



# Michael W. Frerichs

ILLINOIS STATE TREASURER

JUNE 2020 E-NEWSLETTER



Treasurer's Note

## Investing in People During COVID 19

We hear a lot of talk about the 'new normal.'

I know people are still hurting and I do not want that to be the 'new normal.'

I know people are still struggling and I do not want that to be the 'new normal.'

I know there remains great uncertainty on how to move forward and I do not want that to be the 'new normal.'

**I also know that success will occur when we work together.** As the Illinois Treasurer, I know that I do not have all of the answers. However, our office has programs that can help people move forward, regain their confidence, and continue their pursuit of the American Dream.

**Bridge Loans:** For example, I designated \$500 million to be deposited in community banks and local credit unions throughout our state. In turn, these financial institutions make low-interest loans to small businesses in their communities. Supporting the health and well-being of our residents and our economy includes making sure small-business owners stay solvent so their workers can be paid.

COVID 19 certainly has captured the headlines. However, we provide other programs to help people help themselves.

**College Savings:** Our Bright Start college savings program is among the best in the country and has received a Gold Medal, the highest achievable, from Morningstar for three consecutive years. Anyone can open an account [here](#). If you use a financial advisor, you might consider a [Bright Directions account](#). Together, more than \$6 billion has been invested to pay for thousands of students to attend college across the country.

**Ag Invest:** This linked-deposit program has assisted family farmers and locally owned financial institutions since 1983. At a time of great uncertainty and reduced commodity prices in the farming industry, Ag Invest can be even more useful today.

**Unclaimed Property:** We safeguard more than \$3 billion in lost money, forgotten investment accounts, and unpaid life insurance benefits. We actively pursue returning these properties to their owner. We do so through advertising, earned media, and special events. Click [here](#) to see if we have property that belongs to you, your business, or a relative.

**The Illinois Funds:** This investment fund enjoys a [AAA rating from S&P Global](#), the highest available. Local government leaders pool investment dollars to access higher-returning investments. The Illinois Funds complements, not replaces, local banking relationships. We know the COVID-19 pandemic has forced cities and towns to face higher costs and decreased revenue from sales taxes. At a time when cities and towns are struggling, greater investment returns will help.

**ABLE:** The Achieving a Better Life Experience program makes it possible for people with disabilities and their families to save and invest for expenses without losing means-tested benefits such as SSI, SSDI, and Medicaid. Earnings and withdrawals are tax-free when spent on qualified expenses including housing, health and wellness, education and training, therapy, and basic living expenses.

**The Community Uplift Program:** This linked deposit program helps business owners obtain loans at below-market rates to fund business growth that will lead to more jobs or operational efficiencies. It focuses on struggling communities, especially in small towns in rural Illinois.

**Charitable Trust:** The Charitable Trust Stabilization Fund invests in housing, workforce development, and food security. It does so through a competitive grant process for non-profit organizations with annual budgets of \$1 million or less.

**Fallen Heroes:** This college scholarship fund assists dependents of members of the Armed Forces as well as police, firefighters, paramedics, and other first responders who have died while serving our state or country.

I do not know what the ‘new normal’ eventually will look like. I do know we must do what we can to help our neighbors. These programs invest money in a manner that supports individual growth and community development. When we work together, we will carry each other forward and find ourselves closer to the ‘old normal.’ Learn more by visiting [www.illinoistreasurer.gov](http://www.illinoistreasurer.gov).

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

The  
**ILLINOIS**  
Funds

**INVESTED**  
*IN you*

Your Money

## The Illinois Funds

The Illinois Funds offer a \$6 billion investment pool for units of local government that has been operated by the Illinois Treasurer's Office since 1975.

By pooling money with other units of local government, The Illinois Funds offers a way for local leaders to access greater investment returns than they currently achieve.

### **It is important to know:**

- The Illinois Funds complements – not replaces – local banking relationships.
- Investments can be overnight or long-term.
- No minimum investment.
- Money cannot be swept by the General Assembly and used for some other purpose.
- The Illinois Funds annually receives a top score from [Standard and Poor's](#).

The Illinois Funds offers local officials a responsible way to invest on behalf of their community. For more information, please call the treasurer's office toll free at (800) 947-8479 and press option 2.



Congratulation Graduates!

## Gift Cards: Don't Save Them, Spend Them

Although the pomp and circumstance definitely is different this year, many graduates are certain to receive a gift card to reward their hard work in these unusual times. It is easy to see why gift cards are popular. The cards are easy to purchase and (typically) easy to use.

However, it is possible that the value of the card could fall to zero if saved for too long. That is because inactivity fees could begin to accumulate in as little as 12 months.

One of the lesser-known roles of the Illinois State Treasurer's Office involves gift cards. Here is what you can do to protect yourself:

- Know that retail gift cards and bank gift cards are the two most common types of cards. Retail gift cards only are redeemable at the specific retailer or restaurant that issued the card. Bank gift cards, which carry a payment network such as American Express or Visa, can be used at any location that accepts that specific brand.
- Resist the urge to save the card for a rainy day. Doing so may increase the likelihood that some of the card's value will be consumed by fees. Instead, use the card and set aside an equal amount of cash for a rainy day.
- Remember that while money on a typical bank gift card cannot expire for at least five years, depending upon the circumstances, inactivity fees can begin in as little as 12 months. Therefore, it is possible that inactivity fees could consume the cash value of a card before the five-year window has expired.
- Businesses that close likely will not honor a gift card.
- Treat a gift card like cash. If lost or stolen, report it to law enforcement. Contact the card's issuer to determine if a replacement card is possible and at what cost.

Today, the state treasurer's office holds more than \$3 billion in unclaimed property. Because our records are updated twice each year, we encourage residents to frequently check our I-Cash database, which can be found [here](#).



Cream of the Crop

## Pride in Agriculture

The June 24 deadline is approaching quickly for the eighth-annual Cream of the Crop photo contest.

The treasurer's office is accepting electronic submissions from Illinois students, ages 8-18. Top photographs will be chosen in three age-based categories: ages 8-10, 11-14, and 15-18. Each student is allowed to submit up to two photos.

The photo contest is part of the Ag Invest program and offers an opportunity for Illinois students to submit innovative or scenic pictures that depict their vision of agriculture in our state. Winning photos will be featured in Ag Invest marketing materials.

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.

To read the rules, terms, and legal conditions associated with this contest, visit our website at [www.CreamoftheCropContest.com](http://www.CreamoftheCropContest.com) or contact Rebecca Huston at 217.558.6217.



## Did You Know?

Transparency breeds trust.

That was the driving force behind an interactive website that details how Illinois invests taxpayer money, manages state debt, and tracks bond ratings. The website is part of an ongoing effort to increase transparency and accountability in Illinois' finances.

[The Vault](#) provides details on the treasury's \$30 billion investment portfolio. The information is presented so that users can easily compare, click through and filter information. Users can choose to track information using charts, tables or graphs. Take a moment and check out The Vault and see how we are invested in you.

If you would like to contact the Office of the Illinois State Treasurer, please visit our [contact us](#) page.

To modify your e-mail options or opt out of receiving the Office of the Illinois State Treasurer's electronic communications, please [click here](#).

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