



Michael W. Frerichs

ILLINOIS STATE TREASURER

APRIL 2019 E-NEWSLETTER



The Cannabis Conversation

Banking on Common Sense

Banks are a critical component to any business. Without banks, or credit unions, business would not be able to write or cash checks, invest profits, or secure a loan.

Financial institutions, however, are hesitant to serve the legal cannabis community because outdated federal rules discourage such interactions. Commonsense updates are overdue because laws written decades ago to squeeze illegal drug cartels do not reflect today's reality that 33 states and the District of Columbia have now legalized cannabis in some form.

Changes to banking laws must move forward regardless of the medical cannabis vs. recreational cannabis conversation.

I am working with Democrats and Republicans at the state and federal level to bring clarity and predictability to our banking regulations. Proposed changes at the state level already are having positive effects in Washington D.C. A House committee discharged legislation that prohibits federal banking regulators from punishing financial institutions because they work with legal marijuana businesses.

This is why you should care:

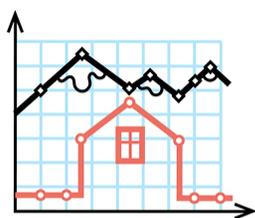
A cash-only business is ripe for theft, fraud, and tax evasion, all of which could touch your pocketbook. In 2018, there was an estimated \$136.5 million in legal cannabis sales in Illinois.

There also is a public safety component. A cash-only business moving large sums of money throughout the state defies common sense. That is why the Illinois State's Attorney Association supports the banking changes.

This logical solution enjoys bipartisan support. Duane Davidson is the Republican Treasurer for the state of Washington. He told me, “I believe that access to banking services for legalized cannabis businesses will minimize illegal activities, increase safety and security for workers, and will bring tax compliance to legal cannabis industries in our state and to states around the country.”

Today, we have a banking crisis because rules built decades ago have not kept up with changes in acceptable behavior and law. Working together, we can use common sense to bring safety and security to this legal industry and everyone who lives in Illinois.

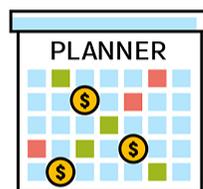
Sincerely,
Michael W. Frerichs
Illinois State Treasurer



LONG-RANGE PLAN



BUDGET



PLANNING



INVESTMENT

Financial Literacy

April is National Financial Literacy Month

The need for financial literacy education has never been greater. Nearly two-thirds of American adults cannot pass a basic financial literacy test, and 1 in 4 adults do not pay their bills on time. Only 24 percent of millennials demonstrate basic financial literacy, and 48 percent of them report living paycheck to paycheck.

However, there is a path forward. Students who take a class in personal finance are more likely to engage in financially responsible behavior. States that have financial curricula in schools elevate the rates at which individuals save and accumulate wealth as adults. This is why financial literacy is now included in the Illinois Social Science standards, and it is a crucial part of ensuring our children grow up with the life skills they need to be successful.

The Treasurer’s Office provides programs, services and curriculum to teachers and school districts to ensure that every child has access to a high-quality financial education. Econ Illinois, a nonprofit that has specialized in financial

education for more than 65 years, helps us in this endeavor. Together, we provide a standards-based curriculum for grades first-eighth that is free to any teacher in Illinois. To reach younger children, we launched Money Minded Story Times, aimed at 3 to 5-year olds, at local libraries.

To learn more about our financial literacy initiatives, please visit click [here](#).



Saving for College

A 529 Plan for Each Child

When investing in a 529 college savings plan for college, it is very important that each child has their own account.

Funds from a single 529 account only can be withdrawn for one child at a time. If you want to withdraw funds for two kids at once from the same 529 account, you would have to change the beneficiary back and forth between child 1 and child 2.

Furthermore, a separate account for each child allows you to select different investments for each child based on their age and other important factors.

More information on Illinois' Bright Start and Bright Directions 529 college savings programs can be found [here](#).

Remember, 529 assets grow on a tax-deferred basis while in the plan; funds can be withdrawn tax free for qualified higher education expenses; and contributions are tax deductible for Illinois taxpayers (up to \$10,000 for individuals and \$20,000 for joint filers.)



Experience Counts

Summer Interns Sought

Summer internship applications are being accepted at the Illinois Treasurer's Office.

The unpaid internships provide a valuable learning experience in a real-work environment that will show participants how government entities work together to provide important services. Interns can earn college credit for their work.

Opportunities exist in various areas of the office such as civic engagement, legal, unclaimed property, investment operations and communications.

The internships are not limited to individuals considering a career in government or public service. The skills and experiences are transferable to the private sector.

Applicants must be Illinois residents, 18 years of age or older, and enrolled as a full-time student at an accredited college, university or law school. Qualified applicants will go through a formal interview process.

Application deadline is May 10. For more information or to apply, click [here](#).



On the Horizon

Treasurer Frerichs Celebrates Asian Pacific American Heritage Month

May is Asian Pacific American Heritage Month, a month-long celebration of the culture, traditions, and history of Asian Americans and Pacific Islanders. Treasurer Frerichs will host an event in Chicago that will take place beginning at Noon on Wednesday, May 15th on the concourse level of the James R. Thompson Center.

All are welcome.

Additional details are available on the Treasurer's [Facebook page](#).

