

## **Activity 1: What is Your Financial Personality?**

How you feel about risk will play a big part in how you save, how you invest and generally how you manage money. We call this your financial personality. Understanding your financial personality will help you make better saving and spending decisions.

Find out what your strengths and weaknesses are when dealing with money by completing the Financial personality quiz' on the following page. Circle the answer to each question that most closely reflects your own attitudes and experiences with money.

### **Financial personality quiz**

<b>Questions</b>	<b>Answers</b>
1. If I received an unexpected \$5000 windfall, I would:	<ul style="list-style-type: none"><li>a. Spend the money on a shopping spree or a holiday.</li><li>b. Pay off some debts and put the rest towards a new car or other important purchase when I am older.</li><li>c. Put it in a high-interest account while I research ways of spending or investing it.</li></ul>
2. When I get a credit card, my plan is to pay:	<ul style="list-style-type: none"><li>a. Only the minimum – and then I re-spend that amount.</li><li>b. As much of the outstanding amount as possible.</li><li>c. The entire balance.</li></ul>
3. I am:	<ul style="list-style-type: none"><li>a. Carefree with money – I enjoy today and let tomorrow look after itself.</li><li>b. Likely to overspend every now and then.</li><li>c. Always in control of my finances.</li></ul>
4. When I owe someone money or have a bill to pay:	<ul style="list-style-type: none"><li>a. Shove it in a drawer with all the others.</li><li>b. Add it to my to-do list.</li><li>c. Check that it's correct and pay it immediately.</li></ul>
5. Savings are:	<ul style="list-style-type: none"><li>a. What savings? I spend every dollar that comes in.</li><li>b. There to pay for important things, such as a deposit for a car, holiday or home of my own.</li><li>c. Part of my monthly budget plan.</li></ul>
6. My monthly budget is:	<ul style="list-style-type: none"><li>a. What's a budget?</li><li>b. Usually OK but I sometimes overspend.</li><li>c. I generally stick to it.</li></ul>

7. I get worried when:	<ul style="list-style-type: none"> <li>a. I can't buy what I want as soon as I see it.</li> <li>b. I can't afford to treat my friends and family.</li> <li>c. I can't identify all the transactions on my bank statement.</li> </ul>
8. When I need to borrow or need extra money, I:	<ul style="list-style-type: none"> <li>a. Take the first loan I'm offered – I never shop around.</li> <li>b. Look at a couple of options and choose one that feels like the best deal.</li> <li>c. Shop around for the best deals on credit cards and loans – I always read the small print on my credit contract.</li> </ul>
9. I prefer to:	<ul style="list-style-type: none"> <li>a. Put everything on a credit card and think about it later.</li> <li>b. Keep credit for major buys and use my debit card for everyday spending.</li> <li>c. Use my debit card as much as possible, so I stay within my budget.</li> </ul>
10. I'm most likely to blow the budget:	<ul style="list-style-type: none"> <li>a. In a designer clothes shop or on sports or hobby equipment.</li> <li>b. On a holiday with family or friends. I want everyone to enjoy themselves.</li> <li>c. Overspend? Not if I can help it.</li> </ul>
11. At any given time, I:	<ul style="list-style-type: none"> <li>a. Don't know how much I owe and don't want to think about it.</li> <li>b. Can tell roughly what my debts amount to.</li> <li>c. Know exactly what's outstanding – and when it has to be paid.</li> </ul>
12. The day before payday:	<ul style="list-style-type: none"> <li>a. My bank account is empty and I'm borrowing money from friends and family to get by.</li> <li>b. I'm down to my last few dollars but have met all my expenses.</li> <li>c. I still have money in the bank.</li> </ul>

How many times did you answer A? \_\_\_\_\_

How many times did you answer B? \_\_\_\_\_

How many times did you answer C? \_\_\_\_\_

### Activity 1B: What are Your Strengths and Weaknesses

Using the information, you have learnt about yourself from the 'Financial personality quiz', make a list in the table below of what you think your strengths and weaknesses are in relation to savings, budgeting and spending.

When you have completed this table, think about how you might overcome any of the weaknesses identified. For example, Sarah stuck pictures of France up all over her house to help her stay focused on saving by visualising her goal for a holiday with friends and Terrance has a picture of the car he plans to purchase when he turns 16 years old as his phone screensaver. It is important to manage your money to ensure you have all the things you need to do your job properly. We all have different values, needs and goals, which is why each of us has to come up with our own plan.

Strengths	Weaknesses
Example: I am good at saving money.	Example: I spend too much money on things that are not essential.

Look at your weaknesses, what are some strategies or solutions that you could implement to overcome your weaknesses?

## Activity 1C: What are Your Financial Goals?

You may or may not have goals, or maybe haven't even thought about setting some for yourself. Let's go through the process of goal setting now so you know how to do it in the future. Using the SMART goal-setting process outlined in the online module, write down a short-, medium- and long-term goal in the tables below to work out what is realistic and affordable. List at least one in each category.

<b>SMART goal-setting guide</b>
<b>Specific</b> – What exactly are you trying to achieve?
<b>Measure</b> – What does it cost?
<b>Achieve</b> – Can you achieve this goal? Are you earning an income?
<b>Realistic</b> – Be honest with yourself. Is it realistic?
<b>Time</b> – What is the timeframe?

### **TIP** Can't think of any goals?

Here are some examples:

Short-term:

- saving for Christmas presents
- purchasing a phone

Medium-term:

- Buying a car
- Saving for University

Long-term:

- Saving for a down payment for a home purchase
- Extended Trip
- Buying an expensive vehicle, boat, or other luxury

If you have more than one short-, medium- or long-term goal, you might like to re-create the SMART goal-setting process for your remaining goals on a separate piece of paper.

## My goals

Short-term goal	
What is your short-term goal?	Example – I want a new TV.
What does it cost?	Example – I need to save \$600.
Do you have the means to achieve this goal?	Example – I'm earning so I can save if I work out a budget.
Is this goal realistic?	Example – I can save \$50 a week if I cut back on other expenses.
What is your timeframe to achieve this goal?	Example – 12 months

Medium-term goal	
What is your medium-term goal?	
What does it cost?	

Do you have the means to achieve this goal?	
Is this goal realistic?	
What is your timeframe to achieve this goal?	

<b>Long-term goal</b>	
What is your long-term goal?	
What does it cost?	
Do you have the means to achieve this goal?	
Is this goal realistic?	
What is your timeframe to achieve this goal?	