

Dear Council,

I strongly oppose HB 4079 regarding \$750 stipends for low income families via luxury sales tax. I sincerely appreciate the financial education aspect of the plan, but I believe the cart is being put before the horse. I want the best for low income families in Oregon and my family does what they can to help them. Over the years of helping those in my life with lower incomes and watching others try to offer their help to such families, I have noticed a few areas of concern.

First, providing stipends to low income families will increase the likelihood of lower income individuals moving to Oregon to specifically receive these benefits. This will undoubtedly change the 5 year projections of the projects costs and will trap the tax payers with additional burdens when the stipend funds become stretched thin. If the stipends need to be rescinded, you will leave many families in a worse position than if you had not got involved in the first place. We have already seen this type of consequence with the decriminalization of illicit drugs in our communities. Those who wish to use the drugs have moved from surrounding states and sometimes across country to take advantage of our laws and have created additional burdens on our welfare system. They have also shown up in the form of RV's and homeless encampments that are ever present in nearly all Oregon communities and in some areas in our forested recreation land, often leaving litter, refuse, and the occasional burning RV.

Secondly, and most importantly, are the ramifications to the individuals receiving these stipends. We have long known much of the direct cash welfare provided in this country has backfired on those vulnerable communities who received it and left their families in worse positions over generations. An individual who has not built the habit of saving and who has poor financial literacy will often get themselves deeper into debt and end up in a worse financial position when they are handed money. The many lottery winners who not only end up broke but in oppressive debt after their windfalls and all the students who are handed \$80,000 in unsecured student loans who then become enslaved to their debts for 30 years, will stand as good examples. A \$750 stipend may cause many families to over extend themselves with car payments, credit cards, and any other high income predatory loan our society hands out like candy. There will be many loan sharks and auto salesman happy to prey upon those with poor credit and an extra \$750.

As stated, I believe the financial literacy portion is a fantastic idea to make Oregon a stronger economy, a healthier community, and raise our fellow citizens upward and out of poverty. Lets bring financial literacy to our schools and communities immediately. I would suggest starting the financial literacy aspect of the program first and maybe it can be tied to existing forms of assistance, then after a several year track record of success, the stipend can be reexamined. I know we all want to do right by our communities, but we have seen too many rushed programs directly hurt those they claimed to help. If a person is handed a tool that has the power to harm them or help them, they should first be trained thoroughly on its use, so they may not hurt themselves or those around them.

Thank you kindly for your time and consideration.

Charles Gibbins
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