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## Don't Be Fooled

In July 2013, the Federal Trade Commission (FTC) received 94 complaints from Americans about people calling and claiming to be with the Internal Revenue Service (IRS). By December 2014, the number had increased to 8,293. The FTC warns Americans not to be fooled, even if:<sup>5</sup>

- Caller ID shows the call is from the IRS.
- The caller gives a badge number and the last four digits of your Social Security number.
- The caller says: You better pay now or you'll be arrested, or mail us a prepaid debit card, or wire the funds to us.

Instead, hang up and report the call to the Treasury Inspector General for Tax Administration at [tigta.gov](http://tigta.gov) or 1-800-366-4484, or the FTC at [ftc.gov/complaint](http://ftc.gov/complaint).

<sup>5</sup> [consumer.ftc.gov](http://consumer.ftc.gov), *Another Tax Scam: IRS Imposters*, January 29, 2015.

## Someone May Be Trying To Claim Your Dependents!

*Tax fraud is a rapidly growing identity theft crime.*

Apparently, identity thieves don't hate doing taxes as much as the average American does. Of course, tax scammers always qualify for a refund. In 2012, Internal Revenue Service (IRS) enforcement efforts prevented \$20 billion of fraudulent refunds. Their Criminal Investigation group has spent more than 500,000 hours on identity theft-related crimes.<sup>1</sup>

The best way to protect yourself against tax fraud is to safeguard your personal information. Scammers don't need much—just a Social Security number, a birthdate, and a name. Once they have that information, thieves can file a return using the stolen Social Security number or claim someone else's children as dependents.

The problem has become so serious that AARP launched a web page devoted to tax identity theft awareness ([www.aarp.org/scamalert](http://www.aarp.org/scamalert)). Both AARP and IRS recommend taking the following steps to defend against identity thieves:<sup>2,3</sup>

- Complete tax returns as early in the tax season as possible.
- Don't provide personal information unless it's required, you know who's receiving it, and why they need it.
- Secure personal/financial documents in a safe place.
- Only rely on tax preparers you know.
- Check the status of your refund at [irs.gov/refunds](http://irs.gov/refunds).

No matter how careful you are, it's possible your personal data will be used in a tax scam. If so, it's important to act immediately. The IRS suggests that you file a report with the local police; register a complaint with the Federal Trade Commission; contact one or more of the credit bureaus; and contact the IRS.<sup>4</sup> Learn more about tax fraud identity theft at [www.irs.gov](http://www.irs.gov). ■

<sup>1</sup> [irs.gov](http://irs.gov), *IRS Releases the Dirty Dozen Tax Scams for 2013*, March 26, 2013.

<sup>2</sup> [aarp.org](http://aarp.org), *Beware of the Tax Scam Man*, cited March 25, 2015.

<sup>3</sup> [irs.gov](http://irs.gov), *Identity Protection Tips*, December 7, 2014.

<sup>4</sup> [irs.gov](http://irs.gov), *Identity Theft Information for Taxpayers*, 2014.



## It's a Demographic Shake-Up

*The influence of Gen Y (a.k.a. Millennials) on our economy.*

The United States is on the cusp of a major demographic shift. During 2015, Gen Y (Millennials)—comprised of 75.3 million Americans born between 1980 and 2000—is expected to overtake Baby Boomers and become the largest living generation in the U.S.<sup>6</sup>

### The Millennial experience

Millennials came of age as the financial crisis and Great Recession were transforming America. Job markets were constricting, housing prices falling, economic growth stalling. The best-educated generation in U.S. history graduated from college with significant student loans and bleak employment prospects.<sup>7</sup>

As a result, they're not following the economic patterns of earlier generations. Compared to Baby Boomers and Gen X, Millennials have higher levels of student debt, poverty, and unemployment, and lower levels of wealth and personal income. As a result, fewer have bought homes and formed households of their own. They're more racially diverse, and their size continues to increase as young immigrants arrive in America. Millennials have also been slower to marry than previous generations.<sup>8</sup>

Despite economic hardships, Millennials "...are the nation's most stubborn economic optimists." This "may simply reflect the timeless confidence of youth."<sup>9</sup>

### Looking ahead

Millennials' definition of success is less about accumulating wealth and more about living healthy/fulfilling lives. The emergence of a 'sharing' economy—using the Internet and online apps to share and profit from idle resources—owes much to Millennials.<sup>9</sup> As the economy improves and Millennials mature, it's possible their consumption patterns may start to resemble previous generations—or that their patterns will continue to reshape consumption in America. ■

<sup>6</sup> Pew Research Center, *This Year, Millennials Will Overtake Baby Boomers*, January 16, 2015.

<sup>7</sup> *The Economic Plight of the Millennials*, EconSouth, The Federal Reserve Bank of Atlanta, January-April 2014.

<sup>8</sup> Pew Research Center, *Millennials in Adulthood*, March 7, 2014.

<sup>9</sup> theatlantic.com, *The Cheapest Generation*, September 2012.

### 5 Facts About Millennials<sup>10</sup>



1. They use multiple tech devices every day: tablets, smart phones, watches, and other wearable tech.
2. They expect companies to give back and support communities.
3. They don't trust advertising and want to engage with brands through social networks.
4. They would rather buy a car and lease a house.
5. They believe inheriting wealth from their older relatives won't change their spending habits.

<sup>10</sup> Forbes, *10 New Findings About the Millennial Consumer*, January 20, 2015.