

Financial IQ – A 10-Question Quiz to Test Your Money Smarts

See how much you know by taking this quick multiple-choice quiz

(Answers and scorecard provided at end.)

1. What percentage of your FICO credit score is calculated based on your track record of paying bills on time?
 - a. 0%
 - b. 15%
 - c. 25%
 - d. 35%
2. What is the best way for most people to finance a new car purchase?
 - a. A three-year loan
 - b. A five-year loan
 - c. A loan from your 401(k) account
 - d. A lease
3. Which of the following statements is true about your credit score?
 - a. You get 200 points for correctly entering your name online.
 - b. It's the same as the balance on your highest interest rate credit card.
 - c. Employers are not allowed to view it.
 - d. It can help you negotiate a lower financing rate on a car or home loan.
4. Which of the following will improve your credit score?
 - a. Paying your bills on time
 - b. Opening and closing multiple credit card accounts
 - c. Keeping your amount of total debt large
 - d. Changing jobs and addresses frequently
5. Which retirement-oriented investment vehicle is specifically designed to minimize the need to make changes as you approach retirement?
 - a. Roth IRA
 - b. Variable annuities
 - c. Target-date funds
 - d. Money market funds
6. Which of the following statements is true?¹
 - a. Only 57% of the U.S. population is financially literate.
 - b. The financial literacy gap between men and women in the U.S. is 10%.
 - c. Only (a) is true.
 - d. Both (a) and (b) are true.
7. Which of the following statements is true of investment products, including bonds, stocks and mutual funds?
 - a. They are available through a bank or brokerage firm.
 - b. They can lose value.
 - c. They are not insured by the FDIC.
 - d. All of the above.
8. What's the optimal outcome for a \$1,000 investment portfolio held over a two-year period?
 - a. Its value increases 100% the first year, then drops 50% the second year.
 - b. Its value goes up 10% the first year and remains unchanged in the second year.
 - c. Its value increases 5% each year.
 - d. Its value goes down 50% the first year, but then increases 120% the second year.
9. Let's say that the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, would you be able to buy more than, exactly the same as, or less than today with the money in your account?
 - a. Less than today
 - b. More than today
 - c. Exactly the same as today
 - d. Do not know



Retirement Trust

(844) ACECRT-8 | www.ACECRT.com

ACEC RT Financial Wellness Program provided by Pensionmark® Financial Group, LLC. Pensionmark® is a contracted consultant with ACEC RT and not an affiliated entity. Pensionmark® Financial Group, LLC is an investment adviser registered under the Investment Advisers Act of 1940.

ACEC RT does not provide tax or legal advice. Please consult with a tax professional prior to deciding on any distribution option.

This material was created for educational and informational purposes only and is not intended as ERISA, tax, legal or investment advice. The advisor is providing educational services only and is not able to provide participants with investment advice specific to their particular needs. If you are seeking investment advice specific to your needs, such advice services must be obtained on your own separate from this educational material.

10. If interest rates fall, what should happen to bond prices?

- a. They will rise.
- b. They will fall.
- c. They will stay the same.
- d. I don't know.

Answers:

1. d; 2. a; 3. d; 4. a; 5. c; 6. d; 7. d; 8. c; 9. a; 10. a.

Score yourself!

Eight to 10 answers correct: You are brilliant when it comes to money. Keep it up!

Four to seven answers correct: Brushing up on a few basic concepts will improve your confidence in financial matters.

Zero to three answers correct: You need to take more time to master the complexities of your financial life. Taking even small steps helps.

1 Source: S&P Ratings 2015 Financial Literacy Survey.rch/ecllett/2016/el1603.pdf.



(844) ACECRT-8 | www.ACECRT.com

ACEC RT Financial Wellness Program provided by Pensionmark® Financial Group, LLC. Pensionmark® is a contracted consultant with ACEC RT and not an affiliated entity. Pensionmark® Financial Group, LLC is an investment adviser registered under the Investment Advisers Act of 1940.

ACEC RT does not provide tax or legal advice. Please consult with a tax professional prior to deciding on any distribution option.

This material was created for educational and informational purposes only and is not intended as ERISA, tax, legal or investment advice. The advisor is providing educational services only and is not able to provide participants with investment advice specific to their particular needs. If you are seeking investment advice specific to your needs, such advice services must be obtained on your own separate from this educational material.