



March 2, 2023

Re: Support for IDAs in HB 5511 - Oregon Housing and Community Services Budget

Co-Chair Woods, Co-Chair Gomberg, and members of the committee:

Thank you for the opportunity to submit testimony in strong support of SB 5511 and robust investments for Individual Development Accounts (IDAs) in the Oregon Housing and Community Services budget. My name is Jenny Lee, and I am the Deputy Director at the Coalition of Communities of Color (CCC), an alliance of culturally specific community-based organizations. Our mission includes addressing the socioeconomic disparities experienced by individuals, families, and communities of color; and to engage in collective action for social change to obtain self-determination, wellness, justice, and prosperity.

As a matched savings program, IDAs are a critical tool for advancing economic justice and racial equity. For generations, Black, Indigenous, and people of color (BIPOC) Oregonians have faced significant barriers to financial success, including inequities in education, employment discrimination, redlining and housing discrimination, and the racist structure of credit scores and access to capital. These factors compound and impact the next generation, meaning we need effective tools like IDAs to change this trajectory and expand economic opportunity.

As we work to create more equitable systems, IDAs help close gaps in outcomes for BIPOC Oregonians. IDAs increase access to homeownership, higher education, entrepreneurship, and other pathways toward financial opportunity, and enable individual savers to determine their own goals to lead to financial prosperity. Education around financial systems and coaching are a major component of the program, and this ensures lifelong benefits for IDA savers, as well as intergenerational wealth that has been created as they achieve their own goals and aspirations.

A number of CCC's member organizations provide IDAs, and we have seen the many success stories of those who were able to build the assets and gain the skills they needed to achieve their goals. Education, homeownership, and small business ownership are all common goals among our community members. The IDA program is an outstanding example of how culturally-specific service providers can support BIPOC, immigrant, and refugee community members to achieve success and prosperity. IDAs benefit Oregonians across the state, and also help build financial opportunity for people of color: a total of \$13.8 million in match funds was distributed in the last two years, and nearly half of those funds went to BIPOC participants. However, despite the successful track record and bipartisan support of IDAs, program funding has historically fallen short of meeting the need.

The Coalition of Communities of Color urges a funding level of \$35 million, of which at least \$15 million should be dedicated to the program every biennium. The program's decades of success demonstrate that IDAs are a critical strategy for economic justice for Oregonians of color.