



Treasurer's Note

May 20, 2024

We Have to Take Care of Things, Including Investments, If We Want Them to Last

My dad didn't have a lot of money, but he taught me that if you buy quality things and take care of them, they will last a long time. And if something breaks, you should try to fix it before throwing it away.

Dad spent hours working on his trucks and waxing and polishing them to keep them running well and looking good as long as possible. He has been driving the same Dodge pickup for 25 years. He drove his work semi for nearly 30 years and well over 1.5 million miles before he finally sold it and retired.



My dad taught me to take care of things so they would last a long time. He was proud of his Ford F-100 and often washed and waxed it by hand. I used to help him sometimes.

I'm not nearly as handy or patient as my dad. Today, our appliances and gadgets have planned obsolescence, and there seems to be a greater pull to have the newest thing. But I do share Dad's belief about taking care of things when it comes to investing.

As [State Treasurer](#), I am Illinois' Chief Investment Officer. I look for long-term value with the companies we invest in. I don't worry as much about how they are doing this quarter as how they will be doing the next quarter-century.

In the Treasurer's Office, we are responsible for a family's [college and retirement](#) savings, as well as the long-term financial independence of [people with disabilities](#). CEOs' short-term efforts to boost a stock price — so they can collect a [big bonus](#) for themselves — don't matter much to parents who are saving money in a [Bright Start](#) account for a kid who's in kindergarten. Building a company that will grow and last for the next 15 years matters much more.

That's why we engage with the companies that we invest in. We want to make sure they are investing in research and development, treating their workforce, customers, and communities well, and building something for the long term. I don't want them cutting corners and using the corporate treasury as a personal piggy bank. I want them to have proper incentives.



Here's my dad climbing into his semi for the last time before he sold it.

A good example of a company with the wrong incentives and a short-term outlook was Purdue Pharma. They are the people who made, marketed, and sold Oxycontin.

They had a really good business model — for the short term. They sold addictive drugs. It is easy to make money selling addictive drugs. Once addicted, people will buy more and more of them until someone helps them get clean or they die.

Dealing drugs is [bad business for the long term](#). You run the very real risk of getting sent to jail. Pharmaceutical companies don't have the same risk, but they do operate with reputational, legislative, and litigation risks.

People generally don't like giving money to a company that is killing tens of thousands of Americans. The federal government generally doesn't like that either, and it could pass laws that upset your business model. Families of loved ones that your drugs killed could sue you for the damages you caused.

That is what happened to Purdue Pharma. After years of making billions of dollars by selling drugs they knew to be addictive, the company eventually [settled class-action lawsuits](#) that left it bankrupt. That's not a good way to run a business.

That's why we have a team that looks at the risks to long-term viability of the companies we invest in. Before things get to the point of lawsuits, we talk with and work with our companies to minimize their risks. And if they won't work with us, we file [shareholder resolutions](#) to change their behavior.

My dad taught me that you can't neglect your things and expect them to last. You have to take care of them. And that is the approach we take with our investments. We want them to grow, to last, and to help Illinois prosper.

Sincerely,

Michael W. Frerichs
Illinois State Treasurer

P.S. If you want to learn more about our approach to risk management, check out [our Raising the Bar page](#).

Working for You



Send Us Your Questions and Suggestions

A message from Treasurer Frerichs:
I've had a lot of people write to me with questions, and I have tried to answer most of them. I've decided to experiment, starting today, with a new newsletter feature called From the Mailbag.

It's meant to provide another way for newsletter readers and my Illinois State Treasurer's Office to connect and interact. I encourage you to submit your questions and suggestions for me and the office by emailing me at Michael.Frerichs@illinoistreasurer.gov. It would be helpful if you also could include "Mailbag" in your email's subject line.

We'll do our best to respond, and some of your questions could be highlighted in future newsletters.

For this first edition of From the Mailbag, I'd like to discuss a comment that several of you made after seeing old photos of my grandpa, who helped start the Gifford Volunteer Fire Department.

Many of you noticed he wasn't a very tall man. Several of you asked where I got my height.

This photo from my parents' wedding provides a clue. My mother's parents are on the left, and my father's parents are on the right.



For those who asked, I hope this answers your question.
Please reach out to us if you have other questions. We will try to answer questions of general interest here. We look forward to hearing from you.

We're Here to Help You

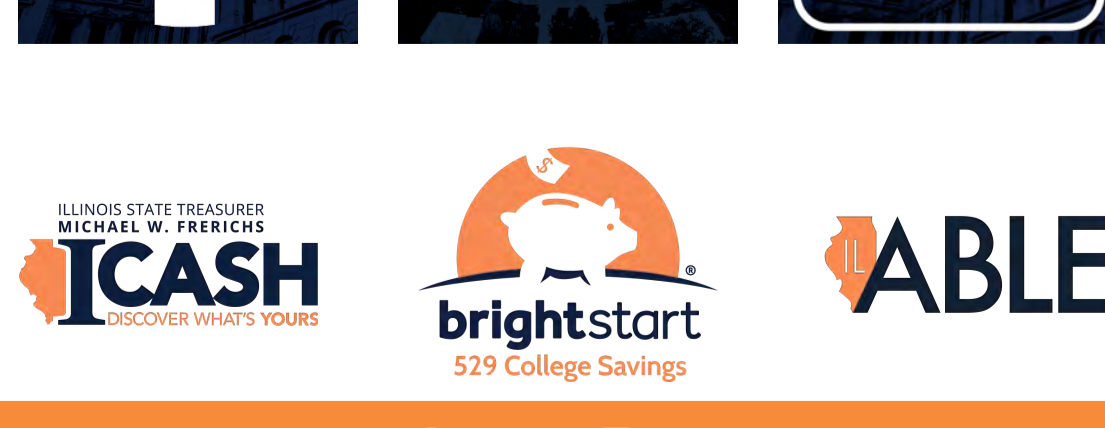
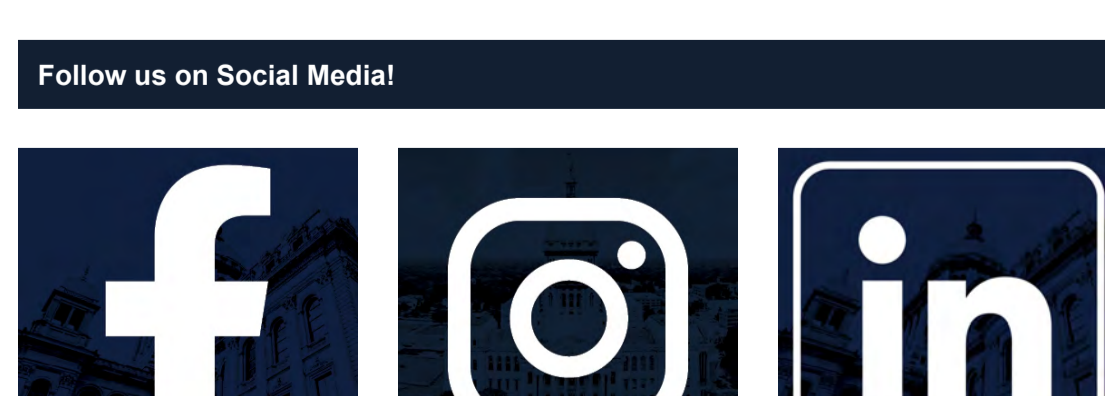
Our Civic Engagement team has been out and about helping Illinoisans learn about State Treasurer's Office programs, including how to search for missing money.

We have been traveling all around our state. Some of the events we've visited in the past week or so include: the Batavia Public Library, State Rep. Diane Blair-Sherlock's [ABLE & CASH](#) Event, the Elmhurst Public Library, the Alpha Park Public Library with State Rep. Sharon Chung, the 5th Annual Celebrate Aging Well at the Westmont Chamber of Commerce & Tourism Bureau, the Department of Commerce and Economic Opportunity Arab American Business & Professional Association Fair at Moraine Valley Community College, the Autism Society Resource Fair at Southern Illinois University Carbondale, and State Rep. Blaine Wilhour's Senior Fair at the Salem Community Activities Center.

You can look for missing money at <https://icash.illinoistreasurer.gov/>.



Members of the Civic Engagement team at the Illinois State Treasurer's Office are always glad to help people find missing money and learn about other programs that the office runs.



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