



Title: Smart Ways to Split Your Tax Refund for Today and Tomorrow

It's that time of year again...tax refund season! Getting some extra money back can feel like hitting a small jackpot. Many emotions and decisions come with it, but what's the smartest way to use your refund? Should you spend it on a vacation, put it toward a car, or save it for the future? How can you make it the most beneficial? And is it possible to enjoy some now while planning for later? The good news is that you can prepare for both today and tomorrow.

Build Towards the Future with An IRA

Using part of your tax refund to contribute to an Individual Retirement Account (IRA) is a simple way to invest in your future without disrupting your monthly budget.

An IRA helps you save for retirement while potentially offering tax advantages, depending on the type of account you choose. Even small contributions matter; your money can grow over time thanks to the power of compounding. Since tax refunds are typically a lump sum, they're an ideal opportunity to make a contribution you may not otherwise budget for during the year.

- Traditional IRA: You get a tax break now, but you'll pay taxes when you take the money out in retirement.
- Roth IRA: You pay taxes now, but your money grows and can be taken out tax-free later.

Contributing even a portion of your refund to an IRA can make a difference over time, helping you build long-term financial security. And the best part? You don't have to put all your refund into retirement savings. By splitting your refund, you can invest in your future and tackle more immediate financial priorities, like reducing stress with your auto loan or upgrading your vehicle.

Reduce Stress with an Auto Loan Payment or Vehicle Upgrade

Another smart way to use part of your tax refund is to put it toward your vehicle. Whether that means making a bigger payment on your current auto loan or saving for a down payment on a new or used car, your refund can help lower monthly payments and take some stress off your budget.

Even a small extra payment can make a difference, reducing interest over time and helping you pay off your loan faster. Or, if your car is due for an upgrade, using your refund as a down payment can make a newer, more reliable vehicle more affordable right away.

And right now, Arcadia Credit Union is offering its “Love Your Car” special, making it a great time to explore auto loan options or plan a car upgrade. By combining this with contributions to an IRA, you can enjoy the peace of mind that comes from handling both short-term needs and long-term goals, all with one smart plan.

Get the Best of Both Worlds

Who says you have to pick between treating yourself today and planning for tomorrow? With a smart split, your tax refund can do both. Contribute to an IRA to grow your future savings, and use part of your refund to pay down your auto loan or upgrade your ride. All while enjoying a little peace of mind.