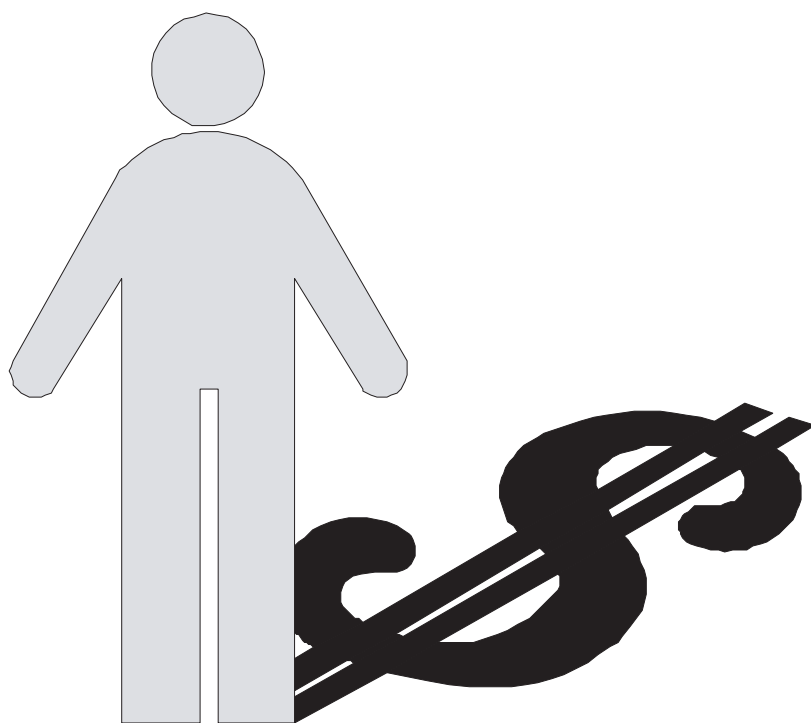




PERSONAL FINANCIAL SURVEY

2004



Survey funded by:



Merrill Lynch

2004 PERSONAL FINANCE SURVEY

(please circle the letter of the correct response)

1. If each of the following persons had the same amount of take home pay, who would need the greatest amount of life insurance?
 - a) a young single woman without children
 - b) a young single woman with two young children
 - c) a young married man without children
 - d) an elderly retired man, with a wife who is also retired
2. Kevin has saved \$9,000 for his college expenses by working part-time. He plans to start college next year and needs all of the money he saved. Which of the following is the safest place for his college money?
 - a) a bank savings account
 - b) corporate bonds
 - c) stocks
 - d) locked in his closet at home
3. Your take home pay from your job is less than the total amount you earn. Which of the following best describes what is taken out of your total pay?
 - a) federal income tax, property tax, and Medicare and social security contributions
 - b) social security and Medicare contributions
 - c) federal income tax, social security and Medicare contributions
 - d) federal income tax, sales tax, and social security contribution
4. Which of the following statements is NOT correct about most ATM (Automated Teller Machine) cards?
 - a) you can generally get cash 24 hours a day
 - b) you must have a bank account to have an ATM Card
 - c) you can get cash anywhere in the world with no fee
 - d) you can generally obtain information concerning your bank balance at an ATM machine.
5. Jim just found a job with a take home pay of \$1,500 per month. He must pay \$750 for rent and \$125 for groceries each month. He also spends \$100 per month on transportation. If he budgets \$50 each month for clothing, \$75 for restaurants and \$50 for everything else, how long will it take him to accumulate savings of \$700.
 - a) 2 months
 - b) 4 months
 - c) 6 months
 - d) 8 months
6. Inflation can cause difficulty in many ways. Which group would have the greatest problem during periods of high inflation that last several years?
 - a) older, working couples saving for retirement
 - b) older people living on fixed retirement income
 - c) young couples with no children who both work
 - d) young working couples with children
7. Andrew worked his way through college earning \$15,000 per year. After graduation his first job pays \$30,000. The total dollar amount Andrew will have to pay in Federal Income taxes in his new job will:
 - a) double, at least, from when he was in college
 - b) go up a little from when he was in college
 - c) stay the same as when he was in college
 - d) be lower than when he was in college

8. Many savings programs are protected by the Federal government against loss. Which of the following is not?
- a certificate of deposit at the bank
 - a U. S. Treasury Bond
 - a Bond issued by one of the 50 States
 - a U. S. Savings Bond
9. Which of the following credit card users is likely to pay the GREATEST dollar amount in finance charges per year if they all charge the same amount per year on their cards?
- Paula who only pays the minimum amount each month
 - Ellen who always pays off her credit card bill in full shortly after she receives it.
 - Barbara, who generally pays off her credit card in full but occasionally will pay the minimum when she is short of cash.
 - Nancy, who pays at least the minimum amount each month and more when she has the money.
10. If your credit card is stolen and the thief runs up a total of \$1,000, but you notify the issuer of the card as soon as you discover it is missing, what is the maximum amount that you can be forced to pay according to Federal law?
- none
 - \$50
 - \$1000
 - \$500
11. Saul must borrow \$10,000 to complete his college education. Which of the following would NOT be likely to reduce the finance charge rate?
- if the loan was insured by the Federal Government
 - if his parents cosigned the loan
 - if he went to a state college rather than a private college
 - if his parents took out an additional mortgage on their house for the loan
12. If you went to college and earned a 4 year degree, how much more money could you expect to earn than if you only had a high school diploma?
- no more, I would make about the same either way
 - about 10 times as much
 - a lot more, about 70% more
 - a little more, about 20% more
13. Many people put aside money to take care of unexpected expenses. If Susan and Joe have money put aside for emergencies, in which of the following forms would it be of LEAST benefit to them if they needed it right away?
- savings account
 - invested in a down payment on the house
 - stocks
 - checking account
14. Which of the following is true about sales taxes?
- the federal government will deduct it from your paycheck
 - the national sales tax percentage rate is 6%
 - it makes things more expensive for you to buy
 - you don't have to pay the tax if your income is very low

15. Rebecca has a good job on the production line of a factory in her home town. During the past year or two, the state in which Rebecca lives has been raising taxes on its businesses to the point where they are much higher than in neighboring states. What effect is this likely to have on Rebecca's job?
- Rebecca's company may consider moving to a lower-tax state, threatening her job
 - higher business taxes can't have any effect on Rebecca's job
 - higher business taxes will cause more businesses to move into Rebecca's state, raising wages
 - she is likely to get a large raise to offset the effect of higher taxes
16. Which of the following types of investment would best protect the purchasing power of a family's savings in the event of a sudden increase in inflation?
- a mutual fund made up of long-term corporate bonds
 - a certificate of deposit at a bank
 - a 10 year bond issued by a corporation
 - a house financed with a fixed rate mortgage
17. Which of the following best describes the primary sources of income for most people age 20-35?
- salaries, wages, tips
 - profits from business
 - dividends & interest
 - rents
18. Which of the following statements best describes your right to check your credit history for accuracy:
- your credit record can be checked at any time for free
 - if you are turned down for credit based on a credit report, the record can be checked for free
 - all credit records are the property of the U.S. Government and access is only available to the FBI and Lenders.
 - you cannot see your credit record.
19. Which of the following statements is true?
- if you missed a payment more than 2 years ago, it cannot be considered in a loan decision
 - people have so many loans it is very unlikely that one bank will know your history with another bank
 - banks and other lenders share the credit history of their borrowers with each other and are likely to know of any loan payments that you have missed
 - your bad loan payment record with one bank will not be considered if you apply to another bank for a loan
20. Retirement income paid by a company is called:
- 401k
 - pension
 - Social Security
 - rents & profits
21. If you are behind on your debt payments and go to a responsible credit counseling service such as the Consumer Credit Counseling Services, what help can they give you?
- they can work with those who loaned you money to set up a new payment schedule that you can meet
 - they can cancel and cut up all of your credit cards without your permission
 - they can get the federal government to apply your income taxes to pay off your debts
 - they can force those who loaned you money to forgive all your debts
22. Carla and Sara work together in the finance department of the same company and earn the same pay. Carla spends her free time taking work related classes to improve her computer skills; while Sara spends her free time socializing with friends and working out at a fitness center. After five years what is likely to be true?
- Carla and Sara will continue to make the same money
 - Carla will make more money because she is more valuable to her company
 - Sara will make more because Carla is likely to be laid off
 - Sara will make more because she is more social

23. Ed and Bob are young men. Each has a good credit history. They work at the same company and make approximately the same salary. Ed has borrowed \$2,500 to take a foreign vacation. Bob has borrowed \$2,500 to buy a car. Who is likely to pay the lowest finance charge?
- a) they will both pay the same because the rate is set by law
 - b) they will both pay the same because they have almost identical financial background
 - c) Ed will pay less because people who travel overseas are better risks
 - d) Bob will pay less because the car is collateral for the loan
24. Which of the following instruments is NOT typically associated with spending.
- a) credit card
 - b) cash
 - c) certificate of deposit
 - d) debit card
25. Hector and Maria just had a baby. They received money as baby gifts and want to put it away for the baby's education. Which of the following tends to have the highest growth over periods of time as long as 18 years?
- a) a U.S. Govt. savings bond
 - b) stocks
 - c) a savings account
 - d) a checking account
26. If you had a savings account at a bank, which of the following would be correct concerning the interest that you would earn on this account?
- a) you cannot earn interest until you pass your 18th birthday
 - b) income tax may be charged on the interest if your income is high enough
 - c) sales tax may be charged on the interest that you earn
 - d) earnings from savings account interest may not be taxed
27. Ron and Molly are the same age. At age 25 Ron began saving \$2,000 a year while Molly saved nothing. At age 50, Molly realized that she needed money for retirement and started saving \$4,000 per year while Ron kept saving his \$2,000. Now they are both 75 years old. Who has the most money in his or her retirement account?
- a) Molly, because she saved more each year
 - b) Ron, because he has put away more money
 - c) Ron, because his money has grown for a longer time at compound interest
 - d) they would each have the same amount because they put away exactly the same
28. If you have caused an accident, which type of automobile insurance would cover damage to your own car?
- a) collision
 - b) liability
 - c) term
 - d) comprehensive
29. Marie has just applied for a credit card. She is an 18 year old high school graduate with few valuable possessions and no credit history. If Marie is granted a credit card, which of the following is the most likely way that the credit card company will reduce ITS risk?
- a) it will start Marie out with a small line of credit to see how she handles the account
 - b) it will charge Marie twice the finance charge rate it charges older cardholders
 - c) it will require Marie to have both parents co-sign for the card
 - d) it will make Marie 's parents pledge their home to repay Maria's credit card debt.

30. Under which of the following circumstances would it be most financially beneficial to you to borrow money to buy something now and repay it with future income?
- a) when the interest on the loan is greater than the interest you get on your savings
 - b) when some clothes you like go on sale
 - c) when you really need a two-week vacation
 - d) when you need to buy a car to get a much better paying job
31. Many young people receive health insurance benefits through their parents. Which of the following statements is true about health insurance coverage?
- a) you are covered by your parents' insurance until you marry, regardless of your age
 - b) young people don't need health insurance because they are so healthy
 - c) you continue to be covered by your parents' insurance as long as you live at home, regardless of your age
 - d) if your parents become unemployed, your insurance coverage may stop, regardless of your age
32. What is your gender?
- a) Male
 - b) Female
33. Does your family rent or own your home?
- a) Rent
 - b) Own
34. What are your educational plans after high school?
- a) No further education is planned
 - b) Attend a 2-year college or junior college
 - c) Attend a 4-year college or university
 - d) Other plans for training or education
 - e) Don't know
35. What is your best estimate of your parents' total income last year? Consider annual income from all sources before taxes.
- a) Less than \$20,000
 - b) \$20,000 to \$39,999
 - c) \$40,000 to \$79,999
 - d) \$80,000 or more
 - e) Don't know
36. How do you describe yourself?
- a) White or Caucasian
 - b) Black or African-American
 - c) Hispanic American
 - d) Asian-American
 - e) Native American or American Indian
 - f) Other
37. What is the highest level of schooling your father or mother completed?
- a) Neither completed high school
 - b) Completed high school
 - c) Some college
 - d) College graduate or more than college
 - e) Don't know

38. What type of work do you intend to do when you finish school?
- a) Manual work such as truck driver, laborer, farm worker
 - b) Skilled trade such as plumber, electrician
 - c) Service work such as secretary, food service worker, office worker, police officer, firefighter
 - d) Professional work such as nurse, computer programmer, lawyer, doctor, teacher, engineer
 - e) Other or don't know
39. When you start to work full-time, after you finish your education, how much do you expect to make per year before deductions for taxes and other items?
- a) Under \$15,000
 - b) \$15,000 to \$19,999
 - c) \$20,000 to \$29,999
 - d) \$30,000 to \$39,999
 - e) \$40,000 or more
 - f) Don't know
40. Whose credit card do you use?
- a) My own
 - b) My parents'
 - c) Both my own and my parents'
 - d) None, I don't use a credit card
41. How do you use your debit (or ATM) card?
- a) For getting cash from an ATM and for buying things directly
 - b) For getting cash from an ATM only
 - c) I don't have a debit card
42. Which of the following best describes your automobile driving?
- a) I don't have a driver's license.
 - b) I have a driver's license but no car in the family that I can drive.
 - c) I drive the family car, which is used by others, and help pay for the insurance.
 - d) I drive the family car, which is used by others, and don't help pay for the insurance.
 - e) I drive my own car and help pay for the insurance.
 - f) I drive my own car and don't help pay for the insurance.
43. How would you describe your employment history?
- a) I work full time in the summers and part time during the school year
 - b) I work full time in the summers and don't work during the school year
 - c) I work part time in the summers and part time during the school year
 - d) I work part time in the summers and don't work during the school year
 - e) I have never been formally employed outside the home
44. What kind of bank account do you have?
- a) I don't have a bank account.
 - b) I have a savings account but no checking account.
 - c) I have a checking account but no savings account.
 - d) I have both a savings and a checking account.
45. Which of the following is true about your ownership of stocks and mutual funds (circle all that apply)?
- a) I own no stocks or mutual funds
 - b) I own stocks in my own name
 - c) I own stocks in my parents' name
 - d) I own mutual funds in my own name
 - e) I own mutual funds in my parents' name

46. What is your high school class level?
- a) Senior
 - b) Junior
 - c) Sophomore
 - d) Freshman
47. How sure do you feel about your ability to manage your own finances?
- a) Not sure at all - I wish I knew a lot more about money management
 - b) Not too sure - I wish I knew more about money management
 - c) Somewhat sure - I understand most of what I'll need to know
 - d) Very sure - I understand money management very well
48. Where did you learn most about managing your money?
- a) At home from my family
 - b) At school in class
 - c) From talking with my friends
 - d) From magazines, books, TV and the radio
 - e) From experience in managing my own funds
49. How would you describe the allowance you received when growing up?
- a) I did not receive a regular (weekly or monthly) allowance; I was given money only when I needed it
 - b) I received a regular allowance that depended on the completion of some household chores
 - c) I received a regular allowance and did not have to perform chores for it
50. Some people tend to be very thrifty, saving money whenever they have the chance, while others are very spending-oriented, buying whenever they can and even borrowing to consume more. How would you classify yourself?
- a) Very thrifty, saving money whenever I can
 - b) Somewhat thrifty, often saving money
 - c) Neither thrifty nor spending-oriented
 - d) Somewhat spending-oriented, seldom saving money
 - e) Very spending-oriented, hardly ever saving money
51. Comparing yourself to your parents, would you say that you are:
- a) Much more thrifty and likely to save what I can
 - b) Somewhat more thrifty and likely to save what I can
 - c) About as thrifty
 - d) Somewhat less thrifty and more likely to spend what I can
 - e) Much less thrifty and much more likely to spend what I can
52. Which of the following classes have you had in high school (circle all that apply)?
- a) An entire course in money management or personal finance
 - b) A portion of a course where at least a week was focused on money management or personal finance
 - c) An entire course in economics
 - d) A portion of a course where at least a week was focused on economics
 - e) A course in which we played a stock market game