



OFFICE OF ILLINOIS STATE TREASURER

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FOR IMMEDIATE RELEASE:

Jan. 12, 2024

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State Treasurer Michael Frerichs Warns of Federal Government Shutdown's Impact on Illinois

*Shutdown Would Stunt Economic Growth, Harm Families,
Stall Business Loans and Shutter Job Training*

SPRINGFIELD – Illinois State Treasurer Michael W. Frerichs is warning about the dangers of a potential federal government shutdown if the U.S. House and Senate cannot meet the looming government funding deadlines. Treasurer Frerichs believes a shutdown threatens the well-being of Illinois families, workers, businesses, and the entire U.S. economy.

“A federal government shutdown will needlessly harm families fighting to pay bills, recklessly damage the business community which needs certainty to plan, and threaten our economy,” Treasurer Frerichs said. “Congress must stop the name-calling, work together to find a compromise, and stop kicking the can down the road.”

Congress faces two government shutdown deadlines following [stopgap legislation](#) passed in November 2023. In a shutdown, federal agencies must stop all non-essential discretionary functions until new funding legislation is passed and signed into law. Spending authority for an array of high-profile priorities including transportation, military construction, veterans affairs, housing, and the Energy Department will expire January 19; the rest of the federal government on February 2.

Businesses, both large and small, within Illinois and across the nation, would be detrimentally impacted by a shutdown, which would mean [delays](#) in the supply chain, a [halt](#) in small business loans, a [disruption](#) in government contracts, and the [cessation](#) of critical government inspections. Each of these impacts could impede economic activity and increase costs to consumers.

Illinois small businesses receive more than \$977 million in loans from the [U.S. Small Business Administration](#), and companies across the state receive more than [\\$12 billion](#) from government contracts. A disruption in these loans and contracts could upend business operations and threaten workers' livelihoods.

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Access to [vital food assistance](#) for working families, women and children also would be jeopardized. With support at risk, families might have less money to put toward necessities such as paying rent or a mortgage, electricity and heating bills, and transportation costs — which could have wider ramifications on state and regional economies.

Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) could be imperiled if the federal government shuts down.

[According to the U.S. Department of Agriculture](#), more than 2 million Illinois households are enrolled in SNAP. A total of 41 percent of Illinois SNAP participants are families with children, 24 percent are families with members who are elderly adults, and 18 percent are families with a person who has a disability.

More than 159,000 Illinois households participate in WIC, [according to the U.S. Department of Agriculture](#).

About the Illinois Treasurer

The Illinois State Treasurer's Office is a powerful economic engine that invests in people to drive prosperity, development and growth throughout the state. As State Treasurer, Michael Frerichs (FRAIR'iks) is the state's Chief Investment and Banking Officer and actively manages approximately \$55 billion. The investments help families pay for college and trade school; workers save for a dignified retirement; and local governments process bill payments more efficiently so they can pass along the savings to taxpayers. The office provides financial institutions money to loan to farmers, small business owners, and qualified individuals at below-market rates because better jobs create stronger communities. The office operates the state's largest consumer-protection initiative, the missing money I-Cash program, which has returned a record-breaking \$1.8 billion since Frerichs was elected.

For more news about the State Treasurer's Office, please follow Treasurer Frerichs on X (formerly Twitter) at [@ILTreasurer](#), Threads [@iltreasurer](#), Instagram at [ILTreasurer](#), [LinkedIn](#) and on Facebook at [Invested in You – Treasurer Michael Frerichs](#).

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