



Glossary of Common Terms & Concepts

The terms below cover key concepts related to the 2010 financial theme and terms common to the three featured books. The books *Follow the Money* and *One Hen* both have glossaries at the back of each book. Some of those definitions are included in this list.

Bank: A business that stores and lends money.

Barter: To trade goods or services directly without using money.

Budget: A spending plan for managing money during a specific period of time. A standard budget includes a time frame, income, expense categories, estimated costs, actual costs, and savings.

Earn: To get money by working for it.

Goal Setting: The process of identifying something specific that someone wants to achieve.

Loan: Money paid to someone that must be paid back.

Money: An official medium of exchange and a measure of value.

Price: The cost of something that is bought or sold, usually a particular amount of money is required before the exchange takes place.

Profit: The amount by which income is greater than the related expenses.

Savings: Money that is set aside for use later.

Shopping: The activity of visiting places that sell goods and services and reviewing a number of possibilities before making a choice. The individual shopper typically exchanges money for the desired item.

U.S. Mint: The place authorized by the government to manufacture coins.

Value: The worth, importance or usefulness of something to somebody.

Wages: An amount of money paid to a worker in exchange for services, especially for work performed on an hourly, daily, or weekly basis.

Wants vs. Needs: The concept of making choices on where best to spend finite financial resources as an individual considers “wants” — things the person enjoys, but could live without, versus “needs” — the things needed to survive.

Reference sources for glossary: Encarta Webster’s College Dictionary, copyright 2005; NEFE High School Financial Planning Program Student Guide, copyright 2006.