



The Oregon Individual Development Account (IDA)

IDAs are **matched savings accounts** that improve the financial future of Oregonians with lower incomes. In addition to matched savings, IDAs help build hope and stability by providing information about financial systems and coaching that supports their unique financial goals.

The IDA Initiative is currently funded by the Oregon IDA Tax Credit. Contributors may receive up to a 90% tax credit on their Oregon state returns for contributions made. That means the Initiative earns \$1 for every \$0.90 in tax credits. The IDA Initiative has proven to be a **life-changing experience** for savers to expand their economic outlook, secure their financial stability, and open doors to homeownership, higher education, enterprise, and other opportunities.

IDAs are well-suited to prevent families from falling behind, and to help them move forward as recovery begins.

During this year of financial uncertainty, IDA savers have been able to tap into their savings as a way to stay afloat during the pandemic, or have life-saving funds if they were affected by the 2020 wildfire season in Oregon. Our data shows that IDAs serve Oregonians who will be hardest hit by the financial hardships of COVID-19. Through our network of community based partners in all parts of the state, IDAs reach economically vulnerable Oregonians with extremely low incomes, urban and rural Oregonians, and Oregonians of all races and ethnicities in order to provide the means to fortify families during any crisis and set people up to thrive.

The IDA Initiative urges the passage of HB 2551 in the 2021 session:

- Reauthorize the IDA Initiative Tax Credit, and maintain the current tax credit cap of \$7.5 million/year.
- Several **smaller programmatic changes** to allow IDA providers to deliver a more equitable and positive saving experience for IDA account holders:
 - Increase the allowable maximum matching funds in a 12-month period from \$3,000 to \$6,000;
 - Broaden the purpose of the IDA program to promote “the financial stability and resilience of lower income households;”
 - Broaden allowable assistive technology and IDA account holder can save towards, which would allow the saver to increase their independence;
 - Broaden allowable debts IDA account holders use their savings to pay down; and
 - Clarify language to allow IDA savers to withdraw savings for any financial hardship as determined by the account holder.
- In addition to HB 2551, the IDA Initiative requests an appropriation of **\$7 million** to fund the Initiative through the next biennium.

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