



Name _____ Date _____

SAVING VOCABULARY

DIRECTIONS: Review the following terms for ten minutes to prepare to play the Savings Memory Game.

| TERM | DEFINITION |
|------------------------------|---|
| Pay Yourself First | A popular phrase used to describe what people should do to stay on track with saving money. Basically meaning that the first deposit out of a person's paycheck should be into a savings account or retirement account. |
| Savings Account | A deposit at a bank or savings and loan that pays interest, but cannot be withdrawn in check writing. |
| Trade-Off | A choice that involves giving up some of one thing to have more of another. Ex: In the morning my cousin spends a lot of time putting on make-up, she doesn't have enough time to eat breakfast because she has to go to school. The time she could spend on her nutrition is being given up. |
| Interest | The amount paid for the use of borrowed money. |
| Interest Rate | The cost of borrowing money, expressed as a percentage, usually over a period of one year. |
| Money Market Deposit Account | A savings account in which the interest rate varies as market rates change. |
| Net Income | The amount of a paycheck that a person can actually spend; gross income less any payroll deductions. |
| Financial Goal | A statement of something a person wants or needs to do that pertains to finances and/or money. Common reasons for setting financial goals are: saving for a comfortable retirement, saving for college, and managing finances to enable a home purchase. Financial goals should be Specific, Measurable, Attainable, Realistic, and Time-bound (SMART). |
| Depository Institution | A business that offers financial services to people. |
| Payroll Deduction | Amounts subtracted from gross income that is withheld by an employer for items like taxes and employee benefits. |

