



GLOSSARY



# **FINANCIAL LITERACY GLOSSARY: A TO D**

# A

## Account

A place at a bank or online where you keep your money.

💬 *Example: “I opened a savings account to keep the money I earn from my weekend job.”*

## Annual Fee

A charge you pay once a year to use some services, like credit cards.

💬 *Example: “This card has an annual fee of €25, so I checked if it’s worth it.”*

## APR (Annual Percentage Rate)

The total cost of borrowing money in a year, shown as a percentage.

💬 *Example: “My student loan has an APR of 3%, which is quite low.”*

## Asset

Something valuable that you own, like a phone, laptop, or savings.

💬 *Example: “My used car is an asset—I could sell it if I need money fast.”*

## ATM (Automated Teller Machine)

A machine that lets you take out money from your bank account.

💬 *Example: “I withdrew €20 from the ATM near my school.”*

# B

## Balance

The amount of money you have in your account.

💬 *Example: “I checked my balance after getting paid—finally, it’s not zero!”*

## Bank

A place that keeps your money safe and helps you manage it.

💬 *Example: “My bank has an app that shows me exactly how much I spend.”*

## Borrow

To use someone else’s money and agree to pay it back.

💬 *Example: “I borrowed €50 from my friend and paid him back after two weeks.”*

## Budget

A plan to manage your money—how much you earn, spend, and save.

💬 *Example: “I made a weekly budget so I don’t overspend on takeout.”*

# C

## Cash

Physical money like coins or bills.

💬 *Example: "I always keep some cash in my wallet for emergencies."*

## Credit

Money you borrow that you have to pay back later.

💬 *Example: "I used a credit card to buy my headphones and paid it off last month."*

## Credit Card

A card that lets you borrow money to pay for things, up to a limit.

💬 *Example: "I use my credit card only for big purchases, like travel."*

## Credit Score

A number that shows how well you manage borrowed money.

💬 *Example: "Paying bills on time helps improve your credit score."*

## Compound Interest

Interest you earn on the money you've saved—and on the interest it earns too.

💬 *Example: "Thanks to compound interest, my €500 became €520 in one year."*

# D

## Debit Card

A card that uses your own money directly from your bank account.

💬 *Example: "I used my debit card at the grocery store—no debt, just my money."*

## Debt

Money you owe to someone, like a loan or unpaid bill.

💬 *Example: "I have to pay off my phone debt in three monthly payments."*

## Deposit

Money you put into a bank account.

💬 *Example: "I deposited my summer job earnings into my savings account."*

## Direct Deposit

When your pay is sent straight into your bank account.

💬 *Example: "My boss pays me through direct deposit every Friday."*



# **FINANCIAL LITERACY GLOSSARY: E TO H**

# E

## Earn

To get money by working or doing something useful.

💬 *Example: "I earn €10 an hour helping at the community center."*

## Emergency Fund

Money saved to cover unexpected expenses like medical costs or repairs.

💬 *Example: "When my laptop broke, I used my emergency fund to fix it."*

## Expense

Anything you spend money on.

💬 *Example: "My biggest monthly expense is my rent."*

## Exchange Rate

The value of one currency compared to another.

💬 *Example: "Before traveling to the UK, I checked the euro to pound exchange rate."*



# F

## Fee

A charge you pay for a service.

💬 *Example: “My bank charges a €2 fee if I use an ATM from another bank.”*

## Financial Goals

Things you want to achieve with your money (short- or long-term).

💬 *Example: “My goal is to save €500 for a trip next summer.”*

## Fixed Expense

A cost that stays the same every month.

💬 *Example: “My phone bill is a fixed expense—it’s always €15.”*

## Fraud

When someone lies or steals to get your money.

💬 *Example: “I reported the fraud when I saw charges I didn’t make.”*

# G

## Gig Economy

Jobs that are short-term, flexible, and often found online (like food delivery or freelancing).

💬 *Example: “I work in the gig economy—doing online design jobs for different clients.”*

## Grant

Money given to you for school or a project that you don't have to pay back.

💬 *Example: “I got a grant to help cover university books.”*

# H

## Health Insurance

A service that helps cover medical costs.

💬 *Example: “My job gives me free health insurance—it helped pay for my dentist visit.”*

## Hourly Wage

Money you earn for each hour you work.

💬 *Example: “I make €8.50 per hour working at the library on weekends.”*

## Housing Costs

Money you pay to live somewhere—rent, utilities, etc.

💬 *Example: “My housing costs are €300 per month, including rent and internet.”*



# **FINANCIAL LITERACY GLOSSARY: I TO L**

## Income

The money you earn from work, gifts, or other sources.

💬 *Example: "My income comes from tutoring and weekend shifts at the café."*

## Inflation

When prices go up and money loses value over time.

💬 *Example: "Snacks that used to cost €1 now cost €1.20—that's inflation!"*

## Installment

One of several payments made over time.

💬 *Example: "I bought my phone in 3 monthly installments of €100."*

## Interest

Extra money paid when you borrow money, or earned when you save money.

💬 *Example: "My savings account gives me interest every month—like a reward for saving."*

## Investment

Using money to try to earn more over time (e.g. buying stocks or funds).

💬 *Example: "I invested €50 in a beginner-friendly app to learn how the stock market works."*

## J

### Job

Work you do to earn money.

💬 *Example: “I got a summer job at a bookstore.”*

## K

### Keep the Change

A savings tool where small amounts from purchases are rounded up and saved.

💬 *Example: “My bank app rounds up my spending and puts the extra in savings—like a digital piggy bank.”*

# L

## Late Fee

Extra money you pay when you don't pay a bill or loan on time.

💬 Example: "I forgot to pay my phone bill and got a €5 late fee."

## Loan

Money borrowed that must be paid back, usually with interest.

💬 Example: "I got a small student loan to help pay for my classes."

## Liability

Something you owe or are responsible for financially.

💬 Example: "My phone contract is a liability because I have to keep paying for 12 months."

## Living Expenses

Costs of daily life, like food, rent, transportation.

💬 Example: "I calculated my living expenses before moving out of my parents' house."



# **FINANCIAL LITERACY GLOSSARY: M TO P**



# M

## Minimum Payment

The smallest amount you must pay on a credit card or loan to avoid penalties.

💬 *Example: "My credit card says the minimum payment is €20, but I try to pay more to avoid interest."*

## Mobile Banking

Managing your money through a smartphone app.

💬 *Example: "I use mobile banking to check my balance and send money to friends."*

## Mortgage

A long-term loan used to buy a house or apartment.

💬 *Example: "My cousin just got a mortgage to buy her first home."*

# N

## Net Income

The money you actually take home after taxes and deductions.

💬 *Example: "I earn €400 a month, but my net income is €340 after taxes."*

## Need

Something essential like food, rent, or electricity.

💬 *Example: "Before I buy new shoes, I have to cover my basic needs like groceries."*

# O

## Online Banking

Accessing your bank account using the internet to check your balance or transfer money.

💬 *Example: "I paid my electricity bill using online banking from my laptop."*

## Overdraft

Spending more money than you have in your bank account, which may cause fees.

💬 *Example: "I went into overdraft and the bank charged me €10."*

# P

## Paycheck

The money you get from your job, usually every week or month.

💬 *Example: "My first paycheck went straight into my savings account."*

## Pension

Money saved during your working life to support you in retirement.

💬 *Example: "Even though I'm young, part of my salary goes into a pension fund."*

## Principal

The original amount of money borrowed or saved, not including interest.

💬 *Example: "I borrowed €300—the principal—and I owe €20 in interest."*

## Purchase

To buy something.

💬 *Example: "I made my first online purchase using a prepaid card."*



# **FINANCIAL LITERACY GLOSSARY: Q TO Z**

# Q

## Quote

An estimate of how much something will cost, like insurance or repairs.

💬 *Example: "I asked two mechanics for a quote to fix my scooter."*

# R

## Rent

Money you pay regularly to live in an apartment or house that you don't own.

💬 *Example: "I split the rent with my roommate—it's €250 each."*

## Return

The money you earn from an investment.

💬 *Example: "I got a 5% return on the money I invested in a savings app."*

## Risk

The chance of losing money on an investment or financial decision.

💬 *Example: "Crypto is exciting, but it comes with a high risk."*

# S

## Salary

Money you earn from working, usually paid monthly.

💬 Example: “My salary from my internship goes straight to my savings account.”

## Savings

Money you set aside for future needs or goals.

💬 Example: “I save €50 a month for a summer trip.”

## Scam

A trick to steal your money or personal information.

💬 Example: “I got a suspicious message asking for my bank details—it was a scam.”

## Security

Something that guarantees a loan, or a financial asset like a bond or stock.

💬 Example: “I learned in class that stocks are called ‘securities’.”

## Social Security

Government programs that help people with things like retirement or health.

💬 Example: “In my country, social security helps cover medical expenses.”

## Stock

A share of ownership in a company.

💬 Example: “I bought €10 worth of stock in a video game company through an app.”

# T

## Tax

Money paid to the government to support public services like schools and roads.

💬 Example: "Part of my paycheck is taken out for taxes."

## Transaction

Any time you spend, send, or receive money.

💬 Example: "My banking app shows every transaction I made this week."

## Transfer

Moving money from one account to another.

💬 Example: "I transferred €30 from my checking account to my savings."

# U

## Utility Bill

A bill for basic services like electricity, water, or internet.

💬 Example: "I pay my share of the utility bills every month in my shared flat."

## V

### Variable Expense

Costs that change month to month (e.g. groceries, clothes).

💬 Example: “I try to limit my variable expenses like eating out.”

## W

### Wages

Money you earn by the hour or per task.

💬 Example: “I earn hourly wages at a local café—€9 per hour.”

### Wallet App

A digital tool where you can store payment methods and make transactions.

💬 Example: “I use Google Wallet to pay for the metro.”

### Withdrawal

Taking money out of your bank account.

💬 Example: “I made a €20 withdrawal from the ATM.”



# Y

## Yield

How much money you earn from an investment, shown as a percentage.

💬 *Example: "My savings account has a 2% yield per year."*

# Z

## Zero Balance

When your account has no money left in it.

💬 *Example: "I had a zero balance after paying all my bills—time to budget better!"*



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