How Affordable Housing Providers Can Boost Residents' Economic Mobility

Four Lessons from the Field

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Affordable housing providers are increasingly focusing on supporting residents to build assets, improve incomes, and get jobs with career ladders that will help them move out of poverty. The lessons presented here are drawn from the experiences of 16 highly regarded providers from the affordable housing and economic mobility fields, highlighting key questions and promising approaches.

We interviewed housing and economic mobility experts and practitioners from across the country. We then examined 16 of the economic mobility programs that experts identified as leaders in the field.

In 2016, the US Partnership on Mobility from Poverty was launched to identify promising models for "dramatically increasing mobility from poverty." Members agreed that mobility from poverty has economic dimensions, but mobility also requires that people have power and autonomy over their lives and are engaged and valued by their community. They scanned the service landscape for programs and ideas that could achieve these goals. The Partnership explored options for improving housing affordability and reducing place-based disparities as a means to increase mobility from poverty. This brief extends those efforts by borrowing the Partnership's definition of mobility and considering how residents could achieve it with support from affordable housing providers.

Affordable housing is essential for stabilizing families and creating a platform for upward mobility, especially when jobs do not pay enough to cover rent and other essentials. Stable housing benefits children academically, socially, and emotionally. Recent evidence shows that housing voucher programs can also open doors for low-income families to live in high-opportunity areas. And yet housing assistance is not an entitlement like food stamps or the earned income tax credit. Only one in five qualified households receives housing assistance (Kingsley 2017), so improving assisted households' economic well-being could mean freeing resources for others in need. Also, African American households face greater challenges in achieving economic mobility, even in high-opportunity communities, than white households (Chetty 2018), so focusing on the quantity and location of affordable housing is not likely to be enough.

Multiple systems need to change fundamentally for low-income families to experience economic mobility as the norm, but this research focuses on how affordable housing providers can support this outcome. Affordable housing providers can offer resident services and property management services (through staff, partners, and contractors) to help low-income residents. Resident services are typically offered on-site and address needs in health, education, employment, and safety. They can engage on an individual level (e.g., case management or coaching) or with groups of residents with similar needs or interests. Although housing providers typically offer core services on-site, they often help residents with unique needs through referrals to specialized programs that offer services elsewhere.

Regardless of how the services are delivered, even the highest-quality programs cannot move the needle on economic mobility without changes across multiple systems that expand opportunities for residents. Affordable housing providers that want to promote economic mobility must continue to offer stable housing and work with others to improve community supports, including health care, high-quality and high-paying jobs, safety, transportation, and internet access.

Within the confines of funding availability, affordable housing providers have many options when it comes to which resident services to provide, and how to provide them. We focus on practices that hold promise for enhancing economic mobility. Some originated in the housing field while others were launched in areas that intersect with housing, so the strategies we discuss do not necessarily have to be offered on-site or by housing providers.

This brief highlights the lessons we learned from interviews with practitioners. Our forthcoming report will offer important evidence from the research literature and profiles of the program models to expand on and contextualize these lessons.

Pay Residents for Training and Work

Many residents of affordable housing stretch their resources to meet basic needs and delay investments in education and training. Paying participants in workforce training programs removes a barrier to participation, reinforces the notion that their time has value, and provides material incentives for consistency and effort. For those who have been out of the labor market, wages can also defray costs associated with reentry, such as clothes for interviews, printing résumés, child care, and transportation. For some, receiving payment can be transformative, as having control over their finances can allow them to make decisions independently and free them from the constraints associated with means-tested assistance programs or creditors. Paid training and work experience programs have the potential to offer access to specialized fields that residents may not otherwise enter, potentially providing sustainable, career-oriented jobs with opportunities for advancement. For example, social enterprises in green construction or hospitality offer paid training opportunities and subsidize entry into fields with career potential.

At the end of the day, when you're looking to access economic mobility and permanent housing, it takes money. And the thing is that money feeds into lots of other goals.
—Judy Parks, Economic Mobility Pathways

Receiving wages for training and experience can, however, present challenges for residents who receive means-tested assistance. They may be reluctant to participate in paid programs for fear of losing other financial assistance if their incomes become too high. This challenge is not new, nor is it unique to this context. Practitioners and researchers are aware of the "cliff effect," in which recipients of means-tested assistance have a disincentive to earn money because they risk losing their benefits, including housing assistance. While several organizations noted the reality of this challenge, none had a proven approach for overcoming it. Some federal programs, like the Jobs-Plus Earned Income Disregard, have experimented with offsetting the benefit cliff by allowing working residents to postpone their rent increases after their income goes up. Together with employment services and community supports for work, income disregards have been shown to increase residents' earned income (Tessler et al. 2017).

Integrate Property Management and Resident Services

Property management staff in traditional affordable housing often focus on lease compliance, which means enforcing rules about unit maintenance and rent payment—and may even include evicting residents. Losing stable, affordable housing through eviction can destabilize low-income families. With an eviction on one's record, most market-rate housing becomes out of reach, frequently forcing families to pay premiums to live in poor-quality units in isolated areas of concentrated poverty. Eviction, in turn, can cause loss of employment and supportive services because of a lack of transportation, making it almost impossible to climb out of poverty (Desmond 2016).

By integrating property management and resident services, housing providers can mitigate some of the risks of lease violation for residents and promote resident-centered decisionmaking. Open lines of communication may allow service providers to identify services or coaching that, if provided early enough, can prevent an eviction. Promising practices include placing both departments under the same supervisor; training property managers in good customer service, trauma-informed services, and what residents can expect from their resident services programs; and providing regular and consistent opportunities for communication between property managers and service providers. With these approaches, service providers become aware of lease compliance issues earlier. Likewise, property managers can identify barriers to economic mobility that might not be visible to service providers, such as signs of mental illness or domestic abuse. Property management staff can be better prepared to interact with residents, using such tools as trauma-informed techniques. And resident services staff can help residents manage their financial resources when increases in earned income trigger increases in rent.

And by combining property management and our resident services…it provides high-quality, person-centered management and services together.
—Lisa Wilcox-Erhardt, Common Bond Communities

Careful approaches to integration can maintain residents' trust in service providers, ensure sensitive information about physical and mental health remains confidential, and ensure actionable information flows to service providers who are positioned to help. Collaboration creates an extra burden for property managers in initial training and increased responsibilities, but practitioners noted that it also reduces tenant turnover through increased lease compliance, indicating increased housing stability and potentially better financial management.

Transitioning to a system that more closely integrates property management and service provision may be a significant challenge to affordable housing providers that separate these functions structurally by outsourcing one of the functions or running one as a for-profit organization and the other as a nonprofit. Likewise, others keep these functions separate to create a firewall between service providers, who are privy to details of residents' personal or financial situations, and their property managers, who are obligated to act on such information when benefit levels and eligibility are assessed during income recertification.

Housing providers acknowledged these challenges and noted that a full integration of property management and resident services may not be possible or desirable in every case. But they emphasized that incorporating property managers into the service provision framework can bolster a sense of a common mission that expands residents' trust and works toward keeping people stably housed and equipped for upward economic mobility.

Individualize Services and Supports to Match Residents' Goals

Tailoring services to residents' self-defined goals can also be important for economic mobility, especially when paired with approaches that leverage residents' individual strengths and resources. This approach stands in contrast to traditional resident services approaches that attempt to address deficiencies. Coaching techniques often empower residents to meet their own economic goals by demonstrating the psychological benefits of increased agency and autonomy and the material benefits of increased income, assets, or employment. Our interviewees noted that this approach also deepens engagement with clients, who feel that service providers better understand their situations and contexts. For one-on-one services, this approach may include directive and nondirective coaching. *Directive coaching* is when the coach sets the agenda and lays out strategies to achieve goals that are predetermined by experts, while *nondirective coaching* allows the individual or group to choose their own agendas with the help of the coach, who then applies techniques to achieve the outcomes residents want.

The mission is to empower residents to live the life they want to live.
—Kevin Lewis, Operation Pathways

Individualized service models come with challenges. Providers must have a broad knowledge base of programs and pathways available to residents. They also need well-aligned partners that affirm and support residents working toward their goals. These personalized services are expensive because of the increased amount of work needed for tailored resident services and because of potential challenges finding and retaining appropriately skilled service providers.

Some respondents noted challenges in retraining staff to use these coaching techniques, especially in public housing. They observed that their service providers were trained to help residents comply with government assistance program requirements, such as seeking work to maintain cash assistance or addressing externally defined deficiencies such as a lack of formal education. Switching to an approach that required them to help residents identify the resources they needed to achieve their personally defined goals required more extensive staff supports and trainings than anticipated.

Resident-defined, strength-oriented goals may also make it harder for service providers to track client progress and outcomes against standardized benchmarks, as is often required by both government and private funders. Although it is still possible to track individual improvements across a range of outcomes, using benchmarks such as the number of residents finding employment or receiving a high school equivalency credential may not fully capture the positive impacts of these approaches. But organizations using this model report increases in standard measures, such as the share of clients employed, as well as "soft" measures, such as client commitment and engagement.

Extend the Time Frame for Services and Supports

Economic mobility is an ongoing process and is not always linear. Workforce training programs have focused on *getting* clients into a job, tracking their success based on the number of participants employed after six months or a year. But *keeping* a job may require different skills and other supports. Job retention supports should be available to coach residents through new challenges on the job.

> *Where you see the improvement is when you stick with people, and they stick with you, and they begin to realize the power of match savings and what it does for people.*
> *—Richard Petersen, Capital Area Asset Builders*

Financial wellness service providers also emphasized the benefits of long-term engagements that allow clients to see positive outcomes. Savings programs that match funds to provide incentives for setting aside even small sums of money over several years can help residents see the benefits of compound interest and help them amass a nest egg or emergency savings that contributes to future agency and autonomy. Likewise, the savings programs can provide small-sum, zero-interest loans; collect payments; and report to credit agencies so clients build positive credit histories. Many housing providers can do this as well, by providing small-scale loans or by reporting on-time rent payments to credit agencies. By working through these processes with residents, service providers can show, not just tell, residents the benefits of good financial practices.

Implementing ongoing services does have challenges. Ongoing services can provide great benefits, but they come at an additional cost. Providers might prioritize housing stability for people in crisis over long-term economic mobility, especially when available funding does not allow for both. Service program completers may engage less, especially if continuing services are provided by different staff who have not had the opportunity to build trust and credibility with program participants. These challenges are partially overcome in long-term housing contexts such as public housing, where support staff work with residents over a longer period.

Resources and Context Matter

Each lesson listed here requires investment, by paying trainees and workers or by hiring and training property managers with a broader skill set. Almost every initiative the national experts recommended operated in opportunity- and resource-rich regions or had ample committed funding through philanthropy or corporations, which contributed to their successes. Housing providers outside these high-opportunity areas have access to the federal dollars that make these services possible, and some providers have begun adopting these approaches. But federal support for resident services, especially in public housing, has been declining, and private funding is not always available to pick up the slack, especially in areas lacking established local philanthropic communities. And however strong the services housing providers offer may be, their ability to move the needle on economic mobility may be limited by a lack of access to jobs that will pay enough for low-income residents to live, to remain in stable housing, and to empower them to leave public benefits behind.

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