

2002 JUMP\$TART QUESTIONNAIRE

(Mean score = 50.2. Scores are in bold type. *Indicates correct answer
Percentages in red are the totals for Wisconsin)

1. Heather has a good job on the production line of a factory in her hometown. During the past year or two, the state in which Heather 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 Heather's job?

- *65.7% a) Heather's company may consider moving to a lower-tax state, threatening Heather's job
- 11.1% b) higher business taxes can't have any effect on Heather's job
- 13.9% c) higher business taxes will cause more businesses to move into Heather's state, raising wages
- 9.2% d) she is likely to get a large raise to offset the effect of higher taxes

WI-77.3%

2. Many young people receive health insurance benefits through their parents. Which of the following statements is true about health insurance coverage?

- *49.1% a) if your parents become unemployed, your insurance coverage may stop, regardless of your age
- 32.6% b) you continue to be covered by your parents' insurance as long as you live at home, regardless of your age
- 3.3% c) young people don't need health insurance because they are so healthy
- 15.0% d) you are covered by your parents' insurance until you marry, regardless of your age

WI-62.7%

3. Which of the following is true about sales taxes?

- 21.2% a) the national sales tax percentage rate is 5½%
- *58.0% b) it makes things more expensive for you to buy
- 3.7% c) you don't have to pay the tax if your income is very low
- 17.0% d) the federal government will deduct it from your paycheck

WI-51.9%

4. If you have caused an accident, which type of automobile insurance would cover damage to your own car?

- 3.1% a) term
- 10.5% b) comprehensive
- *51.3% c) collision
- 35.0% d) liability

WI-61.6%

5. 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?

- 8.3% a) checking account
- 15.1% b) savings account
- *42.4% c) invested in a down payment on the house
- 34.3% d) stocks

WI-46.5%

6. Under which of the following circumstances would it be financially beneficial to you to borrow money to buy something now and repay it with future income?

- 37.7% a) when the interest on the loan is greater than the interest you get on your savings
- 8.3% b) when some clothes you like go on sale
- 3.9% c) when you really need a two-week vacation
- *50.0% d) when you need to buy a car to get a much better paying job

WI-68.1%

7. 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?

- 24.9% a) a little more, about 20% more
- *58.7% b) a lot more, about 70% more
- 13.0% c) about 10 times as much
- 3.4% d) no more, I would make about the same either way

WI-54.6%

8. Maria 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 Maria is granted a credit card, which of the following is the most likely way that the credit card company will reduce ITS risk?

- 8.0% a) it will charge Maria twice the finance charge rate it charges older cardholders
- 18.8% b) it will require Maria to have both parents co-sign for the card
- 6.3% c) it will make Maria 's parents pledge their home to repay Maria's credit card debt.
- *66.9% d) it will start Maria out with a small line of credit to see how she handles the account

WI-79.5%

9. Adam must borrow \$10,000 to complete his college education. Which of the following would NOT be likely to reduce the finance charge rate?

- *25.7% a) if he went to a state college rather than a private college
- 32.4% b) if his parents took out an additional mortgage on their house for the loan
- 19.8% c) if the loan was insured by the Federal Government
- 22.0% d) if his parents cosigned the loan

WI-24.9%

10. Ron and Molly are the same age. At age 25 Molly began saving \$2,000 a year while Ron saved nothing. At age 50, Ron realized that he needed money for retirement and started saving \$4,000 per year while Molly kept saving her \$2,000. Now they are both 75 years old. Who has the most money in his or her retirement account?

- 23.4% a) they would each have the same amount because they put away exactly the same
 - 7.0% b) Ron, because he saved more each year
 - 9.8% c) Molly, because she has put away more money
 - *59.8% d) Molly, because her money has grown for a longer time at compound interest
- WI-73.0%

11. 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, how much will you be responsible to pay?

- 69.3% a) none.
- *7.7% b) \$50
- 16.9% c) \$1000
- 6.1% d) \$500

WI-4.3%

12. 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?

- 49.9% a) earnings from savings account interest may not be taxed
- 16.1% b) sales tax may be charged on the interest that you earn
- *26.6% c) income tax may be charged on the interest if your income is high enough
- 7.4% d) you cannot earn interest until you pass your 18th birthday

WI-31.4%

13. 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?

- 15.2% a) Ellen who always pays off her credit card bill in full shortly after she receives it.
- 10.6% b) Barbara, who generally pays off her credit card in full but occasionally will pay the minimum when she is short of cash.
- 12.3% c) Paul, who pays at least the minimum amount each month and more when he has the money.
- *61.8% d) Nancy who only pays the minimum amount each month

WI-82.2%

14. Matthew and Alicia 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 is likely to have the highest growth over the next 18 years?

- 37.5% a) a savings account
- 3.6% b) a checking account
- 40.2% c) a U.S. Govt. savings bond
- *18.7% d) stocks

WI-28.6%

15. Many savings programs are protected by the Federal government against loss. Which of the following is not?

- 9.3% a) a U. S. Savings Bond
- 50.8% b) a certificate of deposit at the bank
- 12.7% c) a U. S. Treasury Bond
- *27.1% d) a Bond issued by one of the 50 States

WI-34.6%

16. Which of the following instruments is NOT typically associated with spending.

- 3.4% a) credit card
- 3.8% b) cash
- *84.9% c) certificate of Deposit
- 7.9% d) ATM (Automated Teller Machine) Card

WI-94.1%

17. John worked his way through college earning \$15,000 per year. After graduation his first job pays \$30,000. The total dollar amount John will have to pay in Federal Income taxes in his new job will:

- 9.5% a) be lower than when he was in college
- 10.4% b) stay the same as when he was in college
- 42.4% c) go up a little from when he was in college
- *37.7% d) double, at least, from when he was in college

WI-46.5%

18. 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 buy a car. Bob has borrowed \$2,500 to take a foreign vacation. Who is likely to pay the lowest finance charge?

- 19.1% a) they will both pay the same because they have almost identical financial backgrounds
- 13.9% b) Bob will pay less because people who travel overseas are better risks
- *45.5% c) Ed will pay less because the car is collateral for the loan
- 21.6% d) they will both pay the same because the rate is set by law

WI-58.4%

19. Inflation can cause difficulty in many ways. Which group would have the greatest problem during periods of high inflation?

10.1% a) young couples with no children who both work

44.2% b) young working couples with children

11.1% c) older, working couples saving for retirement

*34.7% d) older people living on fixed retirement income

WI-43.2%

20. Courtney and Sabrina are employed by the same company and earn the same pay. Courtney spends her free time taking work related classes to improve her computer skills; while Sabrina spends her free time socializing with friends and working out at a fitness center. After five years what is likely to be true?

6.0% a) Sabrina will make more because she is more social

9.7% b) Courtney and Sabrina will continue to make the same money

*79.6% c) Courtney will make more money because she is more valuable to her company

4.7% d) Sabrina will make more because Courtney is likely to be laid off

WI-93%

21. Jim just found a job with a take home pay of \$1,000 per month. He must pay \$450 for rent and \$100 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.

8.7% a) 2 months

*53.3% b) 4 months

27.1% c) 6 months

10.8% d) 8 months

WI-58.9%

22. 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?

5.9% a) they can force those who loaned you money to forgive all your debts

17.0% b) they can get the federal government to apply your income taxes to pay off your debts

11.6% c) they can cancel and cut up all of your credit cards without your permission

*65.4% d) they can work with those who loaned you money to set up a new payment

WI-80.5% schedule that you can meet

23. Which of the following statements is NOT correct about most ATM (Automated Teller Machine) cards?

9.1% a) you must have a bank account to have an ATM Card.

*73.0% b) you can get cash anywhere in the world with no fee

11.5% c) you can generally obtain information concerning your bank balance at an ATM machine.

6.4% d) you can generally get cash 24 hours a day

WI-75.1%

24. Retirement income paid by a company is called:

33.3% a) Social Security

3.8% b) rents & profits

27.7% c) 401k

*35.1% d) pension

WI-35.1%

25. 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?

18.9% a) federal income tax, sales tax, and social security contribution

20.6% b) federal income tax, property tax, and Medicare and social security contributions

8.8% c) social security and Medicare contributions

*51.7% d) federal income tax, social security and Medicare contributions

WI-69.7%

26. Which of the following statements is true?

11.3% a) if you missed a payment more than 2 years ago, it cannot be considered in a loan decision

8.0% b) people have so many loans it is very unlikely that one bank will know your history with another bank

*68.7% 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

12.0% d) your bad loan payment record with one bank will not be considered if you apply to another bank for a loan

WI-83.2%

27. Paula has saved \$8,000 for her college expenses by working part-time. She plans to start college next year and needs all of the money she saved. Which of the following is the safest place for her college money?

5.1% a) locked in her closet at home

6.9% b) stocks

9.6% c) corporate bonds

*78.3% d) a bank savings account

WI-90.8%

28. Which of the following best describes the primary sources of income for most people age 20-35?

10.6% a) profits from business

9.4% b) dividends & interest

8.7% c) rents

*71.4% d) salaries, wages, tips

WI-84.9%

29. If each of the following persons had the same amount of take home pay, who would need the greatest amount of life insurance?

- 9.0% a) a young married man without children
- 33.2% b) an elderly retired man, with a wife who is also retired
- 8.2% c) a young single woman without children
- *49.6% d) a young single woman with two young children

WI-54.6%

30. Which of the following statements best describes your right to check your credit history for accuracy:

- 7.0% a) you cannot see your credit record
- 40.9% b) your credit record can be checked at any time for free
- *39.8% c) if you are turned down for credit based on a credit report, the record can be checked for free.
- 12.3% d) all credit records are the property of the U.S. Government and access is only available to the FBI and Lenders.

WI-36.2%

31. 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?

- 17.8% a) a twenty five year corporate bond
- 19.4% b) a certificate of deposit at a bank
- 33.9% c) a U.S. Government Savings Bond
- *28.9% d) a house financed with a fixed rate mortgage

WI-37.8%

32. What is your gender?

- 49.8** 47.2% a) Male
- 50.7** 52.8% b) Female

33. What are your educational plans after high school?

- 32.2** 2.7% a) No further education is planned
- 46.4** 20.6% b) Attend a 2-year college or junior college
- 53.5** 60.1% c) Attend a 4-year college or university
- 48.1** 10.2% d) Other plans for training or education
- 50.2** 6.4% e) Don't know

34. Does your family rent or own your home?

- 48.0** 21.1% a) Rent
- 50.8** 78.9% b) Own

35. What is your best estimate of your parents' total income last year? Consider annual income from all sources before taxes.

- 45.7** 7.8% a) Less than \$20,000
- 50.7** 19.2% b) \$20,000 to \$39,999
- 52.3** 31.3% c) \$40,000 to \$79,999

52.7 20.5% d) \$80,000 or more

46.0 21.2% e) don't know

36. How do you describe yourself?

53.7 62.4% a) White or Caucasian

42.11 2.4% b) Black or African-American

44.8 13.1% c) Hispanic American

50.6 4.7% d) Asian-American

45.5 2.3% e) Native American or American Indian

50.3 5.1% f) Other

37. What is the highest level of schooling your father or mother completed?

43.7 7.7% a) Neither completed high school

47.5 26.7% b) Completed high school

51.7 23.1% c) Some college

53.5 38.8% d) College graduate or more than college

38.2 3.7% e) Don't know

38. What type of work do you intend to do when you finish school?

39.4 3.3% a) Manual work such as truck driver, laborer, farm worker

45.7 6.2% b) Skilled trade such as plumber, electrician

43.3 7.9% c) Service worker such as secretary, food service worker, office worker, police officer, firefighter

53.1 63.1% d) Professional worker such as nurse, computer programmer, lawyer, doctor, teacher, engineer

46.9 19.6% 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?

39.0 3.7% a) Under \$15,000

46.6 8.7% b) \$15,000 to \$19,999

50.3 19.1% c) \$20,000 to \$29,999

52.6 51.9% d) \$30,000 or more

47.2 16.6% e) Don't know

40. Whose credit card do you use?

49.6 12.1% a) My own

48.8 15.4% b) My parents'

44.5 4.7% c) Both my own and my parents'

51.1 67.8% d) None, I don't use a credit card

41. Do you have an ATM (Automated Teller Machine) card?

50.8 35.9% a) Yes

49.8 64.1% b) No

42. Which of the following best describes your automobile driving?
- 46.2** 19.7% a) I don't have a driver's license.
- 43.9** 3.3% b) I have a driver's license but no car in the family that I can drive.
- 48.4** 5.0% c) I drive the family car, which is used by others, and help pay for the insurance.
- 52.51** 5.1% d) I drive the family car, which is used by others, and don't help pay for the insurance.
- 50.7** 29.7% e) I drive my own car and help pay for the insurance.
- 52.5** 27.2% f) I drive my own car and don't help pay for the insurance.
43. How would you describe your employment history?
- 51.6** 29.4% a) I work full time in the summers and part time during the school year
- 48.9** 6.1% b) I work full time in the summers and don't work during the school year
- 50.2** 34.1% c) I work part time in the summers and part time during the school year
- 50.2** 11.7% d) I work part time in the summers and don't work during the school year
- 48.8** 18.6% e) I have never been formally employed outside the home
44. What kind of bank account do you have?
- 46.1** 25.7% a) I don't have a bank account.
- 51.7** 41.7% b) I have a savings account but no checking account.
- 50.5** 7.8% c) I have a checking account but no savings account.
- 50.2** 24.8% 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)?
- 51.0** 66.6% a) I own no stocks or mutual funds
- 50.1** 9.0% b) I own stocks in my own name
- 50.1** 10.7% c) I own stocks in my parents' name
- 53.6** 7.1% d) I own mutual funds in my own name
- 49.1** 8.5% e) I own mutual funds in my parents' name
46. What is your high school class level?
- 100.0% a) Senior
- 0.0% b) Junior
- 0.0% c) Sophomore
- 0.0% d) Freshman
47. How sure do you feel about your ability to manage your own finances?
- 42.7** 10.5% a) Not sure at all – I wish I knew a lot more about money management
- 49.5** 24.6% b) Not too sure – I wish I knew more about money management
- 51.9** 46.6% c) Somewhat sure – I understand most of what I'll need to know
- 50.2** 18.4% d) Very sure – I understand money management very well

48. Where did you learn most about managing your money?

50.9 61.8% a) At home from my family

47.5 15.6% b) At school in class

41.4 2.7% c) From talking with my friends

42.3 2.1% d) From magazines, books, TV and the radio

52.5 17.8% e) From experience in managing my own funds

49. Which of the following classes have you had in high school (circle **all** that apply)?

48.2 14.6% a) An entire course in money management or personal finance

49.8 15.3% b) A portion of a course (at least a week) in money management or personal finance

49.8 44.7% c) An entire course in economics

51.1 25.1% d) A portion of a course (at least a week) in economics

52.4 28.8% e) A class in which we played a stock market game

Nationally, the average score in the 2002 survey was: 50.2%

Wisconsin's Overall Score: 58.8%

Money Score: 51.5%

Income Score: 68.0%

Saving Score: 50.2%

Spend Score: 62.4%

Credit Score: 57.5%

For more information about the Jump\$tart coalition visit <http://www.jumpstart.org>