

Testimony in Support of **HB 3314**
by Ken Thrasher on behalf of the
Oregon Business Council Poverty Task Force



Committee Chair and Committee Members,

My name is Kenneth Thrasher, a retired business person and a member of the OBC's Poverty Task Force. The establishment of a statewide Child Savings Account (CSA), the Oregon Bright Futures Plan, is one key program we have identified in our effort to reduce poverty statewide. As we help children and families prepare for a better future we must create a culture of saving in our society. Not just for the benefit of better financial literacy or college access, but also to help manage our lives during difficult times.

Many families are stuck in multi-generational cycles of poverty. The opportunity to save gets lost in life's struggles. Costs of living and housing are rising and access to post-secondary education is getting more expensive. We can create a culture of saving in Oregon through this Bright Futures legislation. Other states have done this effectively, and are seeing the improvement in educational and life outcomes for children and families with these accounts. Studies have shown that children with savings of as little as \$500 are four times more likely to graduate.¹

Having worked with low-income children and families in the spaces of early childhood, mentoring, and college access, I know that CSA's will improve their lives and futures. These accounts start saving early and create a vehicle for philanthropic support. They serve as the foundation of a plan to create better education and employment opportunities, with the bonus of increasing financial literacy. All these benefits help to create a better path for our youth.

CSAs can be integrated into existing efforts. As an example, College Possible teaches high school students financial literacy in its Oregon programs, with the benefit of a mentor to help them all the way through college, enabling these college-bound students to use their Bright Future account wisely. My wife and I provide a scholarship to the student with the highest attendance in College Possible's after school program, which could be directed to their Bright Futures account.

Let me personalize this a bit. I grew up in a low-income home, having lost both natural parents through divorce and spending my youth mostly with my stepmother. She had an eighth grade education and worked in a commercial laundry for low wages. We didn't have much in the way of disposable income, but my stepmom taught me a very important lesson --- how to save. I worked hard as a youth doing yard work, picking berries, and got an after school job starting as a sophomore in high school. My savings jar got full and my stepmom helped me open my first bank account at ten years of age. I loved that little passbook. I loved riding my bike to the bank to make a deposit and examine my interest earnings. I looked at it often and it enabled me to begin my life with an understanding of financial literacy and how to plan for the future. I still have my bank account at that same bank 57 years later. A big thanks goes to my stepmother who taught me financial responsibility.

A majority of jobs now, and even more in the future, require some post-secondary education at a growing cost of access. Half of Oregon's new births are Medicaid related births. These things tell me that an early savings culture for all children is needed more than ever. We cannot afford a future that doesn't emphasize a culture of savings, financial literacy, and planning in Oregon. It's time we enable all children in Oregon with the benefit of a Bright Future. Please support this important legislation to help create a better future for our children and families.

¹ Elliott, W., Song, H-a, and Nam, I. (2013). Small-dollar children's saving accounts and children's college outcomes by income level. *Children and Youth Services Review*, 35 (3), p. 560-571.

Thank you.