

End off 2006 With a Bang (for your buck)! **QUESTIONS? Contact ANH at 1.800.556.1548**

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## Financial Preparation For The New Year



The best way to prepare for better finances in the new year is by taking time to make a few simple changes before the old year is over. Having read our Topics of the Month, you may already be doing everything right or you may still need to make a few simple changes that can have profound long-term effects. Let these refresher questions guide you as you test your financial wellness. And remember, a few small improvements can reap great rewards!

Here are some questions to test your financial wellness. Ask yourself, are you doing all that you can to meet your financial goals? What changes, if any, would best help your situation? Feel free to reference our back issues at:

<http://www.anewhorizon.org/library/index.htm>

They contain a wealth of information.

Effective: 12/06;Rev:00

## ANH 2006 - Financial Year In Review Quiz



- The most widely used credit scores are \_\_\_\_\_ scores. A score is a "snapshot" of your credit risk at a particular point in time. It is a good idea to check your scores \_\_\_\_\_ to \_\_\_\_\_ months before applying for a big loan so that you may have ample time to take action if needed. (*Understanding Your Credit Score ; October 2006*)
- Inspections on smoke alarms and air conditioning in your home should be done on \_\_\_\_\_ basis. (*Maintaining Your Home ; August 2006*)
- The average person makes more than \_\_\_\_\_ career changes during their working life, according to the US department of statistics. Good advice is to identify and focus on your \_\_\_\_\_ skills. These are the acquired skills you possess that can be used in more than one industry. Some examples of these skills are communication, sales and management skills. (*Are You Considering A Career U Turn; September 2006*)
- For a \_\_\_\_\_ loan, you must be at least a half time student and you are responsible for the interest during the life of the loan. You can pay the interest as you go along, or allow the interest to \_\_\_\_\_, in which the interest is added to the principal amount of your loan later. (*Student Loans 101; July 2006*)
- \_\_\_\_\_, was invented back in the 1970 's, is an exercise to help you identify skills you most enjoy using and can be very useful to those considering a career change. (*Are You Considering A Career U Turn; September 2006*)
- There are two types of life insurance. For most people \_\_\_\_\_ life insurance is the most economical because you pay the premium and you're insured. If you have the funds to do so, investigate the more expensive, \_\_\_\_\_ life insurance, which is a form of forced savings and carries cash value. (*Insurance Needs and Don't Needs; June 2006*)
- Students who demonstrate financial needs can borrow a \_\_\_\_\_ loan. The US Department of Education pays the interest if you are in school at least half time. The student has a period of time after graduation, leave school or drop below half time status before you must begin repayment called a \_\_\_\_\_. (*Student Loans 101; July 2006*)
- According to the Consumer reports, most household appliances should be replaced if they are older than \_\_\_\_\_ years. (*Maintaining Your Home ; August 2006*)
- Most of the energy we use in the United States in our daily lives is \_\_\_\_\_ energy, which includes oil, natural gas and coal which needs to be constantly replenished. (*Wise Ways to Save On Wayward Energy Bills ; February 2006*)
- When you purchase a home, the mortgage company wants to make sure it won't be hurt too badly if you skip town without paying off the loan. Unless you can put down at least 20% of the homes value, you may have to get \_\_\_\_\_ insurance. (*Insurance Needs and Don't Needs; June 2006*)
- The top five items managers look for when evaluating a candidate is whether the candidate can fit within the company \_\_\_\_\_, enthusiasm level, educational background, preparedness and \_\_\_\_\_. (*The Graduate's Guide to Career and Finance; May 2006*)
- To qualify for a medical tax deduction, your medical expenses for the year must exceed \_\_\_\_\_% of your adjusted gross income. (*Tax Talk; March 2006*).
- In order for your FICO score to be calculated on your credit report, the report must contain at least one account that has been open for \_\_\_\_\_ months or longer. In addition, the report must contain at least one account that has been updated in the past \_\_\_\_\_ months. This ensures that there is enough information in your report on which to base a score. (*Understanding Your Credit Score ; October 2006*)

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14. Appliances account for about \_\_\_% of household energy use. So when looking to replace home appliances, look for the \_\_\_\_\_ label, the governments rating program that shows you which items are more efficient than typical models. (*Wise Ways to Save On Wayward Energy Bills ; February 2006*)
15. Your tool kit for your job search should include a \_\_\_\_\_, \_\_\_\_\_. (*The Graduate's Guide to Career and Finance; May 2006*).
16. The IRS sponsors \_\_\_\_\_ the largest free tax counseling and preparation program in the country, helping more than 2 million senior citizens with their federal, state and local tax returns. (*Tax Talk; March 2006*).
17. To make your car insurance more affordable consider raising your \_\_\_\_\_ and eliminating \_\_\_\_\_ coverage on older cars, that you wouldn't mind driving around with a ding or two. (*Insurance Needs and Don't Needs; June 2006*)
18. One of the top mistakes new grads make during their first 90 days on the job is \_\_\_\_\_. (*The Graduate's Guide to Career and Finance; May 2006*).
19. Life happens and unfortunately, so do emergencies. The amount of money you should have available in case of a tornado, mudslide, hurricane, Texas twister depends on \_\_\_\_\_. The rule of thumb is enough cash to cover \_\_\_\_\_ weeks of expenses including lodging and meals. (*Your Financial Emergency Kit ; April 2006*)
20. The standard deduction for single filers is \_\_\_\_\_ and \$ \_\_\_\_\_ for married couples filing jointly. (*Tax Talk ; March 2006*)

# Scoring

**Award yourself 5 points for each correct answer.**

## Rankings:

**90-100 Points – Personal Finances Genius!** You are well on your way to financial wellness. Time to share your knowledge with others!

**70-85 Points – Assistant Guru** – Your knowledge is impressive but you stand to learn some more. Share what you know and focus on picking up new knowledge.

**50-65 Points – You're getting there!** Alright, so you don't know everything and you aren't ready to host your own PBS Special on Personal Finances – yet! Keep reading and studying. Our monthly newsletters are a great place to start.

**Under 50 Points – You need to start learning and in no time you too will be an Assistant Guru or higher.** Maybe one day you'll host your own Financial Wellness show, but you're not there yet. You need to make a special effort to stay in financial shape. Remember, knowledge is power and you can't afford to miss our monthly newsletters. They are a must read. Look for additional financial information on the web or anywhere else.

# Answers:

1. The most widely used credit scores are FICO scores. It is a good idea to check your credit scores every 6 to 12 months.
2. Inspections on smoke alarms, drainage, roofs, heaters and air conditioning in your home should be done on a quarterly basis.
3. The average person makes more than three career changes during their working life.. Good advice is to identify and focus on your transferable skills.
4. For a unsubsidized loan, you must be at least a half time student and you are responsible for the interest during the life of the loan. When you allow the interest to be capitalized the interest is added to the principal amount of your loan.
5. Trioring is an exercise to help you identify skills you most enjoy using and can be very useful to those considering a career change.
6. There are two types of life insurance. Term life insurance is the most economical because you pay the premium and you're insured. Whole life insurance is more expensive but carries cash value.
7. Students who demonstrate financial needs can borrow a subsidized loan. The student has a period of time after graduation, leave school or drop below half time status before repayment called a grace period.
8. Most household appliances should be replaced if they are older than seven years.
9. Most of the energy we use in the United States in our daily lives is non -renewable energy.
10. Unless you can put down 20% or more of the homes value, you may have to get Private mortgage insurance.
11. The top five items managers look for when evaluating a candidate is whether the candidate can fit within the company culture, enthusiasm level, educational background, preparedness and relevant experience.
12. To qualify for a medical tax deduction, your medical expenses for the year must exceed 7.5% of your adjusted gross income.
13. In order for your FICO score to be calculated on your credit report, the report must contain at least one account that has been open for 6 months or longer and at least one account that has been updated in the past 6 months.
14. Appliances account for about 20% of household energy use. So when looking to replace home appliances, look for the Energy Star label.
15. Your tool kit for your job search should include a resume, cover letter, and portfolio of your work.
16. The IRS sponsors the Tax Aide Program which helps senior citizens with their federal, state and local tax returns.
17. To make your car insurance more affordable consider raising your deductibles and eliminating collision coverage on older cars.
18. Not asking questions is one of the top mistakes new grads make during their first 90 days on the job.
19. The amount of money you should have available in case of a tornado, mudslide, hurricane, Texas twister depends on the number of people in your family. The rule of thumb is enough cash to cover one week of expenses including lodging and meals.
20. The standard deduction for single filers is \$5,000 and \$10,000 for married couples filing jointly.



**For more information on this topic, call a Certified Credit Counselor at 1.800.556.1548 or visit our Learning Center at [www.anewhorizon.org](http://www.anewhorizon.org)**

