

Form 1040

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15 Smarter Ways to Use Your Tax Refund



My Finances Matter

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The Legalities...

Thank you for taking the steps to improve your financial situation and trusting My Finances Matter to assist you.

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Thank you for downloading 15 Smarter Ways to Use Your Tax Refund. This eBook was designed with you in mind. My goal is to provide you ways in which you can ease the burden. In the earlier years of my financial journey, I made a lot of mistakes. There were years I received a sizable tax refund and I blew it. I bought miscellaneous and unnecessary junk and within the month, I was back to broke. I don't want that for you. Today, I want to open your mind to different ways to use your money.

My name is Lotasha Thomas and I am the "soloprenuer" of My Finances Matter. I strive to teach young people about personal finance and help them to build a solid foundation in which they can make informed financial decisions. In 2018, I earned my Master of Business Administration. I am a licensed Certified Public Accountant (CPA) and have 15+ years in the tax, finance, personal finance and non-profit accounting industries. I am currently a Controller for a local non-profit organization. While I like working with adults, my passion is opening the eyes of young adults and teenagers to the world of financial literacy. Money will always exist. We will always need it and use it. With that being said, we need to know how to manage it properly.

On the next pages, you will find some ways to use your tax refund (or any money you may have stowed away). I hope you all enjoy the information shared. Cheers to easing the burden!

Too many people spend money they earned..to buy things they don't want..to impress people that they don't like. ~Will Rogers

Chapter 1

15 Smarter Ways to Use Your Tax Refund

In this chapter, I will share some "smarter" ways to use your tax refund. If you have been in the position of getting a sizable refund, you know it's so easy to spend on frivolous things. Here today and gone tomorrow. The goal is not to have an "easy life" for a month, but rather do or spend on things that will create ongoing peace and ease your financial burdens. Even if you don't get a tax refund but have a fair amount saved up, here are some great ideas on how to utilize that money to enhance your life.

- 1. Start a business or side hustle.** With a lump sum of money, you can start the business you've been dreaming about! Every day is a great day to follow your dreams. Start your very own small business! There are so many businesses you can start with minimum funds such as a custom t-shirt business, write an e-book on a topic you know a lot about or become a virtual assistant. More to come on this topic...
- 2. Invest.** There are so many options to invest. One of the most common ways to invest is in stocks. There are many avenues available to open an account and start investing. You can open a regular investment account or ROTH IRA, if you qualify, where you can choose and purchase your own stock investments.

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3. **Start an emergency fund.** Having an emergency fund of \$1,000 can provide a great deal of security and ease your mind when it comes to financial emergencies. If your car needs new tires or the washing machine decides to stop working, having \$1,000 set aside for said emergencies is a great thing!

4. **Set aside money for living expenses.** Unfortunately, we never know what cards life will deal us. It is important to have 3-6 months of living expenses saved for the unknown. If you were to lose your job tomorrow, how will you pay the rent or mortgage next month? In the event of a potential long-term emergency, having funds set aside can make a huge difference.

5. **Pay off debt.** If you have credit card debt, now is a great time to pay down those balances. There are several ways to tackle your debt woes. When you have the money to pay it down, do it! Depending on your situation, paying down debt can have a huge positive impact on your credit score by lowering your utilization.

6. **Open a Christmas account.** By saving funds throughout the year, you can ease the pressures of Christmas shopping for your family. Now is a great time to open a Christmas account. Even if you don't have the opportunity to add to it on a regular basis throughout the year, you will have a head start.

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7. Open a savings account for your children. There's never a bad time to start saving for your child's education or life after age 18. This also sets a great example for your children! There are several options here: you can open a 529 account for education expenses, a custodial investment account where you can purchase your child's first stock or a high yield savings account. Start with \$100 or \$500 or whatever is comfortable, then add \$25 per week or \$50-100 every month. You will see the savings increase mighty fast!

8. Put a down payment on the home of your dreams. If you are receiving a large sum of money, it's a great way to add a nice amount to your down payment fund! With the new home buyer assistance programs out there, you would be surprised to find that you may need less cash than you imagined.

9. Invest in your children! Now is the time when summer camps are accepting registrations. For anyone with children, you know extra-curricular activities can be quite expensive. I see activities that run upwards of \$250 per week! You can use your refund to register your children in activities for this summer or start to fund their dreams.

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10. **Pay your rent in advance.** By doing this, you can free up a lot of cash for the next several months. Typically, our largest expense is housing. Paying the rent or mortgage in advance, frees up cash which can be used to fund an ongoing home upgrade.

11. **Pay any past due bills.** If you have valid collections on your credit report, now is a great time to address those accounts and pay what you can. Contact the company to see if they are willing to do a pay for delete or even give you a reduced amount if you can pay it all today. If you are simply behind on your bills, settle them up now.

12. **Invest in yourself!** Do you have a license or certificate that you've been thinking about, but money was an issue? What about the class you need to complete to enhance your career, or that study class that will help you get that manager's role? What about those classes in Spanish because being bilingual makes you more marketable? Well, here's your opportunity to invest in yourself! Often we take care of everyone but ourselves. It's not selfish to enhance you! Give yourself a chance...

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13. Donate to a local shelter or school. With a huge increase in the number of natural disasters we've experienced lately, many of the local shelters and emergency response organizations have been stretched thin. Now is a great time to show your support. There have been massive fires in 2017-2019, that have left many families with nothing. How about assisting with the homeless population? We are seeing more and more homeless individuals and there simply aren't enough shelters to house them all. We can make the choice to give back to those less fortunate.

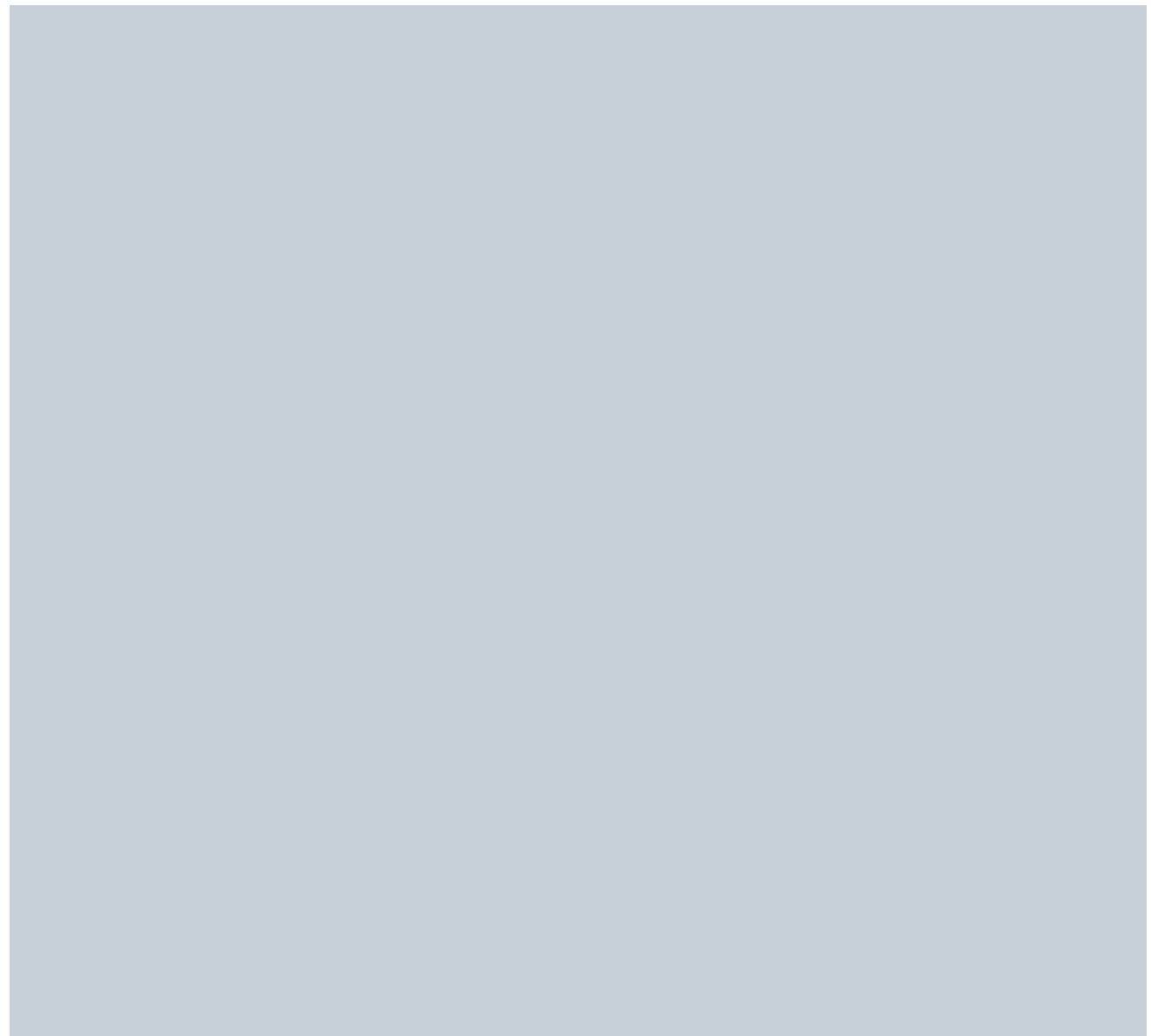
14. Start your summer travel account. Are you in need of a nice, relaxing vacation? Or maybe a fun vacay with the kiddos? Connect with your favorite travel agent and put a down payment on a summer or holiday vacation. You can always do it yourself as well. There are many local and not so local places that we can go to create amazing family memories.

15. Purchase gift cards to your favorite stores. Use your refund to purchase gift cards to the stores you frequent the most like discount stores such as Target or Walmart. You can also purchase gift cards for grocery stores and save them for later. If you run into hard times, you have food and necessities covered!!

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Chapter 1 Notes and Ideas:

There are so many things we can do with our money. It is up to you to decide how you want to use your refund. Use this time and space to jot down a few ideas and notes.



Thank you!
Stay in contact!



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