

ECUMENICAL MINISTRIES *of* OREGON

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May 23, 2013

Joint Committee on Tax Credits

Testimony on Senate Bills 326 and 507 and House Bills 2477 and 2850

Dear Chairs Burdick, Barnhart and Members of the Committee:

My name is Rev. Michael Powell and I am the pastor at Morningside United Methodist Church in Salem. I also serve on the Theological Education and Dialogue Committee for Ecumenical Ministries of Oregon, a statewide association of Christian denominations, congregations, ecumenical organizations and interfaith partners representing all parts of the state. I testify before you today asking for your support of HB 2477/2850 and SB 326/507.

The gospels of Matthew, Mark and Luke are filled with Jesus' declarations that he has come to fulfill the moral requirements of the Hebrew Scriptures to protect the poor, to treat them justly, and to give them an opportunity to meet their basic needs and improve their lives. In addition to identifying the love of God and neighbor, regardless of wealth or status, as the two greatest commandments, Jesus announced that he had come 'to preach the good news to the poor,' and to 'release the oppressed.' Jesus showed special compassion and concern to the poorest and neediest persons of society throughout his ministry. He called for social structures that protect the poor from economic oppression and allow them an opportunity to better their lives.¹

From this scriptural foundation, I urge your support of the extension and expansion of the Earned Income Tax Credit (EITC). The state Earned Income Tax Credit is morally justifiable public policy that positively impacts all Oregonians and helps to lift them out of poverty. This important tax credit helps over a quarter million low to moderate income working families with children from across the state. Residents in every legislative district in Oregon receive the EITC. This program is the single most effective anti-poverty program for working families with children. It opens the door to economic opportunity for families that work by encouraging work and making work pay.

Poverty in Oregon has been on the rise. Many Oregonians live in poverty in spite of the fact that they work. In 2007, prior to the recession, 12.9 percent of Oregonians were living below the poverty line. By 2011, that rate had increased to 17.5 percent. Some 660,000 Oregonians, including about 1 in 4 children, live in poverty. In 2011, over 69 percent of all poor Oregon families with children had a least one parent who worked. Many of the members of our faith communities and the people we serve through our social ministry networks continue to struggle on the economic margins. Too many hard working Oregonians are simply not able to make ends meet. Due to wage stagnation and increases in costs for housing, food, transportation and education, there is not enough money in many of these households to pay all the family operating expenses. The EITC tax credit helps these families meet their basic living needs. The refund is immediately spent in local communities, further supporting local jobs.

The EITC is particularly important for young children. A boost in a poor family's income during early childhood not only tends to improve a child's school performance, it also confers a lifetime of other benefits. Children lifted out of poverty at an early age pursue more education, work more hours, and earn more as adults compared to children who remain in poverty. Because of the state EITC, more earned income is returned to these working

family members allowing them not only to personally benefit, but to support the economy at large thanks to the multiplier effect that these dollars have.

As such, the state EITC must be seen as a very important social benefit that warrants our support, for as the Christian Scriptures remind us, “When one person suffers; all suffer. . .yet if one person is honored, all rejoice together” (paraphrase I Corinthians 12:26). The EITC is morally brilliant in that it allows us to collectively alleviate suffering and join together in improving the lives and futures of our neighbors in need—an honorable and joyful task that is worthy of your support.

Thank you.

Rev. Michael Powell
Morningside United Methodist Church

¹ Susan Pace Hamill, The Least of These: Fair Taxes and the Moral Duty of Christians, (Sweetwater Press, 2003) p. 124.