Illinois State Treasurer
MICHAEL FRERICHS

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Treasurer Frerichs Makes $1.45 Billion In Investment Earnings on State Portfolio

$750 million earned for local government through Illinois Funds

The State Treasurer's Office made $1.45 billion in investment earnings from the state investment portfolio during Fiscal Year 2026, Illinois Treasurer Michael Frerichs announced today.

Treasurer Frerichs is the state's Chief Investment and Banking Officer. He is responsible for investing state revenue in the state investment portfolio.

"Every dollar we earn in interest for the people of Illinois is a dollar that lawmakers don't have to raise in taxes or cut in services," Frerichs said. "We are trying to maximize earnings for our state at a time when working families are being squeezed by Trump's war, tariffs, inflation, and the ridiculous cost of housing."

Also in Fiscal Year 2026, the Treasurer's Office made nearly $759 million in gross investment earnings for cities, villages, school districts, counties and other units of government that take part in the highly rated Illinois Funds local government investment pool the State Treasurer's Office operates. The Illinois Funds has received the highest rating of AAA from Fitch, a national credit ratings agency.

"Working with local government to earn cities and school districts more through smart, safe investing helps them ease the property tax burden on homeowners," he said.

Under state law, the Treasurer's Office is prohibited from directly investing the state's portfolio in the stock market. Treasurer Frerichs convinced the General Assembly to allow his office to invest in secure local government bonds, such as those issued by Illinois school districts to purchase land or erect buildings, and prime money market funds that emphasize security and liquidity.

Under Frerichs, the Treasurer's Office has improved returns by increasing the average weighted maturity of our investments, which was made possible by a healthier fiscal situation in our state, and by working with the governor and General Assembly on innovative ideas.

For FY26 the portfolio had gross earnings of $1.445 billion and for July, the first month of Fiscal Year 2027, the gross earnings were $122.7 million. A recent report by the Commission on Government Forecasting and Accountability incorrectly assumed a lower amount.

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Net earnings for all asset classes are posted to the Illinois Comptroller's Office upon completion of all reconciliations with the custodian bank. Net earnings are calculated after the monthly interest allocation has been executed. A delay in the recording of interest occurred due to a transition with the bank providing custodian services affecting both FY26 and FY27 reporting.

Key monthly metrics and more are available in The Vault, the transparency website that allows Illinois residents to see how the State Treasurer's Office is working for them. The site is at iltreasurervault.com.

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About the 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 $60 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 with 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 missing money ICash program, which has returned a record-breaking $2.6 billion since Frerichs was elected.

For more news about the State Treasurer's Office, please sign up for our newsletter and follow Treasurer Frerichs on YouTube at @TreasurerMichaelFrerichs, follow Treasurer Frerichs on Instagram at IL Treasurer, Threads @iltreasurer, LinkedIn and on Facebook at Invested in You – Treasurer Michael Frerichs.

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