5.28	-22.11	(12.99)
<b>Credit score above 620 (%)</b>	30.20	5.70	(6.45)
<b>Debt decreased by more than 25% (%)</b>	27.62	-12.08	(8.27)
<b>Reduction in # derogatory accounts</b>	-1.96	0.72	(0.80)
<b>Change in derogatory debt (\$)</b>	-1712	1389	(1538)

## Results: Earnings and employment

<b>Outcome</b>	<b>2010-2012 group</b>	<b>Estimated difference with 2007-2009 group</b>	<b>SE</b>
<b>Ever employed for greater than one year since FSS contract start (%)</b>	37.02	-9.94	(7.20)
<b>Gain in earned income since FSS entry (%)</b>	49.72	-9.94	(7.00)
<b>Change in monthly income since FSS entry (\$)</b>	144	-147	(86)
<b>Total income change (\$)</b>	7944	-1903	(1380)
<b>Total additional years of schooling completed since FSS entry</b>	0.24	-0.15	(0.08)

## Results: Self-sufficiency

<b>Outcome</b>	<b>2010-2012 group</b>	<b>Estimated difference from 2007-2009 group</b>	<b>SE</b>
<b>Purchased a home (%)</b>	4.92	-1.10	(2.94)
<b>Moved out of DHA housing (%)</b>	13.26	0.55	(4.44)
<b>Time in FSS (months)</b>	31.37	-11.99	(3.16)

## Conclusions and Caveats

- Both 2007-2009 and 2010-2012 groups gained during the Great Recession – suggests that FSS effective even during economic downturns
- Denver is a “high performing housing authority”: Ease of replication?
- Small sample size, short window

## Appendix Table 1. Covariate balance (1)

	Standardized differences between Pre- and Post Great Recession groups		Variance ratio	
	Raw	Matched	Raw	Matched
Age	0.29	-0.06	1.26	0.84
Non-hispanic ethnicity (%)	-0.07	0.04	1.02	1.00
Single parent (%)	0.12	0.11	1.40	1.36
Female (%)	0.00	0.24	0.99	0.61
Family size	-0.11	-0.05	0.82	0.78
Earned income (\$)	-0.05	0.12	0.88	1.19
Employed full time (%)	-0.01	-0.04	1.00	0.98

## Appendix Table 1. Covariate balance (2)

	Standardized differences between Pre- and Post Great Recession groups		Variance ratio	
	Raw	Matched	Raw	Matched
<b>Highest educational attainment</b>				
Completed high school (%)	-0.14	0.03	0.90	1.03
More than high school (%)	0.07	0.17	1.01	1.10
<b>Type of DHA housing</b>				
DHA dispersed (%)	0.27	0.03	1.31	1.02
Section 8 (%)	-0.02	-0.01	0.98	0.99