



OCTOBER 2021 E-NEWSLETTER



Treasurer's Note

### The Next 25 Years of College Savings

Affordable higher education and post-secondary training has helped millions of Americans improve their lives. I should know; I was in the first generation of my Downstate family to graduate from college and I've seen first-hand the impact a college degree can have on a life.

However, the promise of college at a reasonable price is slipping away. When I graduated from Rantoul Township High School in 1991, the average price of attending a four-year college was about \$5,500. Today, it is more than \$28,100 – a 400 percent increase. A typical family's income simply cannot keep up.

To address this problem, the federal government in 1996 created a tax break as an incentive to save for college. The savings plan became known as a 529, named for section 529 of the federal tax code. Pioneering states across the country adopted the concept and added their own tax breaks. Ever since, legislators of all stripes have worked together to champion this opportunity because all parents want their children to have a better life.

Started 25 years ago, 529 college savings plans now serve millions of families. By the end of 2020, there were nearly 14.8 million accounts with more than \$425 billion. However, there are 63 million households with children younger than 18. Clearly, there is work to be done.

During the next 25 years, we must convince more families that college savings is within reach. We must continue to engage first-generation college students while attracting families of all backgrounds. Bright Start, Illinois' 529 college savings plan that **any individual can open**, has become one of the most accessible and affordable plans in the country. We must build on this success.

The Bright Start program is part of the Illinois Treasurer's responsibility. We search every day for ways to make Bright Start even more accessible. In doing so, we have found ways to eliminate annual account fees and cut management fees twice in 18 months. We also dropped minimum contribution levels and balance requirements. Doing so reduces barriers to saving, especially if the most significant barrier is in one's mind.

Moving forward, we must show people that saving a little at an early age will pay huge dividends as the child grows. Telling a child they have a college savings account signals to that young mind that higher education is more than a dream, it is an expectation. Setting that expectation is critically important. Studies show a child who knows they have a college savings plan is 3 times more likely to attend.

Families are not afraid of hard work when they can see the fruits of their labor. We will continue to work with families, community leaders and legislators to remove even more obstacles to college savings. More information on how you can help your child, grandchild, family member, or friend achieve their educational dream is available [here](#).

When we work together, everyone wins.

Sincerely,

**Michael W. Frerichs**  
Illinois State Treasurer

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Your Future

### ABLE and Special Olympics

The IL ABE program is working with Special Olympics Illinois to send athletes to the 2022 Special Olympics USA Games in Orlando, Florida.

Achieving a Better Life Experience accounts give people with disabilities and their families greater financial independence while preserving benefits. ABE is a savings and investment program that makes it easier to save and invest money for expenses related to living with a disability. IL ABE accounts resolve the thorny predicament that weighs on the disability community: how to build financial wellness without risking federal benefits. The answer is [here](#).

ABLE and Special Olympics Illinois announced the partnership last month in Downstate Pontiac.

"Before the IL ABE program, families with loved ones with disabilities were discouraged and penalized for saving and investing," Illinois State Treasurer Michael Frerichs said at the event. "The Illinois Treasurer's office is proud to have started IL ABE so that eligible Illinoisans with disabilities, including many Special Olympics athletes, can improve their financial independence, health, and quality of life."

The 2022 Special Olympics USA Games is scheduled June 5-12, 2022, in Orlando, Florida. More than 5,500 athletes and coaches from all 50 states and the Caribbean will unite in one of the country's most cherished sporting events. The USA Games is hosted once every four years and showcases 19 Olympic-style team and individual sports and 30 events throughout the week including forums and VIP receptions.

Special Olympics Illinois is a not-for-profit sports organization offering year-round training and competition in 18 sports for more than 23,100 athletes with intellectual disabilities and more than 13,000 Young Athletes ages 2-7.

The Illinois Achieving a Better Life Experience (IL ABE) plan is sponsored by the State of Illinois and administered by the Office of the Illinois State Treasurer. IL ABE is designed to be a qualified ABE plan offered through the National ABE Alliance, Ascensus College Savings Recordkeeping Services, LLC, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping and administrative services for IL ABE.

Accounts in IL ABE are not guaranteed or insured by the State of Illinois, the state administrator, the Trust, IL ABE or the Program Manager. IL ABE offers investment options across the risk spectrum from Conservative to Aggressive. Except for the checking account option, investments in the IL ABE plan are not insured by the FDIC. The Checking Option offers FDIC insurance up to \$250,000, subject to certain restrictions. Interests in IL ABE are municipal securities and the value of your account will vary with market conditions and the performance of the investment options you choose. Account owners assume all investment risks as well as responsibility for any federal and state tax consequences. Participation in the IL ABE plan does not guarantee that contributions and the investment return on contributions, if any, will be adequate to cover future expenses or that an Account Owner is eligible to participate in the IL ABE Plan.

Before investing in any ABE plan, you should consider whether the state in which you reside or pay taxes offers an ABE plan that provides its taxpayers with favorable state tax or other benefits that are only available through investment in the home state's ABE plan. You also should consult your financial, tax, or other advisor to learn more about how state-based benefits, or any limitations, would apply to your specific circumstances.

This material is provided for general and educational purposes only, and is not intended to provide legal, tax or investment advice, or for use to avoid penalties that may be imposed under federal or state tax laws. This material is not an offer to sell or a solicitation of an offer to buy any securities.

Testimonials may not be representative of the experience of other customers and is no guarantee of future performance or success. For more information about IL ABE, call (888) 609-8683, or visit <https://illinoisable.com> to obtain [Plan Disclosure Documents](#), which include investment objectives, risks, charges, expenses, and other important information about IL ABE. IL ABE is sponsored by the State of Illinois and administered by the Office of the Illinois State Treasurer. IL ABE is designed to be a qualified ABE plan offered through the National ABE Alliance, Ascensus College Savings Recordkeeping Services, LLC, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping, and administrative services.

# MONEY match

Money Match

### Your Check Might Be In the Mail

13,000 letters went into the mail this week to inform residents that they could receive a total of \$1.2 million in unclaimed property funds – all they have to do is cash the check.

Illinois State Treasurer Michael Frerichs' **Money Match** program automatically returns lost money and securities to individuals without the typical need to gather paperwork or file a claim.

Frerichs launched Money Match in 2018 and has since generated more than 122,000 claims and returned almost \$13 million.

Money Match uses existing technology and state records to match unclaimed cash with its rightful owner. To qualify, the cash or securities must be \$2,000 or less with only one owner. First, the person will receive a letter announcing the amount and source of the money and encouraging the recipient to look for a check in the mail. The check will arrive a few weeks later.

In Illinois, the state treasurer is tasked with safeguarding unclaimed property, such as unpaid life insurance benefits, forgotten bank accounts and unused rebate cards. Illinois holds more than \$9 billion in unclaimed property. **The state treasurer is legally required to return the property, or its value, to the rightful owners no matter how long it takes.**

Search [here](#) to see if you have unclaimed property.

COVID-19

### Money Matters

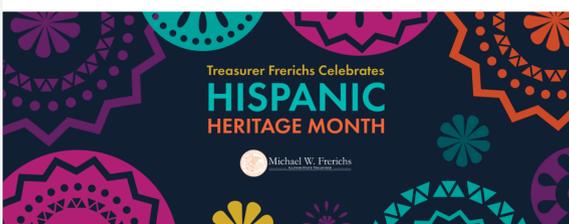
The following is adapted from a [Bloomberg article](#).

The COVID-19 pandemic adds stress to managing money. That stress can lead to impulsive - and costly - financial decisions.

Although we cannot offer investment advice, there are some standards newer investors should note and what mistakes to avoid.

**Keep contributing to retirement plans:** Some young investors see a downturn in the stock market as a reason to stop recurring contributions to retirement plans. However, that essentially is trying to time the market, which is impossible for most investors. An on-going review of your goals is appropriate in any economic cycle so your asset allocation reflects your risk tolerance.

**Do not borrow to invest in the stock market.** Trying to time the market simply does not work for most people. Further, the expense of borrowing typically will outweigh any investment profit.



Heritage Month

### Treasurer Frerichs Celebrates Hispanic Heritage Month

Illinois is a wonderful collection of communities reflecting the diversity of our great nation. It's one of our greatest strengths. Throughout the year, Treasurer Frerichs celebrates Illinois' diverse identity through a series of heritage month celebrations. During each month, the Treasurer and his advisory councils collect nominations and select awardees who are invested in giving back to their communities. In 2021, the Treasurer's Office began capturing video conversations with each awardee in efforts to broadcast their story on social media. Our goal is to amplify and inspire tomorrow's leaders with words of inspiration from today's.

Visit our [Facebook page](#) to view this month's video interviews with our awardees.