

# Neighborhood Partnerships

Creating opportunity for low-income people

Dear Speaker Kotek and Members of the House of Representatives,

I am writing to ask your **support of HB 2316 a engrossed**. This bill will help Oregonians with low incomes save towards financial goals, will build family financial stability, and will help rebuild Oregon communities.

House Bill 2316 a engrossed removes disincentives to save from the statutes governing the Oregon Individual Development Account (IDA) Initiative. The Initiative builds financial resilience and creates pathways of opportunity for Oregonians with low incomes in every corner of the state. It promises to help rebuild our middle class. When all of our neighbors have the opportunity to prosper and build foundations for economic stability and resiliency, our whole community thrives.

Individual Development Accounts are matched savings accounts. Individuals with low incomes from all over Oregon work in their communities with organizations that offer them both financial education and support to save money to help them reach a financial goal, such as home ownership, higher education, starting a small business, home repair, and technology in support of employment. When individuals have reached their goal, their savings are matched using funds from the Oregon IDA Initiative.

The Initiative was created by the Legislature in 1999. The Legislative Assembly findings at that time are still relevant today. The Legislature found that family economic well-being does not come solely from income, spending or consumption, but instead requires savings, investment and the accumulation of assets. Further, they found that it is appropriate for the state to institute an asset-based antipoverty strategy.

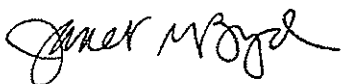
ORS 458.670 sets out goals for the Initiative and defines operating guidelines. ORS 315.271 creates a state tax credit of 75% for contributions to Neighborhood Partnerships on behalf of the Initiative.

The statutory definition of eligible participants in ORS 458.670 creates a barrier for our partners and creates a dis-incentive to save for retirement. Currently individuals with statutorily defined low incomes and less than \$20,000 of net worth excluding a home and one vehicle are eligible to participate in the Oregon IDA Initiative. HB 2316 a engrossed would also exclude up to \$60,000 of pension holdings from that calculation of eligibility.

Income limits will remain in place, and pension income would be considered when calculating income. So this will continue to be a means-tested program, but will no longer have built in disincentives to saving for retirement.

Thank you for your work on behalf of Oregon communities. And thank you for your support of HB 2316 a engrossed.

Sincerely,



Janet Byrd  
Executive Director, Neighborhood Partnerships