

Treasurer's Note

January 8, 2024

Illinois First Steps Program Provides Seed Money for a Child's Education

Babies have been on my mind a lot lately. We've been greeted by images of Baby New Year. News stations have run stories on the first baby born this year. And most nights between 2 and 4 a.m., a pair of babies wake us up. After my wife and I feed the twins and get them back down, I often lie in bed thinking about what we can do to make life easier for people.

All those babies on the brain reminded me of our [Illinois First Steps](#) program. Last year, we launched First Steps to help families get started on their education savings journey. The program provides \$50 deposits into college savings accounts opened by Illinois residents with a baby born or adopted in 2023 or afterward.

This is money that can be used for a university, community college, trade school, vocational program, or an apprenticeship. Saving is important because securing a good-paying job that can support a family often requires some form of education or training after high school. The average college graduate is 24% more likely to be employed and on average earns \$32,000 a year more than those who have only completed their high school degree.

While the Illinois First Steps seed money isn't enough to pay for a child's education, I believe it will be impactful for two reasons:

1. Inertia is one of the most powerful forces in the universe. A body at rest tends to stay at rest, and a body in motion tends to stay in motion. If we can give families a nudge to start saving, they are much more likely to continue saving.

2. Studies show that a child who knows that they have a college savings account in their name is three times more likely to attend college than one who doesn't.

The seed money can make a big difference in children's lives, but it also helps our entire state when more of us are getting an education, receiving training, or learning a skill.

Helping kids reach their full potential is a big reason why I ran for State Treasurer.

I was the first person in my family to attend a university. I vividly remember pulling the acceptance letter out of the mailbox. It was thick, and I knew that they didn't have to send so many pages to tell me no.

I also remember telling my parents I had been accepted to Yale.

"Good for you. But you're not going," my father replied.

"You don't even know how much it costs! I received financial aid," I shot back.

"I don't need to see how much it is to know that we can't afford it," he countered.

Words were shouted, doors were slammed, and a cold war descended on our house for a few weeks. Eventually, Dad told me I could go, but I would have to take out loans and get myself to school. A generous aunt and uncle drove me out to Connecticut to start college.

My parents hadn't gone to college, and they weren't familiar with how to save for me and my brothers to attend. I didn't know it at the time, but my parents were the first generation in their families to attend high school. Their parents had to drop out of grade school.

My story isn't unique. Many families aren't prepared for the costs of college. I believe that talent is spread evenly among children of families with different income levels, but children of wealthy parents are overrepresented on college campuses.

If we want to reach our greatest potential, we must make sure that all our children are reaching theirs. One of the most important things for employers is an educated and trained workforce.

From my office, I can't solve the rising costs of college, but we do offer a [college savings tool](#) that will help more children get the education or training they need to improve their lives and graduate with less debt.

If you had a child or adopted one since last New Year's, start them on a path to success early by claiming your [First Steps](#) seed money. If you know a family that can claim it, please reach out and let them know. If your children are a little older and don't qualify for First Steps, you can still open a [Bright Start](#) or Bright Directions account for them. It's not too late to start.

We all do better when we ALL do better.

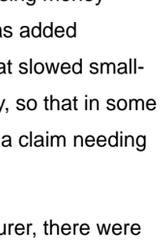
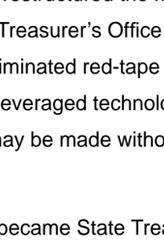
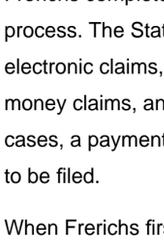
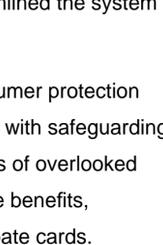
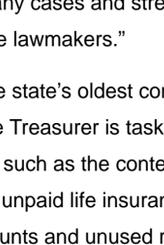
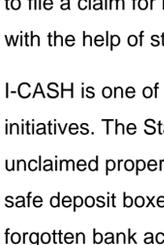
Sincerely,

Michael W. Frerichs

Illinois State Treasurer

Important disclosure information about 529 college savings programs is available [here](#).

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Illinois Financial Wellness Hub

Managing Financial Stress

State Treasurer Michael Frerichs wants to help people be financially secure, so he recently launched the [Illinois Financial Wellness Hub](#) (FinWell Hub). It provides free resources to help all Illinois residents plan a better financial future. Below is an example of the information you can find there.

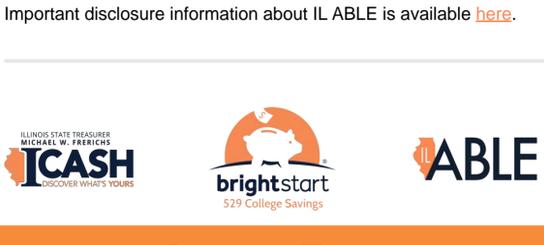
If you find yourself continually spending more than you earn, you need to take a hard look at where your money is going. Write down every amount that comes out of your checking account or is charged to your credit card.

We all make financial blunders and mistakes. Part of being an adult is learning from these blunders and not repeating the same actions again and again.

Are you under a lot of financial stress? Do you avoid going to the mailbox because you don't want to see your bills? Do you avoid looking at your credit card statement because you feel guilty for having such a large unpaid balance?

You're not alone.

Go to Finwell Hub for [the rest of this article](#) and other helpful suggestions.



Did You Receive Missing Money in 2023?

The Illinois State Treasurer's Office returned nearly \$276 million in missing money during 2023.

"This money does more good for our state and our citizens in their hands than in a vault in Springfield," Illinois State Treasurer Michael Frerichs said. "We have made it easier to file a claim for many cases and streamlined the system with the help of state lawmakers."

I-CASH is one of the state's oldest consumer protection initiatives. The State Treasurer is tasked with safeguarding unclaimed property, such as the contents of overlooked safe deposit boxes, unpaid life insurance benefits, forgotten bank accounts and unused rebate cards.

Frerichs completely restructured the missing money process. The State Treasurer's Office has added electronic claims, eliminated red-tape that slowed small-money claims, and leveraged technology, so that in some cases, a payment may be made without a claim needing to be filed.

When Frerichs first became State Treasurer, there were 60,000 claims paid in a year. Today, more than 200,000 claims are paid each year.

Illinois is a national leader in the unclaimed property space and is frequently consulted by other states that are reforming their unclaimed property laws, rules and procedures.

The State Treasurer's Office recommends people check for missing money at least twice each year. You can check [icash.illinoistreasurer.gov](#) to see if missing money is waiting for you. Illinois holds more than \$5 billion in unclaimed property.

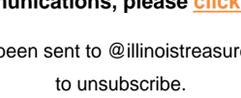
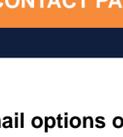


IL ABLE: Charlie's Story

The Illinois Achieving a Better Life Experience program, also known as [IL ABLE](#), gives people with disabilities and their families greater financial independence while preserving benefits. In this video, you'll meet Charlie, who saved money in his IL ABLE account to buy a modified van and help pay for maintenance.

Learn how you can save and invest for Qualified Disability Expenses such as transportation with an IL ABLE Account at [illinoisable.com](#).

Important disclosure information about IL ABLE is available [here](#).



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