

State Treasurer Michael Frerichs Warns of Federal Government Shutdown's Impact on Illinois

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SPRINGFIELD – Illinois State Treasurer Michael W. Frerichs is warning about the dangers of a potential federal government shutdown if the U.S. House and Senate cannot

meet the looming government funding deadlines. Treasurer Frerichs believes a shutdown threatens the well-being of Illinois families, workers, businesses, and the entire U.S. economy.

“A federal government shutdown will needlessly harm families fighting to pay bills, recklessly damage the business community which needs certainty to plan, and threaten our economy,” Treasurer Frerichs said. “Congress must stop the name-calling, work together to find a compromise, and stop kicking the can down the road.”

Congress faces two government shutdown deadlines following [stopgap legislation](#) passed in November 2023. In a shutdown, federal agencies must stop all non-essential discretionary functions until new funding legislation is passed and signed into law. Spending authority for an array of high-profile priorities including transportation, military construction, veterans affairs, housing, and the Energy Department will expire January 19; the rest of the federal government on February 2.

Businesses, both large and small, within Illinois and across the nation, would be detrimentally impacted by a shutdown, which would mean [delays](#) in the supply chain, a [halt](#) in small business loans, a [disruption](#) in government contracts, and the [cessation](#) of critical government inspections. Each of these impacts could impede economic activity and increase costs to consumers.

Illinois small businesses receive more than \$977 million in loans from the [U.S. Small Business Administration](#), and companies across the state receive more than [\\$12 billion](#) from government contracts. A disruption in these loans and contracts could upend business operations and threaten workers' livelihoods.