

Individual development accounts can restore opportunity

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BY NANCY YUILL
CONTRIBUTING COLUMNIST

The federal budget President Barack Obama unveiled this week is intended to help working families feel some economic security. His spending priorities aim to address our massive income and wealth gaps as he asserts that all Americans should both share in and contribute to America's success.

This call to arms for the middle class should lead each of us to ask: How satisfied am I with the financial security of my fellow Oregonians?

In new data released last week by the Corporation for Enterprise Development (CFED), Oregon ranks at or near the bottom among all states on several key measures of household financial security, including homeownership rate (45th), high school graduation rate (49th), underemployment (48th), and renters being housing-cost burdened (45th).

Every day I get to work with hard-working people who are trying to make ends meet. They work at low wage jobs, have to spend too much of their wages on rent and lack any kind of basic financial safety net to weather emergencies. The CFED scorecard reports that over 36 percent of Oregonians are liquid asset poor. That means they do not have enough liquid savings to cover basic expenses for three months if they experience a sudden job loss, a medical emergency or another financial crisis

leading to a loss of stable income. This lack of financial "slack" forces people to choose between eating or paying rent. Many turn to predatory lenders to make ends meet.

These harsh realities amplify our responsibility to support innovative and effective policies and programs that give our fellow Oregonians a fair shot at building their financial health and resilience. We will only do well as a state when hard working Oregonians have a chance to get ahead.

These days economic mobility is most often based on completing some form of post-secondary education, but being able to afford a college degree is out of reach for many people. Students who do enroll are forced to rack up mind-numbing amounts of debt. High school students lose hope of ever going to college and drop out in despair. Other avenues to get ahead, such as owning a home or starting a business, become further out of reach in our lopsided economy that only benefits the wealthy few.

What if there were a program in Oregon proven to get participants on the path of joining the middle class, as homeowners, business owners and college graduates? And what if independent evaluations of that program show that the participants more than double their financial resilience and their satisfaction with their financial status in just three short years? What if that program also demonstrated overwhelmingly that its participants now follow a budget and regularly save? These are the cornerstones

of building Oregon's middle class, and the Oregon Individual Development Account Initiative does all that.

Individual development accounts, or IDAs, are matched savings accounts that build the financial capabilities of Oregonians with lower incomes while they save toward a defined goal. The IDA initiative has served thousands of savers across Oregon who have then invested more than \$9.6 million in the purchase of a lifelong asset such as a home, a business or a college degree.

In Oregon, the IDA Initiative is funded through a unique state tax credit. Individuals and businesses make donations to the Oregon IDA Initiative through Neighborhood Partnerships. Those contributions are eligible for a 75 percent Oregon tax credit. Donations are then used all across Oregon to help IDA participants.

We can be proud that Oregon is a leader in our nation in its support of the IDA initiative. This crucial program is essential to rebuilding Oregon's middle class. Right now, the Oregon IDA Initiative has the biggest waiting list in its history. Action is needed from the Oregon Legislature as the IDA 75 percent tax credit sunset date is quickly approaching. The Legislature should renew, extend and increase this crucial program that can provide low- and moderate-income families with the tools to build wealth, achieve economic security and contribute to Oregon's success.

Nothing Left to Hoard

by Ron Sanford

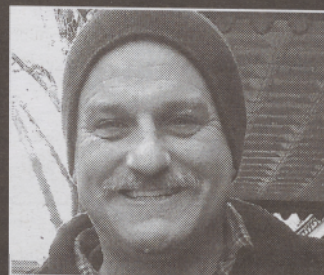
One small act of kindness can trigger a change
But the peace movement was unsustainable
To me, it's a new generation,
Out with the old
Put anger and fear in the garbage
Treat them like some filthy rags
Snap out of your depression and see the light!
Always growing and eager to learn
Your actions are based on wisdom
You've seen the negative trends — just ignore them
Yes, the message is still the same
Concentrate on the good things
Fight the good fight and die with your boots on
A farewell to all of the vultures
Their teeth were as sharp as knives
But they too will pass away
As they will trade their birthrights
And no one will see their graves...
There's nothing foul, leftover to see
No! You can't take it with you!
Alas!
There's nothing left to hoard for you
Goodbye!



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