

Submitter: Denise Tupper

On Behalf Of:

Committee: House Committee On Housing and Homelessness

Measure, Appointment or Topic: HB2735

Re: Support For HB 2735 -1

Chair Marsh, Vice-Chairs Anderson and Breese-Iverson, and Members of the Committee

I work for Micro Enterprise Services of Oregon (MESO) as an IDA program staff member and I urge you to support HB 2735, with the -1 amendment. Please "Fix the Funding" for IDAs!

At MESO, we have witnessed firsthand how Individual Development Accounts (IDAs) are a lifeline for the communities we serve. For many small business owners, an IDA is their first opportunity to secure funding beyond their personal contributions—bridging a critical gap in financial access.

One of our IDA graduates shared: "The matched savings is a huge boost that I otherwise wouldn't have had, and it allowed me to save much more money than I would normally be able to in a year."

This sentiment underscores the transformative impact of IDAs. These accounts not only provide financial resources but also equip entrepreneurs with the tools they need to succeed. IDAs empower entrepreneurs to turn ideas into thriving businesses, fostering economic vitality in underserved communities. We urge members of the committee to recognize the indispensable role of IDAs in driving small business success and economic resilience.

In 1999 the Legislature created Individual Development Accounts (IDAs). 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 life-changing program over the past 25 years.

However, the state tax credit that funds IDAs 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 precipitously. Each saver needs more funds from the program in order to be successful, yet the total funding has remained stagnant. If the Legislature does not act this year, the program will shrink by 50% and

will only enroll fewer than 500 people each year going forward.

By passing HB 2735 -1, the Legislature can “Fix the Funding” and return the IDA program to solid financial footing. I urge you to pass this bill.

Sincerely,

Denise Tupper
IDA Manager
Micro Enterprise Services of Oregon