

# MEMO



## Methodology

Harris Interactive® fielded the study on behalf of National Endowment for Financial Education from April 3-5, 2013, via its QuickQuery<sup>SM</sup> online omnibus service, interviewing 2,232 U.S. adults aged 18+. Data were weighted using propensity score weighting to be representative of the total U.S. adult population on the basis of region, age within gender, education, household income, race/ethnicity, and propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

## Key Findings – Causes For Worry/Concern About Preparing Taxes

90% of U.S. adults have already/will be filing taxes this year.

Among those...

- 58% say that something causes them worry/concern when thinking about preparing their taxes this year
- 26% said the possibility of owing money caused/causes them worry when thinking about preparing taxes this year
- 20% indicate that being sure that they had/have received all of the proper paperwork needed to file caused/causes them worry when thinking about preparing taxes this year
- 19% are/were worried/concerned that their refund would/will not be as much as expected
- 18% felt/feel worry/concern that they would prepare them incorrectly and will have to do them again/be audited
  - 15% indicated they felt/feel worry/concern that they would prepare them incorrectly and will get audited
  - 9% felt/feel worry/concern that they would prepare them incorrectly and will have to do them again
- Not getting the highest possible refund because they did something wrong was/is a source of worry/concern for 16% of those who have/will file taxes
- 15% are/were worried about completing all the right forms
- 14% indicated doing something wrong and facing a fine caused/causes them worry/concern
- The pressure of deadlines (10%) is/was a source of worry/concern for those who have/will file taxes
- 3% said something else caused/causes them worry/concern
- 42% indicated that they weren't/aren't concerned about anything when thinking about preparing their taxes this year

### Key Findings – Typical Uses For Refund

Among the 87% of U.S. adults who have ever received refund...

- More than half (52%) typically put it into savings
- One quarter (25%) typically use their refund to pay down credit card debt
- 18% typically spend their refund on unplanned purchases
- 16% of those who have ever received a refund typically pay down loan debt
- Major planned purchases are what 15% of those who have ever received a refund typically use it for
- 14% take a vacation or do/make home improvements
- Only 8% typically invest their refund
  - Men (12%) are significantly more likely to do so than women (5%)
- 4% typically make a principal-only payment towards their mortgage with their refund
  - Men (6%) are significantly more likely to do so than women (2%)
- 16% said that they typically use their refund for something else

### Key Findings – This Year’s Refund Compared to Refund 5 Years Ago

Among those who have already filed/will be filing taxes this year and received tax refund 5 years ago expect to receive tax refund this year ...

- One quarter (27%) have/expect to receive somewhat/much more than 5 years ago
- One fifth (21%) received/expect to receive the same amount of money this year as 5 years ago
- Over one third (36%) received/expect to receive much/somewhat less than 5 years ago
- 16% are not at all sure

### Key Findings – Tax Withholdings

Among those who are employed and have already filed/will file taxes this year...

- Nearly 4 in 10 (37%) withhold more to receive a larger refund when they file taxes
- One fifth (20%) try to adjust their withholdings so they neither owe any taxes nor receive a refund
- 17% withhold less so they receive more money in their paycheck and receive a small/no refund when they file their taxes
- 5% do something else, while 21% don’t do anything in regards to their withholdings

### Key Findings – Help/Receive Help With Taxes

Among the 32% of those who have already filed/will file taxes this year and seek help from/provide help to any immediate family member(s) with filing taxes...

- Nearly four in ten (38%) seek help/provide help to parent(s)
  - 21% seek help from their parent(s) when filing their taxes
  - 18% help their parent(s) with filing their taxes
- 29% seek help from/provide help to adult child(ren)
  - 23% help their adult child(ren) with filing their taxes
  - 6% seek help from their adult child(ren) when filing their taxes
- 23% seek help from/provide help to their sibling(s)
  - 14% help their sibling(s) with filing their taxes
  - 11% seek help from their sibling(s) when filing their taxes
- One third (35%) seek help from/provide help to some other immediate family member(s)
  - 19% help their other immediate family member(s)with filing their taxes
  - 18% seek help from some other immediate family member(s)when filing their taxes

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