

Are you prepared if the economy gets worse? Take this quiz to find out.

Recession, inflation, interest rates and gas prices: Answer these questions to help you understand how these economic forces will impact your life.

It's okay if you're wondering how bad things are.

The drumbeat of [economic news](#) has you on edge, and rightly so. [Inflation is at a 40-year high](#), [mortgage rates](#) are inching up, [credit card debt](#) is getting more expensive, and the release of [government data](#) suggests the economy is slowing down. Meanwhile, [unemployment is near historic lows](#). It all can be confusing.

So I've teamed up with my colleagues to build this quiz to help you figure out how [current economic events](#) could impact your finances. There's no right or wrong answer. The questions are a way for you to gauge where you stand financially. Your score — and our financial advice — could help you prepare for what's coming if the economy gets worse.

QUESTION 1 OF 10

Do you have enough money coming in to cover necessities?

Yes, my monthly salary or retirement income covers my housing, food, utilities and the cost of commuting (+3 points)

No, I often have to dip into my savings or use debt to help pay for housing, food, utilities or the cost of commuting (0 points)

QUESTION 2 OF 10

Do you have monthly student loan debt that was difficult to pay before the pandemic?

Yes(+1)

No (+4)

QUESTION 3 OF 10

Do you have emergency savings?

Yes, I have enough savings to pay my basic expenses for at least one month if I lost my job(+3)

Yes, I have more than three months of expenses saved (+4)

No, I don't have any savings. I'm living paycheck to paycheck (0)

QUESTION 4 OF 10

Are you contributing to a retirement account?

Yes(+4)

No(0)

QUESTION 5 OF 10

Do you have revolving credit card debt?

Yes(0)

No(3)

QUESTION 6 OF 10

Do you have to pay for gas for the drive to work?

Yes, but my job isn't far from my home(+20)

Yes, my daily commute is about 50 miles round trip(+1)

Yes, my daily commute is more than 100 miles round trip (0)

I do not have to pay for gas or drive to work (+3)

QUESTION 7 OF 10

Are you looking to buy a home within six months to a year?

Yes(0)

No(2)

QUESTION 8 OF 10

Do you have a fixed-rate mortgage?

Yes(2)

No(0)

Not applicable because I rent or own my home outright.(2)

QUESTION 9 OF 10

Has your rent increased significantly?

Yes (0)(3)

No

Not applicable because I'm a homeowner(2)

QUESTION 10 OF 10

Do you need to buy a new or used car soon?

Yes(0)

No(3)



By Michelle Singletary

Now add up your final score. If you think of your financial situation as a traffic light, here's which category you fall into.

Red

If you scored 13 points or fewer, you were already struggling even before this

latest round of scary news. You are right to be concerned about rising inflation and interest rates. Any variable interest rate debt you have will probably cost more. Budgeting is tough — or will be soon.

But there are some steps you can take to reduce credit card debt. And here is a general guide on how to protect yourself from the economic upheavals that may lie ahead: wapo.st/recession-proof

Yellow

If you scored at least 14 points but fewer than 18, then caution is in order. You should slow down on your spending. Try to save or save more.

You're doing okay, but things could get financially tight if the economy doesn't rebound soon.

Here's some additional guidance about inflation-indexed bonds: wapo.st/i-bonds

Green

If you scored 18 points or more, you are well-positioned to manage the current economic downturn. People in this category generally have emergency savings and aren't carrying credit card debt. They generally don't have mortgages that will go up as interest rates rise, and they're able to save for retirement.

You may feel like things are bad because your monthly expenses have gone up, and understandably that's a shock. Compared with others though, you're in relatively good financial shape right now — but it never hurts to be safe.

If you have extra cash to spare, consider putting some of your money in inflation-indexed government savings bonds, currently paying 9.62 percent.

And no matter how you score, check out my seven tips for how to financially prepare for a recession: wapo.st/recessionproof