



### Treasurer's Note

April 29, 2024

## We Must Fix This U.S. Savings Bonds Problem

Last weekend, I finally got around to doing some spring cleaning at my house. Well, I'm not sure that is exactly the right term. I still had a lot of unpacking to do from our move last year. The twins were born right around that time, and some unopened boxes just didn't seem as important as the two new packages that arrived.

My closets already were mostly full, so I had to make some room for the "new" things I was attempting to put in there. I realized that if I hadn't used some of these things for nearly a year, I probably didn't need them at all. I plan to donate some of my old clothes so they can have a second life.

I also spent a lot of time sorting through piles of personal papers that had been hastily shoved into boxes after the twins arrived nearly two months early, time I thought I would have to sort and pack. This happens in life. Things get put away in a closet, a cabinet, a junk drawer, or some box, and eventually are forgotten. Or at least we forget where we put them.



Here's one of the things I found while spring cleaning. It's a plaque from when I served as treasurer, or "tesorero," of my high school Spanish Club.

U.S. Savings Bonds are a good example of this. Many of us have received them as a kid for a birthday, baptism, confirmation, bar mitzvah, graduation, or other milestone. I remember opening up a birthday card and being excited about the amount of the bond — and a little less excited that I couldn't redeem the bond for a long period of time. Perhaps my aunts, in addition to helping me financially, wanted to teach me patience.

Although I remember receiving these bonds, I don't remember cashing one. They are difficult to keep track of, and I am sure that many of them were lost over the years.

I am certain some of my bonds were lost, and that I am not the only one who ever lost them. There are more than \$30 billion in uncashed U.S. Savings Bonds that the federal government is aware of. This is \$30 billion in promises made to people for future payment that were never kept. It is almost like the federal government sold these bonds knowing a decent percentage of them were unlikely to be cashed, and that they were just a way for Uncle Sam to bring in some money.

**"There are more than \$30 billion in uncashed U.S. Savings Bonds that the federal government is aware of. This is \$30 billion in promises made to people for future payment that were never kept."**

As State Treasurer, I am in charge of returning missing money to Illinoisans. We audit banks, credit unions, corporations, and other financial institutions to make sure they are returning money that doesn't belong to them, but the federal government has exempted itself from these laws.

I think that is wrong.

And that is why last Thursday, I held a news conference with U.S. Rep. Danny Davis of Chicago to draw attention to this problem. We have worked together on this issue for several years, but I intend to turn up the heat in my new role as [President of the National Association of State Treasurers](#).

I don't believe that any grandmothers or aunts ever bought a savings bond to help with the national debt. They purchased them to help a loved one financially in the future. I want to see that their wishes are honored.

I can't compel the federal government to turn over uncashed savings bonds to state unclaimed property departments by myself. But Congressman Davis and I are urging the U.S. Treasury to make it easier for states to facilitate their return.

The Treasury Department proposed a rule that would undermine our efforts to publicize the information through the states' unclaimed property systems. We hope that the Treasury will modify its proposed rule to follow the letter and spirit of a law Congress passed to assist the states in returning these assets to bondholders or their heirs.

If you agree with me that these bonds should be cashed by their intended recipients, and not held forever by the federal government, I encourage you to reach out to your member of Congress and ask them to support Rep. Davis and me. You can find your member of Congress [here](#).

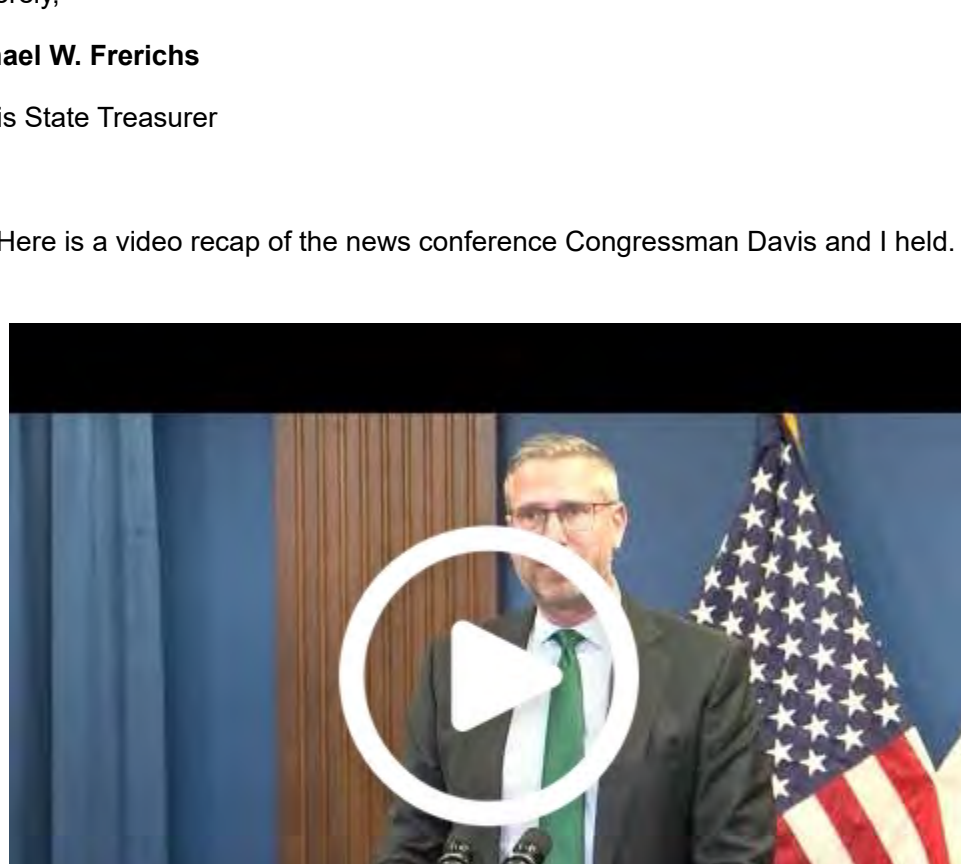
Working together, we just might nudge them to do the right thing.

Sincerely,

**Michael W. Frerichs**

Illinois State Treasurer

P.S. Here is a video recap of the news conference Congressman Davis and I held.



Treasurer Frerichs was part of a delegation, including Illinois Attorney General Kwame Raoul, State Rep. Bob Morgan and State Sen. Omar Aquino, that recently met with federal officials about banning junk fees that harm consumers.

## Treasurer Frerichs Fights Against Deceptive and Harmful Junk Fees

Illinois State Treasurer Michael Frerichs continued his push to do away with junk fees by meeting last week with Federal Trade Commission and White House National Economic Council leaders to lay out the importance of states moving quickly on the issue.

"In addition to administering our office's programs to help people save for their futures, my office is pursuing opportunities to advocate for policies that will help families in our state meet their financial goals, including policies that address unjustified or hidden consumer fees," said Frerichs, who also serves as president of the National Association of State Treasurers.

The Treasurer is backing [state bills](#), carried by [State Rep. Bob Morgan](#) and [State Sen. Omar Aquino](#), that would [ban junk fees](#).

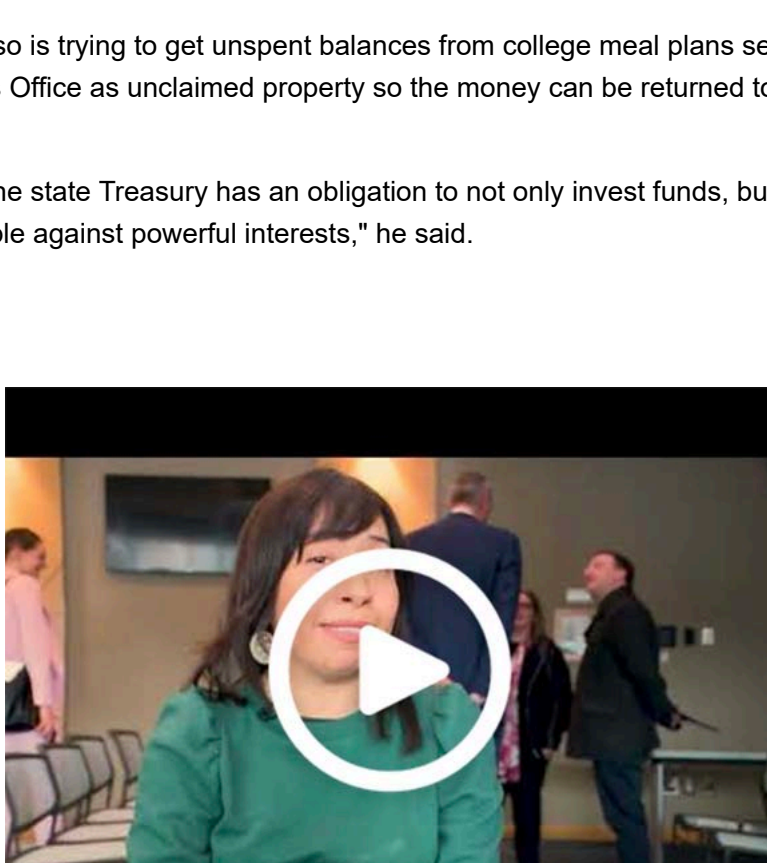
In the past, Frerichs [successfully championed](#) state legislation to prohibit companies from issuing rebate cards that charge consumers inactivity fees and similar post-purchase fees and avoid state unclaimed property laws.

He recently [published a letter](#) in the Chicago Sun-Times talking about the fight to ensure people aren't financially harmed by unnecessary fees just to fatten the bottom line of Wall Street banks. He supports the Consumer Financial Protection Bureau's effort to rein in excessive overdraft fees.

"My office fights to make sure the programs we run to help people invest and grow their savings aren't nickel-and-dimed by fees," Frerichs said.

Frerichs also is trying to get unspent balances from college meal plans sent to the State Treasurer's Office as unclaimed property so the money can be returned to its rightful owner.

"I believe the state Treasury has an obligation to not only invest funds, but also to stand up for people against powerful interests," he said.

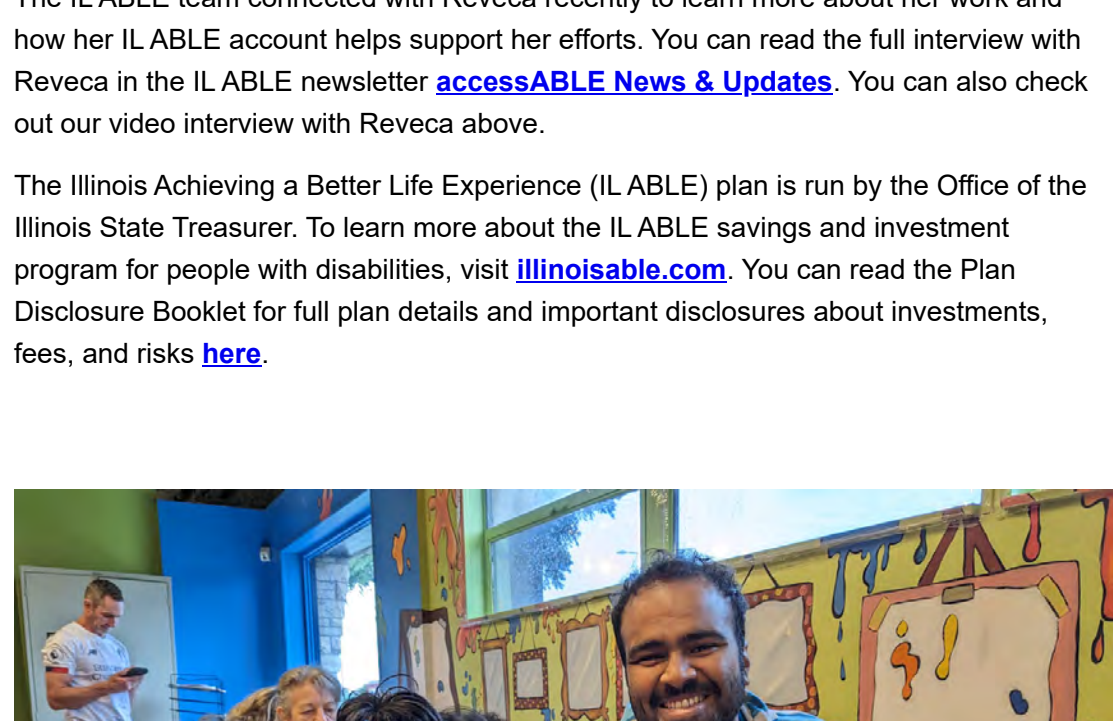


## Disability Advocate and IL ABLE Account Owner Creates Social Impact through Art

IL ABLE account owner Reveca Torres wears many hats; she is a disability advocate, artist, filmmaker, and the founder and Executive Director of Backbones — a nonprofit dedicated to helping people with spinal cord injuries or disease connect with their communities. In March, Reveca received the 2024 award for Outstanding Achievements in Arts and Humanities from Illinois State Treasurer Michael Frerichs in honor of Women's History Month.

The IL ABLE team connected with Reveca recently to learn more about her work and how her IL ABLE account helps support her efforts. You can read the full interview with Reveca in the IL ABLE newsletter [accessABLE News & Updates](#). You can also check out our video interview with Reveca above.

The Illinois Achieving a Better Life Experience (IL ABLE) plan is run by the Office of the Illinois State Treasurer. To learn more about the IL ABLE savings and investment program for people with disabilities, visit [Illinoisable.com](#). You can read the Plan Disclosure Booklet for full plan details and important disclosures about investments, fees, and risks [here](#).



Families have been enjoying special events at Wonder Works Children's Museum in Oak Park and the Peoria Playhouse Children's Museum, thanks to a partnership with Treasurer Michael Frerichs' office.

## A Good Combination: Sharing Family Fun and Saving for College

Illinois State Treasurer Michael Frerichs' Office is teaming up with select Illinois children's museums to organize free- and reduced-admission days and spread the word about college savings plans.

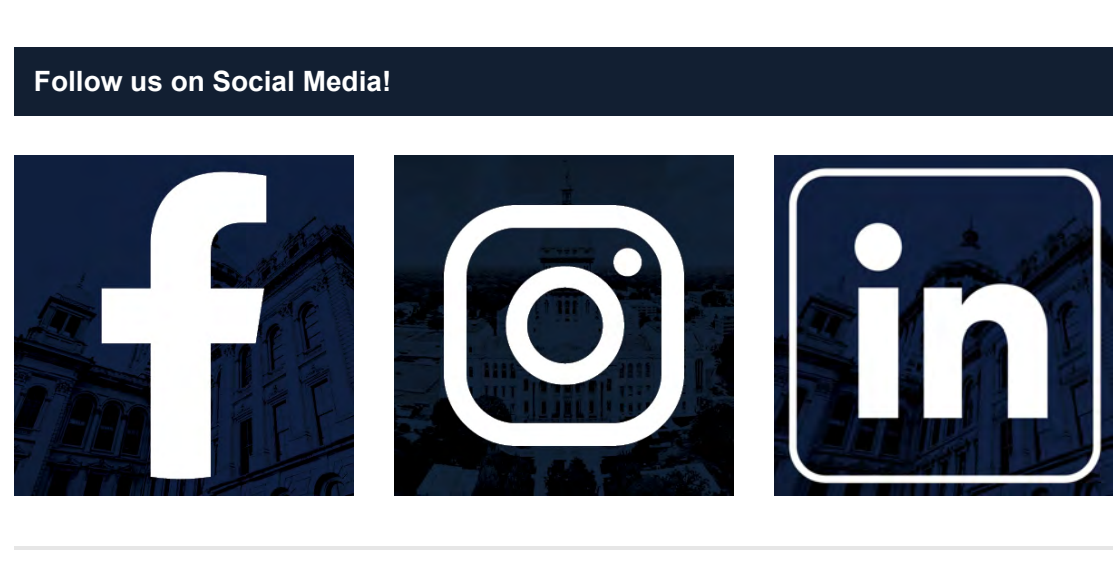
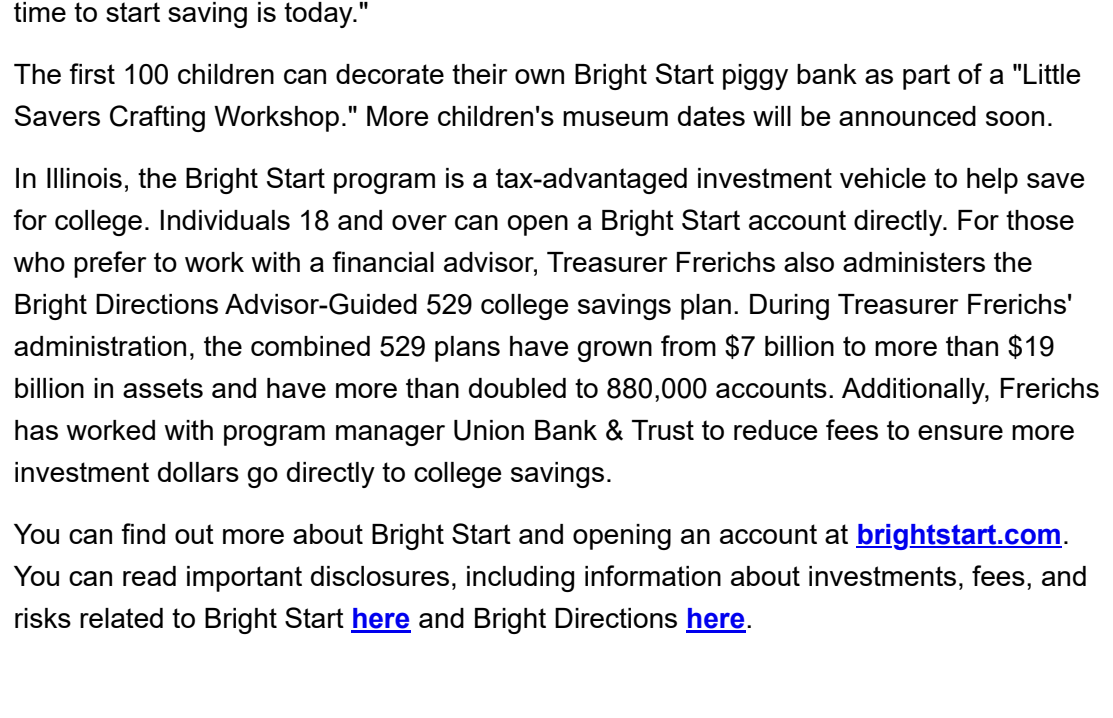
The next free admission day to encourage families to start saving early for college is Saturday, May 4 at the [Edwardsville Children's Museum](#), 722 Holyoake Road in Edwardsville. Visitors can pick up information about Illinois 529 college savings plans. If a child knows they have a college savings plan, they are three times more likely to attend college.

"The best time to start saving for college is yesterday," Frerichs said. "The second-best time to start saving is today."

The first 100 children can decorate their own Bright Start piggy bank as part of a "Little Savers Crafting Workshop." More children's museum dates will be announced soon.

In Illinois, the Bright Start program is a tax-advantaged investment vehicle to help save for college. Individuals 18 and over can open a Bright Start account directly. For those who prefer to work with a financial advisor, Treasurer Frerichs also administers the Bright Directions Advisor-Guided 529 college savings plan. During Treasurer Frerichs' administration, the combined 529 plans have grown from \$7 billion to more than \$19 billion in assets and have more than doubled to 880,000 accounts. Additionally, Frerichs has worked with program manager Union Bank & Trust to reduce fees to ensure more investment dollars go directly to college savings.

You can find out more about Bright Start and opening an account at [brightstart.com](#). You can read important disclosures, including information about investments, fees, and risks related to Bright Start [here](#) and Bright Directions [here](#).



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