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

**INVEST IN YOURSELF**

|  |  |  |
| --- | --- | --- |
| 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**

|  |  |  |
| --- | --- | --- |
| 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  |