



**To:** House Committee on Early Childhood and Human Services  
**Re:** Support for HB 4131, Oregon Individual Development Accounts

February 7, 2024

Chair Reynolds, Vice-Chair Nguyen, Vice-Chair Scharf, and members of the committee:

Thank you for the opportunity to submit testimony in **strong support of HB 4131** and robust investments for Individual Development Accounts (IDAs). My name is Jenny Lee, and I am the Deputy Director at the Coalition of Communities of Color, 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 25 year track record of success 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 \$10 million in HB 4131. The program's decades of success demonstrate that IDAs are a critical strategy for economic justice for Oregonians of color.