



JUMPSTART MONEY IQ SURVEY

~ Please select the best single answer for each of these questions ~

1. If each of the following have the same amount of take home pay, who would need the greatest amount of life insurance?
 - a. A young, single person without children
 - b. A young, single parent with two children
 - c. A young, married person without children
 - d. An elderly retired couple

2. Andrew has worked his way through college, earning \$15,000 annually. After graduation, his first job pays \$30,000 annually. Andrew's total Federal Income Taxes 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

3. Which of the following credit card users is likely to pay the GREATEST dollar amount in finance charges per year if each individual charges the same total dollar amount per year on an individual credit card? (Assume the interest rate is the same for each credit card)
 - a. Pat, who only pays the minimum balance due each month
 - b. Winona, who always pays her credit card bill in full shortly after she receives it
 - c. Sefee, who generally pays her credit card bill in full, but occasionally pays the minimum when she is short of cash
 - d. Gabrielle, who pays at least the minimum balance due each month and pays more when she has the extra money

4. Complete the following: Individuals with a four-year college degree can expect to earn _____ than individuals with a high school degree;
 - a. no more
 - b. about 10 times more
 - c. about 70% more
 - d. about 30% more

5. Hector and Maria just had a baby. They want to invest the baby's monetary gifts for future education. What type of investment tends to yield the highest growth over an 18-year period?
 - a. US savings bonds
 - b. Stocks
 - c. Savings accounts
 - d. Checking accounts

6. 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 do not 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

7. Saul must borrow \$10,000 to complete his college education. Which of the following would NOT be likely to reduce the finance charge rate?
 - a. Saul's loan was insured by the Federal Government
 - b. Saul's parents co-signed the loan
 - c. Saul went to a state college rather than a private college
 - d. Saul's parents took out an additional mortgage on their house for the loan

8. Which of the following best describes the primary sources of income for most people ages 20-35?
 - a. Salaries, wages, and tips
 - b. Profits from business
 - c. Dividends and interest
 - d. Rents

9. Which of the following statements is TRUE regarding a new bank loan application?
 - a. If you missed a payment more than 2 years ago, it can not be considered in a loan decision
 - b. People have so many loans, it is very unlikely that one bank will know your history with another bank
 - c. 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
 - d. Your bad loan payment record with one bank will not be considered if you apply to another bank for a loan

10. If you had a savings account at a bank, which of the following would be correct concerning the interest you would earn on this account?
 - a. You can not earn interest until you pass your 18th birthday
 - b. Income tax may be charged in the interest if you income is high enough
 - c. Sales tax may be charged on the interest that you earn
 - d. Savings account interest is not taxable

Answers

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|------|-------|
| 1. b | 6. d |
| 2. a | 7. c |
| 3. a | 8. a |
| 4. c | 9. c |
| 5. b | 10. b |

We would like to thank the 1035 individuals that participated in the success of our survey. We also thank the 6235 individuals that endured hearing from us on 3 separate occasions in November 2005.