

Financial Fitness Quiz

Take 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 you how you're doing.

Financial Management

- _____ 1. I have a bank checking account (or credit union share draft account) with which to pay bills.
- _____ 2. I have enough money each month to pay my rent or mortgage payment 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 2008).
- _____ 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%).
- _____ 8. I calculate my net worth (assets minus debts) annually.

Saving and 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 (e.g., 401(k), 403(b), IRA) other than a pension funded by my employer).
- _____ 13. I have money spread across more than one type of investment (e.g., stocks, bonds, mutual funds, CDs).
- _____ 14. The average after-tax yield of my savings and investments over the long term is greater than the rate of inflation.

Insurance and Estate Planning

_____ 15. I have adequate insurance to cover "big" unexpected expenses, such as a hospital bill, disability, or liability for damages to others.

_____ 16. I have a current will.

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 god 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 indicate actions that you should consider taking in the future to improve your finances.