



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, Jamila Harris, and my community 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 2019, I began my IDA journey with what was then Dev NW. My goal was to return to school to improve my career prospects while taking on as little debt as possible. The IDA program was a lifesaver. Thanks to this generous opportunity and the amazing advisors who supported me, I was able to complete a degree that has since led me to a new and higher-paying career path. It opened doors that had previously been closed to me — and I'm proud to say that, with the help of an IDA, I completed my education without taking on any student debt. Other students, as well as individuals striving for important goals like homeownership or financial stability, deserve the same chance to realize their dreams. You can help ensure that happens!

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,
Jamila Harris