

HOUSING AND COMMUNITY DEVELOPMENT (HCD)

Resolution HCD-24-23

FAMILY SELF SUFFICIENCY PROGRAM

WHEREAS, the National Black Caucus of State Legislators (NBCSL) believes that assets such as cash savings and real estate are essential to economic mobility;

WHEREAS, one in four families do not have the assets needed to cover even three months of basic living expenses without income including housing, childcare, food, transportation, healthcare, and technology;

WHEREAS, according to the Center for Budget and Policy Priorities (CBPP) 4 in 10 people with low incomes are homeless or pay over half their income in rent due to limited funding;

WHEREAS, for over 30 years HUD's Family Self Sufficiency Program (FSS) has helped Housing Choice Voucher holders, project-based Section 8 and public housing residents make progress towards economic self-sufficiency;

WHEREAS, FSS helps increase their earnings, build financial capability and assets;

WHEREAS, the Family Self-Sufficiency Program, now in its 33rd year, provides residents of public housing, voucher assistance, and project-based Section 8 with two supports for upward economic mobility: (1) a case manager or coach to facilitate access to services and (2) the financial incentive of an escrow account that automatically grows with their income;

WHEREAS, FSS is unique from many other governmental programs designed to promote work among low-income people: participation is voluntary, goals are primarily client-driven, it encourages pursuit of long-term higher earnings through education and training, and families can build substantial savings at no additional cost to them;

WHEREAS, these features, combined with the residential stability that receipt of federal rental assistance provides, offer participating families greater opportunities to improve their long-term economic well-being.

WHEREAS, households enrolled in FSS capture as savings any non-utilized portion of their housing subsidy if their rent increases because they earn more income, and these savings build over time and can be put toward financial goals such as emergency savings, buying a car, buying a home, going to college, or improving credit;

WHEREAS, to graduate from FSS, participants must make progress toward their goals and be working, and no adults in the household can be receiving cash welfare assistance at the time of graduation;

WHEREAS, households with low income in the U.S benefit from the FSS program because it is designed to enable them to build savings that can be leveraged to achieve other goals;

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WHEREAS, the impacts of FSS are significant in well run programs – graduating households build over \$8,000 in savings while increasing their annual earned income by over \$10,000, on average;

WHEREAS, the FSS program currently reaches less than 1% of 10.2 million people in 5.2 million American households using federal rental assistance, and according to the CBPP, rental assistance supports all types of households, from those in big cities to those in rural areas;

WHEREAS, a stronger FSS program could deliver support to more American families in need;

WHEREAS, providing FSS on an opt-out basis, means that eligible households would participate in FSS by default, with the choice to opt out of the program without penalty;

WHEREAS, it takes inspiration from the success of the approach with increasing participation rates in employer-sponsored retirement plans.

WHEREAS, an opt-out approach removes barriers that keep eligible households from accessing the program and decreases administrative costs, and opt-out can be a more feasible path to scale for FSS; and

WHEREAS, nearly half of all HUD-assisted households are headed by Black and/or Hispanic/Latino women; expanding access to FSS will also help narrow the racial and gender wealth divides.

THEREFORE BE IT RESOLVED, that the National Black Caucus of State Legislators (NBCSL) will work with its partners in government, private sector, and non-profits to promote the use of FSS programs as a method of addressing the Black and Hispanic wealth divide;

BE IT FURTHER RESOLVED, that the NBCSL supports Opt-out provisions for FSS services, promoting a HUD demonstration of the FSS program to study the efficacy of the program documenting the positive long-term effects for its participants;

BE IT FURTHER RESOLVED, that the NBCSL urges federal and state governments to develop programs or pass legislation to support and increase usage of the FSS program; to fully realize its potential, policymakers should encourage housing providers to offer the program to all eligible participants on an opt-out basis, help improve program implementation and build evidence regarding effective strategies in working with families and seek to increase the number of participating families; and

BE IT FINALLY RESOLVED, that a copy of this resolution be transmitted to the President of the United States, the Vice President of the United States, members of the United States House of Representatives and the United States Senate, and other federal and state government officials as appropriate.

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Sponsored by: Rep. Christopher Rabb (PA)

Policy Committee: Housing and Community Development (HCD)