

# How Good Is Your Financial Health?

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## How Is Your Financial Health? Not Too Good If –

- You tend to be late in paying bills. You “shuffle” them around, paying some creditors this month and others the next month.
- You take out a loan to pay off old ones, thereby extending the payment time.
- You are spending more than 20 percent of your take-home pay to pay off debts (excluding mortgage payments).
- You have no reserve cash or liquid assets to meet emergencies.
- You depend heavily on extra income – bonuses, overtime, moonlighting – to get you over rough spots.
- You find it harder and harder to save. Your savings account shows more withdrawals than deposits. You cash in savings bonds long before they mature.
- You don’t have enough reserve to tide you over a major upset like a pay cut. You aren’t prepared to replace big items like household equipment.
- You use credit to purchase things like clothing that you should have anticipated the need for and that you previously bought with cash.
- Bills once paid promptly are now shuffled to the bottom of the pile.

You wait a longer and longer time to pay them.

- You “rob Peter to pay Paul.” For example, you dip into funds accumulated for insurance premiums to pay the water bill.
- You can’t figure out where your money goes. You don’t believe you spend it foolishly, but there’s not much to show for all your outlay.
- You have no idea how much debt you owe. You have to scrounge for money to make monthly payments, and because you use a lot of credit, the balances owed don’t seem to decrease much.
- You pay only the minimum amount due each month on your credit card accounts. You have more than five credit cards and charge accounts.
- If your checking account has an overdraft loan feature, you use it frequently.
- Some of your creditors started sending you reminders about overdue payments.
- Both husband and wife write checks. They do not have a system to show the correct balance.



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## Assessing Your Buying Habits

Circle the answer which best describes your buying habits. Add your circled numbers for each column. Add the sum of each column for your total score.

	Never	Seldom	Sometimes	Often
How often do you buy things you find you don't want later?	1	2	3	4
How often do you buy things on the basis of a store display?	1	2	3	4
How often do you buy only items you planned to buy?	4	3	2	1
How often do you have to borrow money to buy things?	1	2	3	4
How often do you wish you could return what you have purchased?	1	2	3	4
How often do you plan your purchases before shopping?	4	3	2	1
How often do you spend more money than you planned?	1	2	3	4
How often do you buy things for which you have no use?	1	2	3	4
How often do you buy things on the basis of a store clerk's advice?	1	2	3	4
How often do you buy items you did not plan to buy?	1	2	3	4
<b>TOTAL</b>				
<p>If your score – the total of the four columns – is:</p> <p>10-17, less than 10% of your spending is unplanned</p> <p>18-26, 10% to 20% of your spending is unplanned</p> <p>27-40, 20% to 50% of your spending is unplanned</p>				

Acknowledgment is given to Mrs. Fann J. Woodward, former Extension family economics specialist, and to Dr. Judith R. Urich, former Extension family resource management specialist, who authored previous versions of this fact sheet.

Printed by University of Arkansas Cooperative Extension Service Printing Services.

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FSFCS46-PD-9-09N