**APPENDIX – FINANCIAL LITERACY QUESTIONNAIRE**

Numeracy sub-scale

**1. Which of these percentages represents the biggest risk of getting a disease?**

1 = 1%

2 = 10%

3 = 5%

**2.** **A store is offering 15% off a television that is normally priced at $1000. How much money would you save on the TV during this sale?**

1 = 15

2 = 150

3 = 1500

**3. If a television set is on sale for $899, which is $200 off its normal price, what is the normal price?**

1 = $699

2 = $1099

3 = $1299

**4. If 5 people all have the winning numbers in the lottery and the prize is $2 million, how much will each of them receive?**

1 = $200,000

2 = $400,000

3 = $600,000

**5. If the chance of getting a disease is 10 percent, how many**

**people out of 1,000 would be expected to get the disease?**

1 = 100

2 = 10

3 = 90

4 = 900

**6. Suppose you had $100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow: more than $102, exactly $102, or less than $102?**

1 = more than $102

2 = Exactly $102

3 = Less than $102

**7. Again, suppose you had $100 in a savings account and the**

**interest rate was 2% per year. After 5 years, how much do you think you would**

**have in the account if you left the money to grow: more than $110, exactly $110, or less than $110?**

1 = more than $110

2 = Exactly $110

3 = Less than $110

**8. Imagine that the interest rate on your savings account is 1% per year and inflation is 2% per year. After 1 year, will you be able to buy more than, exactly the same as, or less than today with the money in your account?**

1 = More than today

2 = Exactly the same as today

3 = Less than today

8 = REFUSAL

9 = DON'T KNOW

Conceptual knowledge sub-scale

**9. What do the initials FDIC stand for? (worth up to 4 points)**

[Choose all that apply.]

1 = federal

2 = deposit

3 = insurance

4 = corporation

**10. What does the FDIC do?**

1 = approves new drugs for clinical use

2 = protects the funds people or depositors place in banks and savings institutions

3 = underwrites mortgages and other loans

**11.** **A mutual fund is an investment that holds what---only stocks,**

**only bonds, or stocks AND bonds?**

1 = only stocks

2 = only bonds

3 = stocks and bonds

**12.** **When interest rates go up, what do bond prices do: go down, go up, or stay the same?**

1 = go down

2 = go up

3 = do not change

**13. True or false. Buying a single company stock usually provides a better return than a stock mutual fund.**

1 = True

2 = False

**14. True or False. An older person with $100,000 to invest should**

**hold riskier financial investments than a younger person with $100,000 to**

**invest.**

1 = True

2 = False

**15.** **True or False. Using money in a bank account to pay off credit card debt is usually wise.**

1 = True

2 = False

**16. True or False. To make money in the stock market, you have to**

**buy and sell stocks often.**

1 = True

2 = False

**17. True or False. Stocks and mutual funds generally produce higher average returns above inflation compared to fixed-income investments such as bonds.**

1 = True

2 = False

8 = REFUSAL

9 = DON'T KNOW

Questions not included in either sub-scale

**18.** **Imagine you receive a gift of $10,000. If you were to invest the money on your own for the next 5 years, what % on average do you think you could earn per year? Please provide a number from 0 to 100. [Enter Percentage.]**

**19. Again, imagine you receive a gift of $10,000. If you were to**

**invest the money in a government bond, what % on average do you think you could earn per year? Please provide a number from 0 to 100. [Enter Percentage.]**

**20. Again, imagine you receive a gift of $10,000. If you were to**

**invest the money in a mutual fund, what % on average do you think you would earn per year? Please provide a number from 0 to 100. [Enter Percentage.]**

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