

FamilyForward

Building a family-friendly economy

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**Testimony before the Oregon Senate Finance and Revenue Committee on SB 349
Andrea Paluso, Family Forward Oregon and VOIS Business Alliance
March 11, 2011**

Chair Burdick and members of the committee:

I am the Executive Director for Family Forward Oregon, a nonprofit working to build a economic system that *works* for Oregon's families. We support workplace and public policy changes that promote economic security among families and value the important *work* of raising kids and caring for other family members.

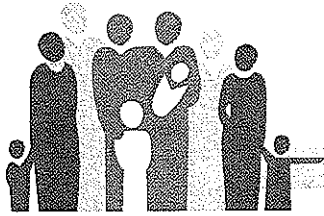
I am also testifying on behalf of the VOIS Business Alliance, as a member of their Policy Team. The VOIS Business Alliance has endorsed the Earned Income Tax Credit because an equitable tax system promotes sustainable economic security for the families of our state and encourages additional investment in our local businesses and economies.

We support SB 349 because too many of Oregon's working families are living in poverty, and we know that Oregon can do better for our families than matching only 6% of the federal earned income tax credit. This is one of the lowest EITC rates in the country and a mark of shame for our state. On top of being one of the lowest state EITC rates, Oregon's working poor pay some of the highest state income taxes in the country. An increase to our EITC would result in a more balanced tax system for our state's most vulnerable workers and would allow valuable state capital to be reinvested in our local economies.

I'm here before you because I know professionally how important an increase to the Earned Income Tax Credit would be for families throughout Oregon. But I'm also here because I understand this personally. When I was a teenager my mother, who was raising my sister and me on her own, claimed the Earned Income Tax Credit for a few years. My mother - who was raised by a single mother and who lived in poverty for the majority of her childhood - had, when she was married to my dad, secured a solidly middle class life for her family. When they divorced we ended up in poverty, as is the case for too many single-parent led families throughout Oregon. We were not in poverty forever, as is also true for many families. Instead our poverty marked an already difficult transition from two parents to one.

During the years she claimed the EITC, my mother - on top of raising two teenage daughters by herself - worked one full-time job, another part-time job on the weekends, and went to college full-time. She worked so hard she literally gave herself stomach ulcers, but she remained determined to show her daughters that her hard work would be our ticket to a better life.

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SUBMITTED BY: Andrea Paluso



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**Testimony before the Oregon Senate Finance and Revenue Committee on SB 1044
Andrea Paluso, Family Forward Oregon
February 12, 2010**

She worked in a job that paid her the equivalent of today's minimum wage in Oregon, and after paying \$600 for our rent she was left with only a few hundred dollars a month with which to pay for our utilities and groceries. Gas, medical co-pays, school books and clothing were luxuries we couldn't afford most months.

It is a testament to my mom that I never knew how close to the margin we actually lived. I didn't question, for example, why my mom walked to work the last week of every month – even in inclement weather. It wasn't until adulthood that I learned she didn't have the money to put gas in the car. To illustrate this further I want to mention that I used to be the one responsible for grocery shopping for our family. I was usually respectful of the budget, but one week – after many weeks of going without my favorite things – decided to buy more than my \$75 budget would allow, even if it meant suffering my mom's wrath. I went home and casually told my mom that I went a little bit over budget and was surprised as I watched my usually stoic mother dissolve into tears. That check bounced.

All my mom's hard work has paid off. She graduated from college and is now comfortably unable to claim the Earned Income Tax Credit. She raised two social workers with Masters degrees who are also comfortably unable to claim the Earned Income Tax Credit. When I asked her about it recently, my mom said that the EITC "gave her an opportunity to exhale for a second". It meant she could buy us new eyeglasses, get new tires for the family car or pay mounting bills.

There are many hardworking Oregon families like mine who are living too close to the margin. Modestly increasing the Earned Income Tax Credit incrementally to 18% of the federal credit won't put Oregon at the top of the state credit list – but it will help families throughout our state to feel like their hard work towards building a better life has not gone unnoticed. I sincerely hope that you will take this opportunity to help them.

Thank you for the opportunity to testify before you today.