

March 12, 2019

Senate Human Resources Committee
Oregon State Legislature
900 Court St
Salem OR 97301

Dear Chair Gelsler and Co-Chair Heard:

As President of The Alliance, I am writing to express our strong support for Senate Bill 790. The Oregon IDA Initiative is critical to assisting lower income Oregonians build pathways of opportunity and create models of economic success through the acquisition of a major life asset.

The Alliance represents 16 of Oregon's regionally accredited, nonprofit private higher education institutions. Together, Alliance colleges and universities enroll nearly 35,000 students, with 28% of undergraduate students receiving Federal Pell Grants and 21% being the first in their family to attend college.

At present, The Alliance and our colleges and universities are guided by two important principles:

- Education is key to social mobility and ending poverty
- Education builds community, preparing adults for lives of meaningful work and citizenship

With these two principles in mind, in 2007, The Alliance formed an innovative partnership with Community and Shelter Assistance Corp. of Oregon (CASA of Oregon) to create an Education Individual Development Account (IDA) program. The program is designed to help income-eligible Oregonians secure the lifetime asset of a college education. In this program, Alliance member college and university students save \$500 and receive a 6:1 match through The Alliance. This turns \$500 of student savings into \$3,500 per year for each participating student.

This Education IDA program is an Alliance resource intended to build its member institutions' communities. Its an ideal example of leveraging private donations and public resources. As the public resources target low-income populations, The Alliance is able to assist, adding to its goal of providing access, opportunity, and choice for low-income Oregonians. This is especially appealing as its target is underserved populations, i.e., students of color, first generation students and non-native English speakers. This advances The Alliance's goal to ensure that all young people have equal opportunity to access the quality and personalized experience offered at private institutions of higher education. This advances our desire to graduate students with the skills to immediately impact the region's workforce needs.

Participation has increased steadily since the program's inception. To date, five hundred (500) students at Alliance member institutions have participated in the Alliance Education IDA program. The aggregate total of participating students' savings to date is \$528,395, and the total matches tendered to the member colleges on these students' behalf is now \$2,807,529. We project that program interest will continue to grow at a similar rate in 2019 and beyond.

The results of an independent 2014 evaluation show that the Alliance Education IDA program is showing notable successes:

- 56% of all participants report earned income that falls below the federal poverty line.
- 63% are first generation college students.
- 91% of participants reported the program influenced their decision to continue attending their college.
- 59% of participants stated they could not have attended college without the program.
- All graduating participants finished their degree in no more than one term beyond four years.
- 100% of the students surveyed would recommend the program to other students.
- 83% of students in the program cited increased personal finance skills as a program benefit. For many, this is the student's first time with a bank account.
- Studies show strong statistical correlation between assets and savings and college entrance. All participants in the program began a habit of savings, setting aside an average of \$54 per month.
- The program lowers financial barriers for undocumented students who are ineligible for many forms of aid.
- 41% said the program influenced their decision to attend their college.
- 50% said the program helped them plan their college courses.

Here is what students have to say about Alliance Education IDA Program:

*"This program (MCSP) has made it possible for me to complete my undergraduate education at Linfield College.
THANK YOU!"*

"I'm really grateful for this program (MCSP). I would not have been able to return to school without it."

"Because of E3, I have more time to focus on my education. The reduced financial burden has allowed me to dabble in theater, ASB, and maintain a 4.0 GPA. Without E3, I would not be able to take advantage of all that college has to offer."

"I am so blessed by E3! The financial assistance enabled me to attend my first-choice college. I could not be here without E3's help!"

"This program (E3) came at a crucial time for me. Entering my senior year, I was facing a lot of stress. One of primary concerns was paying for my last year of college. Thanks to E3, I have a huge burden removed from my shoulders. Now, I will be the first college graduate in my family."

"E3 impacted my education in a significant way. I will go from owing \$18,000 upon graduation to owing between \$6,000 and \$10,000. It is tremendous relief to be able to finish my degree later in life without racking up a lot of debt."

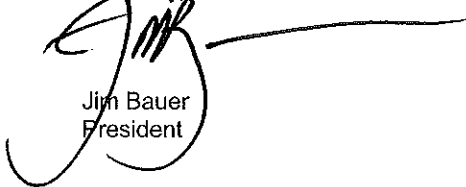
"As I entered my junior year, I was stressed knowing that my out of pocket expense was \$9,000. E3 made it possible for me to save and take that large financial burden off my back."

"Because of E3, I have less stress about paying for my second year at the University of Portland. Before E3, I didn't have any savings and I didn't know how to save. Saving is easier than it ever has been for me."

"I knew I had to find a way to minimize my college debt. When I found the E3 program, it allowed me an alternative to taking out more loans. I am incredibly grateful that I found this program, Without it, I would be incurring much more debt."

We believe that the partnership between The Alliance and CASA of Oregon is an effective outcome-driven program that seeks to build upon human capital and foster successful, long-term goal-setting for low-income individuals. We enthusiastically support this bill and ask the Committee to vote YES on Senate Bill 790. We thank the Committee for their service and look forward to collaborating with stakeholders to help achieve the state's 40-40-20 education attainment goals.

Sincerely,



Jim Bauer
President