

What Do I Do With My Refund?

by Leticia Parra



We don't normally like to tell you how to spend your money. Our members tend to be very good at that, often finding creative ways to turn the hours they've spent at the office into new ways to enjoy their lives. More often, we tell you how to not spend your money by letting you know about our fantastic savings options that can produce dividends in varying amounts of time, or we'll often tell you about ways to use your good credit for getting a loan that can make your life better or save you money in the long run.

At tax time, however, we thought we'd take a different direction. If you've got a windfall coming from the IRS and don't want to watch it disappear as you spend an extra \$50 or \$100 here or there, we've got some plans that can turn your refund into lifelong memories, earn you money in the long run or both, all while spending time doing what you want to do.

We're working with a hypothetical assumption that you have around \$1,000 coming, because it can be an awkward amount of money. It's not enough to pay off a big chunk of debt or fund the purchase of a life-changing item like a house or new car, but it's too much to ignore. \$1,000 is a lot of money to spend, but not a lot to have.

Tackle one home improvement project

We've all got a list of things we'd like to do around the house. Maybe you'd like a deck for grilling once the winter lets up, or you'd like a more welcoming front entryway to your home, or you'd like to drag the kitchen into the twenty-first century. Talk to your spouse, your kids or whoever might enjoy what you're planning to build. See what they have to say and what their interest levels might be in helping you out. Once you come up with a plan, watch some YouTube videos to make sure it's something you can handle, and then mark your calendar. Set times to work, and make it a family project. By the time you've finished, you'll have improved the value of your home, spent time building something tangible with your family, and you won't have to suffer through a summer without your deck.

If you can't think of a fun project your kids might enjoy, what about building a wood-fired outdoor pizza oven? They're simple enough to assemble, the kids will definitely enjoy it, and most home kitchens are ill-suited to making really good pizza.

Once that project is done, you can always go back for more. If everyone had a great time, take a look at what's next on your list and tackle that. Once your ambition to improve your home outpaces your refund, come see us about a home equity loan or line of credit and we'll help you turn your house into the home of your dreams.

Take a parents' weekend

Getting an evening away from the kids can be difficult, and a weekend might seem impossible, but it doesn't have to be that way. You're holding a refund check from the IRS and it might be enough to ship the kids off to grandma and grandpa's house, or pay for a couple of nights at a hotel in a nearby city. If you haven't tried it yet, AirBNB has made it easier than ever to find a great rate on a place to stay, even at the last minute. Guys: you get bonus points if you take her somewhere for Valentine's Day; dinner and a show might be lame at home, but in another city it can be romantic. When was the last time she got to wear her favorite dress or jewelry?

A parents' weekend is a great way to invest in your future, even if it doesn't seem like it at first. Study after study says that Americans don't vacation as much as the rest of the world, and that those who do tend to be more productive. Watch how much more smoothly everything goes at work when you get back.

If you're looking for an inexpensive getaway, try New Orleans. It's got haunted tours, antiques and brass bands during the day, while still offering you world-class restaurants (Commander's Palace is a must for upscale restaurants, Mother's Po Boys for downscale, and try the chargrilled oysters at Acme for a taste you can't get at home that is priced right in the middle) and Bourbon Street at night. Mardi Gras is just around the corner, but you can save a bundle by heading down afterward. Maybe while the kids are on spring break?

Encourage a gifted child

Many families find that they'd rather splurge on the kids than on themselves. If that's the case, why not use your tax refund to invest in your child's future? Purchase an instrument, a trainer or a tutor for a child who's shown an interest in a special activity. The college admissions process has gotten incredibly competitive since you went through it, and the leadership and talent demonstrated through extracurriculars could mean the difference between getting into that prestigious East Coast school or having to stay home at football state university. Beyond admissions, talents your child can demonstrate will also help him or her get scholarships, making the investment you put in today a sound one financially, as well as spiritually.

If your child hasn't displayed any gifts or specific interests, this might be a chance to spark something. You could try paying for a school trip, which seems to happen every other month, or even take a family trip to Europe. If you still can't figure out what they'd like, you could always put the money into their college fund. We offer several tax-exempt programs, which would let

this year's refund come off of next year's taxes while it earns interest toward their inevitably enormous tuition bill, which many experts think will be around \$250,000 by 2030.