2009 Heartland Institute of Financial Education Continuing Education Exam

(Information for the answers may be found by reviewing the 2008 HIFE Newsletters, which are found on the HIFE web-site under the tab, "Newsletters").

1. A 2007 Duke University survey indicates what percentage of increases in hardship withdrawals from 401(k) plan accounts?

a. 10%

b. 20%

c. 35%

2. Nancy Woodward, in a 2008 issue of HR Magazine, claims that employees may be interested in financial education for which reason?

a. Because they are more certain than ever about retirement.

b. Tapping their 401(k) plans can provide needed resources.

c. They may be feeling the "pinch" of a bad economy.

3. How can financial education courses make a difference in an employee's perception of their financial life?

a. By learning to save effectively, rather than clipping coupons or looking forward supposed "rebates".

b. By writing everything down, which helps learning, rather than using a computer-based cash-tracking system.

c. By keeping spending on a cash basis, along with making notes, keeping receipts and increasing awareness.

4. What percentage of a company's employees should an instructor expect will attend financial education classes?

a. 10% to 15%

b. 20% to 25%

c. 25% to 30%

5. What does the 2008 Financial Literacy Survey really summarize?

a. It primarily summarizes the overall financial health of Americans and what they know about their finances.

b. It summarizes the conditions of financial health worldwide and how that relates to Americans.

c. The Survey explains the financial state of millions of middle-class Americans in areas of cash flow management, risk management and retirement planning.

6. According to the 2008 Financial Literacy Survey, approximately what number of adults deal with debt collection?

a. 15 million

b. 20 million

c. 50 million

7. In the 2008 Survey, from which source do Americans say they have learned the most about personal finances?

a. Financial education at the work-place.

b. Their parents.

c. A personal financial counselor.

8. According to the 2008 Survey, which section of the United States is the most concerned about future income growth?

a. The Midwest

b. The South

c. The Northeast

9. Based on the Topline Report of the 2008 Survey, what percentage of Americans pay all of their bills on time?

a. 31%

b. 47%

c. 69%

10. Based on the Topline Report of the 2008 Survey, what percentage of Americans save more than 20% of their earnings for retirement?

a. 8%

b. 3%

c. 5%

11. According to the 2008 Financial Literacy Survey, which of the following statements is true regarding tracking expenses?

a. Lower income households are less likely to keep track of expenditures than higher income households.

b. Women are more likely to track expenses than men.

c. The way most Americans manage expenses doesn't vary by gender, age or income.

12. According to a poll conducted by SHRM (Society of Human Resource Management), what percentage of HR professionals said their organization will consider providing employees with financial education literature and/or workshops?

a. 27%

b. 83%

c. 56%

13. Which of the following may be expected to occur, based on our current economic situation, according to article by Kathy Gurchiek?

a. More contributions by employees to their 401(k) accounts.

b. A decrease in employee absences from work.

c. A higher percentage of employer-sponsored financial education programs.

14. In a 2008 Defined Contribution Survey from Plansponsor, what percentage of plan sponsors offer participants help with making investment decisions?

a. 51%

b. 75%

c. 89%

15. Introduced in May of 2008, the Employers Financial Literacy Act proposes to offer tax credits for providing financial education to which group?

a. Employers with over 100 employees.

b. Small businesses with 2 to 50 employees.

c. Any employer with salaried or hourly employees.

16. According to Aimee Prawitz, Director of Research at Personal Finance Employee Education Foundation (PREEF), what is a crucial first step for employers with financial education programs?

a. To help employees identify barriers that keep them from getting help.

b. To have employees complete a budget/cash flow work-sheet.

c. To provide employees help with identifying their financial priorities.

17. What are three tools that EAP's can use to help employees deal with financial struggles?

a. Benefit packages, savings programs and personal consultations.

b. Cash flow management, risk assessment and communication.

c. Assessing the situation, communication and partnership strategy.

18. When EAP providers receive calls related to work-life challenges, what area is often specified by the caller as a contributing factor to the underlying problem?

a. Financial challenges

b. Family issues

c. Poor or underfunded employer-provided programs

19. Which of the following is an example of a warning sign that an employee may be facing a difficult financial situation?

a. A request for information on employee benefit plans.

b. Missing a 401(k) information session.

c. Withdrawing or borrowing from the 401(k) plan.

20. How might EAP professionals partner with HR executives to provide assistance to employees regarding financial problems and issues?

a. Send out a survey regarding financial needs to employees.

b. Connect with a reputable non-profit organization that provides educational resources and assistance.

c. Provide bonuses to those employees that can prove an improvement in their financial situation.