



Using Your Tax Refund Wisely

If you're in a rush to file your taxes, chances are you're getting a refund from the Internal Revenue Service. As you're waiting for your tax refund, visions of shopping trips and exotic vacations may be dancing through your head. But before you book a flight, take a step back and carefully consider the best way to use your refund.

1. Pay more on debts.

It may not be glamorous, but paying down debt can ease your worries and save you money in the long run. Less debt means less money you're charged in interest and a better credit score, which will help you lock in more favorable interest rates in the future.

2. Contribute to an IRA or other retirement savings vehicle.

With all the talk about a Social Security crisis and

more and more companies turning away from pensions, retirement planning is falling more on employees' shoulders. Your tax refund could be another step toward making retirement a reality.

3. Build up your emergency fund.

CPAs recommend having three- to six-months' worth of living expenses saved up in case of job loss, serious illness or another life crisis.

4. Spend wisely for a home improvement project.

If your roof's been leaking all spring, maybe it's time you play Mr. or Ms. Fix-It. Putting money into the home you own can be a good investment. By using your tax refund for a home improvement project, you're also ensuring you don't charge a needed home repair on a credit card.

5. Donate to a charitable organization.

Contributing to a charitable organization not only helps hurricane victims, abandoned animals or whatever cause you donate to, it feels good too.

Visit www.ValueYourMoney.org for more personal finance advice.
Brought to you by the Texas Society of Certified Public Accountants.