

Almost Three Quarters (73%) of All U.S. Adults Expecting Tax Refunds Say Their Refund Is Important for Their Overall Financial Well-Being

*Women, households with lower incomes
and those who lost income due to the pandemic are the most impacted*

New York – March 8, 2021 – As Americans continue to search for economic recovery from the pandemic, around 3-in-4 (73%) U.S. adults expecting a tax refund this year say the money is important to their overall financial well-being. This is according to a survey of 2,494 U.S. adults conducted by YouGov on behalf of CreditCards.com which also found that more than 4 in 10 (43%) U.S. adults expecting a refund consider the money “very” important for their overall financial well-being.

<https://www.creditcards.com/credit-card-news/tax-refund-poll/>

How Important is Your Refund?

While 43% of all U.S. adults say their refund is very important for their overall financial well-being, certain groups need it more than others. In addition, the importance of refunds to overall financial well-being inclined steeply from before the pandemic:

Importance of Tax Refund for Overall Financial Well-Being		
	Very Important in 2021	Very Important in 2020
Income Under \$40k/year	61%	42%
Income \$80k/year and higher	31%	24%
Income Negatively Impacted by Covid	53%	*
Income <i>Not</i> Negatively Impacted by Covid	30%	*
Women	51%	39%
Men	35%	26%
Millennials	53%	40%
Baby Boomers	30%	27%

*This demographic was not included in the 2020 survey

“Paying down credit card debt is one of the best uses of a tax refund, says CreditCards.com Industry Analyst Ted Rossman. “Last year, the average refund was \$2,707, according to the IRS. That right there could wipe out more than half of the typical household’s credit card balance. Credit card rates remain very high – the average is approximately 16% – so paying off this debt should be a priority.”

Primary Uses for Tax Refunds

Most Americans who anticipate tax refunds plan to put the bulk of the money into savings (28%) or debt payoff (25%). Some 17% will put most of it towards day-to-day expenses.

Other, less common, uses include home improvements (8%), investing (7%) and splurging on retail purchases (3%). Just 2% plan to use the majority of the funds for a vacation.

Methodology: CreditCards.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,494 adults, of whom 1,237 anticipated receiving a refund.

Fieldwork was undertaken February 10-12, 2021. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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