



Treasurer Frerichs delivers gold for Illinois

October 24 2017 3:24 PM

CHICAGO – Illinois Treasurer Michael Frerichs today announced that Illinois’ Bright Start College Savings Program is now, for the first time in history, a Gold-rated program, according to Morningstar.



[Morningstar](#), which evaluates and rates college savings plans, released its results Tuesday, rating Bright Start a “Gold-Rated Fund”. According to Morningstar, Bright Start is one of the four highest rated plans in the country.

“We are always looking for ways to improve our 529 programs and make them the best in the country,” Treasurer Frerichs said. “Over the last two years, I took steps to ensure that Bright Start offered high quality investment options at a low cost. We are grateful that Morningstar continues to hold the Illinois plans in high esteem.”

When Frerichs took office, neither the Bright Start nor Bright Directions plan was considered a top performer nationwide.

Morningstar identified 34 plans expected to outperform peers on a risk-adjusted basis, assigning those plans Gold, Silver, and Bronze Morningstar Analyst Ratings. The plans are evaluated based on five key pillars -- Process, Performance, People, Parent, and Price.

According to [Morningstar](#), Illinois' direct-sold Bright Start program was upgraded from Bronze for the restructuring of its investment portfolio, significant fee reduction, and strong program management. Meanwhile, the advisor-sold Bright Directions College Savings Program maintained its Silver rating.

In 2015, Frerichs announced the elimination of the Bright Directions \$10 set-up fee and \$3 quarterly maintenance fee to ensure more investment dollars will go to college savings.

In early 2017, the Treasurer again renegotiated terms with Union Bank & Trust, the new Bright Start and incumbent Bright Directions program manager, resulting in additional fee reductions across all plans. More than 460,000 beneficiaries have benefitted from the new terms.

Money in a 529 college savings account can be used at eligible educational institutions, including public and private, two-year, four-year colleges and universities and certain technical and vocational schools.

The Treasurer's Office does not manage the College Illinois pre-paid tuition program.

For more information about the Treasurer's Office 529 College Savings programs, visit www.illinoistreasurer.gov.

About the Illinois Treasurer

The Illinois Treasurer is the state's Chief Investment Officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secured retirement. As the state's Chief Investment Officer, he actively manages approximately \$25 billion. Currently, the portfolio includes \$13 billion in state funds, \$9.5 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of principal and returns \$28 to the state for every \$1 spent in operations. The Treasurer's

office predates Illinois' incorporation in 1818. Voters in 1848 chose to make it an elected office.