



DEVELOPING THRIVING COMMUNITIES

June 22, 2020

Joint Committee on the First Special Session of 2020
900 Court Street NE
Salem, Oregon 97301

Co-Chair Courtney, Co-Chair Kotek, Co-Vice Chair Girod, Co-Vice Chair Drazan and
Members of the Committee:

My name is Karen Saxe and I'm the Director of Financial Wellbeing at DevNW. DevNW is an affordable housing and counseling agency. For over a decade we have been members of the network of agencies that provide Individual Development Accounts (IDAs), education and counseling for families on their path to building assets. Our mission is to serve low and moderate income Oregonians to increase their financial security and build assets. We serve clients across four offices covering six counties: Lane, Linn, Benton, Lincoln, Marion and Clackamas Counties.

IDAs are one of the greatest financial resources we see in helping families obtain and maintain financial stability. When paired with education and counseling through agencies like ours, IDAs make a powerful impact in the lives of our clients. They help us build a comprehensive suite of services for our clients in achieving both short and long-term stability, creating resilient families and communities by building financial health.

This is especially evident during the current pandemic and economic crisis. IDAs create life-long savers who are better prepared to weather the road ahead. DevNW has been in close contact with all of our current savers and we have consistently heard from them that they are committed to their financial goals, that they've learned how to save and prepare for turbulent economic times. Our clients, and those served by the broader IDA network, are our community members hardest hit by the financial hardship spread by COVID-19, they represent Oregonians living on very low incomes, in urban, rural and suburban areas and from communities of color.

We are asking for three statutory changes to immediately increase the impact of this financial tool during this time. First, adding emergency saving as an allowable expense. This will promote financial stability and protect existing assets as the economic impact of COVID-19 continues to plague our communities. Second, clarifying language around the repayment of funds taken out for an emergency to make guidelines less punitive.

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This would allow IDA savers to have their dollars saved matched with Initiative dollars to respond to critical financial needs during a period of financial hardship. Making this change could mean that as much as \$11 million of currently available funds could be utilized to stabilize our communities. Both of these changes are included in LC 45 and 84. The third change, allowing for accelerated match timelines, while not currently included, is in immediate demand by savers. During this time, our savers are seeing the immense benefit of building and protecting assets to help them weather what may be a long financial road ahead. As the economic hardships of COVID-19 are felt immediately and over the foreseeable future by our savers, the ability to save and receive match funds quicker would allow for the most vulnerable amongst us to become more financially stable.

In addition to the statutory changes, the IDA Initiative is facing a massive funding shortfall. We look forward to working with the Legislature during the next special session to ensure IDAs are funded and available across Oregon.

We thank you for your work on behalf of Oregonians. We urge your support for the statutory changes to IDAs, helping savers from moving from financial shock to financial resilience.

A handwritten signature in black ink, appearing to read "KSaxe", with a stylized, cursive-like flourish.

Karen Saxe
Director of Financial Wellbeing
DevNW

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