

Budgeting Vocabulary



Using note cards, write the definition on one side and the word on the other. Leave space for a picture above the vocabulary word

Budget

- a spending-and-savings plan
- based on estimated income and expenses
- for individuals or an organization
- covers a specific time period



fixed expenses

- expense which are the same month after month



Car Payment



variable expenses

- expenses that vary (or change) over time

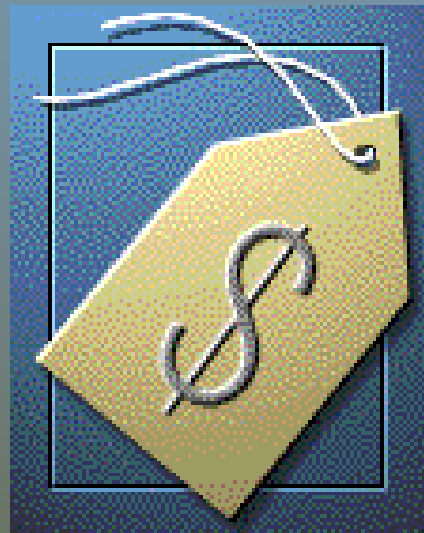


Electric and Water
bills



Costs

- the price paid to get a good or service



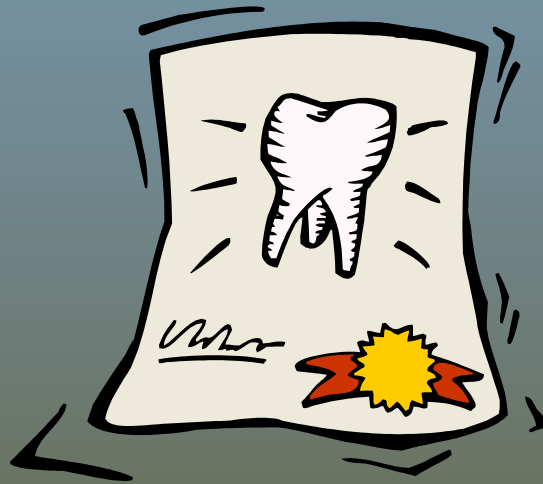
Interest

Money charged for the use
of money



benefits

- an advantage or something that helps you



Credit

- buy now,
pay later



credit cards

- a card allowing someone to make a purchase on borrowed money. (credit)



lines of credit

- Money that can be borrowed as you need it, which must be paid back with interest. Often secured by property.

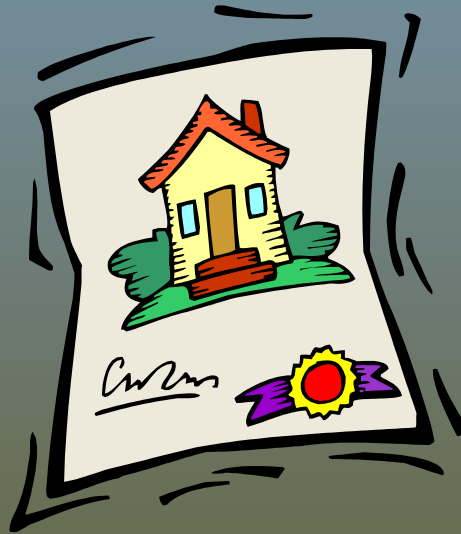


Home
Improvements



mortgages

- Money borrowed against a home or land. It must be paid back with interest



Advantages – Disadvantages of CREDIT!

Advantages

- Expenses are easily tracked
- Credit history is established
- Money is available when needed

Disadvantages

- debt is created
- interest is owed



personal investments

- A person sets his/her money aside for future income to meet long term goals



stocks

- individuals purchase part of the corporation



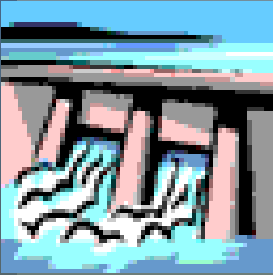
mutual funds

- People pool their money together to buy a variety of stocks.
- An investment expert makes all of the buy and sell decisions



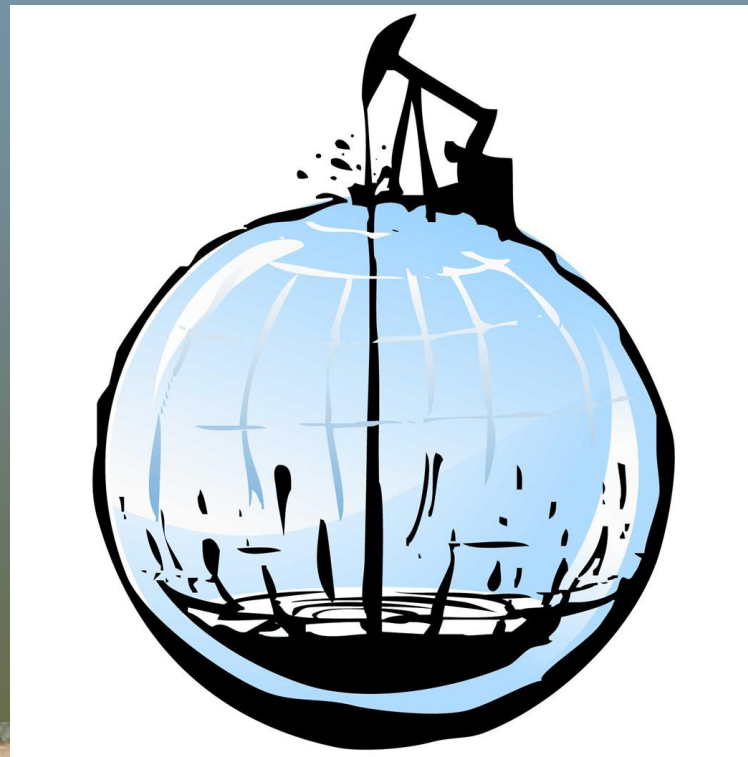
resources

- as source of supply, support, or aid. One that can be called on when needed



scarcity

- shortness of supplies. Less than needed



opportunity costs

- the next best choice you could have taken
(Because there are never enough resources to produce all the goods and services people want there must be trade-offs. An opportunity cost is next best choice you could have taken.)



trade offs

- Things you have to give up when you make a particular choice.



Budgeting

- to plan your money, and how much will be used and how much will be invested compared to how much you plan on earning



investing

- to put money to use by buying a part of something, so that you may have profitable returns such as interest, or income.



stock market

- a market where stocks and bonds are traded.



financial planning

- the making of a program to manage finances through budgeting and investment.



“Don’t put all of your eggs in one basket”

