



**Michael W. Frerichs**  
ILLINOIS STATE TREASURER

SEPTEMBER 2022 E-NEWSLETTER



Treasurer's Note

**Remembering Labor Day, Respect, Planning, and Common Sense**

Labor Day recognizes the many contributions workers have made to America's strength, prosperity, and well-being. It is a special day for me and the Illinois State Treasurer's Office. When I think of Labor Day, I think how hard my father worked as a truck driver. I think about my mother who worked as a school secretary when she was not working at home. I think of my grandparents toiling on the farm because that was more important to the family than attending high school. You learn a certain set of values no matter where you grow up. For me, growing up Downstate in a small town meant respecting others, especially when you disagreed. It meant that planning was critical to success, regardless of your occupation. It meant a little bit of common sense went a long way to overcome challenges that are not your fault. I relied on each of these values—respect, planning, and common sense—back then while growing up, and today as the Illinois State Treasurer.

**RESPECT**

Our [Ag Invest](#) program is a great example of respect. When I became treasurer, I asked a lot of questions. Invariably, my questions all started about the same way. I would ask, "How can we make this better?"

Our Ag Invest program is among the best in the nation. Ag Invest allows us to work with banks to provide below-market loans to farmers. The money can be used to start, expand, or add value to the farm. Money can be used for seed, for construction, and for expansion into new lines of revenue.

When we asked our partners in the farming community how can we make this program easier to use, one simple idea continually rose to the top: Change the program terms to line up with the calendar year rather than the state budget year. Said a different way, start with January, just like the calendar starts, rather than July, an artificial start date driven decades ago by the federal government.

This made a ton of sense. It amazed me why it had not been done before. When we value each other enough so that we can have honest conversations, everyone wins. With a little bit of respect, we are able to help people help themselves.

**PLANNING**

Our [\\$59 BrightStart](#) savings fund is an excellent example of planning. We all have a future, and for the vast majority of us, the future includes work. Planning to go to college? Bright Start is a great way to save for that future. Planning to enter the trades or become an apprentice? Bright Start can help pay for those expenses, too.

Since becoming treasurer, we have improved investment options and renegotiated fees to save participants \$100 million. In fact, independent analyst Morningstar says our plan is among the best in the nation—and has been for the last five consecutive years.

We need to reduce the cost of higher education and increase access to apprenticeships and good-paying jobs. Until we achieve these goals, our Bright Start plan is a proven bridge to success. With a little bit of planning, we are able to help people help themselves.

**COMMON SENSE**

Our [Secure Choice](#) program is an excellent example of common sense. We know there is dignity in honest work. We know workers are more likely to save for retirement when they can do so at work. Finally, we know that too many people rely upon Social Security as their only source of income. This unsustainable model prompted lawmakers to create the Secure Choice retirement savings program.

With Secure Choice, businesses can offer their own retirement savings plan, or they can pool their money with our private-sector partners who manage Secure Choice. Workers like the program because it helps them save their own money for their own future. Employees like the program because it requires little effort. With a little bit of common sense, we are able to help people help themselves.

Respect, planning, and common sense. When we keep these in mind, we can change the state for the better. Sincerely,

**Michael W. Frerichs**  
Illinois State Treasurer

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Working Together

**Frerichs Elected President of National, Bipartisan Auditors, Comptrollers and Treasurers Group**

*Unanimous Vote Recognizes Frerichs' Achievements*

The National Association of State Auditors, Comptrollers and Treasurers, a bipartisan group of financial officers in state government, unanimously elected Illinois State Treasurer Michael Frerichs as its President.

The election recognizes Frerichs' accomplishments as Illinois State Treasurer.

"It's such an honor that my peers chose me to lead this bipartisan organization that works to solve the challenges of government," Frerichs said. "Making sure state governments work for the people is not a Republican or Democratic issue, and I'm especially proud that colleagues across the aisle supported my election as president."

The election caps Frerichs' ascension within the organization. After less than a year as Illinois State Treasurer, Frerichs' peers selected him in 2016 to join the NASACT Executive Committee. In 2016, Frerichs received the NASACT president's award. The late Judy Baar Topinka, a popular former Republican Illinois state treasurer and comptroller, received that same award in 2015.

In addition to his NASACT role, Treasurer Frerichs was elected by his bipartisan peers to serve as secretary-treasurer of the National Association of State Treasurers (NAST) in 2021. He serves on the NAST Executive, Long-Range Planning, and Diversity, Equity and Inclusion Committees.

Frerichs grew up in a small farming community in Downstate Illinois. His father was a truck driver, his mother a school secretary. They taught that hard work, common sense, and helping others was the key to success. Frerichs shares these values with his wife and daughter, who is in middle school.

Among his accomplishments as Illinois State Treasurer:

**Unclaimed Property:** Took a moribund, paper-based unclaimed property division and made it a national leader. As a result:

- Returned a record-setting \$1.5 billion to Illinois taxpayers.
- Automatically returned millions of dollars to taxpayers without the need to file a claim.
- Fought big-money Wall Street life insurance companies that refused to pay death benefits. As a result, discovered over \$800 million that belongs to grieving families, widows and orphans.

*Do we have your money? Search [here](#).*

**College Savings Worst-to-Best:** Took an underachieving college savings program and made it one of the best in the nation. As a result:

- Grew funded plans from 387,000 valued at \$7 billion to 824,000 valued at \$16 billion.
- Cut fees to save families more than \$100 million.
- Worked to expand the list of trade schools that accept these college savings funds.
- Independent analyst Morningstar rates our plans among the best in the country five consecutive years.

*Do you need information on saving for college or trade school? Click [here](#).*

**Retirement Security and Dignity:** Secure Choice helps workers save their own money for their own retirement. It is a retirement savings tool the worker controls, rather than the employer. As a result:

- Beginning in July of 2018, 107,000 workers who never thought they could save for retirement now have a Secure Choice retirement savings account.
- These workers live in every Illinois county and have saved \$91 million of their money for their future.
- 7,000 employers now offer Secure Choice for a variety of reasons, including a retention tool.

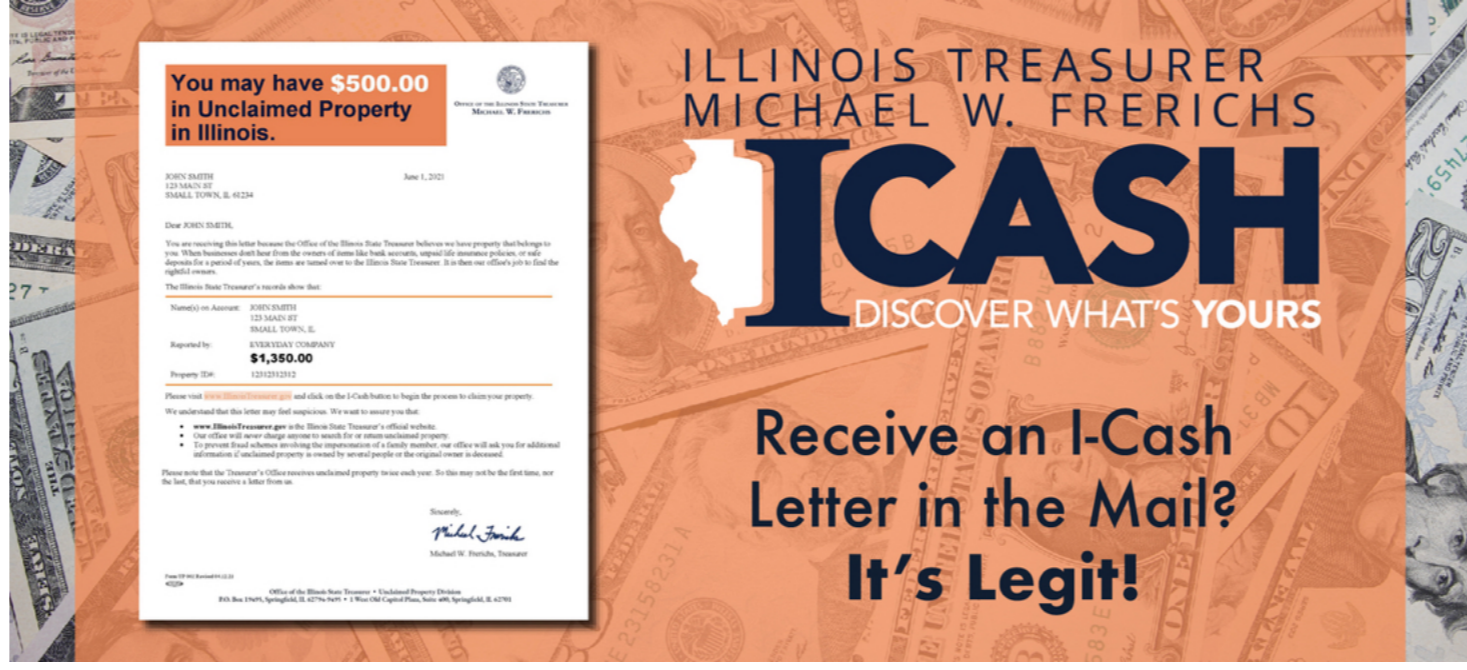
*Do you want information on saving for retirement? Click [here](#).*



Illinois' [BrightStart](#) \$59 College Savings Plan has earned a Gold rating from independent analyst Morningstar for five consecutive years since Illinois State Treasurer Michael Frerichs revamped the plan in 2017.

Morningstar identified Bright Start as "Summa Cum Laude," setting it as a "top notch plan" which "set the curve for their peers, offering exceptional investments while emulating savvy stewardship."

Morningstar's medal ratings represent composite scores of each plan's performance across four key pillars—Process, People, Parent, and Price. Morningstar awarded Bright Start positive ratings across all four categories. "Illinois touts a strong investment team that has an impactful voice in the construction of this plan and supports our positive view."



Bright Start

**Grandparents' Role in College Savings**

Grandparents Day is the first Sunday after Labor Day. It is a day to celebrate and honor grandparents, as well as a day grandparents can treat their grandchildren.

A contribution to [BrightStart](#), a \$59 college savings plan that can be used for higher education as well as apprenticeships, is an ideal way to help grandchildren plan for the future. A child is three times more likely to attend college when they know they have a dedicated college savings account.

Also, a child can be the beneficiary of more than one Bright Start account. For example, grandparents can open \$29 accounts. Money left over in the account? Or your grandchild earned a scholarship? That's OK because funds can be transferred to a beneficiary's sibling, spouse, child, parent, aunt, uncle, cousin, niece or nephew.

For the parents and grandparents, contributions are eligible for an income tax deduction. For the child, withdrawals are free from state and federal taxes as long as the money is used for qualified education expenses.

An important note about financial aid: Withdrawals from a grandparent-owned account are considered taxable income and could affect a student's FAFSA application. For parent-owned accounts, only 5.64 percent of the account balance is considered in financial aid calculations. As such, a conversation with the child's parents would be beneficial.



**Did You Know?**

As Illinois State Treasurer, Michael Frerichs (FRAIR-463) is the state's Chief Investment and Banking Officer and actively manages approximately \$26 billion. The portfolio includes \$26 billion in state funds, \$17 billion in retirement and college savings plans and \$9 billion on behalf of local and state governments.

Frerichs' office protects consumers by safeguarding more than \$3.5 billion in unclaimed property, encouraging savings plans for college or trade school, increasing financial education among all ages, assisting people with disabilities to save without losing government benefits, and removing barriers to a secure retirement. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

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