Financial Wellness Quiz

Solving for X to save $

Celebrate Financial Literacy Month by testing your financial acumen!

If balancing your checkbook leaves you feeling like you're back in high school solving one of those "If train A leaves the station traveling at 60 mph…" word problems, you're not alone.

A National Financial Capability Study by FINRA's Investor Education Foundation found that only 7% of respondents could correctly answer six questions on fundamental concepts of economics and personal finance. Only 40% were able to answer at least four of the questions that covered everyday topics like compound interest, inflation and principles related to risk and diversification.

That lack of financial knowledge isn't surprising: only 28 states require a course in personal finance for high school graduation according to the Council for Economic Education. But it can be costly: lower financial literacy rates are correlated with everything from higher use of expensive "payday loans" to lower savings rates.

In honor of National Financial Literacy Month, test your financial acumen with this quick quiz.

1. You have $100 in a savings account, and the interest rate was 2% per year. After five years, how much would you have in the account?
   a) More than $102
   b) Exactly $102
   c) Less than $102
   d) Don't know

2. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, your ability to buy something with the money in this account be:
   a) More than today
   b) Less than today
   c) Exactly the same as today
   d) Don't know

3. Buying a single company's stock usually provides a safer return than a stock mutual fund.
   a) True
   b) False
   c) Don't know

4. If interest rates rise, what typically happens to bond prices?
   a) They rise
   b) They fall
   c) They stay the same
   d) Don't know

BOK FINANCIAL BOK Financial® is a trademark of BOKF, NA. Member FDIC. Equal Housing Lender.

5. Suppose you owe $1,000 on a loan and the interest rate is 20% per year compounded annually. If you didn't pay anything off at this interest rate, how many years would it take for the amount you owe to double?
   a) Less than 2 years
   b) At least 2 years, but less than 5 years
   c) At least 5 years, but less than 10 years
   d) Don't know

6. A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less.
   a) True
   b) False
   c) Don't know

7. As a general rule, how many months' expenses do financial planners recommend that you set aside for an emergency fund?
   a) 1 to 3 months
   b) 3 to 6 months
   c) 6 to 12 months
   d) 12 to 15 months

8. If late payment is sent to a collection agency, how long will it remain in your credit history even if you have paid it off?
   a) Less than a year
   b) 1 to 3 years
   c) 4 to 5 years
   d) 6 to 7 years

9. What is the formula for calculating your net worth?
   a) Assets minus liabilities
   b) Liabilities minus assets
   c) Assets plus liabilities
   d) Assets divided by liabilities

10. Which of the following statements about federal student loans is NOT true?
    a) For certain federal loan programs, the interest is paid by the government while you are in school or during certain grace periods.
    b) Your parents must sign a promissory note before loan funds are distributed.
    c) Entrance loan counseling is required for all first-time borrowers.

Whether you made the grade or struggled to get through the quiz, you can take steps to increase your financial literacy. According to Brandy Barnes Marion, Institutional Wealth education manager at BOK Financial®, it's never too late to increase your financial literacy. "Start by educating yourself, whether that's through resources offered by your employer or even your local library," said Barnes. "Seek out information provided by reputable nonprofit organizations like the National Endowment for Financial Education."



Financial Wellness

Steps to Achieve Financial Wellness

"Establish your financial goals, create a budget and, above all, make sure you're honest with your financial situation. Financial literacy doesn't have to be hard—but it does require your attention."

BOK FINANCIAL BOK Financial® is a trademark of BOKF, NA. Member FDIC. Equal Housing Lender.