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Concerns of Delays, Inflation, and More Have Two-Thirds Worried About Their Tax Refunds This Year

About 3 in 4 millennials, Gen Xers expecting tax refunds say it is important for their overall financial situation

NEW YORK – February 22, 2022 – With tax filing season underway, 67% of U.S. adults who are expecting tax refunds have at least one worry about their refunds this year, according to a new Bankrate.com report. Further, about three-quarters of millennials (75%; ages 26-41) and Gen Xers (72%; ages 42-57) expecting a tax refund this year say the money is important to their overall financial situation. Click here for more information:

<https://www.bankrate.com/finance/credit-cards/tax-return-survey/>

Of those expecting a tax refund this year, concerns are led by fear that their refund will be smaller than usual (29%), that their refund won't make as big an impact due to inflation/rising costs (29%), and that their refund will be delayed (24%). 15% say they are anxious that their refund won't stretch as far due to rising interest rates and 8% are concerned about something else.

"Many Americans will get smaller refunds this year because they already got half of their child tax credit funds in monthly installments during the second half of 2021," said Ted Rossman, senior industry analyst at Bankrate.com. "It's no wonder millennials (37%) and parents of children under the age of 18 (38%) are most likely to be worried that their refund will be smaller this year. On the plus side, eligible individuals who didn't get this money for some reason can request it on their tax returns. The same goes for those who didn't get the \$1,400 stimulus payments they were entitled to receive in 2021."

Overall, 67% of Americans expecting tax refunds say the money is important to their overall financial situation, including 36% who say it is very important. According to the IRS, the average federal tax refund last year was \$2,815.

The importance of this year's tax refund is higher among younger generations, women, parents of younger children, and lower-income households, as is the likelihood for concerns about refunds:

Of those who are expecting a refund:	Tax refund is important to overall financial situation (very important + somewhat important)	Tax refund is very important to overall financial situation	Have at least one worry about their refund this year
Millennials (ages 26-41)	75%	41%	77%
Gen Xers (ages 42-57)	72%	38%	70%
Baby boomers (ages 58-76)	54%	33%	51%
Women	77%	42%	67%
Men	59%	30%	66%
Parents of children under 18	78%	47%	80%
Non-parents	66%	34%	65%
Income under \$50,000/year	80%	48%	73%
Income of \$100,000+/year	47%	20%	61%

Among those expecting refunds, 32% plan to save most or all of the money, 23% will use it primarily to pay down debt, 12% will pay for day-to-day expenses, 10% will make home improvements, and 7% will invest the money. Just 4% plan to splurge on a vacation and 2% on retail purchases. 6% say they aren't sure what they will do with their refund and 5% say they will do something else.

“A tax refund is the largest windfall that many Americans will receive all year,” Rossman added. “Using this money to pay off credit card debt is an excellent choice, since [the average credit card charges over 16%](#) and that's likely to rise to 17% or more by the end of 2022. The average American owes \$5,525 on their credit cards, according to Experian, so the average tax refund represents more than half of the battle.”

Of those planning to file taxes this year, 40% are expecting refunds, 18% expect to owe the government, and 17% think they will break even. 25% are not sure what to expect regarding their tax refund. According to the IRS, 77% of filers received a refund last year.

Early filers are more likely to anticipate refunds; 44% of tax filers plan to submit their returns in February, and 57% of them expect refunds this year. Meanwhile, just 11% of February filers expect to owe the government money.

Additionally, 25% of tax filers plan to submit their returns in March, 16% in April, and 4% in later months. 12% say they plan to file this year, but do not know when.

Methodology:

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,469 adults. Fieldwork was undertaken January 26-28, 2022. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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