



OFFICE OF ILLINOIS STATE TREASURER

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State Treasurer Frerichs Announces \$15 Billion Record for Illinois College Savings Plans

Frerichs' Demand to Reduce Fees Saved Families \$100 Million Since 2015

SPRINGFIELD – A record-shattering \$15 billion is invested in the state's two most popular college savings programs, Bright Start and Bright Directions, Illinois State Treasurer Michael Frerichs said today.

The balance was \$7 billion when Frerichs was first elected in 2015. Changes Frerichs championed, especially the reduction of investment fees, more than doubled the balance and saved families \$100 million.

“We firmly believe that we must help people help themselves. Making it easier to save for college is a critical part of that mission,” Frerichs said. “We work every day to convince families that they have the ability to save for the future, no matter the financial pressures they face today.”

Bright Start is a college savings plan an individual can open without assistance. Bright Directions is a college savings plan an individual can open through a financial advisor. Both are 529 tax-advantaged plans, meaning the investment grows tax-free when used for qualified expenses, such as tuition, housing or books.

Funds saved in Bright Start or Bright Directions can be used at thousands of colleges, universities, trade, and technical schools across the country and abroad.

Morningstar, an independent investment and research firm, consistently rates each plan among the best in the country since Frerichs orchestrated improvements to the plans' structure, investment lineup and price. Frerichs also negotiated a 50 percent cut in management fees and a 47 percent cut in investment fees.

Together, there are 733,000 accounts worth \$15 billion. Bright Start has 360,000 accounts worth \$8.4 billion. Bright Directions has 373,000 accounts worth \$6.6 billion. Since 2015, families have used these accounts to pay for \$4.7 billion in college expenses.

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Research shows a child is three times more likely to attend college if they know they have a dedicated college savings account. For more information, or to open an account, visit www.illinoistreasurer.gov and click on the college savings button. There is no minimum amount to open an account.

About the Treasurer

As Illinois State Treasurer, Frerichs is the state's Chief Investment and Banking Officer and actively manages approximately \$37 billion. The portfolio includes \$16 billion in state funds, \$15 billion in retirement and college savings plans and \$6 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital. 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 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.

The Bright Start Direct-Sold College Savings Program ("Bright Start") and the Bright Directions Advisor-Guided 529 College Savings Program ("Bright Directions") are part of the Illinois College Savings Pool and are designed to qualify as qualified tuition programs under the provisions of Section 529 of the Internal Revenue Code. Bright Start and Bright Directions are sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. Union Bank & Trust Company serves as Program Manager, and Northern Trust Securities, Inc. acts as Distributor of the advisor-sold plan. Investments in Bright Start and Bright Directions are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, Union Bank & Trust Company, Northern Trust Securities, Inc., the Federal Deposit Insurance Corporation, or any other entity.

An investor should consider the investment objectives, risks, and charges and expenses associated with municipal fund securities before investing. This and other important information is contained in the fund prospectuses and the Bright Start Program Disclosure Statement and Bright Directions Program Disclosure Statement (issuer's official statement), which can be obtained from your financial professional, on BrightStart.com, and BrightDirections.com and should be read carefully before investing. You can lose money by investing in a portfolio. Each of the portfolios involves investment risks, which are described in the Program Disclosure Statement.

An investor should consider, before investing, whether the investor's or designated beneficiary's home state offers any state tax or other benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 plan. Investors should consult a tax advisor.

In 2020, Morningstar analyzed and rated 61 plans nationwide. Bright Start was one of only three plans to earn a Gold rating. Analyst ratings for 529 college savings plans consider: *Process, People, Parent, and Price*. Based on their conclusions, analysts will assign pillar scores. Morningstar analysts retain discretion to override scores if they believe a unique characteristic justifies a different rating than the score suggests. The Morningstar Analyst Rating™ is a subjective evaluation and is not a credit or risk rating. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative.

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