

February 4, 2021
IDA Initiative Testimony

To:
Senate Committee on Housing & Development
Chair Jama, Vice Chair Linthicum, and Member of the Committee,

From:
Judy Strand, Chief Executive Officer, Metropolitan Family Service, Portland, Oregon

I am writing to ask for your help and support to ensure Oregon invests in the vitality of our communities, by supporting the Oregon Individual Development Account (IDA) Initiative's request for funding to support Oregonians in achieving the dream of homeownership, higher education, starting a business, and other goals.

At Metropolitan Family Service we have been able to support over 90 clients in the IDA program save for education, a car, home repair, retirement and rental deposits. Through their participation in the matched savings program we have seen teens be the first in their family attend college, working parents buy a new car and many people open their first retirement accounts. While these may seem like small steps to financial stability we have seen from so many of our clients the lasting impact this program has.

One client who shows this impact is Erica (not client's real name). We started working with Erica when she was a junior in high school. She was living with a foster family and looking for options to become independent when she turned 18. She was immediately interested in the financial education that is part of the IDA program and took part in twice the number of hours of financial education than required. When she enrolled in the IDA program she was working at a fast food location but became interested in having a career in financial services. She worked very hard on building her own credit the moment she turned 18, and soon took an entry level job at a bank, which has led to her now working full time as a junior underwriter in the lending department of a major bank. She leveraged the IDA funds to pay for required classes to attain this goal, along with spending some of the funds on a deposit to rent her own apartment.

IDAs offer matched savings which can support families and communities facing the financial impacts of COVID. IDAs can both help people keep from falling behind, and position people to stabilize and move forward as recovery begins. IDAs are one of the few existing tools we have to

help meet urgent needs and support an equitable recovery from COVID-19 impacts and for many who were affected by wildfires. IDAs are already in place and ready to make a difference in our community.

The IDA Initiative is asking that you support renewal the IDA Initiative Tax Credit for the next six years. In addition, we ask that you support additional funding of \$7 million in General Fund appropriations in the next biennium as more Oregonians seek to participate in this important program.

The IDA Initiative would not be able to accept new savers without your action in 2021. Your support would allow individuals and families from every corner of the state to begin saving for a better future and would help those who are hardest hit by the financial hardships that the spread of COVID has created.

Thank you for your service, and for your attention to this critical request.