

Financial Literacy Terminology

(💰 Money Words 💰)

Everyone loves money! What is it?



What is Financial Literacy?

Financial + **Literacy**
(management of money) (knowledge)

= Knowledge about effectively managing money



Cut out all the terms and definitions.



Get a blank piece of paper and a glue stick.

As we go through the definitions together, glue each term and its definition onto the blank paper.



The background is a dark green gradient. Scattered throughout are several stylized, light green banknotes and bright yellow-orange coins, some appearing to float or fall. The banknotes have a central circle and two smaller circles on either side. The coins are simple, flat discs with a slight shadow.

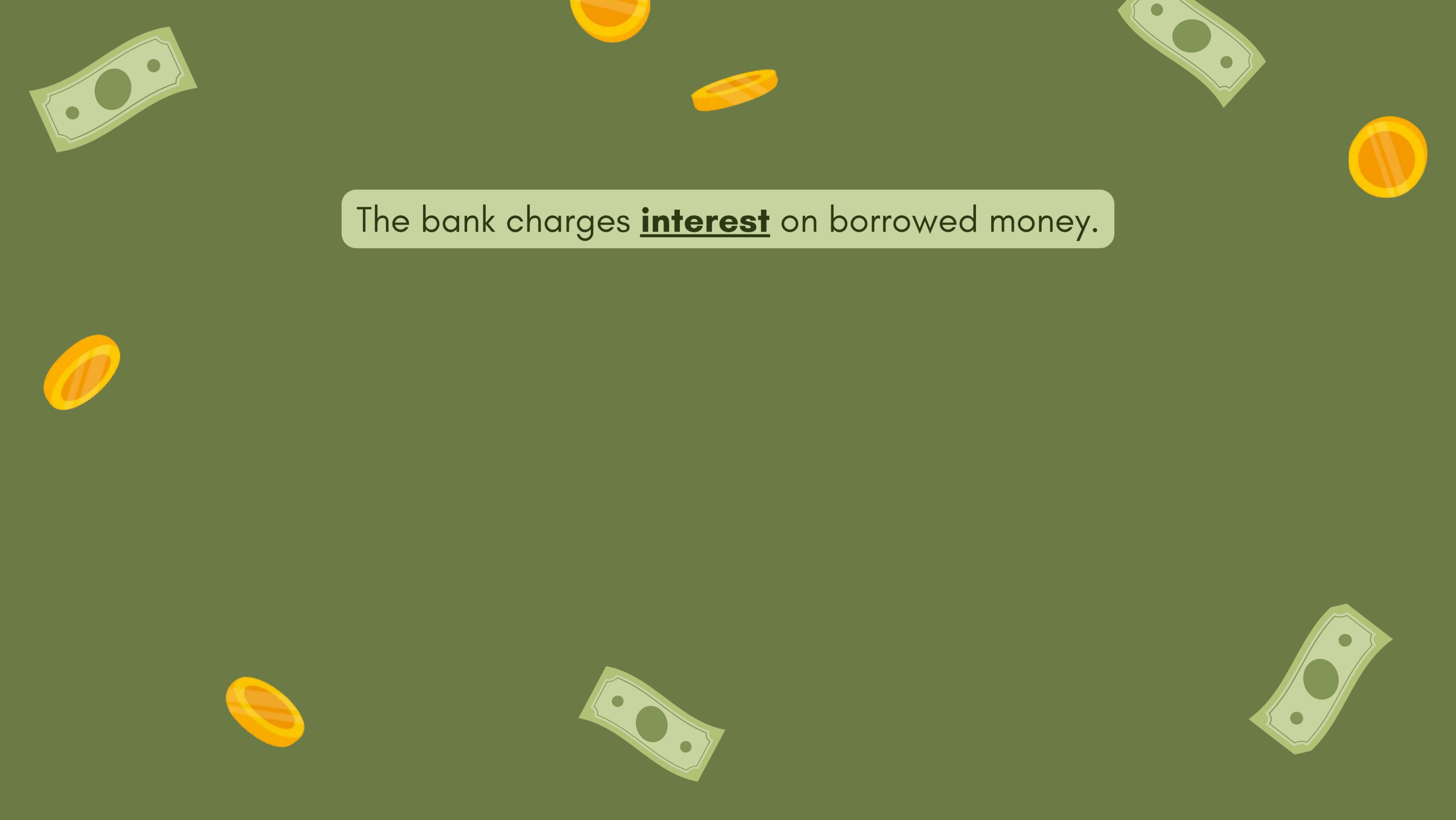
Mr. Fitch made a **budget** for his trip to Japan.



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Budget

A plan to balance income and expenses

The background is a solid dark green color. Scattered throughout are several stylized, cartoonish banknotes and coins. The banknotes are light green with a central circle and two smaller circles on either side. The coins are bright yellow with a vertical line through the center. They are floating in various orientations and positions, creating a sense of movement and abundance.

The bank charges **interest** on borrowed money.



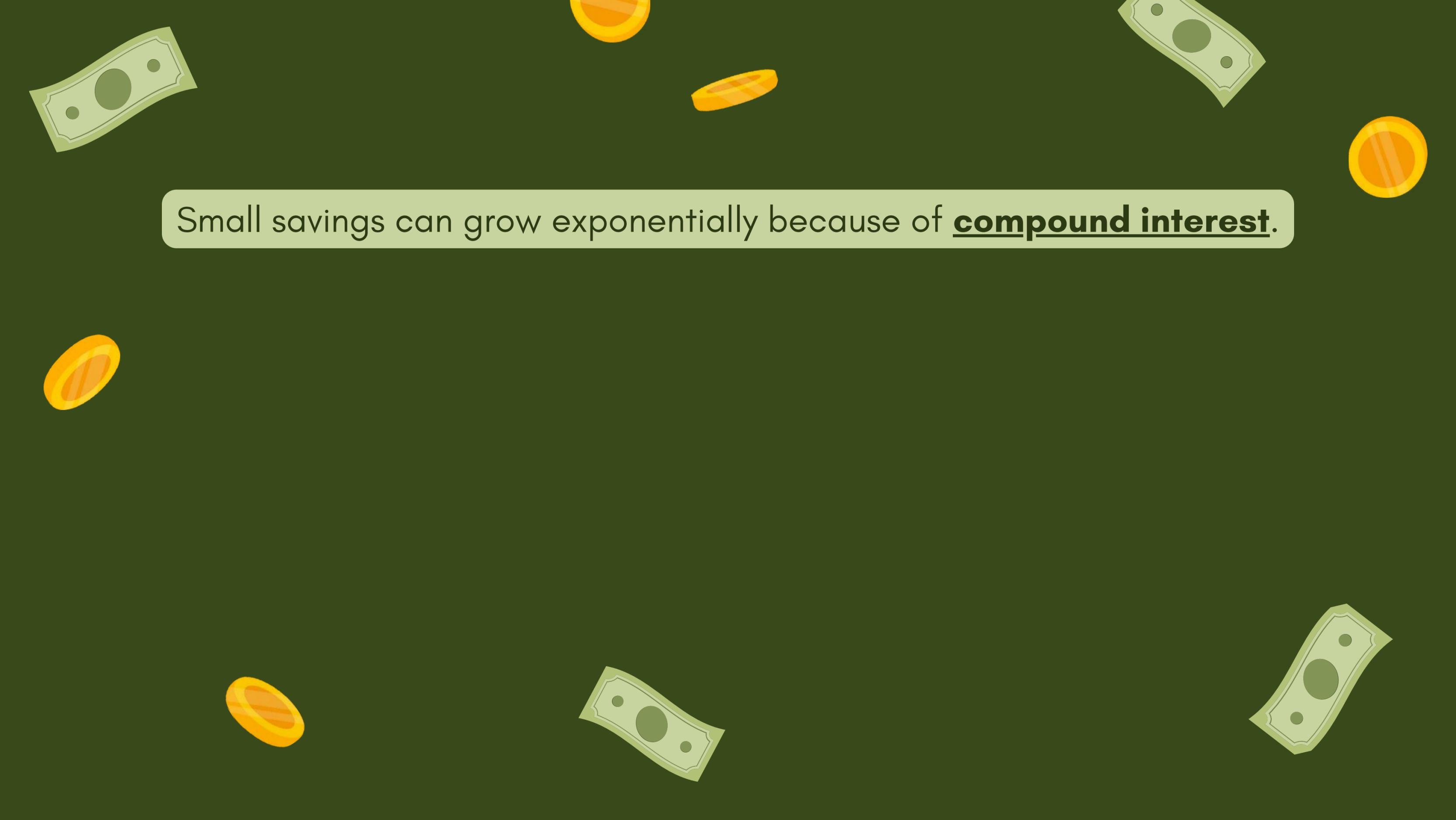
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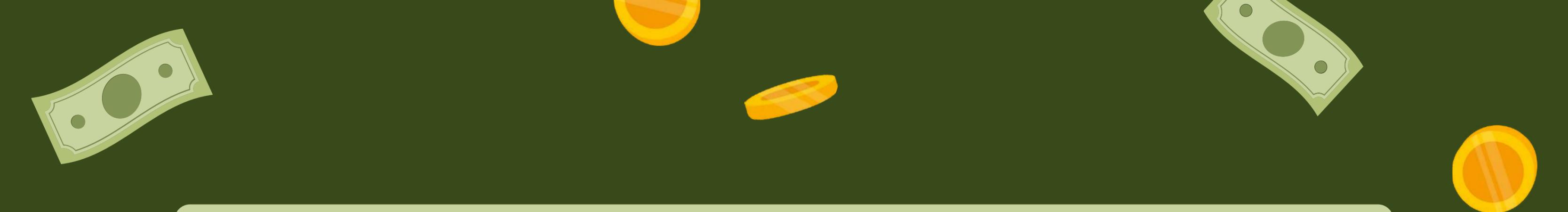
Interest

Money paid regularly at a particular rate



The background is a dark green color with several stylized, floating banknotes and coins. The banknotes are light green with a central circle and two smaller circles on either side. The coins are yellow and orange, some shown as flat circles and others as 3D discs. They are scattered across the page, with some near the top and some near the bottom.

Small savings can grow exponentially because of **compound interest**.



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Compound Interest

Interest that is calculated based off of the original sum plus any value previously gained
(Interest on interest!)



The background is a solid dark green color. Scattered across the page are several stylized illustrations of Japanese yen. There are four banknotes, each with a large central circle and two smaller circles on either side, representing the Japanese character for 'one' (一). The banknotes are light green with a darker green outline. There are also five coins, which are yellow with a red stripe across the middle. The coins are shown from various angles, some as flat circles and some as slightly tilted discs.

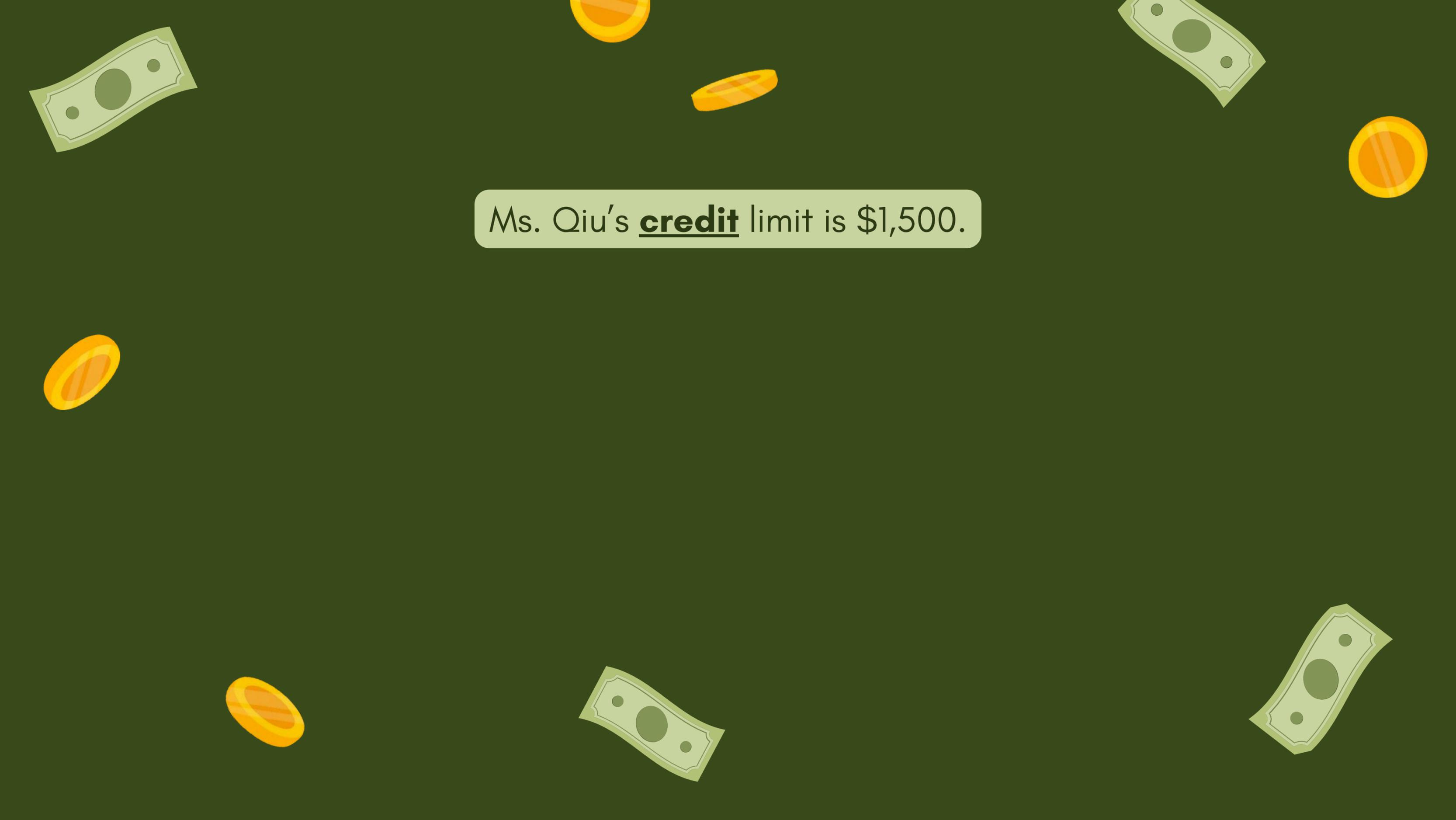
The yen is the official **currency** of Japan.



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Currency

A system of money used by a country

The background is a dark green gradient with several stylized, semi-transparent banknotes and gold coins floating around. The banknotes are light green with a central circle and two smaller circles on either side. The coins are gold with a vertical line through the center. The text is centered in a light green rounded rectangle.

Ms. Qiu's credit limit is \$1,500.



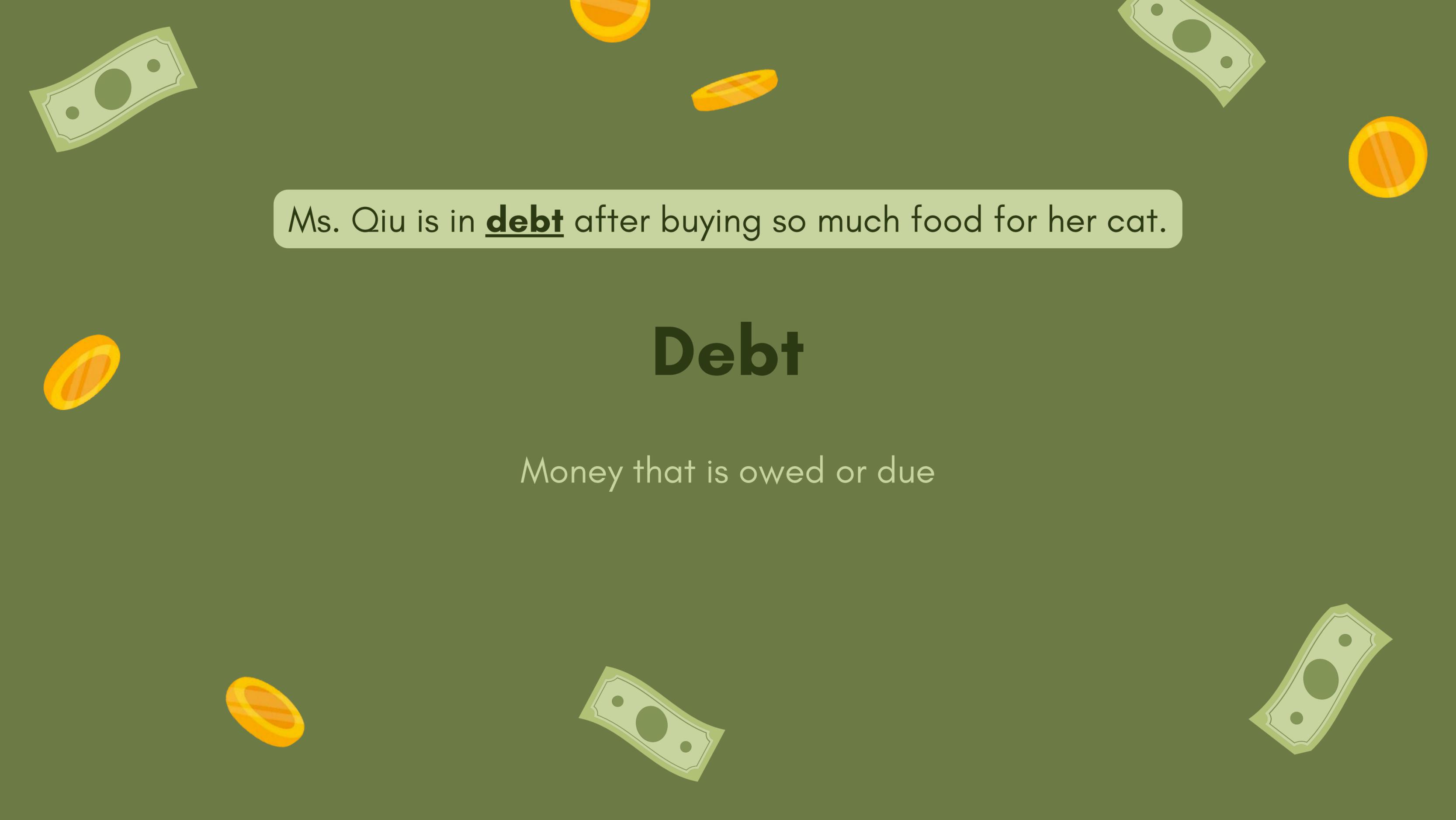
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Credit

The trust between a lender and the borrower

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Ms. Qiu is in **debt** after buying so much food for her cat.



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Debt

Money that is owed or due



The exchange rate from the Japanese Yen to Canadian Dollar is 0.0095.



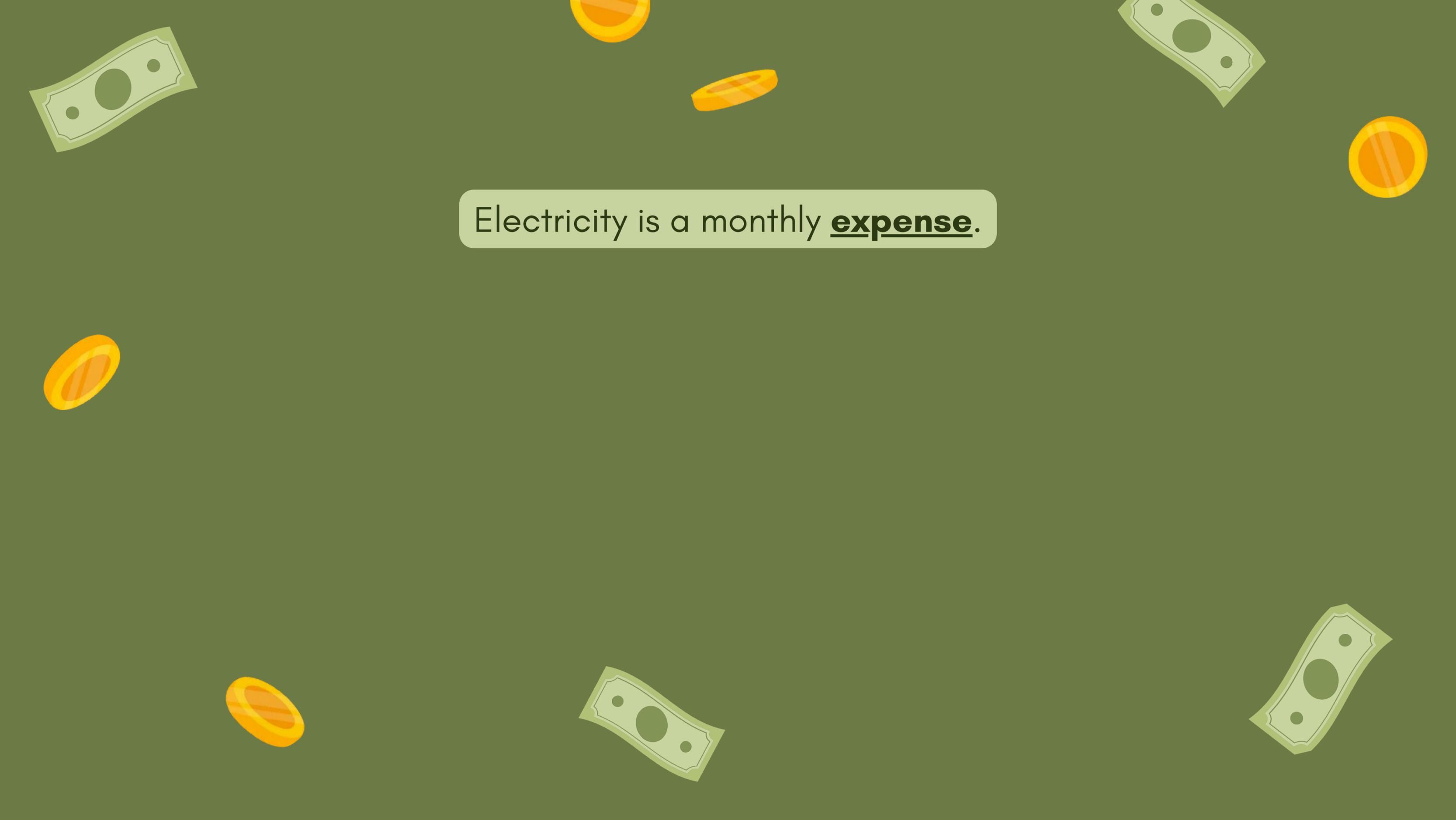
The exchange rate from the Japanese Yen to Canadian Dollar is 0.0095.



Exchange Rate

The value of one country's currency compared to another's



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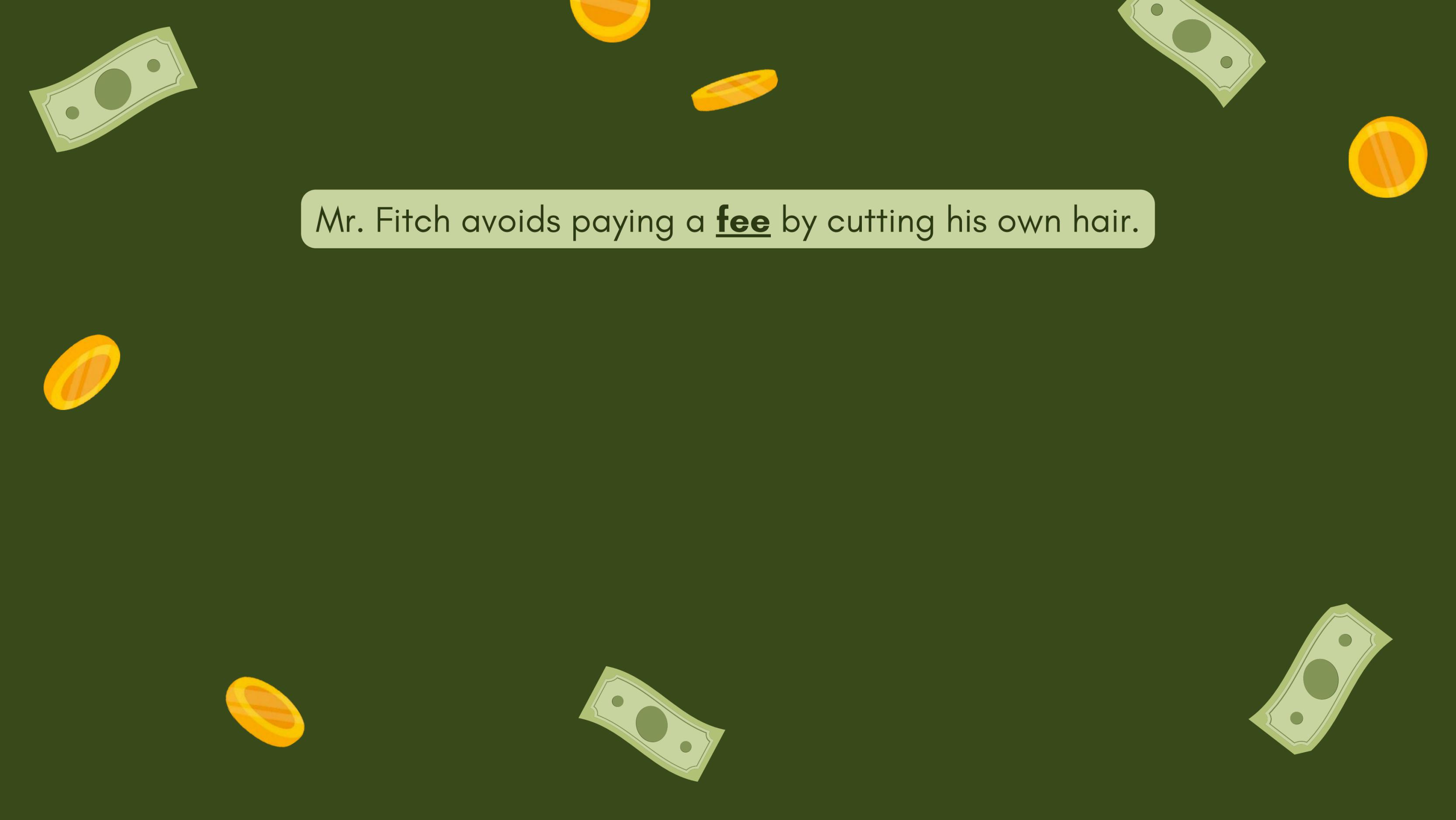
Electricity is a monthly **expense**.



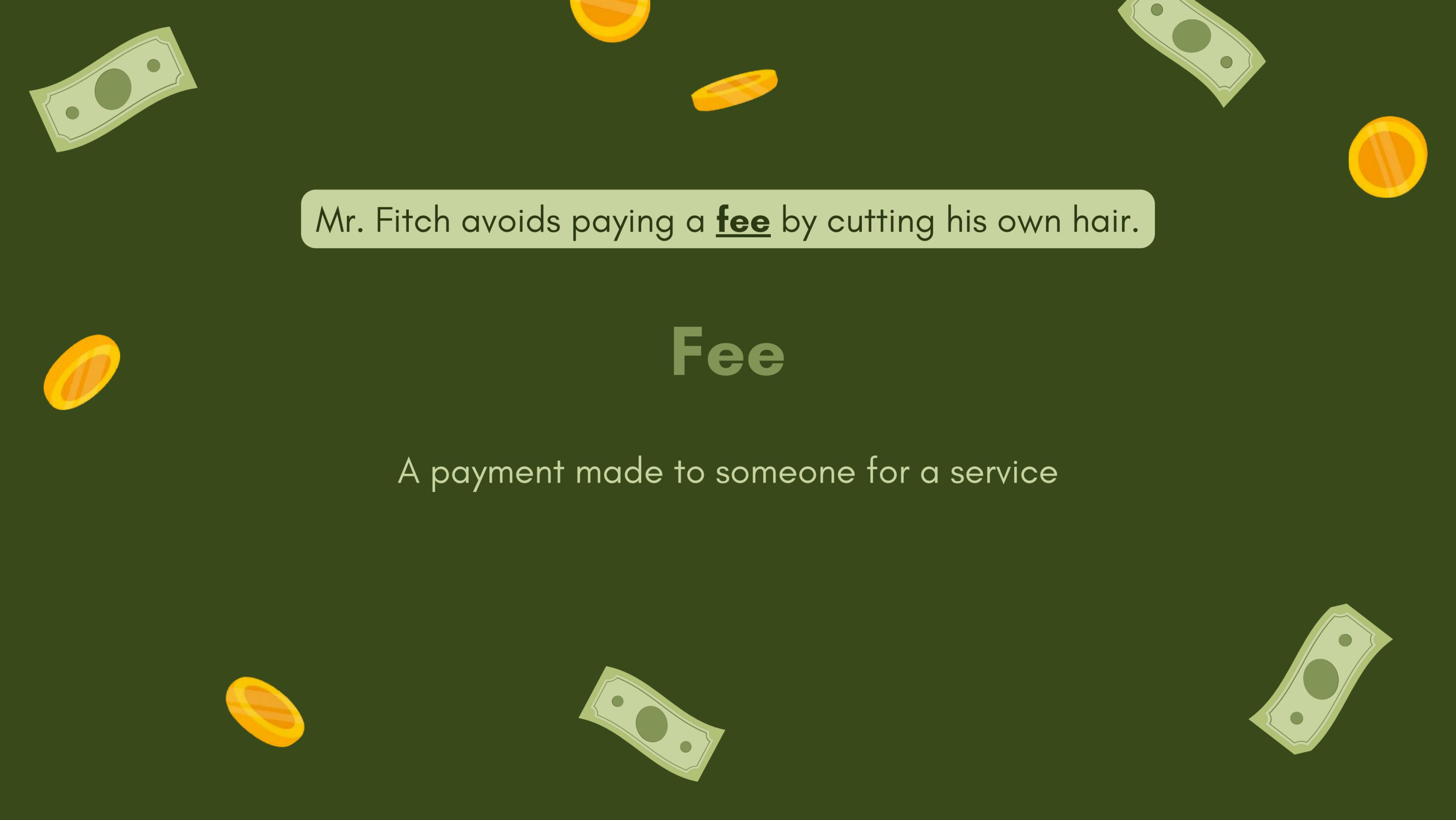
Electricity is a monthly expense.

Expense

Money spent on necessities ex. health, dental, insurance

The background is a solid dark green color. Scattered throughout are several stylized icons of money: green banknotes and gold coins. The banknotes are rectangular with rounded corners, featuring a large central circle and two smaller circles on either side. The coins are circular with a gold color and a vertical line through the center. The icons are positioned at various angles and locations, creating a sense of floating or falling currency.

Mr. Fitch avoids paying a fee by cutting his own hair.



Mr. Fitch avoids paying a **fee** by cutting his own hair.

Fee

A payment made to someone for a service

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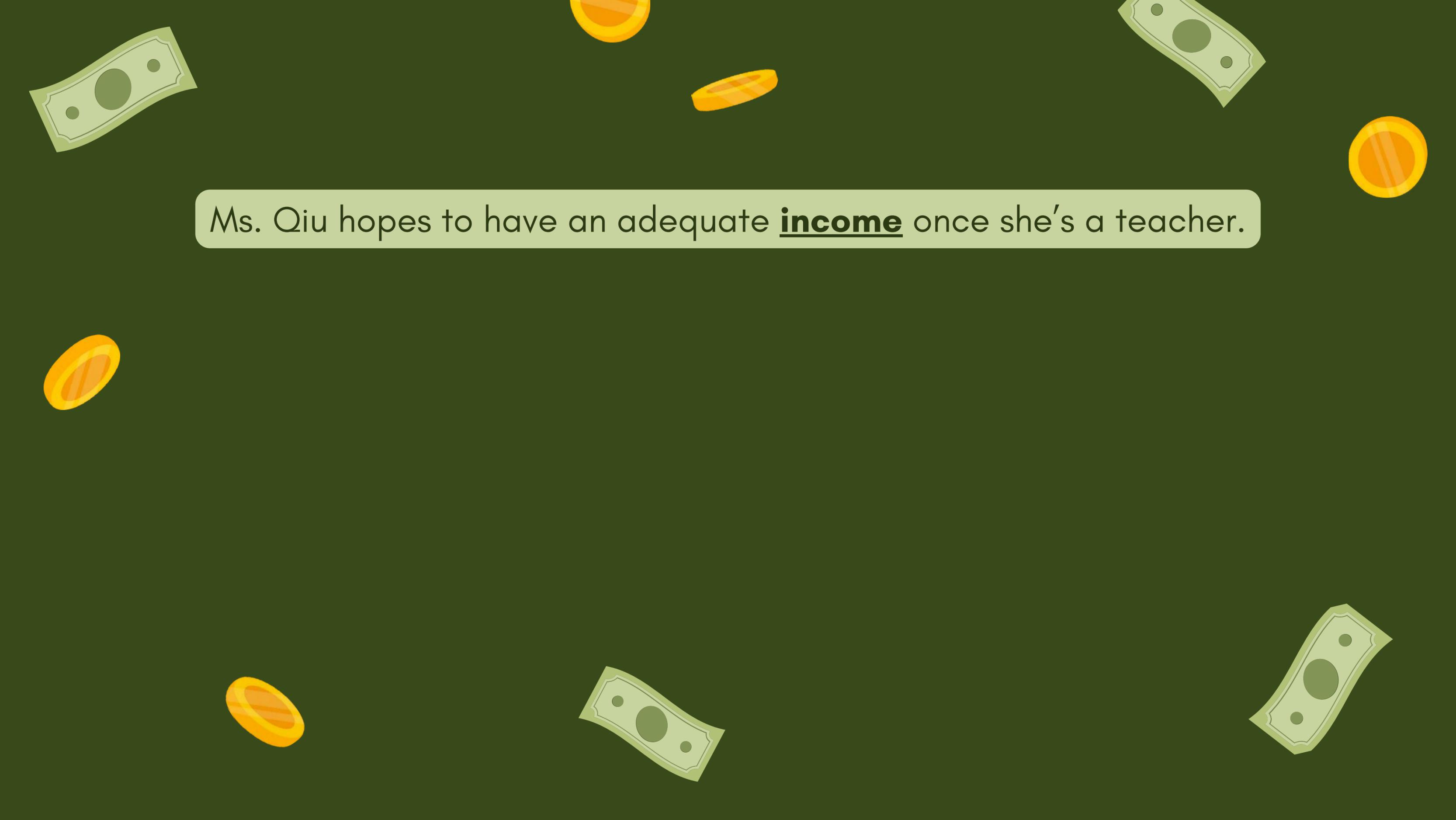
Ms. Qiu added a **gratuity** for the server at the restaurant.



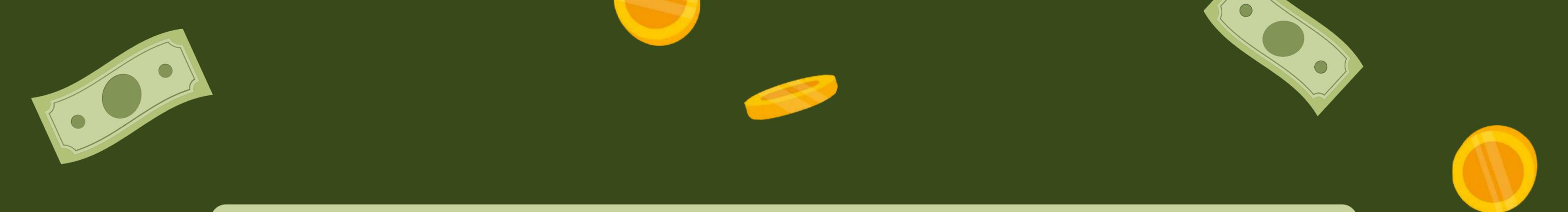
Ms. Qiu added a **gratuity** for the server at the restaurant.

Gratuity

A tip given on top of the original fee

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Ms. Qiu hopes to have an adequate **income** once she's a teacher.



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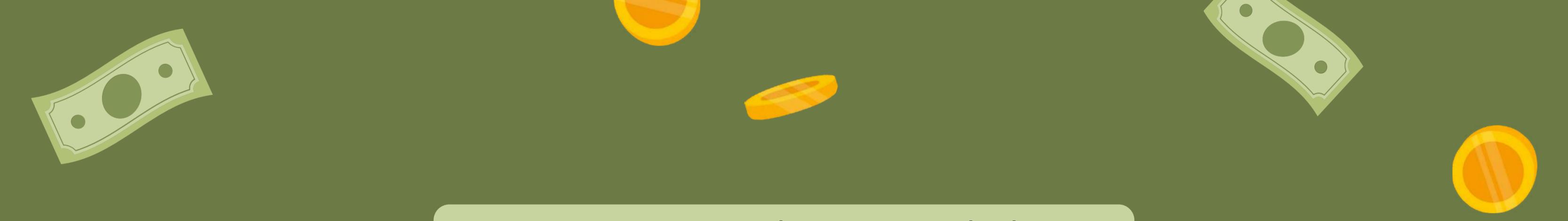
Income

Money received for work or through investments



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In Hong Kong, people pay very little **tax**.



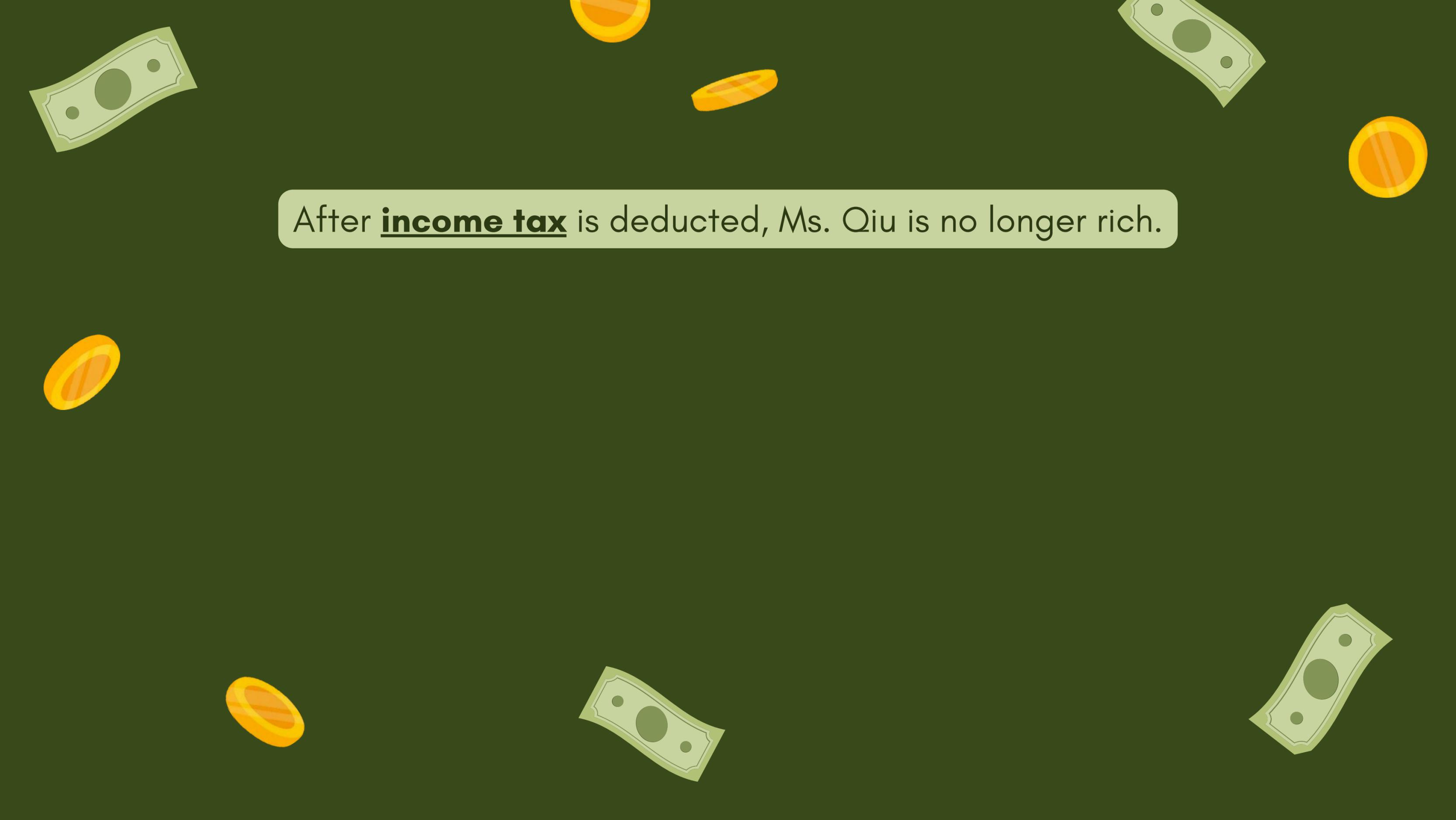
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Tax

A financial charge that funds government spending





After income tax is deducted, Ms. Qiu is no longer rich.



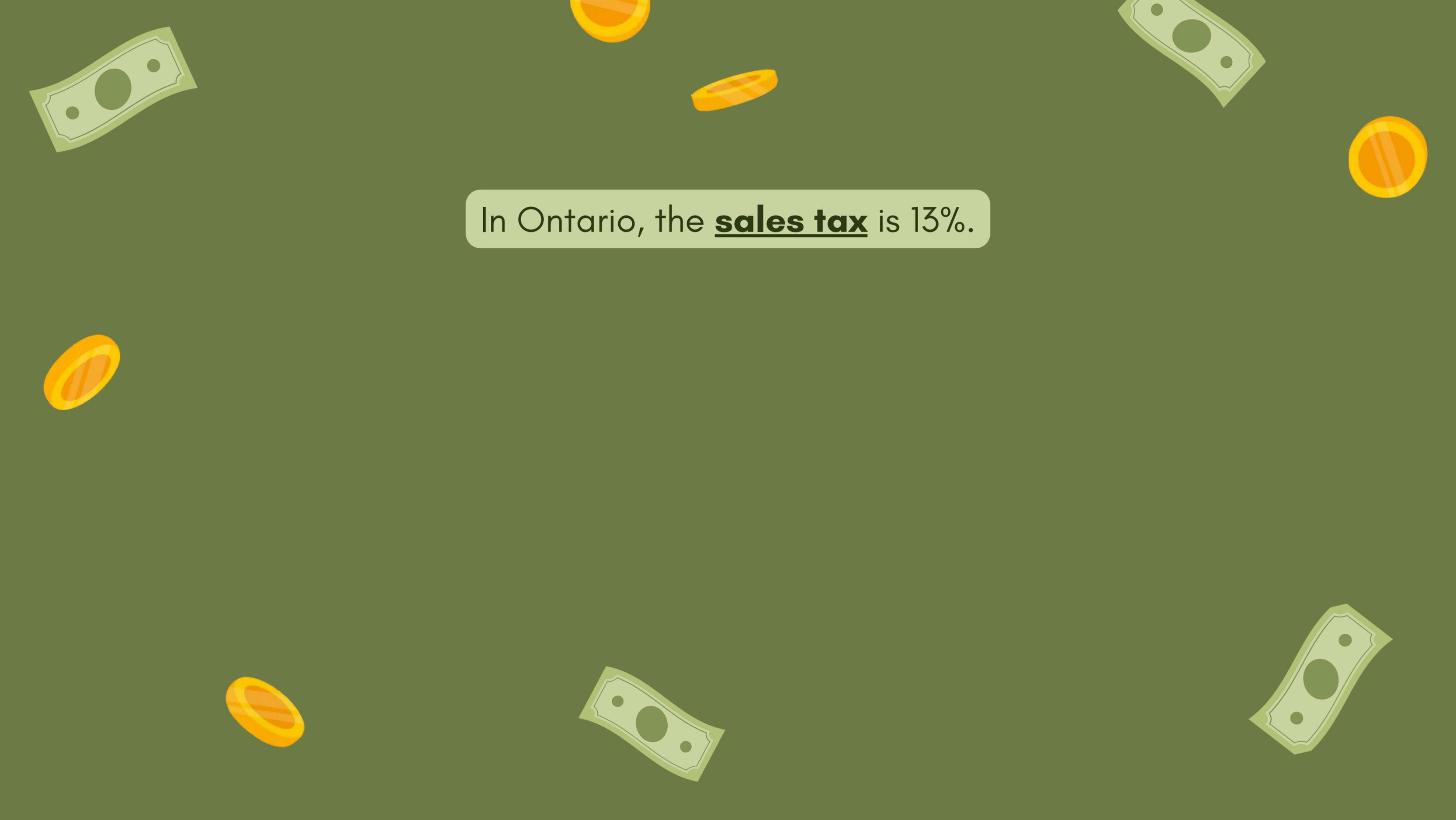
After **income tax** is deducted, Ms. Qiu is no longer rich.



Income Tax

A type of tax based upon your earnings/salary



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In Ontario, the **sales tax** is 13%.



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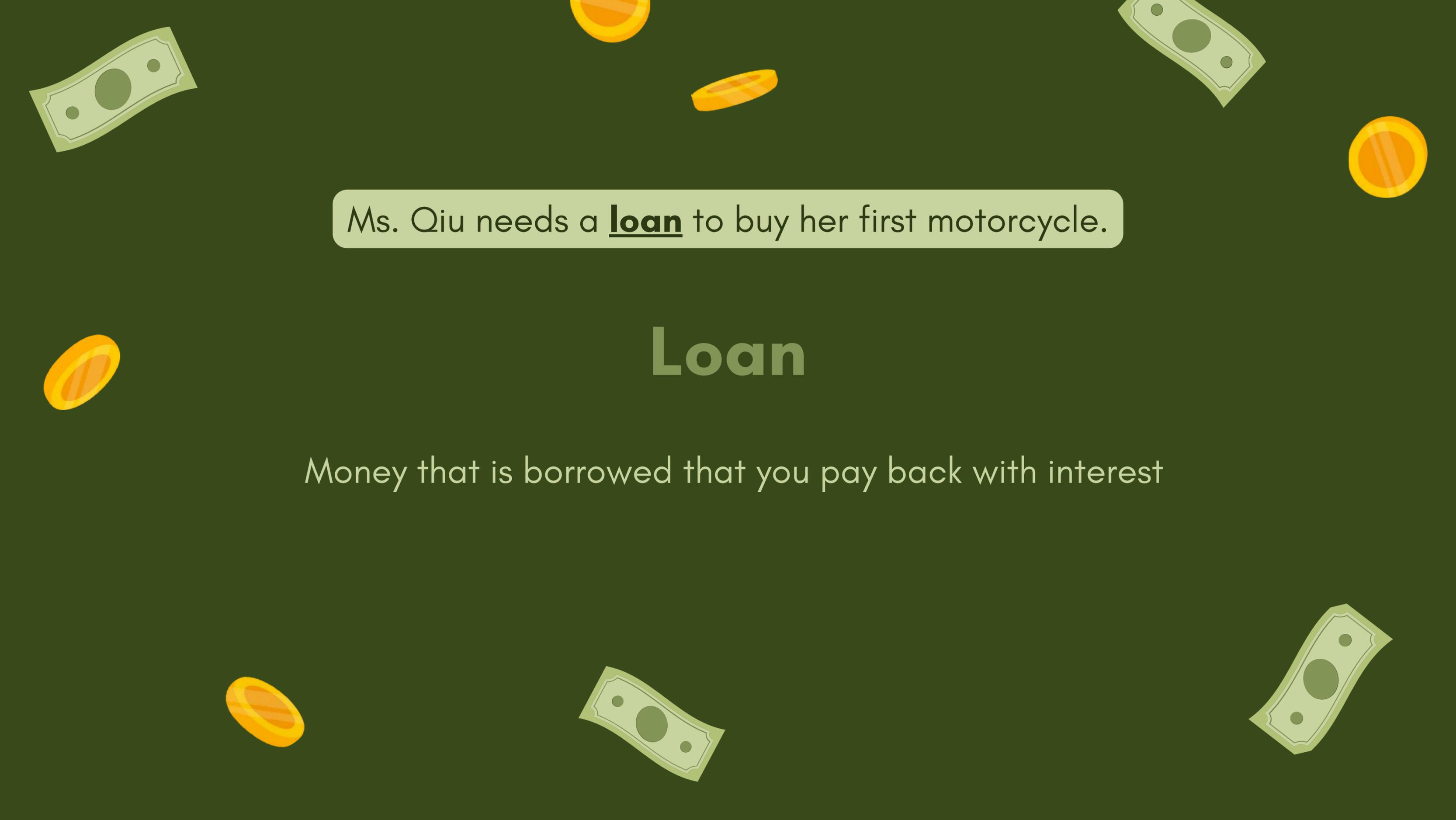
Sales Tax

A tax by the government on the sale of goods and services



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Ms. Qiu needs a **loan** to buy her first motorcycle.



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Loan

Money that is borrowed that you pay back with interest

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Ms. Qiu wants to take out a **mortgage** to buy that mansion.



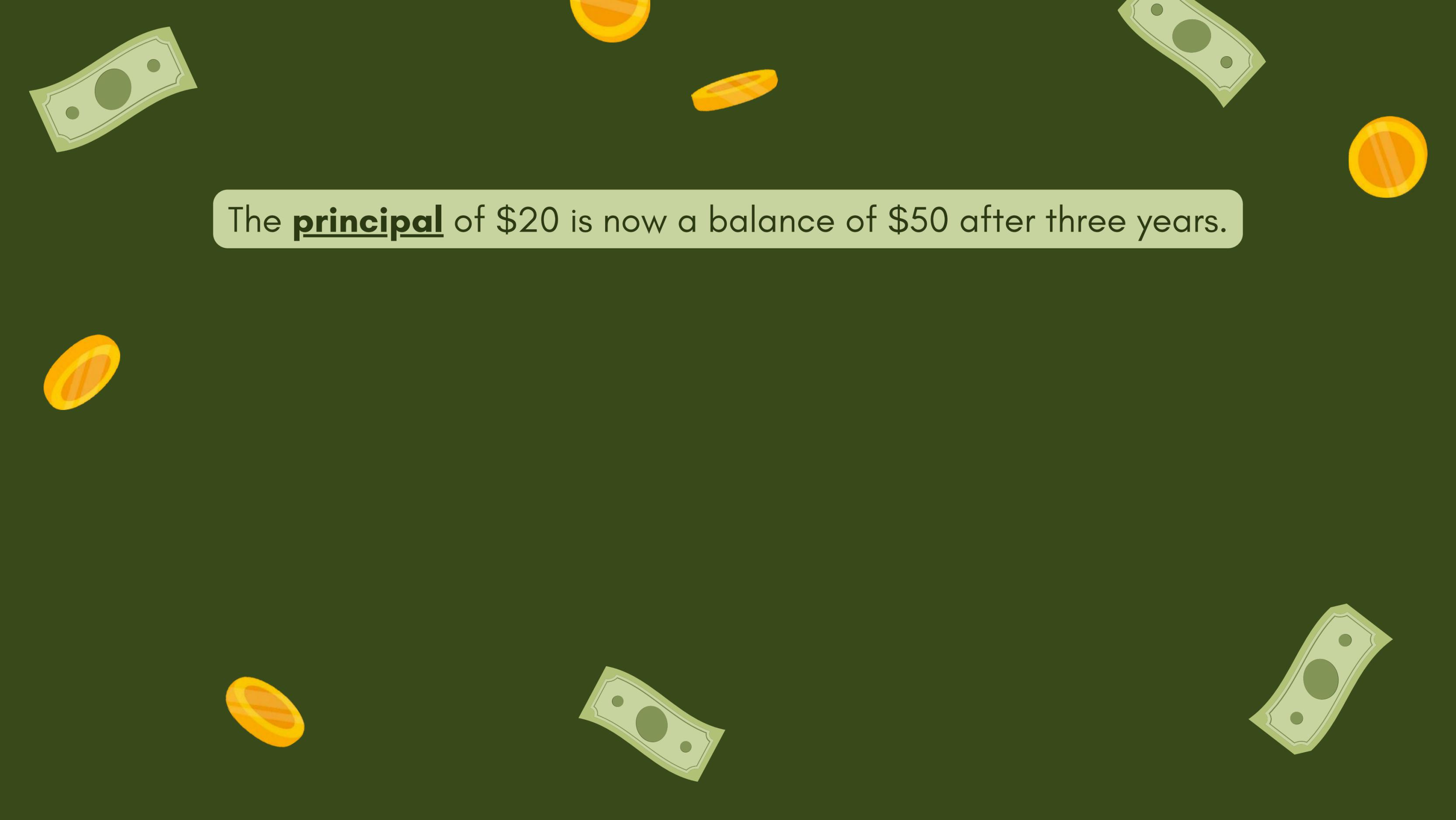
Ms. Qiu wants to take out a **mortgage** to buy that mansion.



Mortgage

A loan used to buy a home or land



The background is a dark green gradient with several floating banknotes and coins. There are two banknotes in the top left and top right corners, and two in the bottom left and bottom right corners. There are also several coins of various sizes and orientations scattered throughout the scene.

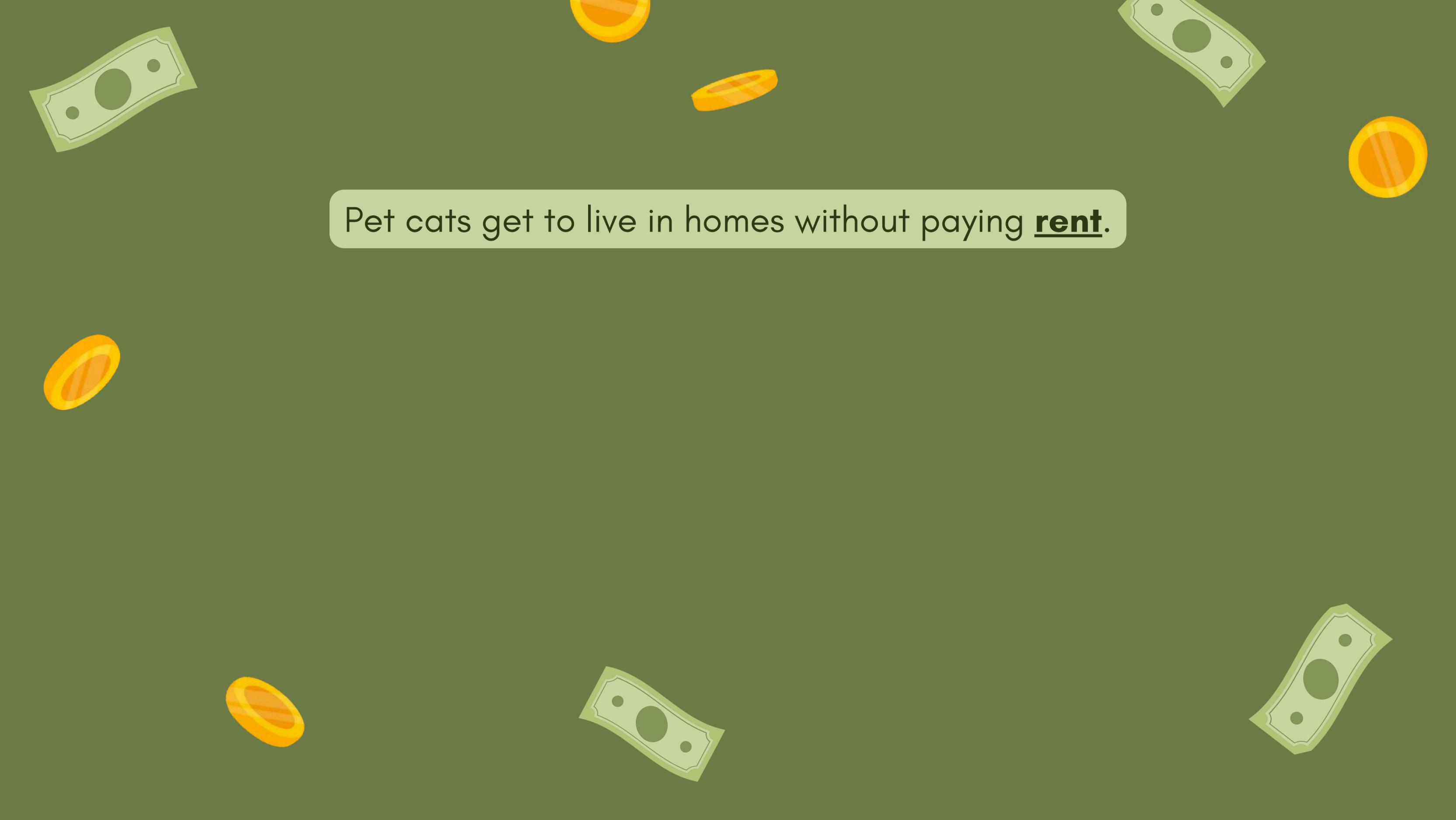
The **principal** of \$20 is now a balance of \$50 after three years.



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Principal

The original sum of money borrowed or invested



Pet cats get to live in homes without paying **rent**.



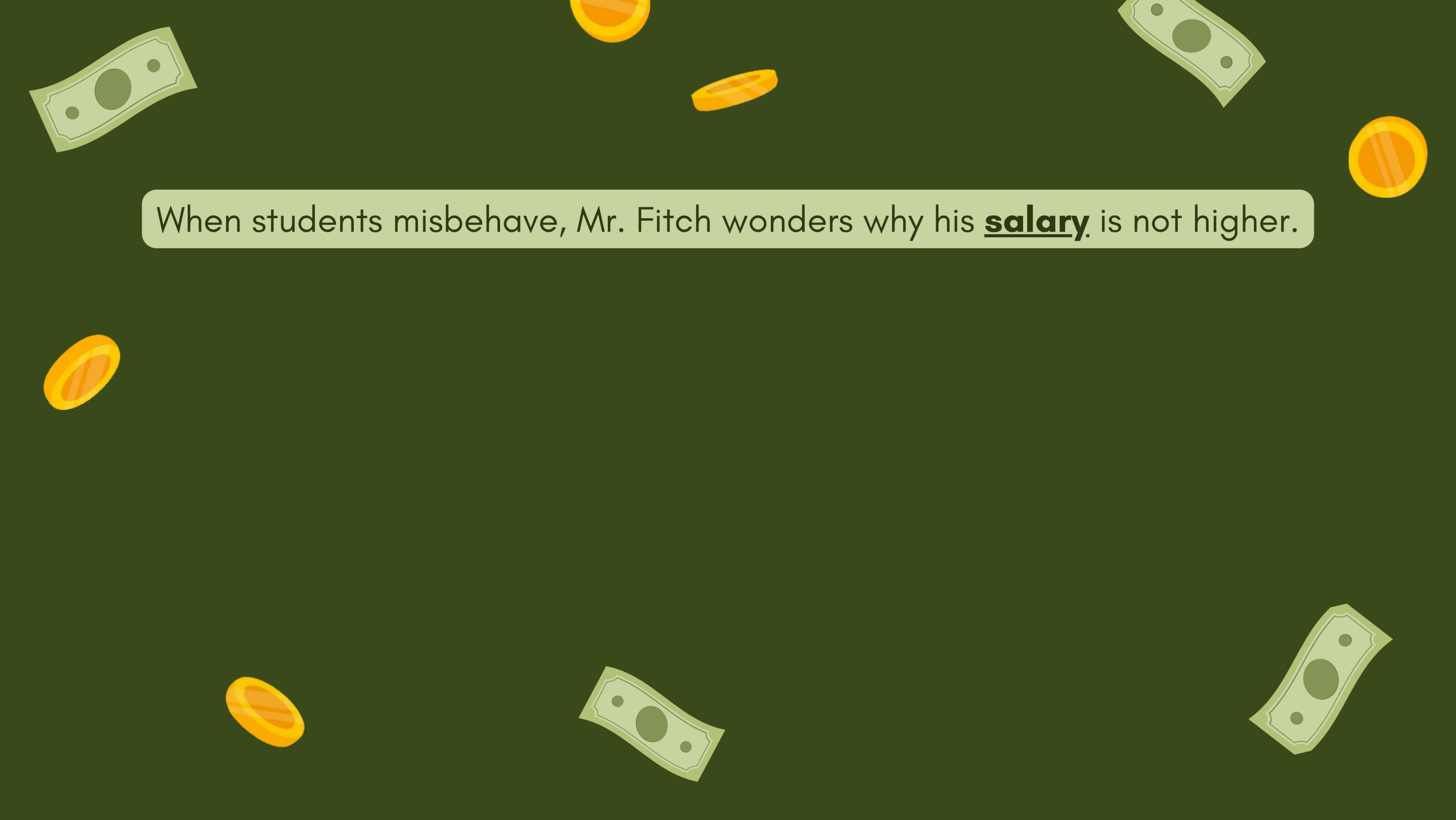
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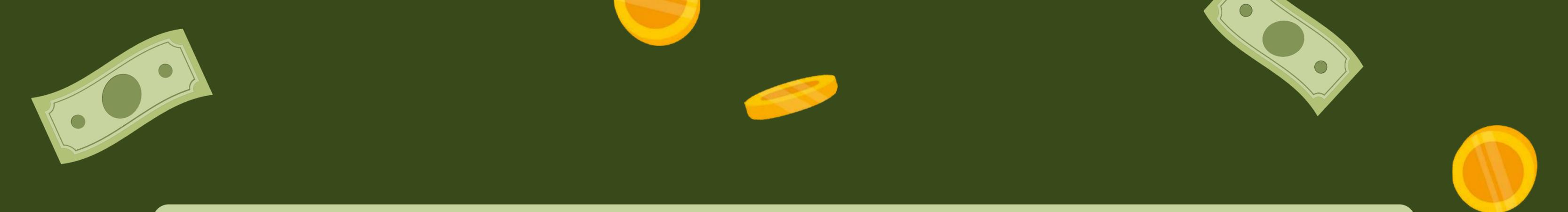
Rent

A regular payment to a landlord for the use of property or land



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When students misbehave, Mr. Fitch wonders why his salary is not higher.



When students misbehave, Mr. Fitch wonders why his **salary** is not higher.



Salary

An employee's annual pay



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Ms. Qiu works a minimum wage job coaching volleyball.



Ms. Qiu works a minimum **wage** job coaching volleyball.

Wage

Hourly pay