



## FEBRUARY 2021 E-NEWSLETTER

Treasurer's Note

### Investing in You

We have reached another milestone: A record-shattering \$15 billion is invested in the state's two most popular college savings programs, Bright Start and Bright Directions.

In a short five years, we have more than doubled the amount saved for college and saved families \$100 million by negotiating the reduction or elimination of different fees.

College savings is very important to me. Attending college changed my life – as did the student loans I had to repay. Saving for college now will reduce future debt. Funds saved in Bright Start or Bright Directions can be used at thousands of colleges and universities across the country.

However, I also understand that college is not for everyone. As the son of a truck driver, I know that a reliable, hard-working electrician, or plumber, or machine operator is worth their weight in gold. That is why Bright Start and Bright Directions also can be used at trade and technical schools.

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. Additionally, deposits are tax deductible in Illinois.

Morningstar, an independent investment and research firm, has consistently rated each plan among the best in the country since we orchestrated improvements to the plans' structure, investment lineup, and price.

I consistently say that although the treasurer's office invests money, we must also invest in people. We invest in people by helping people help themselves. Saving for college is a critical part of this mission.

For more information, or to open an account, visit [www.illinoistreasurer.gov](http://www.illinoistreasurer.gov) and click on the college savings button. There is no minimum amount to open an account.

Whatever your dreams are for your child, know that Bright Start and Bright Directions can help reach that goal.

Sincerely,  
**Michael W. Frerichs**  
Illinois State Treasurer



Financial Wellness

## Building a Better You

For many people, a financial setback can swell into a tsunami. Once treading water, too many people feel the pressure of the moment pushing them down. It does not have to be that way. There are steps you can take to prepare for an unexpected expense and even save money for the future.

**Build an emergency fund.** Consider opening a separate savings account for this emergency fund. Make a deposit each pay day. Make it a routine. Remember, pay yourself first.

**Create a budget.** How much is rent? Insurance? Food and clothing? Fast food and other discretionary expenses? Writing a budget often helps people see where their money goes. When we see where the money goes, we also can see where we can make changes.

**Tackle high-interest debt.** Using that credit card is easy. Paying off the credit card, not so much. Start small. Paying off small balances first can be motivating. With an emergency fund, we increase the chance that we will not have to finance unexpected bills with a credit card.

**Reduce long-term debt.** Consider refinancing a mortgage or car loan at a lower interest rate.



Cream of the Crop

## Pride in Agriculture

Grab your cameras because the ninth-annual Cream of the Crop photo contest will open soon. Students may submit up to two photos beginning March 24, 2021.

The contest invites grade school through high school students to submit innovative and scenic photos that depict their vision of agriculture in our state. Agriculture is a year-round endeavor and our photo entrants typically reflect each season of the year.

The photo contest is part of the Illinois State Treasurer's Ag Invest program. Winning photos are used in informational materials for the Ag Invest program, the Ag Invest calendar, and featured at the Illinois State Fair.

Ag Invest is one of the nation's largest agricultural linked-deposit programs. It helps hundreds of Illinois farmers, ag businesses and agriculture professionals. The treasurer's office, through Ag Invest, partners with eligible lenders to offer farmers annual or long-term loans which can be used for operating costs, equipment purchases, construction-related expenses, and livestock purchases.

For more information, contact Rebecca Huston at [aginvest@illinoistreasurer.gov](mailto:aginvest@illinoistreasurer.gov).



Charitable Trust

## Help is Available to Non-Profits

The Charitable Trust grant program seeks to help small non-profits with annual budgets of \$1 million or less that provide food and housing assistance. Non-profits serving those impacted by COVID-19 are encouraged to apply.

[Applications will be accepted through March 31st.](#)

Illinois State Treasurer Michael Frerichs' office manages the program. More than \$2.5 million has been awarded to 120 non-profit organizations since the grant program was established in 2017. Money comes from filing fees non-profits pay when incorporating in the state of Illinois, not personal or property tax dollars.

For this grant cycle, \$250,000 is available. The maximum award is \$25,000. Previous grant recipients are eligible if the term of their grant has been complete for at least one calendar year. An independent 11-member board that oversees the fund's management will select the winners.

For more information, or to apply, click [here](#). Inquiries also can be directed to (217) 836-4590.



College Savings

## Treasurer Michael Frerichs Re-elected CSPN Chair for 2021

Recognizing his national leadership in college savings, Illinois State Treasurer Michael Frerichs has been re-elected Chairman of the College Savings Plans Network.

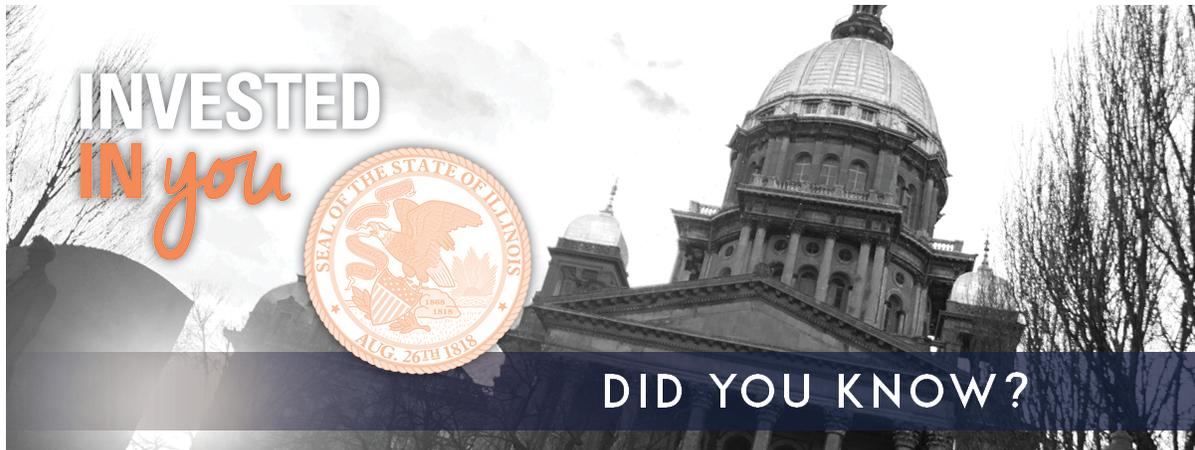
CSPN is a leading source of information about 529 college savings plans and prepaid tuition plans.

As Chairman, Frerichs will continue to promote 529 college savings plans and identify legislative opportunities in Congress. This includes building on federal reforms that eliminated 529 funds from consideration for Pell Grants for families earning less than \$60,000 annually.

Additionally, Frerichs will work toward increasing the number of families saving for college, a critical component of the CSPN 2021 – 2024 strategic plan.

“I am honored to serve as Chair of CSPN during this important year, which marks the 25th anniversary of 529 accounts,” Frerichs told media outlets. “Over the past year, investment in 529 college savings plans has remained steady, showing a clear commitment to saving for continued education. I look forward to further expanding awareness and use of these important accounts, which help offer Americans the flexibility to pursue whatever education path they choose.”

Frerichs also serves on the Executive Committee of the National Association of State Treasurers and is on the Executive Board of the National Association of State Auditors, Comptrollers and Treasurers.



## Did You Know?

As Illinois State Treasurer, Michael 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.