

# 6 Ways Millennials Can Use Their Tax Returns to Get Rich in 2024



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Finance expert Jaspreet Singh, host of “Minority Mindset” on YouTube, often talks about [using your money](#) to [make more money](#). Once you’re generating passive income, then you can begin to splurge on your dream car or designer clothes.

Yet, many people don’t have extra income to invest, and can barely make ends meet every paycheck. A tax refund provides a unique opportunity to take some extra cash and use it to begin building wealth.

The average tax refund for 2024 is \$3,207, according to IRS filing season statistics. Whatever amount of cash you are expecting, you can use it to begin improving your financial status.

# 1. Invest in Your Retirement

The path to building long-term wealth starts with investments. One easy way to start is with a retirement plan. If you don't already have a 401(k), talk to your employer about your options. Your company might even offer matching funds.

If you're already maxing out your 401(k), consider opening a Roth IRA or traditional IRA. With a Roth IRA, you can contribute up to \$23,000 in 2024, and an extra \$7,500 if you're 50 years or older.

# 2. Start a Business

The vast majority of people on the Bloomberg Billionaires List own a business, or several businesses. Many, including Elon Musk and Jeff Bezos, set out on the entrepreneurial path at a young age.

Many businesses and side gigs have low start-up costs, but you'll need to be ready to invest time to make it successful.

# 3. Invest in Learning

Consider using your tax refund to go back to school, learn a new skill, or gain certifications in your field. You can invest in online courses that may impress prospective employers or even lead to a raise or promotion at your current job.

# 4. Purchase Dividend Earning Stocks

Dividend-earning stocks can help you grow wealth for the future while putting money in your pocket now. However, in an episode of "Minority Mindset" titled "Buy These 5 Assets and Never Work Again," [Singh warned that stocks can be risky.](#)

He recommended ETFs or mutual funds, which provide greater diversification to reduce your risk of losses.

## 5. Consider Alternative Investments

Singh said that he holds roughly 20% of his investments in alternative investments, including cryptocurrency and gold. Depending on your interests, storage space, and the amount of money you can spend, [alternative investments](#) can also include comic books, LEGO sets or sneakers.

## 6. Build Your Emergency Fund

While it won't make you rich, starting a high-yield savings account for a 4% or more return on your investment can provide a sense of financial security.

Ultimately, think about ways you can make your tax refund work for you. Instead of splurging on something you don't need, use your money to make more money.

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