
Americans To Spend Their Mad Money Sanely

By Editor Test *Wed, Apr 7, 2010*

More than eight in 10 Americans polled said they would use their tax refunds to pay down debt, save or invest, or spend on everyday necessities.

With economic uncertainty still lingering, many Americans plan to use their tax refunds in a fiscally conservative fashion, according to a survey released by Bankrate, Inc., ["How Americans will spend their tax refund."](#)

More than eight in 10 polled (84%) said they would use the refund to pay down debt, save or invest, or spend on everyday necessities. The poll, conducted by Princeton Survey Research Associates International, also showed:

Among the findings:

- 55% of Americans polled expect to get, or have received, a tax refund this year while 24 percent expect to owe.
- Only 7% planned to use their money on "fun" activities like shopping or taking a vacation.
- Among the 84% fiscally conservative respondents, 30% percent intended to pay down debt, 28% said they will save or invest, and 26% anticipate spending their refund on food or utility bills.
- Only 3% of those getting a refund took a refund anticipation loan; of those with incomes under \$30,000, the rate was 6%.
- 19 percent of Americans plan to adjust their tax withholding rate to avoid a big refund next year while 71% plan on keeping their withholding the same;
- Among those who anticipate owing money, 63% plan on paying their taxes straight from their bank accounts; 6% anticipate borrowing money to pay off their tax bill.
- Of those who owe money, 17% plan on setting up an installment plan with the IRS.

This national random-digit-dialed phone study of 1,002 adults 18 or older was conducted for Bankrate by Princeton Survey Research Associates International. The sample was weighted by demographic factors including age, gender, race, education and census region to ensure reliable and accurate representation of adults in U.S. households. The overall margin of error for the survey is +/- 4 percentage points based on the total sample.