



Member Organizations

211 Info
AFSCME Local #3135
Alliance for Family & Housing Success
Bienestar
CASA of Oregon
Central City Concern
City of Eugene
City of Gresham
City of Portland
City of Tigard
Clackamas Community Land Trust
Clackamas County
Clackamas Housing Action Network
Coalition for a Livable Future
Community Action Partnership of Oregon
Community Action Team, Inc.
Community Alliance of Tenants
Community Housing Fund
Community Partners for Affordable Housing
Ecumenical Ministries of Oregon
Enterprise Community Partners
Fair Housing Council of Oregon
Habitat for Humanity of Oregon
Hacienda CDC
Housing Advocacy Group of Washington Co.
Housing Development Center
Human Solutions
Impact Northwest
JOIN
Lane County Legal Aid and Advocacy Center
League of Women Voters of Oregon
Lincoln County
Metro
NAYA Family Center
Neighborhood Economic Development Corp.
Neighborhood Partnerships
NeighborWorks Umpqua
Network for Oregon Affordable Housing
Northwest Community Land Trust Coalition
Northwest Housing Alternatives
Northwest Pilot Project
Oregon Action
Oregon Food Bank
Oregon Housing Authorities
Oregon Opportunity Network
Partners for a Hunger-Free Oregon
Portland Community Reinvestment Initiatives, Inc.
Proud Ground
Raphael House of Portland
REACH CDC
Rose CDC
St. Vincent DePaul of Lane County
Shelter Care
Sisters Of The Road
Street Roots
Transition Projects
Washington County
Willamette Neighborhood Housing Services

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Testimony in Support of SB 507

Senate Finance & Revenue Committee

March 1, 2013

Members of the Senate Finance & Revenue Committee
900 Court Street, NE, Room 453
Salem, OR 97301

Dear Chair Burdick, Vice-Chair George, and Members of the Committee:

I am writing to you today in support of SB 507, which will both extend the sunset on the Earned Income Tax Credit, and expand it to 18% of the federal credit.

The Housing Alliance is a coalition of organizations serving all parts of Oregon. We are concerned about the availability of safe, decent and affordable housing for all Oregon residents, particularly residents who have limited incomes. We come together as a coalition because we know the importance of a stable home in affording Oregonians the ability to maximize their potential and build better futures for themselves and their loved ones. Through our coalition, we work with families and community organizations across the state, including non-profit tax preparers, and bring their experiences to share with you today.

The Earned Income Tax Credit, or EITC, is a tax credit which provides pathways out of poverty for working families with low incomes. Today in Oregon, too many hardworking parents don't earn enough to pay rent and put food on the table for their children. Nearly half of renters can't afford a two bedroom apartment at market rate. Families in our community don't have access to opportunity and pathways out of poverty, and too often, one small event such as a health emergency or car repair bill can trigger a series of shortfalls and lead to crisis. The EITC helps pave the way to stable housing, improved school performance, better health, and a way out of poverty.

The modest amount most families receive through the EITC might allow them to pay down debt, put aside funds for emergencies, or pay rent for nearly three months. It might allow them provide their children with an educational opportunity or summer school. Families may also use the EITC to make a needed car repair—helping them ensure they have adequate transportation to keep working. Other families use the refund to access education or training opportunities to secure a promotion at work.

Studies have shown that the EITC can help improve health outcomes for kids and adults; boost kids' school performance and impact future success; and increase housing stability. These small amounts of funds have ripple effects across the family and across generations because they decrease stress related to housing and economic instability.

We urge you to extend and expand the Earned Income Tax Credit, and to continue to open up access to opportunity by helping hardworking families save money and build assets. Thank you for your time and consideration.

Alison McIntosh
On Behalf of the Housing Alliance

Innovative Changes



Making Change Matter

Dear Chair Burdick, Vice-Chair George, and Members of the Committee,

Joanna is a single mother of two earning less than \$22,000 a year. A \$300 car repair bill prevented her from getting her children to daycare and herself to work on time. This quickly resulted in lost wages. When she took out a payday loan to fix the car and pay bills that were late, she was pushed into an unsustainable cycle of debt, creating overwhelming stress. However, since it was tax time, Innovative Changes helped Joanna meet with a volunteer tax preparer at CASH Oregon, get her taxes done for free and her refund electronically deposited to a pre-paid card. Because Joanna received the EITC, within two weeks, she was able to piece together the funding to get back on track and stabilize her situation. This was a big relief to her and her family.

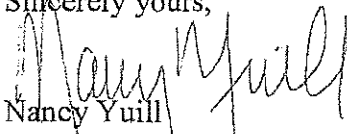
Joanna's situation mirrors the plight of many low income Oregonian's struggling to make ends meet. An extra \$50 to \$300 at tax time through the Earned Income Tax Credit can mean the difference between maintaining employment and residential stability or falling into a downward spiral of debt that causes stress to the whole family and prohibits families from getting ahead.

Innovative Changes is a non-profit Community Development Financial Institution loan fund that helps Oregonians build their financial stability. We provide financial education, one on one coaching, responsible loans as an alternative to payday loans and asset building opportunities such as a credit building program and a matched savings account for higher education. We co-locate with CASH Oregon at their Lloyd Center VITA tax site which does over 4,000 tax returns during the tax season. There is a lot of overlap between our clients and the tax payers served by CASH Oregon. Throughout the past 3 years we have served over 2,150 households-directly and indirectly impacted approximately 6,500 people. The majority of these people qualify for the Earned Income Tax Credit.

For our clients, 93% of whom live at 80% or below are median income and 50% are female head of households, tax time signifies a fresh start. At a time when unemployment in Oregon is 9.4% and 1.4 times higher for people of color, one out of four residents of Oregon live in asset poverty with insufficient net worth to subsist at the federal poverty level for three months in the absence of income, a dependable tax credit like EITC can go a long way. For many, tax refunds are the only source of "windfall" money that they will get during the year which allows them to payoff high cost debt, get out a cycle of pay day lending and put money in an emergency fund or towards an asset that will help them sustainably transition out of poverty. These tax credits provide a hard earned relief during tough times. On behalf of our clients, we urge you to support bill SB 507 to extend the sunset for the state EITC and increase it to be 18% of the Federal EITC.

Thank you for considering our request.

Sincerely yours,



Nancy Yuill
Executive Director