



Partners *for a*
Hunger-Free Oregon

Ending hunger before it begins.

To: House Committee Revenue

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 15, 2016

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 rewards work by providing tax credits on a sliding scale based on income, and particularly benefits families raising kids.

The long-term benefits of the EITC are well-documented. Kids who are in families that receive EITC show higher test scores, which is linked to higher earnings and employment rates when they become adults. **One study showed that each dollar invested in EITC results in a child's future earnings 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 support and urge passage of 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.