



# OFFICE OF ILLINOIS STATE TREASURER

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## **Federal Government Shutdown Would Threaten Well-Being of Illinois Residents and Businesses, Says State Treasurer Michael Frerichs**

*Likely Consequences Include Slowed Economic Growth, Reduced Services to Families and Businesses*

**SPRINGFIELD** – Illinois State Treasurer Michael W. Frerichs is warning that a potential federal government shutdown would harm Illinois families, workers, veterans and businesses, as well as the entire U.S. economy. The federal government is poised to shut down in two stages – with the first occurring this weekend – if the U.S. House and Senate cannot agree on a spending plan by the end of this week.

“Members of Congress must do their job and govern, even when that means making difficult decisions. House Republicans, in particular, must back off from their extremist, obstructionist tendencies and instead learn to work in a bipartisan manner, as Senate Republicans have been doing,” Frerichs said. “The squabbling by House Republicans does nothing to benefit constituents or the United States as a whole.”

“If Congress decides to deal with the current crisis by passing yet another short-term ‘continuing resolution,’ that would not be a true solution. It simply would mean that we should expect to face this same situation, and we deserve better,” Frerichs added.

Congress faces two government shutdown deadlines of March 1 and March 8 due to the most recent stopgap legislation, which was passed earlier this year. The earlier deadline applies to funding for military construction and the departments of Agriculture, Transportation, Veterans Affairs, Energy, and Housing and Urban Development. The March 8 deadline applies to the remainder of the federal government.

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.

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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.

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](#).

Additional consequences of a federal government shutdown include:

- Regional, public-facing Veterans Affairs offices would close.
- Housing assistance programs, such as public housing operating subsidies and housing choice voucher subsidies, would run out of money.
- 59% of the U.S. Department of Agriculture's workers, or nearly 60,000 people, would be furloughed.
- Except in emergency cases, no new rural development loans or grants would be made with discretionary funds from the 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 \$1.9 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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