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| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Why You Shouldn’t Spend That Tax Refund**  **Few things bring a faster smile than a tax refund. The question is what to do with it. Perhaps you should set it aside for a rainy day or invest it for a future life event. Maybe you should consider both.**  There are many ways to use a tax refund. Much depends on your unique financial situation, including your debts, obligations, and savings. A financial professional can help you evaluate your options to get the most value from your tax refund.  **Think long term.** As tempting as it is to spend your refund on a shopping spree, doing so robs you of the power of compounding. Younger people have time on their side. Investments have the potential to grow faster when earnings compound – that is, interest, dividends, and gains are automatically reinvested. Over enough time, even a modest refund might grow into a nice nest egg when you consider the impact of compounding. A financial professional can show you appropriate ways to invest your refund.  **An emergency fund is a top priority.** 28% of U.S. adults have no emergency savings.1 For folks with inadequate savings, a sudden illness, job loss, or car accident can have catastrophic financial consequences. That’s why many financial professionals suggest you save from four to six months of income to cushion against emergencies. A tax refund can help you establish or supplement a rainy-day fund for when life pitches you a curve ball.  **High-interest debt can be crippling.** Many Millennials are seriously debt-averse. But if you are saddled with high-interest debt, paying it down with at least part of your refund might make a lot of sense. You can increase the impact of debt repayment by combining it with other strategies, such as credit card consolidation and student loan refinancing.  **Preserving refunds is a good habit.** Saving and/or investing even a modest refund can help you establish a positive money management discipline. By considering the refund as “found money” not available for spending, you have the opportunity to make your future brighter. Contact me when you receive your refund to discuss your options. Together, we can assess the most productive ways to use that lovely check from Uncle Sam.   |  |  | | --- | --- | | |  | | --- | | [LET'S CONNECT](mailto:##AdvisorEmail##) | |  |  |  | | --- | --- | |  | Tracking #1-966233 Expiration 03/22 |   1 [bankrate.com/banking/savings/financial-security-june-2019/](https://www.bankrate.com/banking/savings/financial-security-june-2019/)[7/1/19] | | |
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