

Institute for Financial Literacy releases research on How Americans Will Spend Their Tax Rebate Checks

PORTLAND, Maine (March 10, 2008) The Institute for Financial Literacy today released research entitled *Proposed Rebates in 2008: How will Americans Spend Their Tax Rebate Checks?* which reports on how Americans intend to spend the Tax Rebate Checks they will be receiving under the Recovery Rebates and Economic Stimulus for the American People Act of 2008.

Information was gathered from 949 consumers completing financial counseling and education. This research found that:

- 48% of survey respondents intend to Pay Debt.
- 22% of survey respondents intend to add to their Regular Savings.
- 13% of survey respondents intend to Buy Something.
- Only 4% of survey respondents intend to add to their Retirement Savings.

Based upon this research, the Institute makes the following recommendations:

- Further study should be conducted to determine why Americans are expressing such a significant preference for debt reduction at this time.
- The study results may be an early indication of the educational effectiveness of both pre-filing Bankruptcy Credit Counseling and pre-discharge Bankruptcy Debtor Education and additional research should be conducted.
- The low preference for retirement savings options, even among those 40 years and older, is an alarming indicator and educators, academics, economists and policymakers should all take serious note of this data.

“Although we won’t know for sure how people will actually spend this money until after they have received the rebate checks, this research is significant because it highlights a continuing lack of retirement planning even among people 40 years and older” said Leslie E. Linfield, Executive Director of the Institute for Financial Literacy. “One would hope that people would use this rebate to help catch up on retirement savings, but we just aren’t seeing it.”

The full report can be downloaded from the Institute for Financial Literacy’s website at <http://financiallit.org/resources/articles.aspx>.

About The Institute for Financial Literacy

Headquartered in Portland, ME, the Institute for Financial Literacy is a non-profit organization whose mission is to make effective financial literacy education available to all American adults. The Institute accomplishes its mission by partnering with non-profit, educational and governmental organizations to integrate financial literacy education programs into their existing services, conducting research and publishing the National Standards in Adult Financial Literacy Education. For more information about the Institute visit its website at <http://www.financiallit.org> or call them at 1-866-662-4932.

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