

## HOW OREGON IDA TAX CREDITS CAN HELP BUILD SOMEONE'S FUTURE

Since 2013, Clatsop Community College has participated in the Oregon IDA Initiative. **IDAs (Individual Development Accounts)** were developed nationally in the 1990s to assist low-income people, most of whom had little experience with banks or knowledge about how to build wealth. IDAs can help folks pay for education, begin or improve a small business, save for a down payment on a house, or help the disabled purchase assistive technology, as well as several other approved asset purchases.

**Clatsop Community College is only one of two community colleges** in Oregon that offers the education option to low-income students. Our program is called the MCSP (Matched College Savings Program). Students are screened for income eligibility and then enrolled for up to three years. Each month they save between \$25-45. Each dollar they save is matched 5-1 to pay for tuition, fees and books. ***If students save the maximum amount allowed over the course of 36 months- \$1600, which is then matched with \$8000, the total package comes to \$9600!*** Match dollars go directly to the college.

How are these match dollars are obtained? The answer - through **tax credits**.

**Tax credits** have been a great success in Oregon, supported by both parties in the legislature. In fact, Oregon has had one of the strongest IDA programs in the nation. The Oregon Legislature allows a 90% income tax credit for IDA contributions. The remaining 10% can be deducted on the Federal Income Tax Return.

The IDA has been a lifeline to many students, allowing them to plan and stabilize their path through degree completion. **Each student must take a financial literacy class and perform career and college research before they collect on the match dollars**. Students never lose their personal savings if they have to leave the program early. Most students use the save and spend method- saving each month, and then withdrawing funds at the beginning of each term.

You can help and receive an immediate 90% Oregon income tax credit back for what you contribute. **This is a win-win all around**. You'll find all the details on the Oregon IDA Initiative website at <https://oregonidainitiative.org/donateida/> or you can call Monica Flechtner at 503-226-3001, extension 102 for more information. Or consult with your tax professional for advice. You can donate by check, credit card, or by transferring stock between now and December 31<sup>st</sup>, and 90% of what you donate will apply directly to your tax owed for the year.

**The IDA has helped many low-income Clatsop County residents to finish their educations.**

Traditionally, CCC has received 10 slots, but due to a lack of funding for 2020-2021, only 2 slots were allotted this year. For more information regarding the CCC IDA [MCSP], and its role in helping students manage the costs of their educations, please contact Eileen Purcell ([epurcell@clatsopcc.edu](mailto:epurcell@clatsopcc.edu)) or call 503-338-2557.