

# Huntington Bank Consumer Tip: Use Tax Refund Wisely

*Average 2014 refund of more than \$3,000 can fund smart spending, saving decisions*

COLUMBUS, Ohio--(BUSINESS WIRE)-- With federal tax refunds up 3 percent over last year – averaging \$3,034 as of the end of February – many taxpayers are getting access to more discretionary dollars as spring arrives.

It can be tempting to use tax refunds for impulse purchases with no long-term impact, like a tropical vacation or a shopping spree. But while it's natural to set aside a portion of tax refunds for short-term enjoyment, Huntington Bank ([www.huntington.com](http://www.huntington.com)) suggests five practical uses for your refund that could also improve your overall long-term financial health and well-being.

**Save it for a rainy day.** Everyone should have a rainy day fund that totals at least three months of his or her yearly salary. If you don't have emergency money set aside, a portion of your refund could go toward a savings account, money market or short-term certificate of deposit.

**Save for retirement.** Consider putting your refund in a Roth IRA for the 2014 tax year. A 35-year-old who invested \$2,500 in a Roth IRA in 2014 and every year thereafter would have access to approximately \$210,000 by age 65, if the annual compounded rate of return equaled 6 percent.

**Pay off a portion of college debt.** According to the Project on Student Debt from the Institute for College Access and Success, seven out of 10 seniors graduated in 2012 with debt, with average debt of \$29,400.

**Contribute to an education fund.** While the College Board reports that tuition in the current academic year of 2013-2014 is rising more slowly than in previous years, the costs of higher education continue to climb. Average in-state tuition now totals \$8,900, while average private school tuition tops \$30,000.

**Make extra mortgage payments.** If you use your refund to help pay down your fixed-rate mortgage, you could save thousands of dollars in interest and significantly shorten the term of your loan. Setting aside just \$1,200 of your annual refund to pay an extra \$100 every month on a 30-year, \$100,000 mortgage at a 4.5 percent annual interest rate would result in more than \$26,000 in total savings and pay off the loan in less than 22 years. Or, if you have not already taken advantage of historic low interest rates by refinancing your mortgage, your tax refund could help pay for one-time refinancing fees. A refund can also help pay for a down-payment on a mortgage for would-be homebuyers.

**About Huntington**

Huntington Bancshares Incorporated (NASDAQ:HBAN) is a \$59 billion regional bank holding company headquartered in Columbus, Ohio. The Huntington National Bank, founded in 1866, and its affiliates provide full-service commercial, small business, and consumer banking services; mortgage banking services; treasury management and foreign exchange services; equipment leasing; wealth and investment management services; trust services; brokerage services; customized insurance brokerage and service programs; and other financial products and services. The principal markets for these services are Huntington's six-state retail banking franchise: Ohio, Michigan, Pennsylvania, Indiana, West Virginia, and Kentucky. The primary distribution channels include a banking network of more than 700 traditional branches and convenience branches located in grocery stores and retirement centers, and through an array of alternative distribution channels including internet and mobile banking, telephone banking, and more than 1,500 ATMs. Through automotive dealership relationships within its six-state retail banking franchise area and selected other Midwest and New England states, Huntington also provides commercial banking services to the automotive dealers and retail automobile financing for dealer customers.

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