

Debt Know How



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Debt Warning Signs Quiz

When you are in debt trouble, you might not recognize all the warning signs or you might simply ignore them because it seems like you have no options. Recognizing debt trouble, however, is the first step toward getting it under control.

Take the following quiz to assess your situation.

1. Do you avoid looking at your bills and credit card balances?
 Yes No
2. Do you usually pay only the minimum on your credit cards?
 Yes No
3. Do you sometimes pay your bills late or miss payments entirely?
 Yes No
4. Do you use credit cards and store credit to make purchases because you don't have the money to pay for them at the time?
 Yes No
5. Is your paycheck already spent before you receive it?
 Yes No
6. Do you choose the longest allowable payment period or installment plan to make major purchases – for example, a car or major appliance – affordable?
 Yes No
7. Have you taken out a home equity loan to pay down your debt and already run up a new consumer debt?
 Yes No
8. Do payments on your debt eat up more than 20% of your household take-home pay each month (excluding your mortgage or rent payment)?
 Yes No
9. Do you have savings to fall back on if something unexpected happens, such as a car repair or medical emergency?
 Yes No
10. Do you spend more time worrying about your bills than paying them?
 Yes No

Debt Warning Signs Quiz, Cont.

Score 0

Congratulations! You have your debt and finances under control. Keep up the good money management habits.

Score 1-4

Pay attention to early warning signs that you are in, or could get into debt trouble.

Score 5-10

You are probably already deep in debt. But take heart. By taking this quiz, you have taken the first important step. Now it's time to start learning how to manage your finances and pay off your debt.

Source:

Debt Know How – Debt Warning Signs, MasterCard International, Inc.