

JA Personal Finance Vocabulary (High School)

Budget - A spending plan for managing money during a given period of time.

Compound interest - The interest a person earns on today's money that will compound (add) to the amount of money that will earn interest later.

Consumer - A person who purchases and uses goods and/or services.

Credit - The ability to buy goods or services now but pay later.

Credit report - A record of your personal financial transactions (your credit history).

Debt - Money owed.

Expense - Money spent to buy or do something.

Fixed expenses - Expenses that do not change from month to month, such as rent.

Fraud - Intentional deception to influence someone to part with something of value.

Identity theft - A crime that occurs when someone uses your name, Social Security number, credit card number, or other personal information without your permission.

Income - Any money earned or received (wages or gifts).

Installment loan - Borrowed money that is repaid in equal payments.

Insurance - A means of guaranteeing financial protection against various risks.

Interest - (A) Payment for the use of money. (B) Income earned from allowing someone else to use your money.

Interest rate - The cost of borrowing money, expressed as a percentage.

Investing - Putting money into a venture that offers the possibility of earning more money.

Opportunity cost - The next best alternative given up when a choice is made.

Pay yourself first (PYF) - Setting aside money for saving prior to paying monthly expenses.

Personal finances - The practice of determining and managing a person's financial needs and goals for the future.

Phishing - Identity theft that appears in the form of an email or pop-up message that seems legitimate and endorsed by a financial institution. The email prompts the reader to provide personal information to authorize fixing a problem with an account, product registration, or making a purchase.

Principal - An initial amount of savings or an original amount of money borrowed.

Public service announcement (PSA) - An advertisement sent through mass media with a message for the common good.

Risk management - Predicting and minimizing the chance of financial loss.

Saving - Setting aside a portion of current income for future use.

Savings - The money left over after the expenses have been paid.

Variable expenses - Expenses that vary from month to month, such as entertainment, car repairs, or doctor bills.