



MyBankTracker Survey: Most Americans Plan to Save Their Tax Refunds

March 25, 2021

Nearly 35% do not expect a refund

Foster City, CA – March 25, 2021 – The COVID-19 pandemic is still impacting the United States' economy. Even though the Internal Revenue Service delayed the tax filing deadline, many may still file early --if they haven't already. Some taxpayers may be relying on their refunds for financial certainty after an uncertain year. Today, [MyBankTracker.com](https://www.mybanktracker.com) releases its newest survey results after asking more than 3,500 Americans how they plan to use most of their tax refund.

Review all recommendations for the "[Best Ways to Use Your Tax Refund in 2021.](#)"

Highlights

- Building savings is the most popular intended use (19%) for the 2021 tax season refund
 - About 14% plan to pay off existing debt
 - Around 8% want to use it on a household expense
 - Only 4.3% say they will invest it
- Men are more likely to invest the tax refund (5.8%) or spend it (3.1%) on something fun
- Women are more likely to save the tax refund (19.3%), use it pay off debt (15.4%), or use it for a household expense (8.7%)
- The middle age groups (ages 35-44 and 44-54) chose "Other" as the most popular use for their tax refunds
 - All other age groups chose "Savings" as their most popular money option
- Respondents age 25-34 are the most likely to invest their tax refunds or spend it on something fun
- Nearly 35% of respondents do not expect a refund

A detailed analysis of the data (overall and broken down by age and gender) is available within the article.

"For many, 2020 was not just some sort of financial stress test, it was a true emergency." observes Simon Zhen, senior research analyst and editorial director for MyBankTracker. "So, we recommend taxpayers put their refund for tax year 2020 toward increased financial security."

Best Ways to Use Your Tax Refund

1. Create a Bigger Emergency Fund - If this past year taught us anything, it's to be prepared for the unexpected. A larger [emergency fund](#) to cover 12 or more months of necessities makes more sense than ever. It can be the difference between handling an unexpected expense or going into credit card debt. Calculate your living expenses for a year, including housing, utilities, and food. *Tip: We recommend online savings accounts because they tend to have the best interest rates.*
2. Pay Down Debt - Zhen doesn't mean to suggest paying down just any debt. "Focus on paying off debt that cannot be deferred or does not qualify for any hardship program. Examples of deferrable

debt may include rent owed and mortgage payments. And, when you do pay down debt, you can save money by minimizing interest charges on the loan.”

3. Invest Safely - While so many are still suffering from financial uncertainty, the stock market has performed surprisingly well throughout the pandemic. If taxpayers have fully funded an emergency fund and paid down outstanding debt, they can look into [where to invest](#). They may be best off buying low-cost index funds that track the stock market as a whole.

Tax Tip: Use the IRS Withholding Calculator to get your refund as close to \$0. Seeing a refund hit your bank account may be fun, but it means the government got an interest-free loan. If taxpayers keep that money, rather than lending it, they can use it to build an emergency fund, invest or pay down debt.

Simon Zhen is available to provide a detailed analysis of the research findings. He is a personal finance expert with more than a decade of experience in the banking industry and can offer insights on consumer banking products, 2021 financial trends, credit cards, bank innovations and financial technology.

Methodology

This study was conducted through Google Surveys on behalf of MyBankTracker from March 4, 2021 to March 21, 2021 with 3,589 respondents in the United States, ages 18 and up with a standard deviation of 4.7%.

About MyBankTracker

MyBankTracker is owned and operated by QuinStreet, Inc. (Nasdaq: [QNST](#)), a leader in providing performance marketplace technologies and services to the financial services and home services industries. QuinStreet is a pioneer in delivering online marketplace solutions to match searchers with brands in digital media. The company is committed to providing consumers with the information and tools they need to research, find and select the products and brands that meet their needs. MyBankTracker is a member of QuinStreet’s expert research and publishing division.

MyBankTracker is an independent comparison website helping consumers make smart banking and financial decisions. The mission is to match consumers to their perfect bank by providing and tracking in-depth information on more than 5,000 banks, credit unions and financial products. Using a combination of technology and money management expertise, MBT provides personal finance comparison tools and educates consumers to optimize their relationships with banks and lenders.

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