



Partners *for a*  
Hunger-Free Oregon

*Ending hunger before it begins.*

To: House Committee on Human Services and Housing

From: Matt Newell-Ching, Public Affairs Director, Partners for a Hunger-Free Oregon

Subject: Let's lift more working families out of poverty – **Support HB 4144**

Date: February 3, 2016

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We envision an Oregon that is hunger-free, healthy, and thriving—where everyone has access to affordable, nutritious and culturally-appropriate food.

The Earned Income Tax Credit (EITC) helps make that a vision a reality for many families in Oregon. It is one of the most successful anti-poverty programs in the United States. **Along with the Child Tax Credit, the EITC lifts 129,000 Oregon households out of poverty every year.** It supports work by providing tax credits on a sliding scale based on income and the size of the household.

The long-term benefits of the EITC are well-documented. Kids who are in families that receive EITC perform better on tests, which leads to higher earnings and employment rates when kids become adults. **One study showed that each dollar invested in EITC results in a child's future earnings increasing by more than one dollar.**

For an individual family, the EITC is most often used to help with life's essentials. That means a home repair, a security deposit for a safer apartment, fixing a car that is used to get to work, or classes to help secure a higher-paying job. Moreover, it reduces stress in a household, which is a key social determinant of health for families and kids.

For families that currently receive the EITC, this is good news. The bad news is that **Oregon's EITC participation rate is the lowest in the nation, at 73%.** That means about 106,000 working families in Oregon failed to claim the credit. A conservative estimate puts the loss to Oregon at \$124 million.

**We can fix this. Let's pass HB 4144** to examine why Oregon's participation rate is so low, and to recommend evidence-based strategies to lift more Oregonians out of poverty by connecting more working families to their earned benefits.

Together, we'll create a stronger Oregon.