

Vault

UNDERSTANDING MONEY

Word	Definition
Assets	what a person owns of value, such as jewelry, savings, art, a home, and a car
Bank	a place where people put their money for safekeeping, and for ease of use
Brokerage firm	helps people invest their money
Budget	a spending plan people make in order to make sure there is enough income to cover all expenses
Career	something you obtain by going to school and working jobs related to the work you want to do
Certificate of deposit	a savings certificate that gains interest and has a set time before you can withdraw your money
Charity	giving resources or volunteering time to help those in need
Comparison shopping	finding out whether or not what you are about to buy can be found for a better price or in better shape at a different store
Controlling risks	stuff you do to make risks less dangerous or not dangerous at all
Credit	a loan that a person uses to pay for things, but is expected to pay back
Credit union	just like a bank, only its members own it
Decision making	considering different information to make a choice
Entrepreneur	a person who starts his or her own business
Expense	the cost of the things that people spend money on
Financial advisor	a person who is an expert at handling money and can give you information and advice about saving and investing
Financial literacy	the knowledge and skills to manage money
Goods	Things that are made to be sold
Health insurance	helps people pay for medicine and doctors when they are sick or hurt
Impulse buying	buying stuff without thinking about whether or not you need it
Income	money earned from working and other means
Income tax	annual tax placed on the money employees make at jobs and collected by the federal government, most states, and some local governments
Inflation	the price of goods and services rises over time
Interest	the extra fee charged for borrowing money, or the cost of borrowing money

Investing	when you purchase a security like a stock or bond, in the hopes that over time it will make money
Job	work you do for money
Long-term goal	a goal that can be achieved in a longer amount of time; it can take months, years, or even an entire lifetime
Need	something you truly can not live without
Opportunity cost	the cost we pay when we give up something to get something else
Payment method	what you use to pay for something, like cash or a check
Peer pressure	doing stuff just because your friends are doing it, or because your friends told you to, because you want your friends to like you and think you are cool
Privacy	keeping important information to yourself or between yourself and close family members
Reliability	being trustworthy; being responsible
Risk	an activity or action that might be dangerous
Salary	payment for work, represented as a yearly sum and paid in portions every week, two weeks, or month; can also include sick time and vacation time
Sales tax	a fee added to the sticker price of an item that is paid to the state or city
Savings	money set aside for short- or long-term goals
Savings account	an account that gains interest and allows withdrawals
Short-term goal	a goal that can be achieved in a short amount of time; it may take a few days, weeks, or months
Services	Work people get paid to do
Spend	to use money to buy stuff
Taxes	fees placed on income, purchases, or property to support government programs
Wage	payment for work, usually calculated on an hourly, daily, or piecework basis and paid on schedule—usually every week, two weeks, or month
Want	something you would like to have but will be okay without

