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| NAME: |  |  | DATE: |  |  | PEIROD #: |  |

**INVEST IN YOURSELF**

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| 1 | Compound interest | Earning interest on interest |
| 2 | Consumption | The purchase of goods and services |
| 3 | Do it yourself | When you complete a task yourself rather than paying someone else |
| 4 | Emergency savings | Cash set aside to cover the cost of unexpected events |
| 5 | Interest | Price paid for using someone else’s money |
| 6 | Interest rate | Percentage rate used to calculate interest |
| 7 | Liquidity | How quickly and easily assets can be accessed and converted into cash |
| 8 | Pay yourself first | Saving for the future by putting money aside before paying regular monthly bills or using income for discretionary purchases |
| 9 | Principal | The original amount of money saved or invested |
| 10 | Saving | Accumulation of excess funds by intentionally spending less than you earn |
| 11 | Savings | Portion of income not spent on consumption |
| 12 | Time value of money | Money available at the present time (today) is worth more than the same amount if received in the future |

**SAVINGS TOOLS VOCABULARY LIST**

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| 1 | Certificate of deposit | An account at a depository institution that is used for a fixed period of time and allows restricted access to the funds deposited |
| 2 | Checking account | An account that allows quick access to funds for transactions |
| 3 | Depository institution | Businesses that provide financial services |
| 4 | Liquidity | + |
| 5 | Money market deposit account | A account at a depository institution that usually has minimum balance requirements and tiered interest rates |
| 6 | Savings account | An account at a depository institution that is designed to hold money not spent on current consumption |
| 7 | Savings tools | Accounts offered by depository institutions whose main purpose is to help people manage their money |
| 8 | Tiered interest rate | The amount of interest earned depends on the account balance |