

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

similar refunds are expected in 2016. For those getting a refund, there are many options to consider for what to do with this unexpected income.

Mar. 21, 2016

The average tax refund in 2015 was approximately \$2,800 according to the IRS, and similar refunds are expected in 2016. For those getting a refund, there are many options to consider for what to do with this unexpected income. The big question is what is the smartest option?

While you may want to splurge with our refund, careful management for the majority of the funds is a smart financial move. A tax refund or any unexpected income can be used to help reach your financial goals without impacting your current standard of living.

Massachusetts Mutual Life Insurance Company (MassMutual) offers three suggestions for this year's income tax refund:

1. Pay down debt. Take a look at your current debt. Find out which have the highest interest rates and consider paying those down first to help prevent interest from continuing to add up. Another common strategy is to pay off your smallest debt first, and then work your way up to the larger ones.

2. Build an emergency fund. Consider using at least a portion of your tax refund to give your emergency fund a boost. Make a goal to stash away three to six months' worth of expenses in cash in an emergency fund that you can easily access if you need to, such as a savings account, and use your refund to work towards that goal.

Interestingly, a study commissioned by MassMutual in 2015 showed that almost half (45 percent) of Latinos rely on their savings accounts in moments of need.

3. Pay the future forward. The positive news is that Americans are living longer.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

with it. Just make sure you consider committing at least a portion towards your short-term and long-term financial needs and goals.

To learn more about establishing healthy financial goals or to locate a financial professional near you, visit massmutual.com.

Income Tax • IRS

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved