

Manager's Minutes

April 2020

3 Ways to use your tax refund

Did you know that in 2019 the average tax refund was \$3,068.00? Before you go on a shopping spree or splurge on something else with your refund, you might want to consider some different options, like using that cash for home improvements or paying down your student loans. Also, while your retirement and your kids' educational future are important, they are not things that are making a difference in your life at the present time. Let's take a look at three other ways you can spend a refund that will make more of an impact on your financial life right now.

Get out of Debt: One of the smartest ways to use your tax refund is to pay down your credit card balance. If you're only able to put a little amount of cash at your credit card debt each month, it can feel like you're not making much progress on it. So, if you're getting a big refund this year, it can be a great opportunity to pay down a good portion of it. If you don't have any credit card debt, pay down other financial obligations such as your car or student loan. Once you have your debt taken care of consider the options below.

Save for an emergency: You never know what is going to happen in life, so it's always a good idea to have at least 3 to 6 months' worth of income saved at all times. Even if you can't do 3-6 months' worth, any emergency fund is better than not having one. You will be glad you have it when the time comes!

Invest it: If you are in a good place financially, with an emergency fund and little to no credit card debt, then maybe it's time to start investing your tax refund! If you have never invested, it's probably a good idea to consult a professional to help you build a portfolio that matches your personal risk tolerance and financial goals. A financial advisor can help you figure out some ways you can make some quick money with your investment.

John Nevins



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