

GLOSSARY

Asset: Something of value that will yield long-term benefits to you later in life. Assets may include education, a house or apartment, or a car. *(Chapter 1)*

Automated Teller Machine (ATM): An electronic machine used by banks and that provide you with easy access to the cash in your account. You will need an ATM, debit or check card and a PIN to use the ATM to access your account. *(Chapter 4)*

Balance: The amount of money in your bank account (debit/checking or IDA) that is available for you to use. *(Chapter 4)*

Bank: A for-profit business that is regulated by the federal government and where you can safely keep and invest your money. *(Chapter 4)*

Banking transactions: Any movement of money in or out of your bank account, such as depositing cash, writing checks, and making purchases with your debit card. *(Chapter 4)*

Budget: A tool for managing your income and expenditures to achieve your goals. *(Chapter 3)*

Check card: Another name for a debit card. *(Chapter 4)*

Check casher: A non-regulated business where you pay a fee to cash your checks. *(Chapter 4)*

Collateral: A security or guarantee for the repayment of a loan. *(Chapter 4)*

Compound interest: When an investor earns interest, not just on the amount they invest, but also on any interest that has accumulated. *(Chapter 2)*

Credit union: A regulated nonprofit institution owned by its members and that provides its members a safe place to keep and invest their money. *(Chapter 4)*

Debit: Money that is electronically subtracted from your debit account. *(Chapter 4)*

Debit card: A plastic card that looks like a credit card that is linked to your debit account and that you can use to make purchases. *(Chapter 4)*

Checking account: A bank account used to keep money for immediate needs such as paying bills and purchasing groceries. *(Chapter 4)*

Deductions: Things that are subtracted from your earnings by your employer. Examples of deductions include health insurance and taxes. *(Chapter 3)*

Direct deposit: An electronic process that allows employers to put an employee's paycheck into the employee's bank account. *(Chapter 4)*

Disclose: To provide or make information available, such as information about interest rates which banks must make available to their customers. *(Chapter 4)*

Earnings: Income that you earn from working is called "earnings." *(Chapter 3)*

Electronic Benefits Transfer (EBT): Another name for direct deposit. *(Chapter 4)*

Endorse: To sign your name on the back of a check in order to deposit the check into your account. *(Chapter 4)*

Expenditures: Things that you have to pay for at any given time. Examples of monthly expenditures include such things as buying groceries or paying rent. *(Chapter 3)*

Financial planning: The process of identifying your financial goals, developing a plan to achieve them, and putting that plan into practice. *(Chapter 1)*

Goal: Something you want to accomplish. *(Chapter 1)*

Identity theft: The process of having your identifying information (name, Social Security Number, etc) used by someone to make transactions and open accounts under your name. *(Chapter 4)*

Income: Money that you have "coming in," such as earnings from a job or public assistance. *(Chapter 3)*

Installment loan: A type of loan that is typically used to purchase a car or other large item and must be paid off within a specified period of time. *(Chapter 4)*

Interest: The price someone pays to borrow money; the amount you earn on money you save or invest. *(Chapter 2)*

Investing: Putting aside money for long-term goals, with the expectation that you will make additional money, or a "return on your investment." *(Chapter 2)*

Mortgage: A type of loan that is usually used to purchase a house, apartment or other type of home. *(Chapter 4)*

Needs: Things you must have to live - things like a home, food, medicine, and clothing. *(Chapter 1)*

Net income: Also called "take-home pay," net income is the money that you earn minus deductions, such as taxes or medical insurance, that your employer subtracts from your paycheck. *(Chapter 3)*

Pawnshop: A non-regulated business that will charge you a fee and allow you to temporarily trade an item you own in exchange for money. This is a type of loan. *(Chapter 4)*

Personal Identification Number (PIN): A combination of numbers you select and use as a password to access your debit/checking account. *(Chapter 4)*

Principal: The amount of money invested; the unpaid balance on a loan, not including interest. *(Chapter 2)*

Register: A book you can use to record and keep track of your banking transactions. *(Chapter 4)*

Routing number: A number located on the bottom left-hand corner of a check that identifies the location of the bank where you have your account. An employer that uses direct deposit or electronic benefits transfer will need the routing number to electronically deposit your paycheck. *(Chapter 4)*

Saving: Putting money aside for future needs and goals. *(Chapter 2)*

Teller: A bank employee that is responsible for processing your banking transactions. *(Chapter 4)*

Values: Beliefs that are very important to you. *(Chapter 1)*

Wants: Everything you would like to have, but don't need to survive. A want might be a new stereo, designer shoes, or movie tickets. *(Chapter 1)*

Withdraw: To take money out of your debit/checking or IDA account. *(Chapter 4)*