OFFICE OF ILLINOIS STATE TREASURER

MICHAEL W. FRERICHS

FOR IMMEDIATE RELEASE:
May 28, 2025

CONTACT:
Adriana Colindres 217.558.1920
Eric Krol 312.814.1252

Observing 529 Day, Treasurer Michael Frerichs Encourages Families to Save for Future Education Costs through 529 College Savings Accounts

Visit BrightStart.com or call 877.432.7444

SPRINGFIELD –State Treasurer Michael Frerichs is recognizing 529 Day on May 29 by reminding Illinois families that now is always a good time to save for a child's future education by opening or adding to a Bright Start 529 account.

"When a child knows he or she has a college savings plan, that child is three times more likely to attend college," Frerichs said. "When an adult opens and contributes to a child's savings account, it sends a powerful message to the child, 'I believe in you.'"

Bright Start is a 529 College Savings plan that can be used at eligible educational institutions, including public and private schools; two-year and four-year colleges and universities; technical and vocational schools; and registered apprenticeship programs. Illinois taxpayers receive tax benefits for contributing to an Illinois 529 plan and the investment grows tax-free when spent on qualified expenses. Families have the option to open a Bright Start 529 account online or, for those who prefer to work with a financial advisor, Treasurer Frerichs also administers the Bright Directions Advisor-Guided 529 College Savings plan.

Anyone can contribute to an account, and there are no enrollment fees, minimum contributions or minimum balance requirements to open or maintain one.

While the "529 Day" designation is a light-hearted reference to the date of May 29, its purpose is serious: to spread the word about the crucial role that a 529 college savings account can play in setting up children for future success. Every dollar saved today can help families reduce or eliminate student loan debt down the road.

"You can even ask other family members and friends to help plan for a young person's future," Frerichs said. "For example, maybe grandma and grandpa could contribute to a child's 529 account as a birthday gift, instead of buying a toy. Families also might consider asking 20 relatives and friends to mark a birthday or other special occasion by chipping in $26.45 apiece – which would total $529 – to a child's 529 account."

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Since becoming Treasurer in 2015, Frerichs has significantly grown the Bright Start 529 program and has worked to reduce plan fees, ensuring that more of families' investment dollars go directly to college savings. He also collaborated with state lawmakers to create the Illinois First Steps program, which provides a free, one-time $50 seed deposit for Illinois parents or legal guardians when they open a Bright Start 529 or Bright Directions 529 account for a child born or adopted on or after January 1, 2023.

Last September, Frerichs announced several improvements to Bright Start 529, including lower fees, updated investment options, and technology enhancements. During the past 10 years, Frerichs has negotiated fee reductions of more than $100 million, ensuring more investment dollars go directly to college savings. Today, Bright Start is among the most affordable and highest-rated college savings plans in the country. These changes have helped the plans grow to more than 925,000 accounts with $21 billion in assets.

Managing Bright Start 529 accounts has become easier than ever for account owners, thanks to the Bright Start 529 mobile app that Frerichs unveiled last fall. The enhanced technology improves the user experience by allowing account owners to check account balances and open additional accounts for new beneficiaries on their phones. Through the app, account owners can easily contact grandparents or other relatives to encourage contributions to a child's Bright Start account as a way to celebrate special occasions.

Frerichs' ongoing efforts to improve Illinois 529 plans have earned praise and awards. During the first few months of 2025 alone, Morningstar, Business Insider and CNBC have each named Bright Start as one of the best 529 plans in the country.

In addition, Bright Start 529 earned a Gold rating in October 2024 from Morningstar, a financial services firm that independently evaluates and rates college savings plans annually. The firm assigns each rated plan a Morningstar Analyst Rating of Gold, Silver, Bronze, Neutral, or Negative, and in 2024, it awarded just five Gold ratings to 529 plans across the country. Morningstar described Bright Start as a "Valedictorian," and as a standout plan offering "exceptional state stewardship of investor capital and well-constructed portfolios managed by competent investment teams." Since Frerichs revamped the Bright Start plan in 2017, it has won Morningstar's Gold rating six times.

For more information about Bright Start, including how to open an account, go to BrightStart.com or call 877.432.7444. For more information about Bright Directions, go to BrightDirections.com. or call 866.722.7283.

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 $60 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 $2.2 billion since Frerichs was elected.

For more news about the State Treasurer's Office, please follow Treasurer Frerichs on Instagram at ILTreasurer, LinkedIn and Facebook at Invested in You – Treasurer Michael Frerichs. You can find our weekly newsletter here.

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About the Bright Start 529 College Savings Plan

Illinois' highly rated Bright Start Direct-Sold College Savings Program ("Bright Start 529") has been making it easier for families to save for higher education expenses since 2000. Open a Bright Start 529 account and funds saved can be used at universities, community and technical colleges, and graduate or professional schools nationwide and many abroad. In addition to tuition and fees, funds may be used for certain housing and food (room and board) expenses, computer/tablets, books, supplies or other qualified expenses. Bright Start 529 is sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. For more information about Bright Start 529, including investment objectives, risks, expenses, and other important information, please visit our website at www.brightstart.com.

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