



June 11, 2019

Testimony on SB 2164  
Joint Committee on Tax Expenditures  
900 Court Street NE  
Salem, Oregon 97301

Chair Nathanson, Chair Hass, and Members of the Committee:

My name is Karen Saxe and I work at NEDCO and Willamette Neighborhood Housing Services two nonprofit community development and counseling agencies that merged as of January 1<sup>st</sup>. 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. The demand for IDAs greatly outpaces available resources and, at NEDCO, clients face up to a 2-year waitlist to enroll.

IDAs are one of the most powerful tools for our clients, the savings habits and knowledge gained through the IDA program changes lives. They are also a widely applicable tool, having the distinct benefit of intersecting many of our lines of business. In 2015, NEDCO opened the Polk Apartments dedicated for youth aging out of foster care. We paired this housing with a comprehensive suite of support services, but it wasn't until 2017 when we piloted IDAs for our residents that I would say we saw the lightbulb click. We adapted the traditional savings goals, paring them down to a more manageable amount based off of what the youth could save, and launched a Youth financial wellness course. As you can imagine, the IDAs were, and continue to be, a big hit. Youth are saving for a vehicle, for their education and even for first, last and deposit for their next housing opportunity. We've had youth working through their first IDA and already planning the opportunities for their second.

We believe in the positive impact of IDAs in stabilizing families and communities, helping create life-long savers who are better prepared to weather the road ahead. IDAs build powerful assets at all different stages in the life of low-income Oregonians. We see the changes firsthand: the folks who start a small business to increase their

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income, the high school kids who start saving for their college and the family that gets the keys to their first home. Your support to include SB 790 in HB 2164 will continue to make this the reality for our neighbors, supporting them as they build assets. At NEDCO and Willamette Neighborhood we are committed to the pursuit of asset building and are witnessing the power IDAs play in creating more resilient families, neighborhoods and communities.

We thank you for all that you've done to support low-income Oregonians and urge your continued support to include SB 790 in HB 2164.

Sincerely,

Karen Saxe  
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