

## Financial Literacy Glossary

### **Balance**

The money owing on a loan. A balance is also the money you have in a personal savings account.

### **Bank**

A financial institution that takes cash, lends money, and provides other money services.

### **Bank fees**

Fees you are charged for using a bank.

### **Bank machine**

Also called an ATM or ABM, a machine that lets you do banking when you insert your bankcard.

### **Cash and payday loan stores**

Places where you can get cash advances and short-term loans quickly, but that will cost you a lot in a fees and high interest rates.

### **Chequing account**

A personal bank account that lets you write cheques, pay bills, and do other personal money tasks.

### **Credit**

Buying now and paying later.

### **Creditor**

The person or business lending you money.

### **Credit card**

A card that lets you buy things now and pay later, usually for a fee.

### **Debit card**

A card that lets you pay for things electronically out of your personal banking account, such as when buying something at a store.

### **Debt**

Money you owe.

**Expenses**

What you spend your money on.

**Income**

The money you make.

**Income tax**

The money you pay each year to the government.

**Interest**

A fee paid to borrow money.

**Loan**

Money you have borrowed and agree to pay back for a fee and according to a pay schedule

**Mortgage**

A loan, usually to buy a house.

**Online banking**

When you do your banking on a computer hooked up to the internet.

**Personal bank account**

A bank account that lets you save money and do everyday financial transactions, such as pay your bills.

**RESP**

Short for Registered Education Savings Plan – a way to save for a child’s future education.

**RRSP**

Short for Registered Retirement Savings Plan – a way to save for your retirement.

**Savings account**

A personal bank account that pays you interest on the money you put into it.

**Spending plan**

A plan for how you will spend your money so that you can best meet your needs. Also called a budget.