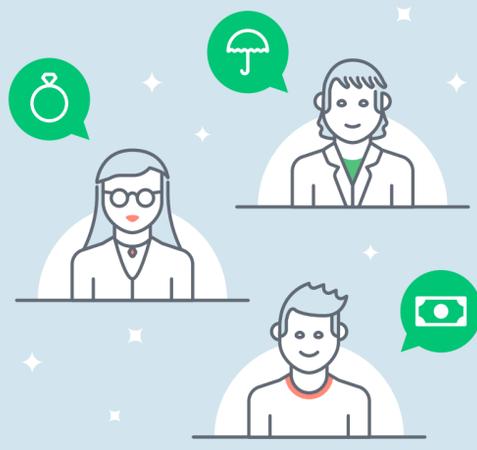


# Tax Refund Realities and Other Spending Stories

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:



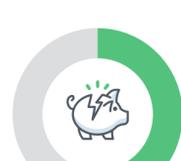
**89%** have a plan

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.

### Latinos



### Non-Latinos



## 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.

age 18-34



age 35+



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.

age 18-35



age 45+



Adults who use their tax refund to invest

### Early bird gets the tax refund.

age 18-34



age 55+



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

### Oops, changed my mind.

age 18-34



age 45+



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

### Big splenders.

age 18-34



age 45+



Adults who splurge on unnecessary purchases

### What's the hurry?

age 55+



under age 55



Adults who are likely to wait until April to file

### More is better.

age 45-54



under age 45



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

**58%**

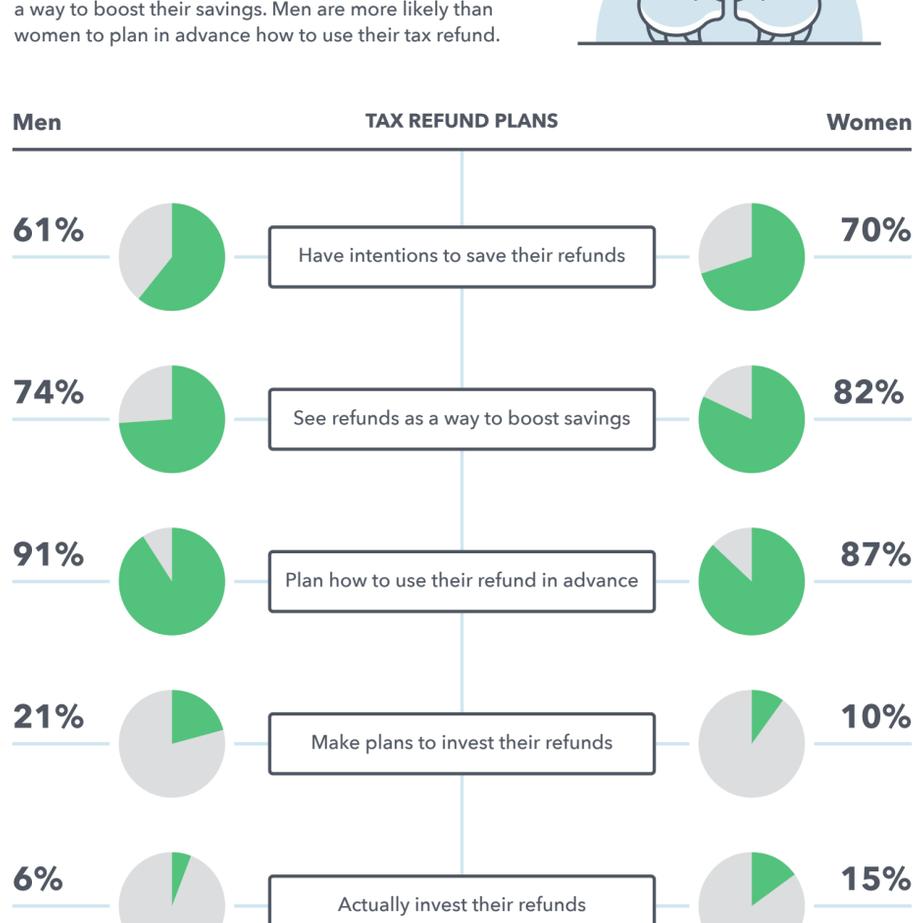
Latinos

**40%**

Non-Latinos

## 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