

Five Financial Foundations Self-Assessment

- 1. Save a portion of all earnings, saving 10% of earnings as a beginning goal.**
 - I am saving 10% or more from my earnings
 - I am saving but not consistently
 - I am not saving
- 2. Maintain a cash reserve for emergency use, we recommend 3-6 months living expenses.**
 - I have a cash reserve that would be available in an emergency
 - I have some cash saved, but it is not adequate
 - I do not have a cash reserve account
- 3. Fully fund employer savings and retirement accounts, or other tax advantaged long-term savings vehicles.**

Check all that apply:

 - I am contributing to a 401(k) or similar employer provided plan
 - I am investing through a company stock purchase plan
 - I am investing in a Roth or Traditional IRA
 - I am accumulating cash value in a permanent life insurance policy
 - I am not participating in any long-term saving plans
- 4. If buying a home, the value of the property should not exceed 2-2 ½ times annual earnings of the buyer(s). A mortgage should not exceed 80% of the purchase price and the interest rate should normally be fixed for the life of the mortgage loan.**
 - I own my home free-and-clear, no mortgage
 - I own a home, and have a mortgage that is less than 80% of home value
 - I own a home, but the mortgage is greater than 80% of the value of the home
 - I am renting and saving the difference between my rent amount and what a mortgage payment might be
 - I am renting, but not saving
- 5. No consumer debt ("bad" debt).**
 - I have no consumer debt
 - I have some loan balances but I am in the process of paying my debt off
 - I have substantial credit card and consumer debt and I need a plan to pay it off

The Five Financial Foundations is a starting point for students and individuals desiring to initiate a financial wealth building plan. It is not intended to be a complete discussion of every material fact and should not be used as a substitute for a personal financial plan or in lieu of a consultation with a financial advisor.