

More Baby Boomers Prefer Digital Tax Refunds Compared to Millennials

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Majority of Americans prefer digital methods of payment for taxes owed including debit, credit and electronic funds withdrawal, according to a new ACI Worldwide study

NAPLES, Fla.--(BUSINESS WIRE)-- Although a majority of U.S. adults (74%) opt for direct deposit when receiving tax refunds, more Millennials (17%) and Gen Xers (17%) prefer to receive a check in the mail compared with Baby Boomers (14%), per new research from [ACI Worldwide](#) (NASDAQ: ACIW), a leading global provider of real-time [electronic payment and banking solutions](#). When it comes to paying potential taxes owed, digital methods such as debit, credit and electronic funds withdrawal are most popular (50%), while only 32 percent prefer non-digital methods (cash or check), based on the survey data from 1,215 taxpayers.

Other key findings and trends include:

Preference for electronic payments continues to grow

- More U.S. adults filed or plan to file their taxes electronically through self-service tools this year (45%), compared to last year (40%)
- Only 8.5 percent filed or plan to file their taxes by mail/paper without professional assistance this year, compared to 10.3 percent last year
- Preference for electronic methods of paying taxes (if owed) versus mailing in a check increased in 2020, compared to last year:
 - Electronic funds withdrawal – increased 13 percent (26% from 23%)
 - Debit card – increased 17 percent (14% from 12%)
 - Check – decreased 10 percent (26% from 29%)
- Although the percentage of U.S. adults who opted to pay their taxes (if owed) with cash are low (below 10%), more Millennials (8%) and Gen Xers (7%) than Baby Boomers (3%) opted for cash payment of taxes

For some, the tax refund check exceeds their average paycheck

- For 33 percent of U.S. adults who file taxes, the tax refund check is typically larger than their average paycheck
- More Millennial tax filers (43%) found that their average tax refund is typically larger than their average paycheck, compared to Gen Xers (39%) and Baby Boomers (22%)

Tax scams continue to plague some, particularly by phone and email

- Phone scams (21%) and email scams (12%) are the most common tax scams experienced by taxpayers surveyed, while illegal tax preparers (2%) and ghost preparers (2%) are less frequent
- More U.S. adults in 2020 (67%) have never experienced fraud or tax scams, compared to last year (62%)

Millennials are less aware of tax scams compared to older generations

- More U.S. adults are aware of phone scams (65%), email scams (61%) and identity theft (65%) than they are of illegal tax preparers (38%) or ghost preparers (20%)
- Close to 3 in 10 Millennials (27%) are unaware of tax scams, compared to 17 percent of Gen Xers and 11 percent of Baby Boomers

“During tax season, any consumer can be an easy target for fraudsters as they share personal financial data with tax preparers, or send and receive paper documents by mail,” said Sanjay Gupta, executive vice president, ACI Worldwide. “Digital methods of tax payment are convenient, faster and more secure. In fact, the growing preference for digital payment methods aligns with the growing number of taxpayers who have never experienced fraud. However, awareness around tax scams is still necessary, even for Millennials.”

ACI recommends the following top tips for taxpayers this season:

- **Digital payments:** Digital payments are a safer (and faster) choice for consumers, compared to checks, which can get lost in the mail and typically include social security numbers that can be easily stolen.
- **Cash Payments:** Paying taxes with cash can take approximately 5-7 business days to process; consumers can avoid late payment penalties by filing early.
- **Tax Scams:** Although phone and email scams are more popular among fraudsters, consumers must be aware of other scams such as “ghost preparers” and illegal tax preparers. Checking the tax preparer’s PTIN will ensure they are legitimate.

For more than 20 years, ACI has been supporting the billing and payment needs of federal, state and local government entities. [Learn more here.](#)

Methodology

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1,215 adults. Fieldwork was undertaken between February 11-12, 2020. The survey was carried out online. The figures have been weighted and are representative of all U.S. adults (aged 18+). Generations were defined as follows: Millennial (born 1982-1999, 390 total), Gen X (born 1965-1981, 311 total), and Baby Boomer (born 1946-1964, 399 total).

About ACI Worldwide

ACI Worldwide, the [Universal Payments](#) (UP) company, powers [electronic payments](#) for more than 5,100 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute \$14 trillion each day in payments and securities. In addition, myriad organizations utilize our [electronic bill presentment and payment](#) services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's [private cloud](#), we provide real-time, [immediate payments](#) capabilities and enable the industry's most complete [omni-channel payments](#) experience. To learn more about ACI, please visit www.aciworldwide.com. You can also find us on Twitter [@ACI_Worldwide](#).

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