



Partners for a
Hunger-Free Oregon

Ending hunger before it begins.

To: House Committee on Revenue

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

Subject: Support Working Families with Young Children (HB 4110)

Date: February 4, 2016

A healthy, happy early childhood is the foundation for success in life.

This proposal (HB 4110) emerged due to a wide body of research showing that kids in low-wage working families face a multitude of stresses that have long-term consequences. When working parents are stressed about whether there's enough money in the budget to cover a rent increase, or to repair a car that needs fixing, these cumulative family stresses can have a profound impact on a young child's brain development and long-term health outcomes. This is particularly true for a child's "first 1,000 days" of development.

HB 4110 addresses this by increasing Oregon's match of the federal Earned Income Tax Credit (EITC) for families with children under the age of five:

Oregon's Current EITC match	Families with kids under 2	Families with kids 2-4	Everyone else
Current law	8%	8%	8%
HB 4110	16%	14%	8%

For new parents, this raise is modest, yet significant. **A working family with an infant and a toddler could see up to a \$443 increase in their credit.** That increase can help a family with some of the unique expenses of early childhood: diapers, a car seat, a safe crib, baby clothes, books, or child care payments.

The long-term benefits of the EITC are well-documented. Kids who are in families that receive EITC perform better on tests, leading 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.**

Let's give a brighter future for Oregon's newest generation. **We urge support of HB 4110.**