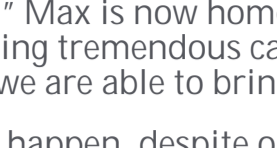




Michael W. Frerichs

ILLINOIS STATE TREASURER

JULY 2023 E-NEWSLETTER



Treasurer's Note

Life-Changing Moments

Last month, I shared our family's great news that my wife, Erica, gave birth to our twins, Theo and Max. Many people have asked since then how the boys are doing. I was hoping to announce by now that they were both safely at home.

There is an old Yiddish saying roughly translated as, "We make plans, and God laughs." Max is now home, but Theo has had a rough patch. He is getting tremendous care, but it will be a little while still before we are able to bring him home.

Medical complications happen, despite our best efforts and best intentions. I cannot imagine anything worse than watching your newborn child suffer. However, Theo has a caring, dedicated team to help him, and we are able to visit each day. We cherish these moments, just as we do the moments at home with Max and big sister, Ella. The best use of our energy is not worrying about what we cannot control. Rather, we try to focus on what we can.

What we, as parents, can control is setting expectations and helping our children grow to become well rounded people and, potentially, excellent leaders. This often happens by attending college or mastering a trade. It is the very reason we encourage people to start saving early in our Bright Start college savings program. Setting aside money from each paycheck for your child's future can be life changing.

I was excited to announce earlier this month a unique public-private partnership to increase access to low-cost student loans. We are working with nonprofit ISL Education Lending to offer affordable private loans when the student attends a nonprofit college or university in Illinois. This will help thousands of young adults attend college—and prevent them from dropping out for financial reasons.

ISL Education Lending has been in this market for 40 years and has helped nearly 400,000 students and families pay for college.

"We appreciate the efforts of Treasurer Frerichs in enabling us to leverage their financing authority to make low-cost loans to Illinois students and families," said Steve McCullough, president and CEO of ISL Education Lending. "We also look forward to the Treasurer's guidance and support as we develop this product to help students and families throughout Illinois."

This program really is about economic development and job creation. We know that employers value workers who are reliable, dependable, and able to learn. Obtaining a degree or mastering a trade demonstrates these exact characteristics.

Let's take a look at why this is so critically important. According to the [Association of Public & Land-Grant Universities](#), a college graduate, on average, makes \$1.2 million more over their lifetime when compared to an unskilled worker with a high school diploma.

Also, there are many skilled workers in the trades who enjoy economic security and good-paying careers after earning an associate's degree or attending vocational school or apprenticeship. Some earn at or near \$100,000 annually. [According to the U.S. Census Bureau](#), the median household income in Illinois is \$72,000.

To leverage the ISL loan, first identify how much is available through college savings. Next, work with your college or university to exhaust all sources of financial aid. With this information, you have identified the gap—the amount of money you need to bridge to pay for college.

Then, contact ISL, which will provide rate information and payment terms before even beginning the loan application. Details are at www.studentloan.org/illinois, and loan applications are being accepted for fall 2023 enrollment.

Life-changing moments can happen at any time, regardless of age. Our Bright Start program is a key component of that equation. Now, ISL Education Lending is too.

I think this is good news for a lot of Illinois families. I hope to be sharing some other good news from my family sometime soon.

Sincerely,

Michael W. Frerichs

Illinois State Treasurer

Charitable Trust

Michael W. Frerichs
Illinois State Treasurer

ILCharitableTrust.com

Building a Better Community

Charitable Trust Applications Accepted

Communities are stronger when we help each other.

Small nonprofits that help people with housing or workforce and economic development assistance are encouraged to apply for grant funding through the Charitable Trust Stabilization Program operated by the office of Illinois State Treasurer Michael Frerichs.

Grant applications will be accepted through Sept. 30.

"We are helping these organizations fulfill their important role in securing housing, employment and job training for people in need," Frerichs said. "The Charitable Trust program offers an excellent opportunity for small nonprofits to have an even greater impact on the people they serve."

The Charitable Trust Stabilization Fund assists small nonprofits with annual budgets of \$1 million or less. The fund's money comes from filing fees that nonprofits pay when incorporating in the state of Illinois—not from personal or property tax dollars.

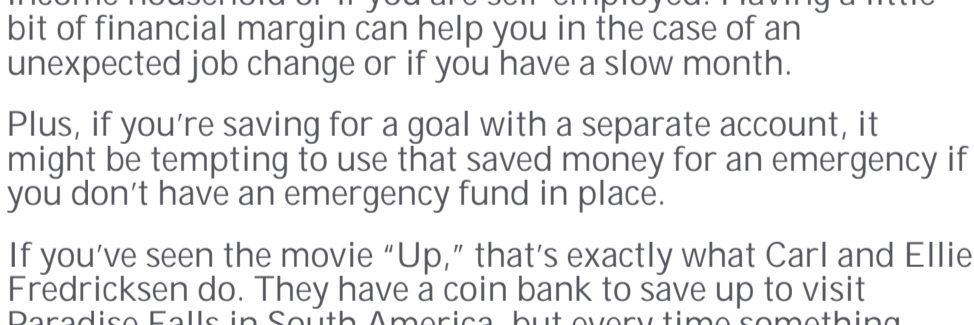
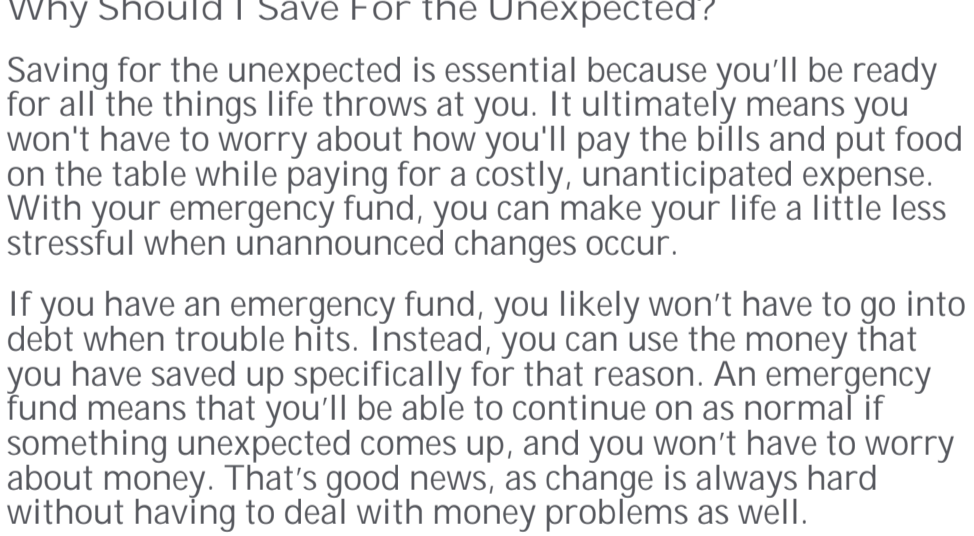
This is the second grant cycle of 2023 and up to \$200,000 is available. The maximum award amount for an organization is \$20,000. An independent 11-member committee, which oversees the management and guidelines of the fund, will select the grant recipients.

Previous grant recipients are eligible to apply if the term of their grant has been complete for at least one calendar year.

Visit ilcharitabletrust.com to complete an application online or contact the Treasurer's Office at (217) 836-4590.

Since the grant program was established in 2017, more than \$4.1 million has been awarded to 178 nonprofit organizations throughout the state.

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Bright Start College Savings

Invest for College with Confidence

[Parents can open a 529 Bright Start college savings plan](#) knowing that should the investment not be needed, there are other uses for the money.

If the child decides not to attend college, that's OK. Another family member can use the money.

If the child earns a scholarship, that's OK. Parents can make a withdrawal in the amount of the scholarship—tax free and without penalty—to use as they wish.

If the child might want to go to college, but not right after graduating high school, that's OK. Keep the money in the account, and watch it grow. It will be ready when the child is ready.

That is why opening a [Bright Start college savings plan](#) is a wise investment.

Let's say a child is 18 when she graduates high school. If a Bright Start account was opened 18 years ago, with an initial investment of \$2,500 and monthly deposits of \$50, it would be worth [more than \\$23,000 today](#).

If you could set aside \$100 each month, it would be worth [more than \\$41,000 today](#).

If you could invest \$250 each month, it would be worth [more than \\$93,000 today](#).

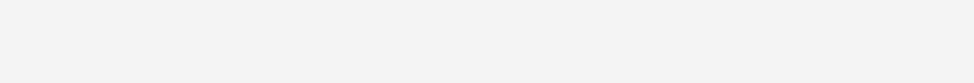
Investments grow tax-free when the proceeds are used to pay for qualified education expenses, such as tuition, housing, or a laptop computer. In Illinois, the deposits also qualify for a substantial income tax deduction.

If your child decides not to go to college, there are options to consider so you can avoid paying taxes or penalties and keep more of your hard-earned money.

- The Bright Start funds can be used to pay for community college, trade school, vocational school or other post-secondary education at an eligible institution.
- Change the Bright Start beneficiary to a sibling or other qualifying family member.
- Use the money for your own continuing education.
- Save the money for a future grandchild.

You do not need a magic ball to know that opening a Bright Start college savings account is a wise investment. Research shows that students who know they have a college savings account are three times more likely to attend college. A college savings account sends them the message that they're smart and that someone believes in them.

That is a message that changes lives.



Your Money

How to Save for the Unexpected

State Treasurer Michael Frerichs wants to help people be financially secure. He recently introduced the [Illinois Financial Wellness Hub](#) (FinWell Hub), which provides free resources to help all Illinois residents plan a better financial future. Below is an [example](#) of the information you can find on the FinWell Hub.

We've all felt that dreaded feeling before—when the car unexpectedly dies or you discover that there is a leak in the house that needs to be fixed immediately. Any expense that you aren't prepared for can present a challenge. It's money you didn't intend to spend and might not have planned for.

This is why it's important to have money saved for those surprise expenses in an emergency fund. In fact, most experts suggest having about three to six months' worth of expenses saved. But how many of us actually have that money put away? Maybe this is the year you want to save for the unexpected so that when something unforeseen happens, you'll be ready.

Why Should I Save For the Unexpected?

Saving for the unexpected is essential because you'll be ready for all the things life throws at you. It ultimately means you won't have to worry about how you'll pay the bills and put food on the table while paying for a costly, unanticipated expense. With your emergency fund, you can make your life a little less stressful when unannounced changes occur.

If you have an emergency fund, you likely won't have to go into debt when trouble hits. Instead, you can use the money that you have saved up specifically for that reason. An emergency fund means that you'll be able to continue on as normal if something unexpected comes up, and you won't have to worry about money. That's good news, as change is always hard without having to deal with money problems as well.

Emergency funds are particularly important if you're a one-income household or if you are self-employed. Having a little bit of financial margin can help you in the case of an unexpected job change or if you have a slow month.

Plus, if you're saving for a goal with a separate account, it might be tempting to use that saved money for an emergency if you don't have an emergency fund in place.

If you've seen the movie "Up," that's exactly what Carl and Ellie Fredricksen do. They have a coin bank to save up to visit Paradise Falls in South America, but every time something goes wrong, they dip into the account. As a result, they find themselves at the end of their lives, having never saved up enough money to visit Paradise Falls.

You don't want to find yourself in the position of Carl and Ellie—using the money you're saving for something fun toward an emergency instead. Rather, if you have an emergency fund, you'll be able to take care of the expense and still work toward meeting your savings goal.

All Right, I'm Game, So How Do I Do It?

There are so many different ways to save for an emergency fund, but a great way is to write the contribution into your monthly budget as if it were another bill or expense. That means that if you want three months' worth of expenses saved, you can reach that in one year by saving one-fourth of your monthly expense amount per month.

For example, if you spend about \$2,000 per month on bills and other major expenses, you'll need to put away \$6,000 to have three months' worth of expenses saved. Thus, you should save \$500 (or one-fourth of your monthly expense amount) per month to reach your goal of \$6,000 in a year.

Realistically, though, it might take longer than a year. If you can only afford to save \$125 per month instead of \$500, then that's OK! You just need to figure out what monthly contribution amount is going to be best for you and include that in your monthly budget. Don't forget to divide your goal amount by your monthly contribution and adjust your timeline. In this case, you'd now reach your emergency fund goal in 48 months (6,000÷125) instead of 12 months.

The great part is that when you finally reach your savings goal of three to six months of expenses saved, you'll be in the groove of saving that money. That means that you can put that monthly contribution to another savings goal like a trip to Spain or a cruise to the Bahamas.

By being diligent about setting aside money in an emergency fund, you're setting yourself up for financial success. When the unexpected comes, your life can continue on as usual because you will be prepared.

Emergency savings funds can seem a little unnecessary when you could be putting that money toward paying down debt or a down-payment on a house. However, when you find yourself in a financial bind because of an unforeseen expense, you'll realize just how valuable that emergency savings fund is. By making it a part of your monthly budget, you're acknowledging how important it is to have money saved for the unpredictable.

If you found this information helpful, you can find additional resources at the [Illinois Financial Wellness Hub](#), a service of the Illinois State Treasurer's Office.

HELPING YOU

The State Treasurer's Office Civic Engagement team is out and about to help you look up Unclaimed Property on i-Cash and to answer questions about the Bright Start college savings plan and other programs. Come visit us when we're in your neighborhood!

Michael W. Frerichs

UPCOMING EVENTS	
AUG 1	OAK BROOK AND HENSLEY NATIONAL NIGHT OUT 1450 Forest Gate Road Oak Brook 5 p.m. - 8 p.m.
AUG 1	DUNDEE TOWNSHIP NATIONAL NIGHT OUT 275 Maple Ave. Carpentersville 5 p.m. - 8 p.m.
AUG 2	LEYDEN TOWNSHIP NATIONAL NIGHT OUT 3545 Sandra Ave. Melrose Park 5 p.m. - 8 p.m.
AUG 2	STATE SEN. SUE REZIN SENIOR FAIR 4040 N. Division St. Morris 9 a.m. - 11 a.m.
AUG 3	BLOOM TOWNSHIP SENIOR PICNIC 19101 S. Halsted St. Glenwood 10 a.m. - 2 p.m.
AUG 4	U.S. REP. JONATHAN JACKSON SENIOR RESOURCE FAIR 1250 W. 119th St. Chicago 10 a.m. - 2 p.m.
AUG 5	HAZELNUT FESTIVAL AND BACK TO SCHOOL PARADE 3000 W. 170th Place Hazel Crest 10 a.m. - 7 p.m.
AUG 5	STATE SEN. MATTIE HUNTER FAMILY HEALTH FAIR 33rd and State Street Chicago 10 a.m. - 2 p.m.
AUG 5	37TH WARD BACK TO SCHOOL FEST 1333 N. Laramie Ave. Chicago 12 p.m. - 5 p.m.
AUG 7	BATAVIA PUBLIC LIBRARY CASH DAY 10 S. Batavia Ave. Batavia 10 a.m. - 2 p.m.
AUG 8	STATE SEN. TERRY BRYANT AND REP. DAVE FRIESS SENIOR FAIR 815 Locust St. Red Bud 9 a.m. - 11 a.m.
AUG 9	STATE REP. BRAD STEPHENS SENIOR FAIR 8354 W. Foster Ave. Norridge 9 a.m. - 12 p.m.
AUG 9	PALOS HEIGHTS FARMERS MARKET 12217 S. Harlem Ave. Palos Heights 8 a.m. - 1 p.m.
AUG 10	CITY CLERK MOBILE EVENT 4921 N. Marine Dr. Chicago 10 a.m. - 1 p.m.
AUG 10-13	TASTE OF ELMWOOD PARK Corner of Fullerton and 75th St. Elmwood Park 5 p.m. - 10:30 p.m.
AUG 11	HILLS CHAMBER FARMERS MARKET 8652 W. 95th St. Hickory Hills 7 a.m. - 1 p.m.
AUG 11	LATINO ORGANIZATION OF THE SOUTHWEST HEALTH FAIR 4051 W. 83rd St. Chicago 11 a.m. - 3 p.m.
AUG 12	EVANSTON FARMERS MARKET University Place and Oak Park Ave. Evanston 10 a.m. - 1 p.m.

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

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