



TO: Joint Committee on Tax Credits
FROM: Robin Christian, Children First for Oregon
DATE: May 23, 2013
RE: SB 326 & HB 2477

Co-Chairs Burdick & Barnhart, Members of the Committee:

I am Robin Christian, Executive Director with Children First for Oregon, and I am here today to speak in favor of SB 326 & HB 2477. Children First's mission is to make long-term, systemic change by advocating for programs and policies that keep children healthy and safe, and strengthen families. One of the most basic elements of a child's foundation in life is a stable family and home environment. The Earned Income Tax Credit helps stabilize families by addressing their financial strain.

In Oregon there are currently over 197,000 children living in poverty. 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. Renewing and expanding the Earned Income Tax Credit will help working parents across Oregon meet their children's needs.

Reducing poverty is particularly important for young children. A boost to a poor family's income during early childhood not only tends to improve a child's performance in school, it also confers a lifetime of other benefits. Children lifted out of poverty at an early age tend to pursue more education, work more hours and earn more as adults compared to children who remain in poverty. In 2011, the American Sociological Review published a study that linked families accessing the EITC with improved infant health and well-being, leading to reduced negative outcomes later in life.

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 increase EITC; please support Oregon children.