

OREGON

# CREDIT UNIONS

Testimony in Support of HB4131  
House Early Childhood and Human Services  
February 7, 2024

I am submitting this testimony on behalf of Oregon Credit Unions and the GoWest Credit Union Association. We **strongly support HB4131** and the request for funding at \$10 million in the 2024 session.

An Individual Development Account (IDA) is an asset building tool designed to enable Oregon families to save a targeted amount for priorities such as home ownership, post-secondary education, and small business ownership. Oregon credit unions support the program because of its strong connection to financial education and asset building. Oregon credit unions strive to create equitable access for individuals, families, and small businesses so that they may successfully participate and contribute to their local economies. We focus our economic empowerment work on decreasing barriers to workforce housing, advancing small business growth, and supporting community-based solutions to serving members of historically marginalized communities.

- IDAs are administered by a network of 75 community-based organizations in all parts of the state. Since 1999, Over 17,000 Oregonians, in 35 of Oregon's 36 counties, have leveraged the power of their own savings for self-defined goals – including homeownership, education, small businesses, vehicles and emergency savings.
- More than 2,600 people are currently saving through an IDA. To date, \$36 million saved by IDA participants has been matched by \$68 million from the state, allocated from both tax credit proceeds and the general fund.
- Without a general fund investment in 2024 the program will shrink, leaving providers unable to serve approximately 70% of Oregonians who are ready to open an IDA.

Several credit unions in Oregon work with their members to build these assets. Here is just one example:

**Point West Credit Union** - Point West Credit Union fully supports the Oregon IDA Initiative and its ability to help Oregonians access critical funds in support of home ownership, post-secondary education, retirement, and more. As an IDA accepting financial institution, as well as a certified Community Development Financial Institution (CDFI), Point West works with its partners at Neighborhood Partnerships, CASA of Oregon, and other IDA originating organizations to provide needed access and support for clients throughout the IDA asset building journey. To date, the credit union has assisted 50 IDA participants that have saved over \$40,000 in the past three years alone. Point West remains committed to the IDA Initiative and the transformative impact that access to IDAs can have for individuals and families in our community.

As not-for-profit cooperatives, credit unions' commitment to the community is in their everyday DNA. Across the state, credit unions look out for consumers' financial well-being by providing financial education, helping them save for a brighter future, and by making the loans that help them get the keys to their dream homes, open businesses on Main Street, and buy the autos that help get them to work and school.

Respectfully,

**Pam Leavitt**

Sr. Vice President of Regional Grassroots and Political Programs/Legislative Affairs for Oregon

