

Tax Season: Five Ways to Maximize the Impact of Your Refund

MILWAUKEE ([BUSINESS WIRE](#)), April 21, 2011 - April showers are here, and most Americans have just completed their taxes; now it's time to decide what to do with that refund check. Your tax refund may feel like "free money" and it may be tempting to use the money to treat yourself, but in reality the government is simply returning the money you've already earned. [Northwestern Mutual](#) – a leading financial security company – suggests using that refund as an opportunity to make strides in your personal financial security.

"Your tax refund creates an annual opportunity for smart financial decisions," says Rebekah Barsch, Northwestern Mutual director of retirement markets. "Building personal financial security isn't about immediate gratification, it's about the long-term rewards of proactive planning. Utilizing your tax refund to strengthen your financial foundation today can help you achieve your goals far into the future."

Here are five suggestions from Northwestern Mutual to maximize the impact of your tax refund and increase your personal financial security:

Pay yourself first: Do you have credit card debt, car payments or a mortgage? If so, you can benefit from putting your tax refund toward these bills, and save money in the long run by avoiding additional interest accumulation. Try Northwestern Mutual's "[Should I pay off debt or invest in savings](#)" calculator for help determining whether this is the right move for you.

Build an emergency fund: It's impossible to predict what will happen tomorrow; what you can control is how financially prepared you are when it happens. A good rule of thumb is to have between 3-6 months worth of living expenses saved at all times. Exactly how much do you need? Northwestern Mutual's "[How much should I set aside for emergencies](#)" calculator can help.

Start a college fund: Do you want to [send your children to college](#) someday, or are you planning to go back to school yourself? The cost of higher education continues to rise, making it more important than ever to start saving early. Check out Northwestern Mutual's "[What will it take to save for a college education](#)" calculator to find out how much money you may need.

Save for retirement: If you're planning to retire eventually, it's time to start saving, if you haven't already. Do you know how much money you'll need for retirement? Northwestern Mutual's "[Retirement Savings Calculator](#)" can help you find out.

Determine your protection needs: Are you managing risk for the long-term? Tax time is an excellent opportunity to meet with your financial advisor to discuss your insurance needs and ensure that you're adequately protected. Check out Northwestern Mutual's "[How much life insurance do I need](#)" calculator to get started.

"The recent economic crisis served as an eye-opener for many Americans about how easily the market tides can turn," continues Barsch. "We need to take advantage of the opportunities we have – such as tax time – to build a blanket of protection to stay financially secure through good times and bad. Developing a sound financial plan that takes you through retirement is a lifetime journey that begins today."

About Northwestern Mutual

The Northwestern Mutual Life Insurance Company – Milwaukee, WI ([Northwestern Mutual](#)) is the "World's Most Admired Company" life insurance company in 2011 according to FORTUNE® magazine, has helped clients achieve financial security for more than 150 years. As a mutual company with \$1.2 trillion of life insurance protection in force, Northwestern Mutual has no shareholders. The company focuses solely and directly on its clients and seeks to deliver consistent and dependable value to them over time.

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