

Pre-Test: Pay Yourself First

1. **Select all that apply. Paying yourself first means:**
 - a. Putting some of your income into a savings account before paying bills
 - b. Buying personal items before paying bills
 - c. Putting money in a savings account if there is any left after paying bills
 - d. Putting tax refunds or cash gifts in a savings account before spending the money

2. **Saving is important so that you can:**
 - a. Have money for emergencies
 - b. Achieve your financial goals
 - c. Manage your money better
 - d. Improve your standard of living
 - e. a and b
 - f. All of the above

3. **Which of the following are ways you can save for retirement? Select all that apply.**
 - a. Build home equity, then apply for a home equity loan
 - b. Invest in stocks, bonds, or mutual funds
 - c. Establish a 529 Plan
 - d. Enroll in a 401(k) or 403(b) plan

4. **Which of the following are good strategies to apply when selecting the savings or investment option that is best for you? Select all that apply.**
 - a. Select one product to save/invest all your money
 - b. Choose savings/investment products that match your risk tolerance
 - c. Trust others to give you good investment advice
 - d. Re-evaluate your savings/investments periodically

5. **What should you consider when establishing goals for saving money? Select all that apply.**
 - a. The amount of money you want to save
 - b. Timeframe of when you need to access the money saved
 - c. Ways you can cut spending and save
 - d. The annual percentage yield (APY) of different savings products
 - e. All of the above

6. **Which of the following would be considered a need rather than a want? Select all that apply.**
 - a. Paying rent/mortgage
 - b. Buying new clothes on impulse
 - c. Eating out at restaurants regularly
 - d. Getting the maximum/largest plan for your cell phone/cable/etc.

7. **Which of the following will help you save money? Select all that apply.**
 - a. Pay your bills on time to avoid late fees/extra charges
 - b. Consider opening a checking account rather than using a check-cashing store
 - c. Make impulse purchases
 - d. Save your change at the end of each day

8. **APY means:**
 - a. The amount of interest you pay on a loan
 - b. The annual interest rate you will earn on your savings or other deposit account
 - c. The minimum percent of your income you must save each year to keep your savings account
 - d. To be careful you are getting the correct amount of interest on your savings

Post-Test: Pay Yourself First



1. What are three benefits of paying yourself first?
 - a. Improving your standard of living
 - b. Learning to manage money better
 - c. Having money for emergencies
 - d. All of the above

2. What is the major difference between saving and investing?
 - a. Most savings products are federally insured, while investment products are not
 - b. Savings products have a risk of loss and investment products do not
 - c. Investment products do not have as high a potential for growth as savings products
 - d. Savings and investment products are the same

3. If you get a tax refund, what can you do to make sure you save some of the refund?
Select all that apply.
 - a. Direct deposit some or all of the refund straight into your checking account
 - b. Deposit some or all of it into a savings account with a higher interest rate (e.g., a CD or money market account)
 - c. Use the money to invest in a savings bond

4. Which type of savings products, not including investment products, are available at most financial institutions? Select all that apply.
 - a. CDs
 - b. Money market accounts
 - c. U.S. Treasury securities
 - d. Bonds

5. You can save money by paying your bills on time because you avoid paying:
 - a. Late fees
 - b. Extra finance charges
 - c. Disconnection and reconnection fees
 - d. Cost of eviction, repossession, and bill collections
 - e. All of the above

6. Select all that apply. The Rule of 72 helps you determine (select all that apply):
 - a. How long it will take for your savings to double in value with a fixed interest rate
 - b. The interest rate you need for your money to double within a set time period
 - c. How long it will take for your savings to double in value with a variable or adjustable interest rate

7. Which of the following strategies will help you choose the best investments for you?
Select all that apply.
 - a. Make choices based on a friend or family member's recommendations
 - b. Limit the number of savings and investment options you choose to reduce your risk of loss
 - c. Select savings and investment options according to your risk tolerance
 - d. Consider how long you plan to keep your money in the investment

8. Which of the following are ways you can save for college? Select all that apply.
 - a. Build home equity, then apply for a home equity loan
 - b. Invest in stocks, bonds, or mutual funds
 - c. Establish a 529 Plan
 - d. Enroll in a 401(k) or 403(b) plan

Post Test Score ____ out of 8 _____%