



Elementary Finance Vocabulary

Personal Finance

Personal finance is how a person creates and manages a budget to save, give and live with the money he or she makes. Finance is the way money is earned or managed.



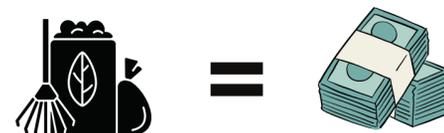
Interest

Interest is the monetary charge for borrowing money. Interest can be earned by lenders borrowing your funds.



Income

The money a person or entity receives in exchange for their labor or investment. This would be the money you make from a job or money you make for providing a service like cleaning someone's yard.



Budget

A budget is goal setting for your money. It is your plan for how you will save and spend the money you have. A budget will help balance your income with your expenses.



Credit

Credit is an agreement to pay someone later for goods or services you receive. Credit is a contractual agreement.



Investment Account

The investment account holds cash, stocks, bonds, mutual funds, etc. This account can be used for stock trading.



Taxes

Taxes are financial charges from a governmental organization. City, County, State, and Federal government organizations can charge taxes. Taxes are paid on income and business profits.



Debt

Debt is money you owe another person or a business. Companies or individuals can take on debt to make large purchases they couldn't afford without it.



Savings Goal

Savings goals are what you are aiming for with the money you save. This is what you plan to achieve. You may set a goal to save \$100 in 6 months.



Lender

The lender may be a person, bank, or private group that loans money.



Needs vs. Wants

Needs are basic things people must have to survive (food, shelter, clothing). Wants are things that are nice but aren't necessary for living (entertainment or dining out).



Stock

Stock is the ownership of a fraction of a corporation. Units of stock are called shares.





Middle School Finance Vocabulary

Cryptocurrency

A cryptocurrency is a digital or virtual currency secured by cryptography and based on a network that is distributed across a large number of computers. This can be used for purchases or investments.



Inflation

Inflation occurs when the prices of goods and services increase over time.

Credit report

A credit report is a record of a borrower's repayment history. The information comes from banks, credit card companies collection agencies, and governments.



Custodial Account

A custodial account is an investment account managed by an adult (custodian) on behalf of the child (beneficiary). The age the child receives the money is 18 or 21. The money cannot be used to benefit the custodian.



Scholarship

A scholarship is money given to a student to pay for educational costs. Scholarship money does not have to be paid back, but student loans do.



Liabilities

Liabilities are items you are responsible for by law. The liability could be for money or services owed.



Liquidity

Liquidity is the ability to quickly purchase or sell an asset. Cash is the most liquid asset.



Sole Proprietorship

A sole proprietorship is a type of business owned and run by one person.



Interest rate

An interest rate is a percentage of the amount deposited, loaned, or borrowed. This amount will be due based on the agreement.

Ownership Shareholder Dividend

- **Ownership** is the legal possession and control of an asset.
- A **shareholder** is a person that owns the shares of a corporation's stock.
- A **dividend** is a distribution of profits by a corporation to the shareholders.

Assets

Assets are resources with economic value that an individual, company, or country owns or controls. An asset can be a home, cash, jewelry, artwork, land, or buildings. There are also digital assets.



529 Plan

A 529 plan is an investment account that offers tax benefits when used to pay for qualified education expenses for a specific person. If the money is used for approved educational expenses, taxes do not have to be paid.

