



MONEY SMART 2.0
GLOSSARY
for Grades 3-5



The National Theatre for Children

NTC Financial Literacy
K-12 Curriculum

3-5 GLOSSARY

Advertisement (Ad): A public notice or announcement that a company pays for to help promote and increase sales of a product or service.

Bank: A financial institution and business that accepts deposits and makes loans.

Borrow: To receive something on loan with the understanding that you will return it.

Budget: A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time.

Career: The type of work a person pursues for the majority of their life that may involve formal education, special training or be within a specific industry.

Cash: Money such as coins and bills.

Charity: The act of giving aid or money to help people, animals or communities in need; an organization that helps people, animals or communities in need or supports social causes.

Check: A written order of payment that instructs a financial institution (such as a bank) to withdraw a specific amount of money from the checkwriter's account, and pay or deposit it to the person, or business, named on the check.

Credit: The ability to borrow money and pay it back later.

Debit: An amount of money taken out of a deposit account to pay for something.

Debt: Money that is owed.

Donation: Something (including money, food, clothes and toys) that you give to help people, animals or communities in need.

Earn: To receive money in exchange for goods or services.

Emergency Fund: Money set aside to pay for unexpected expenses.

Entrepreneur: Someone who creates and runs a business.

Expense: The cost of goods and services; the amount of money that is spent.

Federal Deposit Insurance Corporation (FDIC): An independent agency of the federal government created in 1933. The FDIC preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least \$250,000.

Goal: Something you wish to achieve or accomplish in a specific amount of time.

Income: Money that you receive from jobs, allowances, interest, dividends and other sources.

3-5 GLOSSARY

Interest: Money that a bank or other financial institution pays you for keeping money on deposit with them, or the amount of money you pay a bank as a fee when you borrow money.

Invest: To put money at risk with the goal of making a profit in the future.

Job: A specific duty, task or activity someone completes using time, skills and energy to earn money.

Lend: The act of giving something to someone with the understanding that they will give it back to you.

Long-Term Goal: Something you want to achieve in the future, such as in one year, five years, ten years or more.

Money Order: Similar to a check, but can be purchased at a bank or post office, and used to make a payment of a specified sum of money.

Need: Something you must have to survive, such as food, shelter and clothing.

Opportunity Cost: The next best thing that you give up in order to do something else; a trade-off of a decision you make.

Profit: The money gained or left over after money spent (expense) is subtracted from money earned (income).

Return: Money made (profit) from an investment.

Risk: The possibility that something unplanned or unintended may happen (such as losing money).

Save: Setting something, like money, aside to use in the future.

Savings Account: A bank account that you can use to set aside money that pays you interest.

Savings Goal: The amount of money you plan to put aside for a specific purpose.

Short-Term Goal: Something you want to achieve soon, such as in two weeks or a few months.

Spend: The act of using money to buy goods or services.

Spending Limit: The most amount of money a person is allowed (or allows themselves) to spend.

Tax: Money that someone has to pay to help finance a government.

Want: Something that you would like to have but that you could live without.