

DevNW

DEVELOPING THRIVING COMMUNITIES

March 8, 2021

House Committee on Human Services
900 Court Street NE
Salem, Oregon 97301

RE: Support for HB 2551

Chair Williams, Vice-Chair Leif, Vice-Chair Ruiz and Members of the Committee:

My name is Karen Saxe and I'm the Director of Financial Wellbeing at DevNW. DevNW is an affordable housing and counseling agency. For over a decade we have been members of the network of agencies that provide Individual Development Accounts (IDAs), education and counseling for families on their path to building assets. Our mission is to serve low and moderate income Oregonians to increase their financial security and build assets. We serve clients across four offices covering six counties: Lane, Linn, Benton, Lincoln, Marion and Clackamas Counties.

We support the request to extend the IDA Initiative Tax Credit and the technical changes to improve the Initiative, as outlined in HB 2551.

IDAs are one of the greatest financial resources we see in helping families obtain and maintain financial stability. When paired with education and counseling through agencies like ours, IDAs make a powerful impact in the lives of our clients. They help us build a comprehensive suite of services for our clients in achieving both short and long-term stability, creating resilient families and communities by building financial health.

This is especially evident during the current pandemic and economic crisis. IDAs create life-long savers who are better prepared to weather the road ahead. DevNW has been in close contact with all of our current savers and we have consistently heard from them that they are committed to their financial goals, that they've learned how to save and prepare for turbulent economic times. Our clients, and those served by the broader IDA network, are our community members hardest hit by the financial hardship spread by COVID-19, they represent Oregonians living on very low incomes, in urban, rural and suburban areas and from communities of color. We know that IDAs are a powerful tool for an equitable recovery throughout Oregon.

devNW.org



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Demand for IDAs both currently and historically has outpaced availability of this resource. At DevNW we face waitlists of two years for many of the communities we serve. The funding cuts currently facing the IDA Initiative will severely impact our clients, pushing their ability to save towards their financial future and build assets further down the road. In addition to the extension of the tax credit as proposed in HB 2551, we encourage your support of \$7 million in General Fund appropriations in the next biennium to ensure that more Oregonians can participate in the IDA program.

We thank you for your work on behalf of low-income Oregonians. We urge your support to extend the IDA Initiative Tax Credit and make the technical changes included in HB 2551.

Sincerely,



Karen Saxe

Director of Financial Wellbeing

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