

March 13, 2019

House Committee on Education
Oregon State Legislature
900 Court Street NE
Salem, Oregon 97301

Chair Doherty, Vice Chair Alonso Leon, Vice Chair Helt, and members of the Committee,

My name is Janet Byrd, and I am Executive Director of Neighborhood Partnerships. Neighborhood Partnerships is a statewide non-profit organization that works through policy and program delivery to increase opportunity for Oregonians, particularly Oregonians with low incomes. One of our primary roles is to administer the Oregon Individual Development Account Initiative on behalf of the State of Oregon. Through our work on IDAs, we have learned of the impact of small amounts of money on the trajectory of people's lives, and the power of developing strong savings habits. We know the benefit of feeling in control of your financial future.

I am here today to ask for your yes vote in support of HB 2389, which would move Oregon closer to launching the Oregon Bright Futures Plan, a platform that would create savings in the name of every child born in Oregon. We believe that every child in Oregon deserves to grow up knowing that they have a bright future, and that their community is supporting them as they develop to their full potential.

We also know that today in Oregon, too many children give up too soon, dropping out of high school, or failing to complete post-high school training or education. Oregon cannot afford to lose this wealth of talent and potential. Our communities need the strengths and creativity that our youth hold, and our youth need to develop the knowledge and skills to sustain themselves and their families.

Neighborhood Partnerships first began to work on the idea of a children's savings platform in 2015, when we launched a steering committee composed of community based partners working in education access or financial capability and parents of young children who had low incomes. We also assembled a technical advisory committee of advocates, financial services providers, education advocates, and philanthropic organizations.

In 2016, we conducted focus groups with students and parents, reviewed existing research, and held multiple exploratory conversations with organizations across the country who had existing children's savings plans. After intense exploration and deliberation, we created a set of design principles for the Oregon Bright Futures Plan that we believe will result in a program that will help us achieve equitable educational outcomes in Oregon, help us encourage college going identities across all communities in Oregon, and that will support the development of savings habits and financial capability in future generations. Continued research in this quickly growing field has

confirmed for us that we are on the right track (see <https://prosperitynow.org/resources/quick-guide-csa-research-overview-evidence-childrens-savings-accounts> for a summary of research).

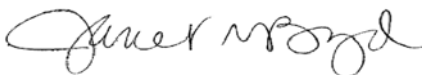
We are excited to be working in partnership with Treasurer Read. We have a vision for a plan that will combine three kinds of investments. A small state contribution, investments from community institutions and philanthropy, and child and family savings. We know, based on research shared by partners around the country, that we can create a high impact program to deliver equitable outcomes using a few key design features.

We know that to achieve the equitable outcomes Oregon needs, that a universal approach, serving all children from birth, is needed. We also think that having educational savings should be the default option. Evidence from other communities is that opt-out enrollment is the only way to reach high percentages of children, and the best way to reach kids whose families aren't already saving.

Our goal is to serve children who may be least likely to have college savings or educational expectations, and to equitably reach communities of color, communities with language barriers, and rural communities. We need to facilitate those savings -- a key finding from our focus groups is that we want to accept deposits in multiple ways, including from families at familiar brick and mortar institutions, in cash or by check. We have spent many hours with our financial institution partners and regulators designing for that possibility.

A Task Force which will engage the Legislature in our work is the logical next step. We have laid a lot of groundwork, and have assembled some great partners. We look forward to working with the Oregon Bright Futures Task Force, and the Legislature in a future session, to make this vision a reality.

Thank you, and I urge your support of HB 2389.



Janet Byrd
Executive Director, Neighborhood Partnerships

For additional research and background on children's savings, see: <https://prosperitynow.org/topics/savings>