



# Children First for Oregon

*Speaking Up for Kids Since 1991*

TO: Senate Committee on Finance and Revenue  
FROM: Stacy Michaelson, Children First for Oregon  
DATE: March 11, 2011  
RE: SB 349

Chair Burdick, Members of the Committee:

I am Stacy Michaelson, Policy Associate with Children First for Oregon, and I am here today to speak in favor of SB 349. Children First's mission is to make Oregon a place where all children thrive. One of the most basic elements of a child's foundation in life is a stable family and home environment. SB 349 will help working parents across Oregon meet their children's needs.

Nationally, the Earned Income Tax Credit program is the largest support program for low-income families. In 2009, the federal EITC helped raise 3.3 million children out of poverty. In Oregon there are currently over 166,000 children living in poverty. Expanding the EITC in Oregon would help low-income, working families across our state rise out of poverty to provide these children with a better life.

We know that poverty is correlated with adverse outcomes for kids. Children who grow up in poverty are more likely to have chronic health problems, to experience hunger, to die during childhood, to drop out of high school, and to be poor as adults. In all of these situations, the state is likely to see increased spending in a variety of areas from health care and public safety to education and child welfare.

Children in poverty are at an increased risk of ending up in foster care, with neglect being a factor in one third of child welfare cases. While a neglect situation may in fact be the extreme that comes to mind for many of us, it can also be a situation where a family simply does not have the resources to meet their children's basic needs. I think we can all agree it benefits both families and the state to provide preventative measures on the front end, rather than spending upwards of \$26,000 per year per child on foster care on the back end.

When Oregon first passed a state EITC in 1997, we were among a small group leading the nation; only eight other states had enacted EITC. Today, 24 states have enacted an Earned Income Tax Credit, and Oregon is near the bottom of the pack, with only seven states offering equal or smaller credits. Fourteen states have an EITC that is 10% or more of the federal credit.

I'm here to ask you to increase the EITC for families and for Oregon. We are all looking at the budget this session with an eye toward reduced spending and a focus on prevention services rather than reactionary solutions. Allowing our lowest-income families to bring home more of their actual earnings will ultimately reduce state spending in social services by giving them the resources to rise out of poverty. Please support SB 349; please support Oregon children.

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SUBMITTED BY: Stacy Michaelson