

To: Chair Beyer, members of the Senate Committee on Business and Transportation
From: Representative Tobias Read
RE: Testimony in Support of House Bill 2893

I am here today to urge your support for House Bill 2893, which would provide an accessible way for Oregonians to begin saving through Prize-Linked Savings programs.

Everyone knows what it's like to have an emergency.

Your car breaks down and you need new brakes; your child breaks their arm and needs to go to the emergency room; a routine trip to the dentist results in an unexpected surgery that could cost you thousands of dollars. We've all been there, and we all know how important it is to have some money set aside during times like these.

Having a savings, even a modest amount, is important. That's why we must support bills like House Bill 2893 that encourage financial responsibility.

We know that once people begin saving, they keep saving. But we also know that it's hard. Stagnant wages coupled with the rising cost of living makes people feel like they can never start.

Encouraging financial literacy through prize-linked savings programs has been proven to help give people the confidence and education they need to build a savings habit.

In Washington, the Save to Win program has been extremely successful. In one year, over 950 accounts were opened in six credit unions. Of a group of surveyed account holders, over half—61%—said they had not been regular savers prior to opening their Save to Win account. An even higher number, 81%, said they were financially vulnerable in some way.

These same accounts, opened by people who did not regularly save and who were financially vulnerable, showed steady growth over the course of the program.

Helping people save—whether it's for an emergency or just to have some money to fall back on—is an important tool to encouraging financial responsibility and independence. That's why I am urging your support of House Bill 2893.