



# Financial Foresight:

## Financial Literacy Guide

Assessment to identify where you might have financial literacy gaps and guidance on creating a plan to become more financially literate.

### Before You Begin

Financial literacy is the strategy of learning about money, the economy, investments, and how to manage your finances in a way that suits your life.

It involves setting financial literacy goals based on the knowledge you would like to have to better manage your finances as an act of self-care.

A well-crafted financial literacy plan allows you to learn material that applies to your circumstances, at your pace based on your interests, at your level of experience and expertise.

An emotionally sound financial literacy plan allows for you to enjoy the process without stress and at a pace you enjoy.

An emotionally resilient financial literacy plan provides for a variety of learning types: workshops, books, websites, coaching, on-line courses-- so you are engaged with the material and can apply what you learn.

An emotionally safe financial literacy plan provides a container for your nervous system to feel secure that you are taking care of your financial self.

# Financial Literacy Gap Quiz

Assess your knowledge in various financial topics and identify areas where further learning is needed.

## Quiz Questions:

### 1. Budgeting and Planning:

- What percentage of your income should ideally go towards savings?
- a) 10%
- b) 20-30%
- c) 40%

### 2. Managing Debt:

- What is the maximum suggested percentage of income to use for repaying debts?
- a) 20%
- b) 40%
- c) 50%

### 3. Understanding Investments:

- Which of the following is typically considered the least risky investment?
- a) Stocks
- b) Bonds
- c) Mutual Funds

### 4. Credit Scores:

- What is a good credit score range?
- a) 300-500
- b) 580-669
- c) 670-739

### 5. Retirement Planning:

- When should you start contributing to a retirement savings account?
- a) After 40
- b) As soon as you start earning
- c) Once debts are all paid

1. b 2. a 3. b 4. c 5. b.

# Financial Literacy Resources

There are abundant resources available on financial literacy. This is just a very small start.

**Websites** like Coursera, Khan Academy, and Udemy offer courses on budgeting, investing, and personal finance basics.

**Books:**

"The Total Money Makeover" by Dave Ramsey for practical financial planning strategies.

**Financial Planning Tools:**

Apps such as Mint, YNAB (You Need A Budget), and Empower for budgeting and financial tracking.

**Professional Advice:**

Meet with a certified financial planner for personalized advice.

# Financial Literacy Plan

A structured approach to enhance financial literacy.

## 1. Identify Knowledge Gaps:

- Quiz Topic Gaps Identified:
  - Example: "Low understanding in investments."

Your knowledge gap:

## 2. Set Learning Objectives:

- Objective 1:
  - Learn basic financial investment concepts through an online course.
- Objective 2:
  - Improve budgeting skills with the YNAB app.

Your learning objectives:

## 3. Develop a Learning Schedule:

Weekly Learning Time Allocation:

Example: "One hour per week for online course."

Check-in Dates:

Example: "Review understanding every two weeks."

Your learning schedule:

# Financial Literacy Plan

A structured approach to enhance financial literacy.  
Your learning plan:

# Financial Literacy Action Plan

**Create** an action plan based on your overall plan.

## **4. Engagement and Application:**

### **Join a Workshop/Group:**

Example: "Attend a monthly finance workshop."

### **Monthly Application Challenge:**

Example: "Implement a new budgeting strategy."

**Your engagement & application strategy:**

# Financial Literacy Action Plan

Your action plan:

# Financial Literacy Plan

## Assessment Reflection

### 5. Reflect on Progress:

What practices are benefiting understanding?

What practices are not benefiting understanding?

What practices are you able to apply to your life?

What practice are you not able to apply to your life?

### Adjust Plan as Needed:

Flexibility to adapt the plan based on progress and evolving learning needs.

# Financial Literacy Plan

## Assessment Reflection

What adjustments do you need to make?

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**A Stacked Stones Production@  
2025**

**For additional resources, please visit [luanncollins.com](http://luanncollins.com)**