

State Treasurer Michael Frerichs' Bright Start College Savings Plan Named Best in the Nation

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SPRINGFIELD – Bright Start has been named the nation's Best 529 College Savings Plan for 2024 by Business Insider, Illinois State Treasurer Michael Frerichs announced today.

“It’s important to note that not all 529 accounts are built the same,” Business Insider [wrote](#). “The best state 529 plans have low minimum requirements, low fees, diverse investment options and a tax deduction benefit.”

State Treasurer Frerichs said he appreciates the recognition for the Office’s work on Bright Start, which has gone from one of the nation’s worst college savings plans before he took office to one of the best.

“We negotiated lower fees for families to help them save more money for college,” Frerichs said. “We also updated the program to offer more options for families to invest their college savings dollars. We have boosted enrollment by working every day to convince families that they have the ability to save for the future, no matter the financial pressures they face today.”

Bright Start is a college savings plan an individual can open without assistance. It’s counterpart, Bright Directions, is a college savings plan an individual can open through a financial advisor. Both are 529 tax-advantaged plans, meaning the investment grows tax-free when used for qualified expenses, such as tuition, housing or books. Funds saved in Bright Start or Bright Directions can be used at thousands of colleges, universities, trade, and technical schools.

Business Insider noted that Bright Start offers six target-risk portfolios, 17 individual fund investment portfolios, as well as mutual fund options. The publication also noted that married couples can deduct up to \$20,000 a year in Bright Start contributions, while individuals can deduct up to \$10,000.

The number of accounts and money invested in them has more than doubled since Frerichs first took office in 2015. Together, there are 880,000 accounts with \$18 billion in assets, up from 375,000 accounts with \$7 billion in assets. Since 2015, families have used these accounts to pay for \$5 billion in college expenses.

The Business Insider recognition is the latest for Bright Start, which also has been recognized as among the best 529 plans by Morningstar, Forbes and Savingforcollege.com.

In 2022, the College Savings Plans Network, the national network of 529 plans, states, and private-sector partners, honored Frerichs with the Distinguished Service Award, its highest honor.

Research shows a child is three times more likely to attend college if they know they have a dedicated college savings account. For more information, or to open an account, visit brightstart.com and click on the college savings button. There is no minimum amount to open an account.

About the Illinois Treasurer

The Illinois State Treasurer's Office is a powerful economic engine that invests in people to drive prosperity, development and growth throughout the state. As State Treasurer, Michael Frerichs (FRAIR'-iks) is the state's Chief Investment and Banking Officer and actively manages approximately \$55 billion. The investments help families pay for college and trade school; workers save for a dignified retirement; and local governments process bill payments more efficiently so they can pass along the savings to taxpayers. The office provides financial institutions money to loan to farmers, small business owners, and qualified individuals at below-market rates because better jobs create stronger communities. The office operates the state's largest consumer-protection initiative, the unclaimed property I-Cash program, which has returned a record-breaking \$1.9 billion since Frerichs was elected.