

Financial Planning Quiz

1. The reason I am at the university is:
 - a. to get a good education
 - b. to be able to attend football and basketball games
 - c. to be able to enjoy outstanding food service and a hotel like dorm room
 - d. because that's what everyone does once they graduate from high school

2. I plan to get a job after graduation by:
 - a. using the career planning center to do a thorough search, complete an internship, tapping into the university alumni network, and work with one or more faculty to develop a strong resume and interview skills
 - b. talking with career planning one week prior to leaving the university about what I can do with my degree
 - c. posting my resume on a job website and hoping for the best
 - d. moving in with my parents and having them do my job search through their friends

3. When making a purchase at a store, I always use:
 - a. my credit card because it is less likely to cost me money should my number get lost or stolen
 - b. my debit card because it is attached to my bank account, is convenient to use for all purchases, and offers the excitement of wondering whether my account has been depleted when someone steals it and decides to take a vacation to the Bahamas
 - c. my in-store credit card because they offer such low rates of financing that I don't have to worry about paying off any debt I might rack up.
 - d. my parent's debit card that way I know there will be enough money in an account to pay for the purchase

4. When purchasing a car, I will:

- a. seek to evaluate my transportation needs, purchase a reliable car that is modestly priced, avoid paying a large amount, and maintain the car as long as possible to save on insurance, property taxes and financing costs
- b. buy a new car that has the latest features and not worry about the financing costs because I can pay them off once I get a high paying job or marry someone who can pay my debt for me
- c. lease a new car every three years making sure it's one of the more expensive brands so I can impress my neighbors, and since it costs me a fortune, I don't have to worry about saving and investing money.
- d. buy an old Rolls Royce, preferably 20 years or older where there are no parts, and few mechanics to work on the car, because it has a nice interior.

5. Once I graduate from the university and get my first job, I plan to:

- a. save for the first time purchase of a home through an IRA, which will allow me to lower my taxes, to build up equity increasing my net worth [wealth]
- b. buy a motorcycle or jet ski because I need to reward myself for getting a job
- c. go on vacation by maxing out on my credit card, because once you start working you will have little time to enjoy a South sea island trip
- d. I don't plan on getting a job, I will just move in with my parents

6. My main method of saving and investing will be:

- a. putting at least 20% of my income each year into a combination of retirement accounts [IRA, 401K, 403b investments], brokerage accounts [mutual funds, individual stocks], permanent life insurance and/or real estate to generate long term returns.
- b. buying an expensive car that will impress my neighbor and provide transportation
- c. buying a very expensive home, because it has a pool, five bedrooms and baths, high taxes and insurance, and I deserve it, even though I won't be using half the rooms in the house, but still have the enjoyment of paying to heat and

air condition every one of them.

d. buying lottery tickets, and/or spending time betting in casinos [if you lose enough they will give you a free T-shirt]

7. When seeking a cup of coffee I:

a. will make my own coffee using a coffee maker purchased from Wal-Mart, through Amazon, or at a thrift store

b. go to Starbucks every day and buy a Grande cup for about \$5.50 which makes it taste really great and I don't really need the \$1,500 it costs each year to put into savings.

c. buy a Kuerig cup from a vendor and use the coffee machine each day; although since I get less coffee, I generally do this twice a day; its expensive but very convenient

d. will buy an espresso machine at one of those high end, kitchen shops which will give me something to cart around every time I move to a new city and costs me even more than buying a Starbucks coffee every day

8. In order to make the most of my "college" experience, I will seek to:

a. attend free lectures, concerts and theatre performances that will enhance my understanding of art and literature, spend time in the library studying and researching new ideas and topics that will strengthen my educational background for work

b. attend all university football and basketball games because it is important to show school spirit and vicariously experience what vigorous exercise might be like

c. make sure I attend one or two parties a week in order to overcome the lack of social activities I wasn't able to experience in high school

d. have at least one overseas study abroad semester, even though I haven't bothered to learn the language of the country I'm visiting, because it's important to understand and appreciate international culture [something you can't learn from reading books!]

9. When having lunch at the university it is:

- a. important to fix your own lunch because it's likely to be less expensive; you are developing a life long skill; and you know what you like to eat
- b. important to buy the university meal card program with the most points even if you can't possibly use all of them during the semester, because it will encourage you to over eat and then require you to spend more time at the gym working off the fat
- c. not necessary to think about the cost of a meal because your student loan money is more than enough to pay for whatever you buy
- d. not worth the time to investigate other food choices close to campus, because university administrators would never increase 50% or more the cost of food for students

10. When coming to the university:

- a. it may not be necessary to own a car, pay for parking, insurance, and gas because you live close to campus where all facilities are within walking distance
- b. it is a necessity to have a car in order to impress your roommate and have the new, and exciting experience of telling your parents that you have \$545 of unpaid parking tickets at the time of graduation
- c. you need to have a dorm room that has a great interior design complete with a state of the art sound system, and HDTV because you came to school to be entertained and your student loan money is for that purpose
- d. time and care needs to be devoted to planning your Spring break vacation, you need to book your airline tickets early, and make sure you are going to a location where there will be a lot of partying, where vendors will accept your credit card.

11. As a student:

- a. you don't really need to own but one credit card, and it should only be used for purchases where you have the amount in your checking/savings accounts to fully pay at the end of the month
- b. you need to establish and experience credit early, so you should try to get five or six credit cards and run up unpaid balances, because once you get a job, you can pay off the debt sometime in the future
- c. your long term financial planning goal should be to marry a wealthy spouse who can pay for your high cost life style, pay off your college debts and make sure you can live happily ever after
- d. you should donate part of your student loan money to the Intercollegiate Athletic Department because the college coaches and athletic directors make so little money working with "student" athletes that every year these programs make huge sums of money for the university which goes into paying for scholarships to benefit non-student athletes.

12. When planning a wedding it is important:

- a. to develop a reasonable budget, keep expenses within budget and seek to include elements that will make your commitment to your spouse meaningful, leading to long term marriage
- b. to have an extravagant celebration, because this is a very special day, and the only way a spouse can show their love is by spending ungodly amounts of money, even if it means they are in debt for life afterwards.
- c. choose a wedding ring by going to a retail outfit and paying as much as possible and do so without any input from your spouse, that way when they don't like the ring you can take it back, receive less money for it [because it's now used], and then buy another ring at retail prices
- d. To send out invitations to anyone who could possibly provide a wedding gift, even if they only remotely know you, have them use a registry at Tiffany or Sacs, then

have a modest wedding reception to allow you to spend as much as possible on a honeymoon --- they will appreciate your "conservative" values for many years to come.

13. If you decide you like living at the university and desire to obtain a position that will provide the lifestyle to which you've become accustomed, then you should seek to be:
- a. a college football or basketball coach, but make sure you have at least a 10 year contract that has a \$4 to \$8 million buyout clause should the university no longer need your services, and also include a new car, membership at the local country club, guaranteed airline tickets for family members and friends for away games, and a year end bonus should you make any one of the 80 bowl football games, or either the NCAA or NIT basketball playoffs.
 - b. a college administrator, preferably the VP for Enrollment Management, Residence Halls, Admissions or Compliance and Equity Management
 - c. an executive secretary in the president's office providing assistance with event planning or serving as a liaison to state legislators.
 - d. a faculty member who spends 5 to 7 years in graduate study, 2 years writing a Dissertation, another 7 years doing research, teaching and public consulting worthy of obtaining a long term contract, in order to be paid less than an executive secretary
14. Your idea of a good investment is:
- a. buying shares in a company that has been around for many years, has good earnings and pays a regular dividend, and at the time of purchase is on sale [well below the historical high price].
 - b. buying a ticket to a Lady Gaga concert
 - c. buying Powerball tickets
 - d. sending \$1,000 to some lawyer in Nigeria who wants to give you \$1 million, but can't get the transaction to go through without your paying him \$1,000 to bribe some government officials

15. When leaving the university:

- a. you should seek to purchase health insurance, because once you graduate, you may no longer be on your parent's health care coverage
- b. you should avoid buying health insurance because you are healthy and you need the money you would have used on insurance to take a well earned vacation
- c. forget about getting letters of recommendation from faculty because your first job will be the one you stay with forever
- d. throw out most of the high priced furniture and equipment in your dorm room because it takes too much time to move these things and you can simply buy new things where you land for your first job

16. When interviewing and accepting a job out of college:

- a. you should look into the cost of living, commute time, safety, health care, fringe benefits and working environment, in addition to the salary associated with the job where you will work.
- b. you should focus on the salary; the higher your compensation the greater the job, and the more likely you will be happy because your employer will not expect you to work inordinate hours.
- c. you should accept to the first job offered and not bother waiting to hear from other employers.
- d. it is not important to consider whether the employer offers employment opportunities and training that may enhance your human capital, because you have gotten all the education you need through your university degree -- graduate work is strictly optional.