

Saving at Tax Time

Each tax season, on average households making less than \$52,000 claim \$100 billion in federal tax refunds. For many, that tax refund is the largest check you will receive all year. This windfall provides the perfect opportunity to start or grow an emergency fund, college fund, save for a large purchase or whatever your savings goal is. Many people view tax refunds as unplanned bonuses, to use for splurges or treats, but a **tax refund provides the opportunity to improve your financial situation.**

Tips to Get the Most Value from Your Tax Refund:

- **Pay down your debt.** Use your refund for some much needed debt relief. Pay off your credit card balance. If you have an outstanding balance on more than one credit card, try to pay off the smaller, high-interest rate balances first. That will free up more funds to put toward larger balances. Alternatively, you can apply your refund toward other debts, like a car loan or a home equity loan.
- **Save for a rainy day.** Why not give yourself an even bigger return on your tax refund by putting the money into a savings account, CD or retirement fund? Your tax refund will continue to grow if you put it into savings or invest the money. It's always helpful to have a savings account to draw from when a major car repair bill, medical emergency or other unexpected expense comes along. That way, you don't have to borrow money and add to your debt-load.
- **Consider your financial goals.** Trying to save for a house or down payment? Hope to contribute to your child's college tuition? Consider applying your tax refund toward these goals. If you don't yet have a set of short-term and long-term financial goals, put one together. You'll be more conscientious about how you spend your refund or any other extra money that comes your way.

Remember, you work hard for your money and you deserve to enjoy a healthy financial lifestyle. **Put some thought into how you use your tax refund.** Making smart financial decisions is not always easy, but it will definitely benefit you and your family over the long term.