

CREDIT UNIONS

Testimony in Support of SB120, IDA Program Funding
Joint Committee on Tax Expenditures
June 10, 2025

I am submitting this testimony on behalf of Oregon Credit Unions and the GoWest Credit Union Association in support of SB120, specifically the section to increase the annual credit cap of the Individual Development Account program by \$6.5 million, from \$7.5 million to \$14 million.

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. Some benefits of IDA's:

1. **Financial Education:** Along with matching savings, IDA programs typically offer financial literacy training, which provides participants with the knowledge they need to manage their finances effectively, avoid predatory lending, and build credit. Financial education has long-lasting effects on how individuals approach saving and spending.
2. **Wealth Building:** Asset-building strategies like IDAs are one of the most effective ways to move families out of poverty and toward economic security. By enabling participants to save for major investments, IDAs create pathways to wealth accumulation, including homeownership and business ownership, which are critical tools for long-term financial stability.

Several credit unions in Oregon work with their members to build these assets. This match, combined with financial education, not only increases financial assets but also improves financial behaviors and credit scores, and gives people a sense of empowerment and control over their financial futures.

From OnPoint Community Credit Union

OnPoint partners with the Portland Housing Center (PHC) and the Immigrant and Refugee Community Organization (IRCO) and currently supports 423 Savers who have collectively saved over \$320,000 toward their goals. The IDA Initiative has proven its success: in the year following program completion, 92% of homebuyers made timely mortgage payments, and 72% of vehicle purchasers were able to increase their earnings with reliable transportation. IDA participants, their families,

and their communities benefit from the stability that intentional asset-building and financial education provide.

Background on Oregon Credit Unions

2.3 million Oregonians – 55% of the population – trust credit unions as their financial partners. Credit unions' not-for-profit, member-owned, cooperative structure inherently holds them accountable to the people and communities they serve. 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 to save for a brighter future, and by making the loans that help them get the keys to their dream homes, open businesses on MainStreet, and buy the autos that help them get to work and school.

Respectfully,

Pam Leavitt

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