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To: House Committee on Early Childcare and Human Services

From: Sybil Hebb, Oregon Law Center

Date: February 8th, 2024

Re: Support HB 4131, IDA for Homeownership

Re: Support for HB 4131

Chair Reynolds, Vice-Chairs Scharf and Nguyen, and members of the Committee,

On behalf of the Oregon Law Center (OLC), thank you for the opportunity to submit testimony in support of HB 4131, to allocate \$10 million to fund the statewide individual development account (IDA) program.

OLC's low-income clients work hard to provide the basic necessities for themselves and their families. As the cost of living has continued to rise in our state, more and more of our clients struggle to pay for essentials like medical care, rent and food. One unexpected expense can trigger cascading and devastating consequences. The State Treasurer's Office recently reported that too many in our state are financially vulnerable: 44.3% of Oregonians report that it is "very difficult" or "somewhat difficult" in a typical month to cover expenses and pay all their bills; almost three in ten say they likely could not come up with \$2,000 if faced with an emergency. And yet, many of our clients are working multiple jobs to support themselves and their families.

Against this backdrop, it can be difficult or impossible to get ahead. This is where the IDA program comes in. Since 1999, the IDA matched-savings program has empowered over 17,000 Oregonians to save for self-defined financial goals – including homeownership, home repair, post-secondary education, small businesses, vehicles, and emergency savings. More than 2,600 people are currently saving through an IDA. The IDA program has a 25-year track record of success in helping lower-income Oregonians achieve household stability.

However, due to lack of funding, the program is now in danger of shrinking to serve fewer people than at any point in the past 12 years. HB 4131 provides an opportunity to help 2,200 savers accomplish their housing security, educational, small business, and other aspirational goals during this biennium. This program has untold benefits for low-income Oregonians and their families for generations to come.

For these reasons, we support HB 4131 and hope the committee will advance the bill. Thank you for your attention and for your service to Oregonians.

Sincerely,

Sybil Hebb