

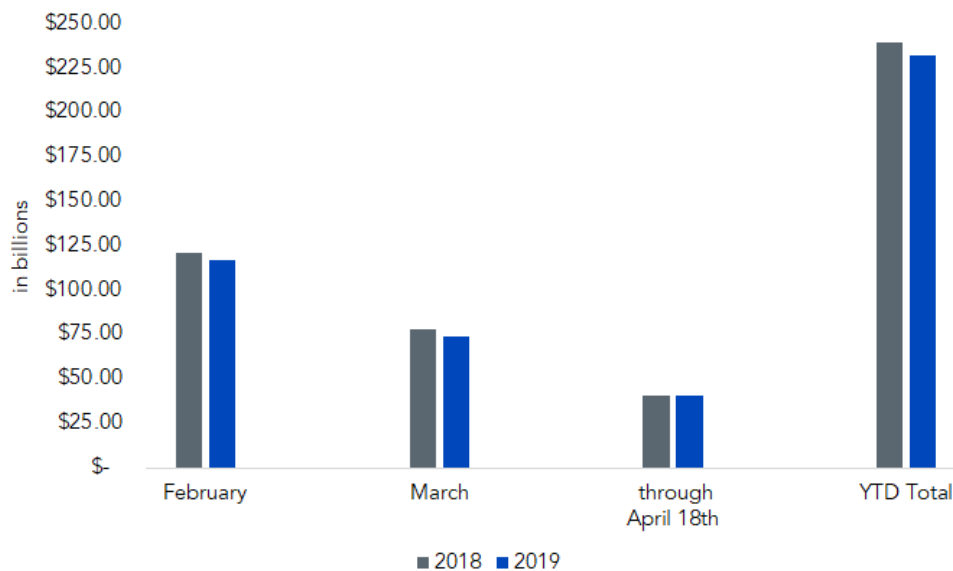
CAN I GET A REFUND?

Kevin Flanagan — Head of Fixed Income Strategy

04/24/2019

Another April 15 tax date has come and gone: That's the good news. So, how did individual filers make out for the 2019 season versus a year ago? More importantly, is that highly anticipated refund check in the mail or, better yet, already deposited in your bank account?

Individual Tax Refunds



Source: U.S. Treasury, as of 4/19/19

Certainly, last year's Tax Cuts and Jobs Act takes center stage when trying to determine the fate of the individual filer. In any given year, economists like to look at the refund tallies to find any clues of what may potentially impact household spending as a result. In other words, was it a year of booming refunds that could be a tailwind for the consumer, or just the opposite—a disappointing year that could perhaps serve as a drag on outlays in the ensuing months?

There are two sources for obtaining the data in question: the Internal Revenue Service (IRS) and the Daily Treasury Statement (DTS). For this blog post, I focused on the DTS because the data is more up-to-date than the IRS figures, which tend to operate with a bit of a lag. Thus, I was able to collect numbers through April 18 for this year and compare them to the same date for the 2018 season. Traditionally, the refund season gets underway in February and runs through the end of April. Think about it: If you think you're getting a refund, you'd probably want to file early to receive it early, right?

What did I find out? As the bar chart illustrates, this year's overall experience has thus far come in modestly below the 2018 tally. On a year-to-date basis, individual refunds for 2019 are \$232.37 billion, or 3.0% lower than last year. As you can see, the 2019 season got a bit "behind the eight ball" right from the start. Indeed, the tallies for February and March were 3.5% and 4.5% less than the 2018 figures, respectively. Some ground has been made up so far in April, but not much, with the 2019 refund number showing a +1.0% increase over 2018.

So, what should we make of the 2019 refund season so far? Two things come to mind. First, the government shutdown did apparently slow things down a bit from the start. However, now that we're in the second half of April, any shortfall from this factor probably should have been made up for by now. Second, perhaps individuals received more of any potential tax benefits in their 2018 paychecks. In that case, refund totals could be impacted accordingly.

Conclusion

In any event, I don't think the lower refund numbers should have a meaningful economic impact: So far, there just isn't a large enough discrepancy. Rather, check out the lower [interest rate](#) setting. Now that could prove to be a more important factor. Have you seen 30-year mortgage rates lately? Perhaps that's a topic for a later post!

Unless otherwise stated, data source is U.S. Treasury Department, as of April 19, 2019.

Learn more in our new [Basis Points](#) podcast series with Kevin Flanagan.

For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

For more investing insights, check out our [Economic & Market Outlook](#)

View the online version of this article [here](#).

IMPORTANT INFORMATION

U.S. investors only: Click [here](#) to obtain a WisdomTree ETF prospectus which contains investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.

There are risks involved with investing, including possible loss of principal. Foreign investing involves currency, political and economic risk. Funds focusing on a single country, sector and/or funds that emphasize investments in smaller companies may experience greater price volatility. Investments in emerging markets, currency, fixed income and alternative investments include additional risks. Please see prospectus for discussion of risks.

Past performance is not indicative of future results. This material contains the opinions of the author, which are subject to change, and should not to be considered or interpreted as a recommendation to participate in any particular trading strategy, or deemed to be an offer or sale of any investment product and it should not be relied on as such. There is no guarantee that any strategies discussed will work under all market conditions. This material represents an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This material should not be relied upon as research or investment advice regarding any security in particular. The user of this information assumes the entire risk of any use made of the information provided herein. Neither WisdomTree nor its affiliates, nor Foreside Fund Services, LLC, or its affiliates provide tax or legal advice. Investors seeking tax or legal advice should consult their tax or legal advisor. Unless expressly stated otherwise the opinions, interpretations or findings expressed herein do not necessarily represent the views of WisdomTree or any of its affiliates.

The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or component of any financial instruments or products or indexes. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each entity involved in compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties. With respect to this information, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including loss profits) or any other damages (www.msci.com)

Jonathan Steinberg, Jeremy Schwartz, Rick Harper, Christopher Gannatti, Bradley Krom, Tripp Zimmerman, Michael Barrer, Anita Rausch, Kevin Flanagan, Brendan Loftus, Joseph Tenaglia, Jeff Weniger, Matt Wagner, Alejandro Saltiel, Ryan Krystopowicz, Kara Marciscano, Jianing Wu, Brian Manby and Scott Welch are registered representatives of Foreside Fund Services, LLC.

WisdomTree Funds are distributed by Foreside Fund Services, LLC, in the U.S. only.

You cannot invest directly in an index.

DEFINITIONS

Interest rates : The rate at which interest is paid by a borrower for the use of money.