

# Budgeting Curriculum

## FINANCIAL TERMS

**Income:** The amount of money or its equivalent received during a period of time in exchange for labor or services, from the sale of goods or property, or as profit from financial investments.

**Expense:** An expenditure of money; a cost

**Debt:** money, goods, or services that one party is obligated to pay to another in accordance with an expressed or implied agreement. Debt may or may not be secured.

**Garnishment:** A legal proceeding whereby money or property due a debtor but in the possession of another is applied to the payment of the debt owed to the plaintiff.

**Revolving Credit Account:** a type of debt account where the outstanding balance does not have to be paid in full every month by the borrower to the lender.

**Installment Plan:** A credit system by which payment for merchandise is made in installments over a fixed period of time.

**Interest Rate:** The percentage of a sum of money charged for its use.

**Escrow:** Money, property, a deed, or a bond put into the custody of a third party for delivery to a grantee only after the fulfillment of the conditions specified.

**Down Payment:** A partial payment made at the time of purchase, with the balance to be paid later.

**Accrued interest:** The interest that has accumulated on a bond since the last interest payment up to, but not including, the settlement date.

**Interest Income:** Income derived from an investment on which the payments reflect the time value of money

**Mortgage:** A temporary, conditional pledge of property to a creditor as security for performance of an obligation or repayment of a debt.

**Rent:** Payment, usually of an amount fixed by contract, made by a tenant at specified intervals in return for the right to occupy or use the property of another.

**Hazard Insurance:** an insurance policy that combines various personal insurance protections, which can include losses occurring to one's home, its contents, loss of its use (additional living expenses), or loss of other personal possessions of the homeowner, as well as liability insurance for accidents that may happen at the home.

**FICA:** Total withheld for FICA (Federal Insurance Contributions Act) is based on the gross income on your paycheck.

**Medicare:** Total withheld for Medicare based on the gross income on your paycheck.

**Insurance and benefits:** Total amount withheld for insurance and benefits by your employer.

**Company retirement savings plan:** Total amount withheld from your paycheck that is deposited into a company retirement savings plan such as a 401(k) or 403(b).



This product was funded by a grant awarded under the President's High Growth Job Training Initiative as implemented by the U.S. Department of Labor's Employment & Training Administration. The information contained in this product was created by a grantee organization and does not necessarily reflect the official position of the U.S. Department of Labor. All references to non-governmental companies or organizations, their services, products, or resources are offered for informational purposes and should not be construed as an endorsement by the Department of Labor. This product is copyrighted by the institution that created it and is intended for individual organizational, non-commercial use only.

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