

Personal Finance Profile

“Your Financial Literacy Know How”

Directions: Read the following statements. Select your response by placing an “X” under Agree or Disagree. Your teacher will calculate your *Financial Literacy Score*.

Agree	Disagree	
_____	_____	1. When I receive income, I pay myself first.
_____	_____	2. When I graduate from high school, I will be finished with my education.
_____	_____	3. If I want something that I cannot pay for now, I borrow from my family or friends.
_____	_____	4. When I figure the amount of my next paycheck, I calculate the hours worked multiplied by the rate per hour. This tells me how much my check will be.
_____	_____	5. Planning for a gift for my best friend, I would go to their favorite store and buy what they want.
_____	_____	6. I will start saving as soon as I have a full-time job.
_____	_____	7. I think when an item I want is on sale that I should buy it.
_____	_____	8. If I lost my wallet with my debit card inside, I would not be concerned because I could get another at the bank.
_____	_____	9. At my age, I really do not need a budget.
_____	_____	10. When I use my debit card, I always enter the amount in my check register.
_____	_____	11. It is important that I get a credit card as soon as I can.
_____	_____	12. My credit record is between the lender and me.
_____	_____	13. If I needed money for an emergency, a pay day loan officer would be a good advisor for my credit needs.

Agree Disagree

- | | | |
|-------|-------|--|
| _____ | _____ | 14. When I consider a full-time job offer, the rate per hour or the salary is all that should influence my decision. |
| _____ | _____ | 15. An opportunity cost of saving to buy a car now could be not going on a trip with my friends. |
| _____ | _____ | 16. Sellers must legally tell a buyer if a good or service is not good quality. |
| _____ | _____ | 17. Buying stock in a company would be a good way for me to invest my weekly paycheck. |
| _____ | _____ | 18. At my bank, there are people willing to help me with my financial questions. |
| _____ | _____ | 19. As a teenager, my only possible source of income is the paycheck from my employer. |
| _____ | _____ | 20. I think that I make good financial decisions because I follow the advice of my parents. |

Your Personal Finance Profile Score

Score Indicators:

- | | |
|---------------------------------|---|
| If your score is in this range: | 18 – 20, your PF Profile is “In the Know!” |
| | 15 – 17, your PF Profile is “Almost Know!” |
| | 12 – 14, your PF Profile is “Somewhat Know!” |
| | 9 – 11, your PF Profile is “Sort of Know!” |
| | Below 9, your PF Profile is “Need to Know, More!” |

Personal Finance Profile

Suggested Responses

Directions: Read the following statements. Select your response by placing an "X" under Agree or Disagree. Your teacher will calculate your *Financial Literacy Score*.

- | Agree | Disagree | |
|-------|----------|---|
| ✓ | _____ | 1. When I receive income, I pay myself first.
<i>One of the cardinal rules of personal finance.</i> |
| _____ | ✓ | 2. When I graduate from high school, I will be finished with my education.
<i>Students should understand that almost any job or profession requires training beyond high school and that being a life-long learner is becoming more and more important.</i> |
| _____ | ✓ | 3. If I want something that I cannot pay for now, I borrow from my family or friends.
<i>Good financial planning would suggest one should not make a purchase that cannot be paid for in cash or be able to pay the entire balance each month on a credit card.</i> |
| _____ | ✓ | 4. When I figure the amount of my next paycheck, I calculate the hours worked multiplied by the rate per hour. This tells me how much my check will be.
<i>Students should expect that there will be deductions from their paychecks for taxes and transfer payments unless they are working on such a part time basis as mowing a neighbors lawn or babysitting in which case there are not usually any deductions.</i> |

Agree Disagree

✓

5. Planning for a gift for my best friend, I would go to their favorite store and buy what they want.

Just because the friend wants a certain gift does not mean that you can afford to buy that item. Good decision making considering the alternatives and criteria will help the consumer to make good spending choices.

✓

6. I will start saving as soon as I have a full-time job.

Another cardinal rule of saving is to save early and save often! Form the saving habit as soon as you have income to save.

✓

7. I think when an item I want is on sale that I should buy it.

Only if you really need it and you have the available funds after taking care of your fixed expenses.

✓

8. If I lost my wallet with my debit card inside, I would not be concerned because I could get another at the bank.

The students need to be aware of their responsibilities to contact the bank as soon as they are aware that the debit card has been lost. This will protect them against charges made by someone else and help protect identity theft. This account should be closed. The bank may charge a fee for opening a new account.

✓

9. At my age, I really do not need a budget.

People of all ages can benefit from advanced financial planning to balance income, expenses, saving and investing and to benefit the most from their income.

✓

10. When I use my debit card, I always enter the amount in my check register.

Students should understand the importance of good record keeping.

Agree Disagree

- _____ ✓ 11. It is important that I get a credit card as soon as I can.
Credit is a convenience for those who will be able to pay the entire balance each month to avoid costly interest charges. One should not have a credit card until they will be able to meet this standard.
- _____ ✓ 12. My credit record is between the lender and me.
Credit history is not only available to others but is not always accurate.
- _____ ✓ 13. If I needed money for an emergency, a pay day loan officer would be a good advisor for my credit needs.
They would be willing to give advice but at a very high price. There are many more options that would be far less costly and more advisable starting with your banker.
- _____ ✓ 14. When I consider a full-time job offer, the rate per hour or the salary is all that should influence my decision.
While this is important, benefits in terms of insurance, retirement, vacation and/or sick leave, additional education and training, reimbursement for out of pocket expenses, etc. should also be considered.
- ✓ _____ 15. An opportunity cost of saving to buy a car now could be not going on a trip with my friends.
Students need to recognize that the benefits of saving are received in the future. Sacrificing the trip allows one to continue to save for the specific goal on a consistent basis but takes self-discipline.

Agree Disagree

_____ ✓ 16. Sellers must legally tell a buyer if a good or service is not good quality.

One rule for consumers to always remember is "Buyers Beware!" Acting in your own best interest by doing research on product quality and warranty is a good rule to follow.

_____ ✓ 17. Buying stock in a company would be a good way for me to invest my weekly paycheck.

Purchasing stock is an investment option once all fixed expenses are accounted for and the variable expenses have been covered to the best of one's ability. Investing in stock must be considered for a long term. Some advisors suggest that a person should have at least 6 months of income saved to be able to live on in the event of losing a job or being laid off without having to cash in stock.

✓ _____ 18. At my bank, there are people willing to help me with my financial questions.

Most definitely use your bank for financial advice and do your own homework!

_____ ✓ 19. As a teenager, my only possible source of income is the paycheck from my employer.

Students should consider money gifts as income and interest received from savings accounts or investments.

✓ _____ 20. I think that I make good financial decisions because I follow the advice of my parents.

Recognizing that they should listen to the advice of others with the knowledge and experience are important. However, they need to know that for their own protection, they should be as informed as possible.