

Re: Support for Individual Development Accounts in SB 120 -1

Dear Co-Chair Nathanson, Co-Chair Meek, and Members of the Joint Committee on Tax Expenditures:

On behalf of myself and the community of eastern Oregon, please raise the cap on the tax credit that funds Individual Development Accounts (IDAs) to at least \$14M, through SB 120 -1.

The Legislature created Individual Development Accounts in 1999. 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 – spanning every House and Senate district in the state.

In 2017, I moved back to eastern Oregon with the pipe-dream of launching my career as a pilot-in-training, with less than \$1,000 to my name. One day, mentor reached out to me with an unbelievable opportunity to help raise the extraordinary funds necessary to turn my dreams into a reality. Now, thanks to the IDA program and the many people associated with it, (you especially Erin, thank you), I am finally out of poverty for the first time in my 39 living years. And I am now out of student loan debt, where I own a business generating over \$100,000 a year- a proud tax paying citizen and contributing member of society. With my head now

held high, I am just but one example of how a program such as this can truly alter lives. Below is more information for you to consider, and thank you for your support in this wonderful program.

The 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 dramatically. Each saver needs more funds from the program in order to be successful, yet tax credit revenue has remained stagnant, prompting the Legislature to provide supplemental investments from the general fund in each of the past three budget cycles. An updated \$14M tax credit cap will allow the IDA program to enroll 1,750 new participants each biennium going forward

– close to the program’s established service level of 2,000 new savers per biennium. (If the Legislature takes *no* action on IDA funding this year, the program will shrink much further, to enroll only 1,000 people per biennium.)

By raising the IDA tax credit cap to at least \$14M through SB 120, the Legislature can return the IDA program to solid financial footing. I urge you to include IDAs in this bill.

Sincerely,
Dustin Rose
La Grande, Oregon