



The Oregon Individual Development Account (IDA)

IDAs are **matched savings accounts** that improve the financial future of Oregonians with lower incomes. In addition to matched savings, IDAs help build hope and stability by providing information about financial systems and coaching that supports their unique financial goals.

The IDA Initiative is currently funded by the Oregon IDA Tax Credit. Contributors may receive up to a 90% tax credit on their Oregon state returns for contributions made. That means the Initiative earns \$1 for every \$0.90 in tax credits. The IDA Initiative has proven to be a **life-changing experience** for savers to expand their economic outlook, secure their financial stability, and open doors to homeownership, higher education, enterprise, and other opportunities.

IDAs are well-suited to prevent families from falling behind, and to help them move forward as recovery begins.

During this year of financial uncertainty, IDA savers have been able to tap into their savings as a way to stay afloat during the pandemic, or have life-saving funds if they were affected by the 2020 wildfire season in Oregon. Our data shows that IDAs serve Oregonians who will be hardest hit by the financial hardships of COVID-19. Through our network of community based partners in all parts of the state, IDAs reach economically vulnerable Oregonians with extremely low incomes, urban and rural Oregonians, and Oregonians of all races and ethnicities in order to provide the means to fortify families during any crisis and set people up to thrive.

The IDA Initiative urges the passage of HB 2551 in the 2021 session:

- Reauthorize the IDA Initiative Tax Credit, and maintain the current tax credit cap of \$7.5 million/year.
- Several **smaller programmatic changes** to allow IDA providers to deliver a more equitable and positive saving experience for IDA account holders:
 - Increase the allowable maximum matching funds in a 12-month period from \$3,000 to \$6,000;
 - Broaden the purpose of the IDA program to promote “the financial stability and resilience of lower income households;”
 - Broaden allowable assistive technology and IDA account holder can save towards, which would allow the saver to increase their independence;
 - Broaden allowable debts IDA account holders use their savings to pay down; and
 - Clarify language to allow IDA savers to withdraw savings for any financial hardship as determined by the account holder.
- In addition to HB 2551, the IDA Initiative requests an appropriation of **\$7 million** to fund the Initiative through the next biennium.

Oregon Individual Development Account Initiative- www.oregonidainitiative.org
Contact Carlos David Garcia, cgarcia@neighborhoodpartnerships.org, 503-266-3001 x109
and Loren Naldoza, lnaldoza@neighborhoodpartnerships.org, 503-266-3001 x107

HB 2551 is currently sponsored by Representatives Leif, Lively, Neron, Nosse, Owens, Pham, Reynolds, Schouten, Smith, Wilde, Witt, and Zika

HB 2551 is endorsed by the following organizations

Adelante Mujeres
 Aging in the Gorge Alliance
 Bradley Angle
 CASA of Oregon
 Central Oregon Regional Housing Authority
 Coalition of Communities of Color
 The Children's Agenda
 Community Connection of Northeast Oregon, Inc.
 Consejo Hispano
 Credit Builders Alliance
 DevNW
 Families Forward
 Food Roots
 Habitat for Humanity of Oregon
 Hacienda CDC
 Hail Snail
 Hispanic Metropolitan Chamber
 Immigrant and Refugee Community Organization (IRCO)
 Linn-Benton Housing Authority
 Mercy Corps Northwest
 Metropolitan Family Services

Northeast Oregon Economic Development District
 Neighborhood Partnerships
 NeighborImpact
 Northwest Credit Union Association (NWCUA)
 Northwest Housing Alternatives
 Open Door HousingWorks
 Oregon Abuse Advocates and Survivors in Service
 Oregon Alliance of Independent Colleges and Universities
 Oregon Economic Development Association
 Oregon Housing Alliance
 Oregon Realtors Association
 Point West Credit Union
 Project Youth+
 Proud Ground
 Reach CDC
 South Central Oregon Economic Development District
 Stumped Town Dementia
 Umatilla Morrow Head Start
 Umpqua Bank
 Warriors of the Sea



Updated March 3, 2021

FamiliesForward
 Fostering Partnerships, Creating Opportunities

BRADLEY ANGLE