

# Support for HB 2958

*Earned Income Tax Credit*

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Chair Nathanson, Vice-Chairs Reschke and Walters, and Members of the Committee,

My name is Robin Roemer, Vice President of Legislation for Oregon PTA, and on behalf of Oregon PTA, I respectfully submit this testimony in support of House Bill 2958 to renew and strengthen Oregon's Earned Income Tax Credit.

The Earned Income Tax Credit (EITC) is the largest anti-poverty program in the Oregon tax code, helping about 250,000 working families struggling to make ends meet every year. Together with its federal counterpart, Oregon's EITC helps lift tens of thousands of Oregonians out of poverty. The EITC does this by putting dollars in the pockets of families working for low wages. Without legislative action this session, Oregon's EITC will sunset. HB 2958 not only renews Oregon's EITC but, importantly, makes much-needed improvements to strengthen it.

Reducing poverty in our state is not just morally right, additional income, such as the EITC, has also been linked to better educational outcomes for students:

- Poverty is one of the “most widely recognized risk factors for school readiness”, according to the American Academy of Pediatrics.<sup>1</sup>
- “Research continues to link lower SES [socio-economic status] to lower academic achievement and slower rates of academic progress as compared with higher SES communities”, the American Psychological Association agrees.<sup>2</sup>

The national Center on Budget and Policy Priorities notes<sup>3</sup>:

- Students living in households with additional income from the EITC had significantly larger combined math and reading test scores, according to a study of nearly two decades' worth of data on mothers and children.<sup>4</sup>

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<sup>1</sup> <https://publications.aap.org/pediatrics/article/144/2/e20191766/38558/School-Readiness>

<sup>2</sup> <https://www.apa.org/pi/ses/resources/publications/education>

<sup>3</sup>

[https://www.cbpp.org/research/federal-tax/income-support-associated-with-improved-health-outcomes-for-children-many#\\_ftn20](https://www.cbpp.org/research/federal-tax/income-support-associated-with-improved-health-outcomes-for-children-many#_ftn20)

<sup>4</sup> <http://www.aeaweb.org/articles.php?doi=10.1257/aer.102.5.1927>

- Another study, examining a series of federal and state EITC expansions, found that in years and states when lawmakers increased the EITC, children’s test scores rose – particularly in math – in both elementary and middle school.<sup>5</sup>
- A study that matched tax records with school performance for 2.5 million students in grades 3 to 8 reported an association between income from the EITC and Child Tax Credit and higher reading and math scores.<sup>6</sup>
- The EITC may play a particularly important role in helping children of color improve their math achievement and complete high school, some studies suggest.<sup>7</sup>

Many working families across Oregon struggle 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. Strengthening Oregon’s Earned Income Tax Credit would be an effective and efficient way to deliver resources to families struggling to make ends meet.

Please support Oregon’s families and advance HB 2958.

Thank you,  
Robin Roemer  
VP for Legislation Oregon PTA

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<sup>5</sup>

<http://ippsr.msu.edu/research/effects-earned-income-tax-credit-child-achievement-and-long-term-education-attainment>

<sup>6</sup> <http://www.irs.gov/pub/irs-soi/11rpchettyfriedmanrockoff.pdf>

<sup>7</sup> <https://ssrn.com/abstract=2356444>