

How MONEY WISE ARE YOU?

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AWARENESS IS THE FIRST STEP IN GAINING FINANCIAL FREEDOM. THE FOLLOWING QUESTIONS ARE BASED ON OPPENHEIMER FUNDS RESEARCH. IT ONLY TAKES A MINUTE TO SEE HOW MUCH YOU KNOW ABOUT DEALING WITH MONEY.

TRUE OR FALSE?

1. Sixty percent of all women end up managing their own finances at some point in their lives.
2. Most women invest their portfolios in investments that are too conservative.
3. Most stock market investors get wiped out at least once in their lifetime.
4. Two thousand dollars is the minimum amount needed to invest in a mutual fund.
5. You need about 75 percent of your pre-retirement income to live comfortably during retirement.
6. If a 45-year-old woman plans to retire at age 60, she can expect to live 21 years in retirement.
7. Between stocks, bonds and CDs, over the last 30 years, bonds have appreciated the most out of any investment overall.
8. If a woman can afford to invest only \$50 a month she shouldn't bother.
9. A 65-year-old woman with an annual income of \$50,000 can expect to have 50 percent of her income be replaced by Social Security.
10. A woman's intuitive ability to manage her emotions around money is one of the most important aspects of creating wealth over the long term.

ANSWERS:

1. FALSE - Ninety percent of all women end up managing their own finances at some point because of increasing divorce rates, becoming a widow and because they live longer.
2. TRUE - Most women are too conservative in their investing.
3. FALSE - Historically not true. There are periods of decline but over the last 50 years, the market has shown overall long-term growth.
4. FALSE - You can open a Mutual Fund automatic account builder program for as little as \$25 a month.
5. TRUE - According to studies by the WEFA Group you need 70-80 percent of your pre-retirement income when you retire. That means if you earn \$45,000 when you retire, you will need between \$31,500 and \$36,000 per year during retirement.
6. TRUE - According to the National Center For Health Statistics, a woman that is 45 who plans to retire at 60 can plan on living 21 years, to the age of 81. Because women live so long, good retirement planning can make a very big difference in how comfortably you live throughout your later years.
7. FALSE - According to Ibbotson Associates, over the last 30 years stocks have been the top performing asset class.
8. FALSE - a monthly investment of \$50 growing at 8 percent a year would be worth \$9,147 in 10 years and \$29,451 in 20 years.
9. False - She can expect Social Security to replace 30 percent of her pre-retirement income or \$15,000 if she had been earning \$50,000 a year.
10. TRUE - You go girl! You KNOW it's true!!

HERE ARE YOUR RESULTS:

8-10 Correct – Great job! You are a Money-Smart Woman. You have a solid understanding of the issues that affect women's financial lives.

6-7 Correct – Pretty Good! You are a Financially-Striving Woman. You've started to grasp how important it is for women to be in control of their finances. However, you may not be saving enough to meet your financial goals.

0-5 Correct – You are a Financially-Naive Woman. You have a bit to learn about your finances, but don't despair! Many women are in your situation. Just because you lack financial experience doesn't mean you lack an ability to create wealth. Look at your beliefs about money and the stories your family had about money when you were growing up to see if they empower you financially. You also may want to ask yourself if you are clear on what you want in your life financially.



Information for this quiz was researched by Cynthia Fick, expert financial planner. Research findings come from the Oppenheimer Women and Investing Quiz, Ibbotson Associates, the National Center of Health Statistics and a WEFA Group Study. Contact her at ckfick@cox.net.