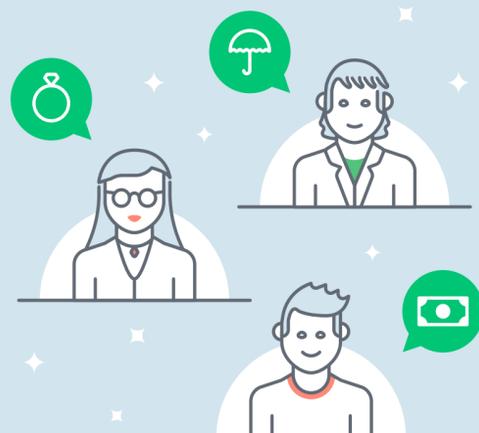


# Tax Refund Realities and Other Spending Stories

In tax year 2018, about 72% of taxpayers received a tax refund. The average refund was close to \$3K and a large majority used it to pay down debt and bulk up savings, but some splurged on unnecessary purchases.

In March 2019, TurboTax conducted a survey that found some surprising (and not so surprising) facts about how people use their tax refunds.



## Spend, Save, or Splurge

Americans tend to make plans for their tax refunds before the money is in their bank account, but how do their plans shake out?

### Americans who receive a tax refund:



**89% have a plan**  
plan out how they will spend their tax refund before they actually receive it.



**47% intend to save**  
intend to put their refund into savings, and 43% actually do it.



**44% splurge it**  
say they sometimes splurge their refund on unnecessary purchases.



**36% change their plans**  
use their tax refunds on things they didn't initially plan to use it for.



Americans with a household income (HHI) of less than \$50K are more likely to rely on their refund to pay off debt than those who make more than \$50K (58% vs. 41%).

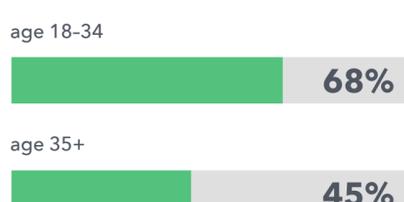
Latinos are more likely than non-Latinos to rely on their tax refund to pay down/off debt.



## Battle of the Ages

Gen Z and millennials (aged 18-34) plan, file, and splurge differently than Gen X and Baby Boomers (45+).

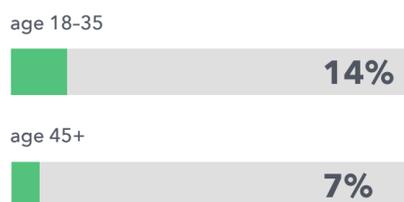
### Planning is awesome.



Adults who make a plan on how to spend their refund before they get it

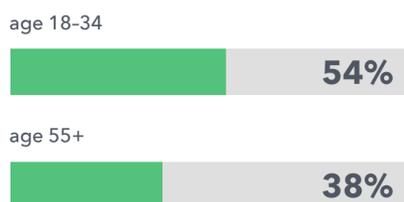
Once they have their tax refund, adults 18-34 are more likely than those ages 45+ to **use it to invest** (14% vs. 7%)

### Investing in their future.



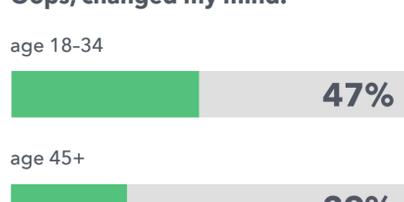
Adults who use their tax refund to invest

### Early bird gets the tax refund.



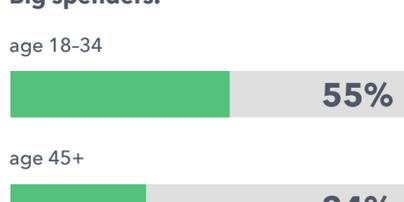
Adults who are more likely to file early in January or February

### Oops, changed my mind.



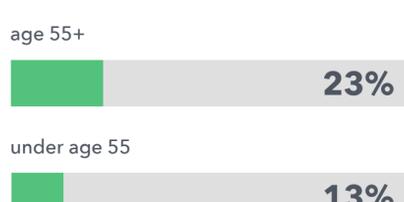
Adults who spend their tax refund in ways they didn't plan for

### Big splenders.



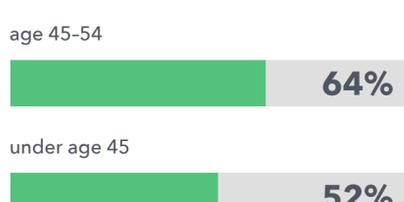
Adults who splurge on unnecessary purchases

### What's the hurry?



Adults who are likely to wait until April to file

### More is better.



Adults who opt for less money to be taken from their paycheck (and a smaller refund)

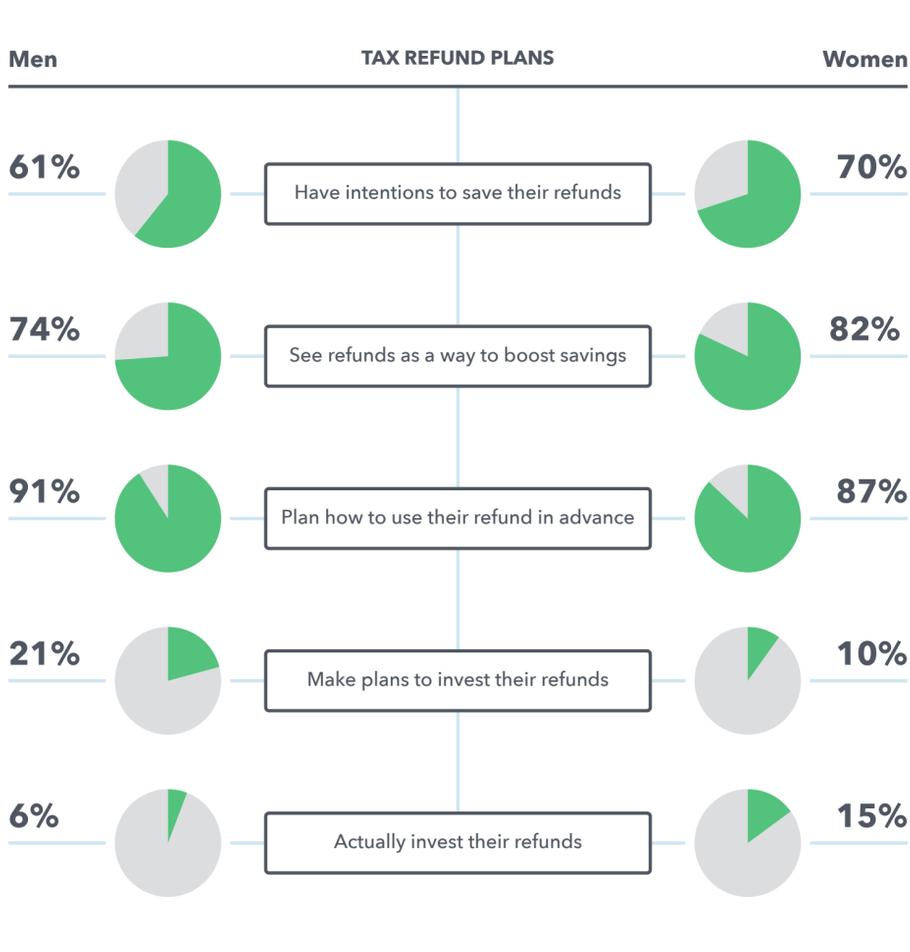


Preference to pay more in taxes throughout the year and receive a larger refund



## He Said, She Said

Women are more likely than men to see tax refunds as a way to boost their savings. Men are more likely than women to plan in advance how to use their tax refund.



**With every stage of life, TurboTax and our new free personal finance app Turbo, can help you get your maximum tax refund.**

Didn't spend your tax refund the way you planned last tax season? Don't worry. TurboTax and Turbo can help you achieve your financial goals.



Source: "Tax Filing Realities Study," 2019, TurboTax