



NATIONAL FOUNDATION FOR  
CREDIT COUNSELING

*Knowing the difference can  
make all the difference.*

## ***NFCC PRESS RELEASE***

For Immediate Release  
March 24, 2008

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### ***MONEY NOW OR LATER?***

#### ***NFCC Shows How to Put Tax Refund Money in Your Pocket Each Month***

Silver Spring, MD – What would you rather have, a lump sum of \$2,600 or monthly payments of \$216 for a year? If you're one of the 46.5 million consumers who is receiving an income tax refund this year, that's the choice you have, as the average refund totals \$2,637.

The National Foundation for Credit Counseling (NFCC) suggests that consumers review their withholding allowances to make sure that the proper amount is taken out of each paycheck. "You don't want to end up owing Uncle Sam, nor do you want to give him more of your hard-earned money than you need to each month. I don't like to see anyone receive a refund," said Gail Cunningham, spokesperson for the NFCC.

Many people are excited to receive an income tax refund, but what they don't realize is that the government is simply giving them back their own money. It's not a windfall, and it's not winning the lottery. Not only have they paid in too much money, the government is returning it to them without benefit of interest.

The very people who look forward to an income tax return are often those who have struggled all year long financially, falling behind on critical payments such as rent and vehicles. An extra \$200 per month would have given them great relief throughout the year.

The goal is to have your withholding match your actual tax liability. If not enough tax is withheld, you will owe tax at the end of the year. If too much tax is withheld, you will lose the use of that money until you get your refund.

The remedy is simple. Go to [www.irs.gov](http://www.irs.gov) and type "withholding calculator" in the search box. This will take you to a program similar to a W-4 worksheet, but most people find the calculator to be easier and more accurate. Consumers can use the results to complete their W-4 before submitting to their employer.

"Workers need to be aware that they can change their W-4 at any time during the year, and certainly should do so if they've had a personal or financial change in their life," Cunningham continued. Examples of personal changes are divorce, marriage, birth of a child, the purchase of a new home, or retirement. Financial changes would include you or your spouse starting or stopping working.

The NFCC invites consumers to participate in the MSN Money "Ask a Credit Counselor" message board dedicated to responsible uses of an income tax refund. From 9:00 a.m. until 9:00 p.m. EDT consumers can post a question and have it answered by a certified credit counselor. The board is open daily, but a special emphasis will be put on tax refunds on Tuesday, March 25, 2008.

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It's always fun to receive a big check in the mail, but not if you've struggled all year. For help getting your financial house in order, contact an NFCC Member Agency. To locate the one nearest you, call 1-800-388-2227, or en Espanol, dial 1-800-682-9832. To locate an agency online go to [www.DebtAdvice.org](http://www.DebtAdvice.org).

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*The National Foundation for Credit Counseling (NFCC), founded in 1951, is the nation's largest and longest serving national nonprofit credit counseling organization. The NFCC's mission is to promote the national agenda for financially responsible behavior and build capacity for its members to deliver the highest quality financial education and counseling services. NFCC members annually help more than two million consumers through close to 900 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC member, call 1-800-388-2227, (en Español 1-800-682-9832) or visit [www.nfcc.org](http://www.nfcc.org).*