

Laying the Foundation for Success: Take the Financial Fitness Quiz.

Have you ever heard the statement, *I can't see the forest for the trees*? This statement has much to do with the reason many of us struggle with making appropriate adjustments in our thought processes and consequently our habits and behaviors. We get so caught up in our existing life, the stresses and frustrations of our current situation, the reality of complex and difficult financial management issues, and everything else in life that makes focusing on personal financial fitness difficult—our trees—that we fail to stand back and see the picture for what it really is. If we take the time to candidly assess our situation, we will be better prepared to make necessary adjustments.

To assist you with your own candid assessment, take the financial fitness quiz. Answer the questions honestly and determine your score accurately. If your finances are combined with someone else's, it might be interesting to have your partner take the quiz independently and then compare your answers and scores. Record your answers and then refer to the end of this document to calculate your score and learn what it all means.

MONEY MANAGEMENT QUIZ

1. What percentage of your income have you saved during the last six months?
 - a. 10 percent or more
 - b. Less than 10 percent
 - c. None

2. How many times during the last six months has one of your credit cards or store cards reached its maximum limit?
 - a. None
 - b. One to two
 - c. Three or more

3. How many times during the last six months has one of your bank accounts been overdrawn?
 - a. None
 - b. One to two
 - c. Three or more

4. How many times during the last six months has a bill been paid late?
 - a. None
 - b. One to five
 - c. Six or more

5. How many credit cards and/or store cards do you have for personal use?
 - a. Three or fewer
 - b. Four to six
 - c. Seven or more

6. If you lost your source of income, how many months could you provide for all of your basic needs and meet each of your financial obligations?
 - a. Three or more
 - b. One to three
 - c. Less than one

7. When a credit card or store card is used to make a purchase, how often is the entire balance paid the following month?
 - a. Always
 - b. Sometimes
 - c. Never

8. If a major appliance purchase or repair, auto repair or home repair were suddenly required, what source of money would be used to pay for it?
 - a. Funds already on-hand
 - b. Funds from available credit
 - c. No funds would be available without establishing additional credit

9. If you are single, how frequently during the last six months have you spent time reviewing your financial situation and making financial decisions? If you have a partner, how frequently during the last six months have you spent time with your partner reviewing your joint financial situation and making joint financial decisions?

- a. Weekly
- b. Monthly
- c. Rarely, to not at all

10. How many times during the last year have you spent time with your partner reviewing your retirement plan? If you are single, how many times have you spent time reviewing your own retirement plan?

- a. One or more
- b. None
- c. Don't have a retirement plan

11. Have you created a written budget during the last 12 months?

- a. Yes
- b. I have a budget but it is not written out.
- c. What budget? I once rented a car from Budget; does that count?

12. How often is a monthly budget used to manage household spending?

- a. Almost always
- b. Sometimes
- c. Rarely to never

13. What information do you use most often to determine if regular household purchases can be made?

- a. The balance remaining in the budget.
- b. The balance remaining in a bank account, credit card or store card.
- c. Little to no information—spending is so much easier when I don't think about it!

14. The insurance I have to cover the loss of major assets, including real estate, autos and personal property is:

- a. Enough to cover the replacement cost.
- b. Less than enough to cover the replacement cost.
- c. An amount I'm unsure about, or I don't have coverage.

15. The insurance I have to cover the loss of life is:
- Enough to cover interment costs and adequately replace my income for remaining dependents.
 - Enough to cover interment costs but not enough to adequately replace my income for remaining dependents.
 - An amount I'm unsure of, or I don't have coverage.
16. The insurance I have to cover a disability is:
- Enough to adequately replace my current income.
 - Less than enough to adequately replace my current income.
 - An amount I'm unsure of, or I don't have coverage.
17. The last time a major purchase was made, the primary consideration was:
- The total purchase price relative to available funds.
 - The monthly payment relative to available monthly cash flow.
 - The monthly payment without a complete understanding of its impact.
18. Most major purchases are:
- Planned and saved for
 - Planned but not adequately saved for
 - Unplanned and spontaneous—hey, they're having free hotdogs at the local furniture store; let's go check out the deals on big-screen TV's.
19. How often do you check to make sure you have adequate funds in your bank account(s)?
- They usually don't need to be checked because I always have adequate funds
 - Weekly
 - Almost daily
20. How often are issues related to finances the root of conflict in your household?
- Rarely if ever
 - A few times each month
 - Frequently—we just installed a boxing ring in the family room right in front of the new big-screen TV!
21. How is your overall financial situation this year compared with last year at this time?
- Better
 - About the same
 - Worse

22. When I think about my ability to meet future financial obligations for major items (like education or major purchases, etc.), I am:
- a. Completely at ease
 - b. Moderately concerned
 - c. Very much concerned
23. When I think about my ability to meet future financial obligations and maintain an acceptable lifestyle at retirement, I am:
- a. Completely at ease
 - b. Moderately concerned
 - c. Very much concerned
24. My approach to personal financial management is:
- a. Proactive—most things are managed according to a plan
 - b. Reactive—the squeaky wheel gets the grease
 - c. Avoidance—if I don't think about it, perhaps it will go away
25. When I think about my level of personal financial fitness, I feel:
- a. Financially fit—I could keep running forever!
 - b. Moderate to weak—I really should get to the gym more often and use that membership I purchased a year ago because I'm going to faint if I have to run much longer.
 - c. Desperate—Where's the ambulance; I need the emergency room *now*!

Scoring:

Count the number of a, b and c answers and follow the formula to calculate your score.

a. _____ X 1 = _____

b. _____ X 3 = _____

c. _____ X 5 = _____

Total = _____

Check your score according to the following key:

Score Level of Financial Fitness

30 or less Very high

31 to 50 High

51 to 70 Moderate

71 to 100 Low

101 to 125 Very low

Understanding Your Score:*Very High*

If your financial fitness score is “very high,” look for ways to adopt methods of financial management that will ensure your continued financial fitness long into the future.

Moderate to High

If your financial fitness score is “moderate” or “high,” much of what you are doing is placing you on the right path, however, with some additional adjustments, you can move to a higher level of financial fitness.

Low to Very Low

If your financial fitness score is “low” or “very low,” learn and adopt the principles and methods that will assist you with developing new thought processes, behaviors and habits. You need to place yourself on a new financial path.

No matter your score, if you want your situation to improve, Contact Stratela for a free one-on-one consultation. We’re here to help you succeed!