



Date: February 27th, 2023
To: House Committee on Early Childhood and Human Services
From: Crystalyn Black, Policy Analyst for the Urban League of Portland
Re: Support for Food for All Oregon Kids' Credit, HB 3235

Chair Reynolds, Vice-Chairs Nguyen and Scharf, and Members of the Committee,

Thank you for the opportunity to provide testimony in support of House Bill 3235. My name is Crystalyn Black, and I am submitting this testimony on behalf of the Urban League of Portland. The Urban League of Portland is one of Oregon's oldest civil rights and social service organizations, empowering African Americans and others to achieve equality in education, employment, health, economic security, and quality of life across Oregon and SW Washington.

Oregon's economy has experienced steady improvement. Yet Black unemployment remains double that of White Oregonians, and 30 percent of Blacks live in poverty. The income gap between White and Black Oregonians is higher now than it was pre-recession. In the Urban League of Portland's, "State of Black Oregon, 2015" we outline how that in 2014 62% of Black children were living at 200% poverty or below. Alisha Moreland-Capula, MD, then Executive Director, Oregon Health & Science University, Avel Gordly Center for Healing, outlined how children "whose parents live in poverty, or who have experienced severe economic losses, are more likely to have higher rates of depression, anxiety and antisocial behaviors." This, coupled with high rates of mobility, result in learning disabilities, behavioral and/or developmental issues, and lower achievement scores. Oregon's children deserve to grow up economically secure and enjoy a real opportunity to thrive. Oregon can help make this a reality by establishing the Oregon Kids' Credit.

The Oregon Kids' Credit is a \$1,200 refundable tax credit for each child that a low-income or working family claims on their taxes. It would provide financial support to about half a million Oregonians, including more than 200,000 children in our communities. It is targeted explicitly at the Oregonians in greatest need, the low- and middle-income families struggling most to afford rent, childcare, and other basic needs, made worse by rising costs. When Congress expanded the federal Child Tax Credit in 2021, child poverty nationwide dropped faster than at any point in history. While most of the children who benefited were white, the enhanced tax credit disproportionately helped children of color escape poverty. As designed, the Oregon Kids' Credit would disproportionately benefit Black, Indigenous, and Latino children. In other words, a child tax credit not only reduces poverty, but it also pushes back against racial inequality.

When the federal expansion ended, an estimated 190,000 Oregon children lost access to the credit. While Congress should expand its Child Tax Credit, Oregon families cannot wait for congressional action. Analysis by the Oregon Center for Public Policy shows that while the Oregon Kids' Credit would help children in every county and every corner of Oregon, children in rural Oregon stand to benefit disproportionately. Oregon



families receiving the Child Tax Credit spent those dollars on basic needs such as food, clothing, shelter, or utilities. It would similarly help these families afford these fundamental needs. The Oregon Kids' Credit will also have a tremendous impact on local economies throughout the state. The research is clear: low-income families spend far more of the dollars they receive rather than save or invest it. This means the Oregon Kids' Credit will circulate rapidly in our economy, providing continued benefits to small businesses and local communities throughout Oregon. The legislature needs to immediately reduce child poverty by passing HB 3235 and creating the Oregon Kids' Credit.

In closing, over 100 years ago, Frederick Douglass said, "Where justice is denied, where poverty is enforced, where ignorance prevails, and where any one class is made to feel that society is an organized conspiracy to oppress, rob and degrade them, neither persons nor property will be safe." Today this still rings true and applies directly to the health of Black adults, families, and communities in Oregon. Just as the indicators of poverty shift over time, so too must our solutions. Given the rising cost of living and debt, income is no longer poverty's single most accurate measure. Policymakers need to pay closer attention to the effects of multi-generational poverty, high-interest rate loans, credit card debt, poor access to business capital, low wages, part-time employment, and financial systems that are hard to navigate. Children and families across Oregon are struggling with economic insecurity, made worse by rising prices. The most direct way to address this is to give these families more money to afford rent, food, and other basic needs. Creating an Oregon Kids' Credit would be an effective and efficient way to deliver resources to the families in greatest need and slash child poverty. We urge you to pass House Bill 3235 that will ensure that our communities continue to receive the support they need to thrive.

Respectfully,

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