

## A GLOSSARY OF BASIC MONEY TERMS

*Teaching these terms and concepts are important when trying to create a strong foundation for money discussions with you child as they grow.*

**BANK:** A place that looks after people's money and keeps it safe. It is also a place where people go to borrow money to help them buy things like a house or car.

**BALANCED BUDGET:** Is when you have money enough money for saving and spending.

**BILLS:** This is a note that lets us know how much we owe for our purchases.

**BUDGET:** A plan you make to help you keep track of your money.

**BROKE:** This is when you spend so much money that you have NONE left.

**CHECKS:** This is a note asking our bank to send our money to the person listed on the check.

**CREDIT CARD:** This card also has number on it but they are attached to a bank or credit card company that lends you money. You must pay this money back with interest.

**DEBIT CARD:** This card has numbers on it which are attached to you savings account. When you swipe this card the money is taken from your bank account.

**DEPOSIT:** This is the word used when you put add money into your bank account.

**INCOME:** Is the amount of money a person earns or receives.

**INTEREST:** The extra money you owe when you borrow money from the bank or Credit Card Company.

**INVESTMENTS:** when you give your saved money to the bank they pay YOU interest and this could earn you more money.

**LOAN:** This is what the borrowed money from the bank is called. When you borrow money from the bank they will charge you for using their money - this is called interest.

**OVERSPENDING:** Is when you don't have enough money to save or pay your bills.

**SAVINGS:** This means not spending all of you money but putting some away to spend later.