

Worksheet 9: Comprehensive Analysis (29 points)

Directions: Prepare an overall summary of what you learned about your personal financial situation from the worksheets and related analysis. Answers should be in a formal paper format; it is expected that papers that thoroughly address the questions will be **3-5 pages in length**.

*All worksheet answers **MUST be TYPED** or 2 points will be take off for each assignment turned in not typed (i.e., handwriting)

Respond to ALL of the following questions in your paper:

1. Highlight two strengths and two areas for improvement in your financial situation.

One of the strengths I've come to realize from doing this assignment is that I am currently above where I need to be in regard to my financial ratios. When it comes to my asset-to-debt ratio as well as my debt-to-income ratio, I've maintained a positive value which is indicative of good financial health. In addition, from going over my spending log, I've realized that part of the reason my ratios are good is due to the fact that I don't typically spend all that much week to week. On average, I spend roughly \$60 a week on variable expenses. On area of change, however, is that some areas of those variable expenses can definitely be cut in replacement for better alternatives. As mentioned before, I should definitely spend less on alcohol and eating out so that I can buy more groceries. In addition, another change I should implement is adding more to my savings account each month in order to ensure that my assets are always

increasing. Because my salary will be increasing within the year, this should definitely be something that I look towards accomplishing.

2. What were the three most important things you learned about your financial situation? One thing that I learned is that I need to be more aware of my credit report history.

While I do check my credit score from time to time, the fact that I have never checked my report is something that I need to remedy as soon as possible so I am aware of where I am. Another important thing I've discovered is that my current financial situation is going to look extremely different within the next year once I graduate. Because of this, I should be prepared for this transition in order to make it as smooth as possible. The final thing I've learned is that I can definitely increase the amount of debt I have while simultaneously increasing my income. This way, I can greatly build my credit as opposed to slowly increasing it through smaller uses of my credit account.

3. What three new skills did you learn over the course of this semester relating to finances?

One skill I've picked up from this course is the ability to know where I can find resources to determine if I can save money on taxes each year. While my tax returns are nothing too complicated so far, it will be very useful in the future when I am making more (thus getting taxed more) so that I can save as much money as I possibly can. Another skill I've learned is the ability to properly discern who is a good financial advisory and who is not. From ensuring that they are working for my own benefit to making sure they have taken the proper exams to be certified, having the skills to determine who you should listen to when it comes to financial decisions

is important. Lastly, having the skill to budget myself is invaluable. Even though I don't spend too much, being able to constantly be aware of what I can buy and when I can buy it is always a good skill to have.

4. What three things did you already know that was either reinforced or altered over the course of this semester relating to finances?

One thing that I knew that was reinforced by this course was the knowledge that having good credit is very much related to a good quality of life. Credit determines so much when it comes to getting loans for large scale purchases such as a car and a house and is thus necessary to have good credit. Another thing that I already knew was that it is very important to pick the right credit cards when deciding to get one, since APR percentages can greatly impact your financial health. It is always important to choose a credit card with a low APR, and seeing how much of a difference that can make from the activities we have done through this course, that knowledge was further solidified. Finally, something that was reinforced for me was how to decide on whether to rent or buy a home. It is typical to buy a home when you are ready to settle down and have decided to not move around as much, whereas it is typical to rent a home for the opposite reasons.

5. What are three changes will you make as a result of doing this assignment?

Firstly, I will check my credit report at least once a year in order to ensure that I am maintaining a good credit health, as well as to make sure that there are no irregularities in my credit history. Next, I will try to add more to my savings account each month so that I can increase my assets at a quicker rate than I currently am. This would also make sure that I have a larger safety net in the eventuality that something goes wrong. Finally, I will start thinking about finding a financial advisor

within the next year or so. This way, I can ensure that I am constantly knowledgeable about my financial health, and also make sure that I have somewhere to go if I need to make a large financial decision.

**25 points possible for content based on thoughtfulness and thoroughness; 2 points possible for writing based on clarity, grammar, spelling, punctuation, etc.*