

Financial Fitness Quiz

Want to improve your personal finances? Start by taking this quiz to get an idea of how well you've managed your money so far. Choose the score that best describes your current financial management practices:

5 = always
4 = usually
3 = sometimes
2 = seldom
1 = never

When you're done, add up your scores for each of the 20 questions below. The summary at the end of the quiz tells how you're doing.

Financial Management:

- ___ 1. I have a bank checking account (or credit union share draft account) with which to pay bills. (write "5" for "yes" and "1" for "no" for this question).
- ___ 2. I have enough money each month to pay my rent/mortgage and other household expenses.
- ___ 3. I have enough money to pay for an emergency, such as a large car repair.
- ___ 4. I have written financial goals with a date and dollar cost (e.g., \$10,000 for a car in four years).
- ___ 5. I have a written plan (budget) for spending and/or saving my money.
- ___ 6. I keep organized financial records and can find important documents easily.
- ___ 7. I know my federal marginal tax bracket (e.g., 15%, 28%).
- ___ 8. I calculate my net worth (assets minus debts) annually.

Saving/Investing:

- ___ 9. I save regularly for long-term financial goals, such as education for my children, a house, or retirement.
- ___ 10. I have at least three months' expenses set aside in a readily accessible account (e.g., money market mutual fund).
- ___ 11. I increase my savings when I receive a salary increase.
- ___ 12. I have a personal investment account for retirement (other than an employee pension) (write "5" for "yes" and "1" for "no" for this question).

- ___ 13. I have money spread across more than one type of investment (e.g., stocks, bonds, mutual funds, CDs).
- ___ 14. The after-tax yield of my savings and investments is greater than the rate of inflation.

Insurance & Estate Planning:

- ___ 15. I have insurance to cover “big” unexpected expenses, such as a hospital bill or disability.
- ___ 16. I have a current will (write “5” for “yes” and “1” for “no” for this question).

Credit:

- ___ 17. Less than 20 percent of my monthly take-home pay goes to my credit cards, student loans, and car payments.
- ___ 18. I pay credit card bills in full to avoid interest charges.

Shopping:

- ___ 19. I comparison shop for major purchases by checking at least three sources.
- ___ 20. I avoid impulse purchases and don’t use shopping as a form of recreation.

Scoring for the *Financial Fitness Quiz* is as follows:

- 0-20 points** -You need lots of help, but don’t despair. It’s never too late to take action to improve your finances.
- 21-40 points** -You are headed for financial difficulty. Now is the time to take action to reverse the trend.
- 41-60 points** -You are doing a fair job of managing your finances and have taken some steps in the right direction.
- 61-80 points** -You are doing a good job and are above average in managing your finances.
- 81-100 points** -You are in excellent financial shape. Keep up the good work!

Note: *Items that you scored with a 1, 2, or 3 are actions that you should consider taking in the future to improve your finances.*