

Re: Individual Development Accounts (IDAs)

Co-Chairs Lieber and Sanchez and Members of the Joint Committee on Ways and Means:

I am writing on behalf of myself, family and community to urge you to “Fix the Funding” for Individual Development Accounts (IDAs). Without your action this year, this life-changing program will shrink by 50% and will enroll fewer than 500 Oregonians per year going forward.

In 1999 the Legislature created IDAs and established a state tax credit to fund them. This matched-savings program provides participants with education and individualized support to reach their financial goals, including homeownership, home repair, higher education, purchasing a vehicle, starting a business, and retirement. The state matches participants’ own savings up to 5-to-1 to make their dreams a reality. Over 19,000 Oregonians have participated in this program over the past 25 years.

A few years ago, I was introduced to the IDA program through my housing counselor at the Portland Housing Center—and I’ll never forget the feeling. I couldn’t believe that such a powerful, life-changing resource existed to support families and communities like mine. As a Somali, Muslim refugee, the idea of saving enough to become a homeowner felt overwhelming, almost impossible—something always just out of reach. But through PHC, that distant dream began to feel like something real, something achievable.

Being accepted into the IDA program was a turning point. For the first time, I had not only the guidance but the financial support to start saving toward my future. The program’s matching funds gave me the boost I needed to take that critical step toward homeownership. Without the IDA program, I honestly don’t know how I could have come up with the savings for closing costs and all the expenses that come with securing a home—the so-called “American Dream” that too often feels inaccessible to people like me.

The IDA program is more than just a financial tool; it’s a lifeline for individuals and families who are working hard, living paycheck to paycheck, on fixed incomes, and still daring to dream of stability and security. It taught me how to budget, how to save intentionally, and most importantly, it gave me hope. It helped me get closer to a goal that once felt so far away: having a home, a place of safety, belonging, and dignity—a place I can finally call my own.

The future of IDAs is at risk, because the tax credit that funds them has not kept pace with inflation. While the credit has been capped at \$7.5M per year since 2009, the cost of everything that IDA participants save for has increased dramatically – especially IDA savers’ two most common goals: homeownership and higher education. Compared with 15 years ago, each saver

needs more funds from the program in order to be successful, yet the total funding has remained stagnant.

There are two funding options available to you in the 2025 session: HB 2735 raises the cap on the existing tax credit, from \$7.5M to \$16.5M, in order to fully fund the program. Or, HB 3809 dedicates revenue from the state lottery to supplement the existing \$7.5M tax credit. Either option would return the IDA program to solid financial footing. Please incorporate one of these options into the 2025-2027 state budget and Fix the Funding for IDAs.

Sincerely,  
Hanna Osman