



MAKE SOME FLASHCARDS!

DEFINITION OF TERMS FOR FLASHCARDS

In the kit you will find a set of note cards. Use the list of terms listed below to create a set of flashcards that the recipient of the kit can use to learn more about financial literacy.

- **Saving** - Money put away over a period of time
- **Budget** - A plan for using money
- **Investing** - To lay out money so as to return a profit
- **Loan** - Money borrowed that you have to pay back with interest
- **Interest** - A charge for borrowed money that is generally a percentage of the amount borrowed
- **Mortgage** - A special type of loan used to buy a house that you pay back each month with interest
- **Debt** - Money that you owe someone that needs to be paid back
- **Taxes** - Payments that go to the government for the work that it does, like improving schools and fixing roads
- **Credit Card** - A plastic or metal card that authorizes the delivery of goods and services in exchange for future payment with interest, according to a specific schedule
- **Debit Card** - A plastic card that provides access to electronic funds transfer (EFT) from your checking account.
- **Checking Account** - An account with funds typically used for the money you're using for bill payments and living expenses. This type of account typically pays little to no interest
- **Saving Account** - A financial institution deposit account that pays interest and allows withdrawals
- **Investment** - a stock, bond, or mutual fund purchased with the goal of increasing wealth over time, but with the risk of loss
- **Stock** - An investment that represents shares of ownership of the assets and earnings of a corporation
- **Cash** - Money in coins or paper notes, NOT checks, money orders, or credit
- **401(K)** - A qualified retirement plan that allows eligible employees of a company to save and invest for their own retirement on a tax deferred basis
- **Credit Score** - A score that is a rating of your previous responsibility with credit
- **Assets** - An item with economic value that an individual owns
- **Liabilities** - An actual or potential financial commitment
- **Down Payment** - Part of a price paid when something is bought with an agreement to pay the rest later
- **Rent** - A periodic fee for the use of property
- **Luxury** - Living in abundance or comfort
- **Necessity** - An imperative requirement or need for something
- **Income** - Money that is earned from employment
- **Balance** - The amount of money present at any given moment
- **Expenses** - The cost of goods and services
- **Career/Job** - A profession or field of employment
- **Depreciating Asset** - A decrease of value in something over time
- **Appreciating Asset** - An increase of value in something over time
- **Finances** - Activities associated to banking, leverage or debt, credit, capital markets, money, and investments