



## State Treasurer Tobias Read - Testimony in Support of HB 2387

Chair Nathanson and Members of the House Committee on Revenue:

As Treasurer, I am often asked about the best investments in our future. My response is to point to the timeless sentiment of Ben Franklin, who wisely noted that “an investment in knowledge pays the best interest.”

In Oregon, we are optimistic about the promise of a better future, but we know that we must overcome significant challenges to keep that promise to all Oregonians.

We need to ensure every child in Oregon has the opportunity to graduate from our K-12 schools ready for college, training, or a career pathway. Additionally, we need to help students avoid the crushing debt that now equals \$27,000 per college graduate in Oregon and more than \$1.5 trillion nationally.

I don't have a silver bullet answer, but I do know that more saving beforehand will reduce the debt load later. At the Oregon Treasury, the Oregon College Savings Program has quietly empowered Oregon families to amass more than \$3.3 billion in savings, to defray the costs of post-secondary education.

And here is an amazing statistic: When a child has a College Savings account set up in her name, she is three times more likely to enroll in a job training or college program, and four times more likely to complete it.

When we enroll a young Oregonian in our program, we are able to achieve something of a two-for-one bargain. As a saver and investor, the power of compound interest works in her favor, giving her more financial means to access post-secondary education down the road. It also changes the conversation around the dinner table and has a powerful psychological impact by telling her that we believe in her and she has a future full of possibilities.

She now has the means and a mindset to fulfill that promise of a better future.

Our College Savings Program has worked well for tens of thousands of Oregon families – and we want them to keep saving – but this success is not universal. That's why I am asking for your partnership.

Too many Oregonians have been unable to take advantage of the program under its current structure. These are too often the families who would benefit most from a helpful nudge towards saving for post-secondary education and training. Rural Oregonians. Oregonians from underrepresented communities. People who are working hard to put food on the table, and don't have the ability to save – as much as they might like to. Our account holders disproportionately come from the metro areas and from high-income families.





**OREGON  
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TREASURY**

Tobias Read  
Oregon State Treasurer

Darren Bond  
Deputy State Treasurer

That's why, this session, I am asking the Legislature to work with us to expand the promise of post-secondary education and job training savings to more lower- and middle-income Oregonians, through what we are calling the "Education Savings Credit."

Currently, the Oregon College Savings plans offer an incentive by allowing Oregonians to deduct some contributions from their taxable incomes, if they save. For people with sufficient income, this has worked well.

To make this opportunity work better for every Oregonian, HB 2387 would create a refundable tax credit on a tiered scale. This would provide the most benefit to the people who need it most. It would also be simple for our outreach team to communicate across the state, from Burns to Brookings to Burnside. In short, it will work better, and help more people.

The student debt crisis is massive, and growing. At the same time, post-secondary education and job training are key to a better quality of life. It's been a generation since the Legislature created the Oregon College Savings Plan. It's been a success, and now let's help more Oregon families to share in this success. A universal Education Savings Credit will help energize more widespread saving at a time when the future of so many families – and indeed the entire state – depends on it.

Thank you for your leadership and for your time today. If we can answer any questions, please let us know.

