

Tax Refund Can Be a Ticket to Financial Freedom

LOS ANGELES, CA – May 5 (SEND2PRESS NEWSWIRE) – Knockout Debt (www.knockoutdebt.com) announced today that it is offering a Free Debt Consultation to all consumers who have received or will be receiving a tax refund. Knockout Debt's consultants will explain to consumers how a tax refund may be used to save thousands of dollars. With rising interest rates, spiraling gas prices, and higher credit card minimums, it is more important than ever before to eliminate credit card debt. For cash strapped consumers, a tax refund from the Government may be a surprise ticket to financial freedom. Instead of wasting this found money on something frivolous, it can be used to pay off unwanted debt.

Why Use A Tax Refund To Pay Down Debt?

This year, roughly 80% of all individual taxpayers will receive a tax refund. In recent years, the average tax refund was \$2,400.00 and it may be higher this year. Most consumers anticipate this refund and already have the money spent on luxury items like a new television or vacation. Unfortunately, these same consumers often do not consider using the refund to pay down outstanding debt, a much wiser financial decision. Credit card rates are typically high and therefore it makes financial sense to pay off these debts as quickly as possible.

Today, the average American consumer carries approximately \$10,000 in credit card debt at an interest rate of 18%. Minimum payments are 4-5% with most creditors. Nearly half of these consumers carry a balance from month to month. By paying the monthly minimums, a consumer will take nearly 15 years and spend about \$16,000 to pay it off. However, what if this consumer received an average tax refund, applied \$2,000 of it toward their balance, and continued to make the minimum payments? The consumer would pay off the debt 1 year sooner and would only spend about \$14,700 to pay it off, saving nearly \$1,300.

Consumers with debt issues may also want to allow for more money from each paycheck by adjusting the withholding on their W-4. Instead of using the IRS as a no interest savings account and receiving a refund the following April, it may make sense to take the money now and apply it toward high interest debt. By taking advantage of increased monthly cash flows, consumers can pay off debt more quickly and save hundreds or thousands of dollars on interest fees. Consumers should first seek the advice of a tax professional before making this decision.

Reduce Debt and Avoid Bankruptcy

Consumers who are serious about getting out of debt do, however, have an option: debt settlement. With debt settlement, consumers can reduce the overall amount owed while avoiding a potential bankruptcy. Debt settlement

also condenses all payments into one manageable monthly payment that is controlled by the consumer. Typically consumers can find themselves free of debt in only 12-36 months, when utilizing debt arbitration services. Furthermore, if a consumer utilizes a tax refund properly, it may be possible to be debt free in an even shorter time frame.

About Knockout Debt

Knockout Debt (www.knockoutdebt.com) is a professional debt settlement company that specializes in helping heavily indebted consumers regain financial stability by negotiating a significant reduction of the consumer's total principle debt. By utilizing experienced negotiators, long-standing relationships with creditors, and financial acumen, Knockout Debt designs customized debt reduction solutions that enable clients to lower their debt to income ratio without filing bankruptcy. At Knockout Debt, our debt settlement experts will negotiate a settlement with creditors to cut the total principle balance by as much as 60 percent.

More information: www.knockoutdebt.com/free-debt-consultation/index.asp

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