

Senate Committee on Workforce

March 16, 2017

Senate Bill 398 Relating to Increased Employee Awareness of the Earned Income Tax Credit

Chair Taylor and members of the Committee,

Neighborhood Partnerships' mission is to create opportunity for Oregonians with low incomes. We believe that communities are stronger and more resilient when more of our neighbors are able to navigate financial bumps in the road and continue on their journey to prosperity. Our work is centered on building systemic, long-term change, thereby maximizing our impact on the lives of people with low incomes. We believe in an Oregon full of financially resilient households where opportunity and prosperity are shared widely and accessible to all.

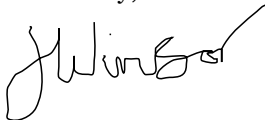
We ask your support for efforts to increase utilization of the earned income tax credit (EITC) to help families achieve financial security and build assets.

The EITC puts money back into the pockets of working families who need it most. It provides a substantial refund that can be used to build assets. Families can save for a rainy day, a car to get to work, or postsecondary education. The EITC makes saving for the future possible for workers with low and moderate incomes. Many recipients use the EITC to pay off debts, another way to allow them to begin building assets. Because it is targeted at families with children, the EITC has intergenerational and lifelong benefits by strengthening economic security for working families.

Despite these many benefits, the EITC is significantly underutilized in Oregon, meaning families and children are missing out on an opportunity to improve their financial well-being. Providing wage earners with notice of the potential availability of the earned income tax credit via their pay stub summary would do a great deal to increase employee awareness of this essential tax credit. This method of providing employees information via a channel with which they are already familiar is a smart and efficient way to increase awareness and can help more families begin building assets by claiming the tax credit that they have earned through their hard work.

Neighborhood Partnerships urges your support of this proposal. Thank you for your consideration of this bill, and for your service to the people of Oregon.

Sincerely,



Jill Winsor

Financial Innovations Director, Neighborhood Partnerships