

Americans' plans for tax refunds



70% of U.S. adults

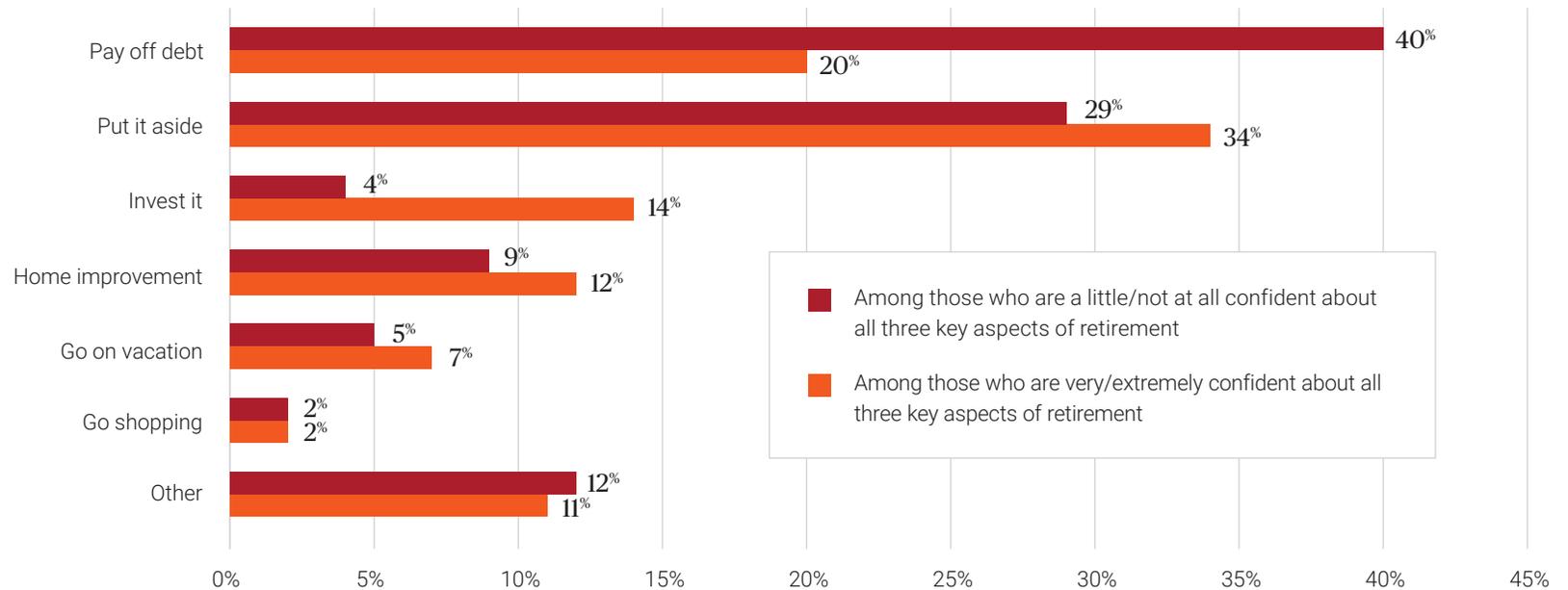
receiving a tax refund plan to spend it on a financial goal, whether they save it or pay off debt corresponds to their level of retirement confidence.¹

Confident savers intend to keep saving

U.S. adults (ages 18-64) who think they'll get a tax refund this year intend to use it toward financial priorities: 28% say they'll put it aside, 33% intend to pay off debt, and 9% say they'll invest it.¹

Those who are confident in their retirement savings, according to the Consumer Retirement Index, are much more likely than those who aren't confident to put their tax refund aside or invest it.¹ Those with no confidence in their retirement savings are two times more likely to use the refund to pay off debt.¹

How do you plan to spend your tax refund this year?

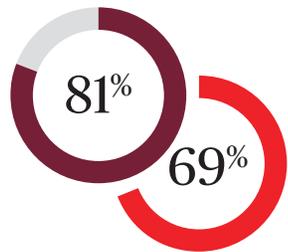
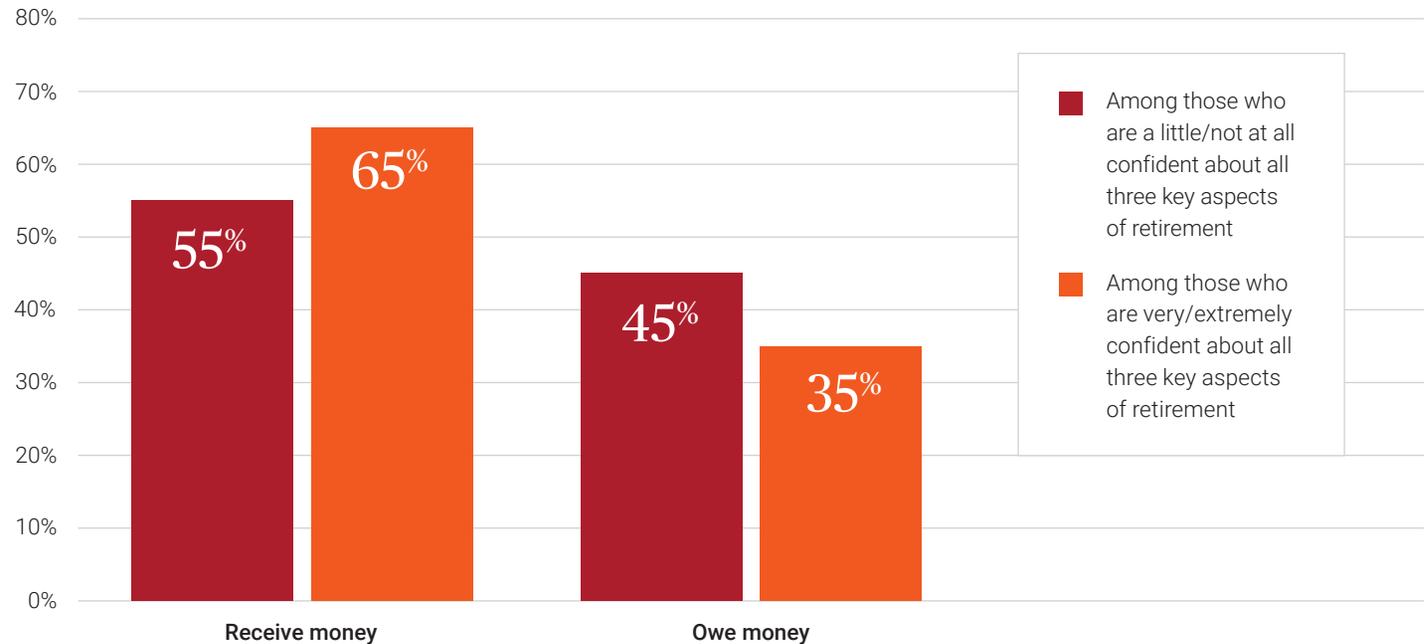


¹ Lincoln Financial & CivicScience, "Consumer Retirement Index," data gathered by CivicScience: 11/17/2020 – 2/8/2021.

Refunds reflect retirement confidence level

Those who expect to receive money on their federal tax filing this year are more likely to be a little/not at all confident about retirement.² Individuals who expect to owe money are more likely to be confident about their retirement savings.²

Do you expect to receive money or owe money this year?



81% of those who are a little/not at all confident in their retirement savings say they have debt, compared to 69% of retirement confident individuals who say they have debt.²

In addition, people with a higher household income are more likely to be confident about their retirement savings. 50% of those who are very/extremely confident about retirement have an annual household income of \$100,000 or more, whereas 73% of those who are a little/not at all confident about retirement have an annual household income of \$100,000 or less.² In many cases, those with lower incomes report having less room in their budget to save for retirement, which in turn impacts confidence.

Those who have higher earnings also are more likely to use their refund for investments.² Those who have a lower annual household income are more likely to use their tax refund to pay off debt or put it aside.²

² Lincoln Financial & CivicScience, "Consumer Retirement Index," data gathered by CivicScience: 11/17/2020 – 2/8/2021.

Help employees increase retirement confidence

What can you do to help? Education may be the key to increasing confidence. Provide these tools to manage finances:

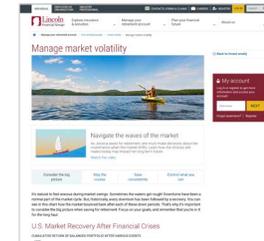


Budgeting worksheets

can help employees separate needs from wants and find extra money to save.



Personalized financial wellness tools, such as [Lincoln WellnessPATH®](#), can help them manage debt and competing priorities.



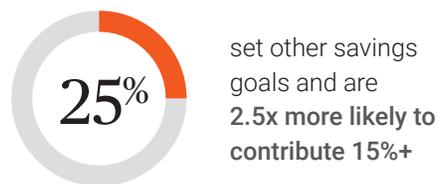
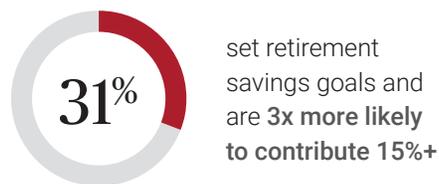
Investment and market volatility education

can help boost employee confidence and address uncertainty.

Goal setting correlates to positive action

How else can you help employees? Encourage goal setting. Our research shows that participants who set goals for retirement saving, other savings, or debt payments contribute more to their retirement plans than those who don't.³

Goal setting correlates to positive action



Use these insights to power positive outcomes for your employees!

³ Lincoln Retirement Power® Participant Study, 2019.

About the Consumer Retirement Index

Lincoln Financial Group and Civic Science team up to bring you the Consumer Retirement Index, calculated from monthly tracking questions that assess consumer sentiment about saving for retirement. The index is based on three questions, each of which measures an aspect of consumer confidence about retirement. It represents the percentage of U.S. adults ages 18-64 who feel “very” or “extremely” confident about all three of these measures:

- Being able to accumulate enough money so they can retire when they want
- Being able to convert their savings when they retire into income that will last the rest of their lives
- Having enough money to maintain the lifestyles they want in retirement

About the CivicScience

CivicScience provides strategic insight services to decision-makers at the largest brands, media companies, and investment firms in the world while giving consumers a trusted, convenient way to affect change. Through a proprietary polling and analytics platform, CivicScience studies consumers and markets across thousands of dimensions, from macro forces to brand-specific trends, and how they relate. For more information, visit CivicScience.com.

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