Glossary

A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z

Aggregate Supply	The total amount of goods and services produced over a certain period of time.	*Part B - Unit 10*
Anti-Trust Laws	Also referred to as "competition laws", these are statutes developed by the U.S. Government to protect consumers from predatory (greedy) business practices by ensuring that fair competition exists in an open-market economy.	*Part B - Unit 6*
Appreciation	When the value of some investment product increases in value.	*Part C - Unit 19*
Asset class	A set of investment products (such as stocks, bonds, etc.) which have similar financial traits.	*Part C - Unit 16*
Asset Restrictions (Limits)	The rules which stipulate the value of assets or wealth one must be below to qualify for a given means tested program (see definition of means tested program).	*Part C - Unit 16*
Asset-Building/ Assets	Assets are tangible items that hold value and can be used as cash when necessary such as savings accounts, owning a home, a car, or building a business that has a value because it can be sold. Asset-building refers to strategies that increase financial and tangible property and usually focuses on long-term gathering of economic resources. It's creating financial capacity and resources to be the reliant on yourself to take care of you and your family to own a home, take vacations and weather life's financial curves.	*Part A - Unit 3 Goals* *&* *Part A - Unit 4* *Part B - Unit 13* *Part C - Unit 16* *Part C - Unit 17* *Part C - Unit 18* *Part C - Unit 19*
Assets	Something valuable that a person or entity owns, benefits from, or has use of, in generating income. It is usually something that has been acquired or purchased, and that has money value. An asset can be something physical, such as cash, machinery, inventory, land and building, or an enforceable claim against others, such as accounts receivable, or money owned or an ownership right, such as copyright, patent or trademark.	*Part A – Unit 4*

	Assets are usually classified according to the ease with which they can be converted into cash.	
Automatic Stabilizers	Income support programs, including public assistance (Temporary Aid to Needy Families), Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) or Medicaid that pays for health care. In addition to assisting individuals and families, these programs help to sustain the economy by providing a continuing stream of dollars that families spend on goods and services. Because these and the other income support programs kick in automatically when the economy sags, economists refer to them as "automatic stabilizers." While cash benefits are not typically regarded as a benefit to business and industry, by increasing purchasing power during economic downturns, cash assistance programs can be described as helping business and industry as well as individuals and families.	*Part B – Unit 12*
Bankruptcy	A legal proceeding involving a person or business that is unable to repay outstanding debts. The bankruptcy process begins with a petition filed by the debtor (person who owes the money). Bankruptcy is a legal status of a person or other entity that cannot repay the debts it owes to creditors. In most jurisdictions, bankruptcy is imposed by a court order.	*Part A – Unit 2*
Basic Living Expenses	The average cost of food, clothing, and other necessities or usual goods and services paid by a person or family, including rent, travel and other costs needed to pay for the cost of daily living.	*Part B – Unit 5*
Budgeting	Process to manage how expenses and income are utilized, recorded and tracked. Budgeting includes a written plan in economic value (how much items cost or how much money will be spent) as well as how much financial resources (income) will be needed to cover the expense costs.	*Part A – Unit 3 Goals* *&* *Part A – Unit 2* *Part A – Unit 4* *Part D – Unit 21*
Check Cashers	Service that will cash a check for a fee, or a payment that can be a flat-fee or a percentage of the amounts being cashed. Check Cashers make money by charging fees on each cashed check. Many low-income or economically disadvantaged people, who do not have access to traditional banks due to immigration status or lack of funds, use check cashing services.	*Part B – Unit 5*
Coefficient of Inequality	Economic inequality is measured by the Gini Index, known as the coefficient of inequality, where 0 represents perfect equality and 100 represents perfect inequality.	*Part B – Unit 14*

Collection Agency	A business that pursues payments of debts owed by individuals or businesses. Most collection agencies operate as agents of creditors and collect debts for a fee or percentage of the total amount owed.	*Part C – Unit 18*
Commodities	Raw material, primarily agricultural products that can be bought and sold, such as copper, coffee, cattle. Think of it as something you could barter because it is a useful or valuable thing that someone else is willing to pay for.	*Part A – Unit 1*
Consumption	The using up of a resource.	*Part B – Unit 6* *&* *Part B – Unit 9* *Part B – Unit 15*
Costs and Benefits	A process by which business decisions are analyzed. The benefits of a given situation or business-related action are summed up and then the costs associated with taking that action are subtracted.	*Part A – Unit 2*
Credit	The amount of money a person will be trusted to pay back, after the goods are received. Your credit is your reputation as a borrower. Having good credit means that you have followed through on the terms of past money borrowed. Your credit is based on factors such as what kind of money you have borrowed, how much you borrowed and your history of repayment as well as how much you earn or have in resources so that you can pay back what is owed.	*Part A – Unit 3 Goals* *&* *Part B - Unit 10* *Part C – Unit 18* *Part C – Unit 19*
Credit Bubble	An economic cycle characterized by large increases in debt and rapid expansion followed by a contraction and quick decrease in the amount of credit available (bursting of the bubble).	*Part B – Unit 14*
Debt	A financial obligation owed to another party such as money owed to a person or a loan from a bank or money put on your credit card that you have agreed to pay back. A debt is any amount of money owed by a borrower. Personal debt can be accumulated from many different sources including school loans, credit card debt, rent arrears, home mortgage, or a car loan.	*Part A – Unit 3 Goals*

Debt Ceiling	The maximum amount of monies the United States can borrow. The debt ceiling was created under the Second Liberty Bond Act of 1917, putting a "ceiling" on the amount of bonds the United States can issue. As of the end of July 2011, the debt ceiling was set at $14.3 trillion. Also known as the "debt limit" or "statutory debt limit."	*Part B – Unit 11*
Debt Payments	A repayment of a loan, bond or a monetary amount that is owed to another entity.	*Part C – Unit 18*
Debt-to-Income Ratio	The percentage of monthly income that goes towards paying debt or loans. Commonly used to figure out how much of a mortgage an individual can assume and still have available money for other goods and services.	*Part C – Unit 18*
Deficit	Deficit is the opposite of "surplus" and is synonymous with shortfall or loss. The amount by which expenses exceed income or costs outstrip revenues. Deficit essentially refers to the negative difference between cash inflows and outflows. When you do not have enough money to cover the expenses, you have a deficit.	*Part A – Unit 4* *&* *Part B – Unit 11*
Depreciation	Reduction in the value of an asset with the passage of time, due in particular to wear and tear. A decrease in the value of resources.	*Part C – Unit 19*
Devaluation	When a nation tries to decrease the value of its currency relative to that of another country.	*Part C - Unit 19*
Economic Collapse, Crisis, Meltdown	An economic collapse is essentially a severe version of an economic depression, where an economy is in complete distress for months, years or possibly even decades. There is high unemployment and inflation and a decrease in the value of real property and assets.	*Part B – Unit 5* *&* *Part B – Unit 6* *Part B – Unit 12* *Part B - Unit 14*
Economic Expansion	The phase of the business cycle when the economy moves from a lull to a peak in activity. It is a period when business activity surges and gross domestic product expands until it reaches a peak. The growth spurt in the economy.	*Part B – Unit 6*

Economic Growth	The expansion of economic markets is usually fueled by government which promotes economic growth by creating the conditions that support a healthy and well-functioning market. This includes protecting national defense and private property; establishing regulatory standards for business, labor, consumers and the environment; providing credit; building and maintaining a physical infrastructure; and, if necessary, temporarily acting as an employer or investor of last resort.	*Part B – Unit 15*
Economic Insecurity, Financial Pressure	The condition of not having enough stable income or other resources to support one's standard of living. If you cannot pay all of your bills, with the money you make you are always under duress, this is financial pressure.	*Part A – Unit 1* *&* *Part A - Unit 2* *Part B - Unit 9*
Economic Recovery	The phase of the business cycle following a recession, during which an economy regains and exceeds peak employment and output levels achieved prior to downturn. A prosperous phase of the business cycle.	*Part B – Unit 6*
Economic Security Index (ESI)	Developed by Jacob Hacker (Yale University) and a multi-disciplinary research team with support from the Rockefeller Foundation, The Economic Insecurity Index is defined as the proportion or percentage of Americans who experienced a decline in their inflation adjusted available household income of at least 25% over a one year period and who don't have the financial resources or assets to offset that loss.	*Part B – Unit 5*
Economic Wave	A period of increase, decrease, and repeated increase in economic output. Also referred to as an economic cycle.	*Part B - Unit 6*
Economic/ Financial Security	The condition of having stable income or other resources to support one's standard of living including rent/ mortgage, bills, money for emergencies for now and in the foreseeable future.	*Part A – Unit 1* *&* *Part B – Unit 5*
Economy	Refers to the set of institutions in a society governing which goods and services are produced, how they are produced, and for whom they are produced.	*Part B – Unit 6*
Endowment	A financial asset held by a non-profit group or institution in the form of investment funds or other property that has a stated purpose at the bequest of the donor. Most endowments are designed to keep the principal amount intact while using the investment income from dividends for charitable efforts.	*Part D – Unit 21*

Excise Tax	Taxes paid when purchases are made on a specific good, such as gasoline. Excise taxes are often included in the price of the product. There are also excise taxes on activities, such as on wagering or on highway usage by trucks.	*Part B – Unit 7*
Expenditure	An amount of money spent. The action of spending funds or money as payment. Whenever you spend money you have made an expenditure.	*Part A – Unit 2* *&* *Part B - Unit 7*
Federal Expenditures	Items contained in the United States federal budget which include mandatory programs such as the Medicare and Social Security programs, military spending, as well as discretionary funding for Cabinet Departments (e.g., United States Department of Justice) and agencies (e.g., Department of Agriculture and Homeland Security). Federal expenditures are classified as mandatory, with payments required by specific laws, or discretionary, with payment amounts renewed annually as part of the budget process.	*Part B – Unit 13*
Federal Poverty Line (FPL)	Ostensibly, the minimum amount of gross income that a family needs for food, clothing, transportation, shelter and other necessities. In the United States, this level is determined by the Department of Health and Human Services. FPL varies according to family size.	*Part B – Unit 5*
Finances	The manner in which money is used and handled; the management of money, what comes in, where it goes, how much there is of it.	*Part A – Unit 1* *&* *Part B - Unit 5*
Financial Assets	Includes cash and bank accounts plus securities and investment accounts that can be readily converted into cash. It is money on hand, or easily accessible, in the form of cash deposits, checks and bonds.	*Part A – Unit 1* *&* *Part D – Unit 23*
Financial Counselor, Professional, Advisor	One who provides financial advice or guidance to customers for compensation. Financial advisors can provide many different services, such as financial planning, investment management, income tax preparation and estate planning. They must carry the Series 65 license in order to conduct business with the public. A wide variety of licenses are available for the services that a financial advisor can provide.	*Part A – Unit 2*

Financial Information	Monetary facts about a person or entity. Statements, records, and documents that contain the financial activities of a business, an individual or any other entity. Financial information is usually presented monthly on a statement with the purpose of presenting clearly and concisely the activities that occurred in the month and the value of the resources or transaction.	*Part A – Unit 1*
Financial Insolvency	When an entity (person, business, etc.) is unable to meet its financial obligations.	*Part C - Unit 20*
Financial Institution	An establishment that focuses on dealing with financial transactions, such as investments, loans and deposits. Conventionally, financial institutions are composed of organizations such as banks, trust companies, insurance companies and investment dealers.	*Part C – Unit 19*
Financial Management	Knowledge and understanding of effective systems and procedures for managing agency resources; the ability to develop and use budgets, preform accounting and then implement an audit. Refers to all financial data and reports to guide agency fiscal operations.	*Part D – Unit 21*
Financial Planning	Financial planning is the process of meeting your life goals through the proper management of your finances. Life goals can include paying your bills for the next year, buying a home, saving for your child's education or planning for retirement. The financial planning process involves the following steps: 1) Gathering relevant financial information 2) Setting life goals 3) Examining your current financial status 4) Coming up with a financial strategy or plan for how you can meet your goals 5) Implementing the financial plan 6) Monitoring the success of the financial plan, adjusting it if necessary	*Part A – Unit 2*
Financial Resources	The money that is available to a person or business for spending in the form of cash, liquid securities and credit lines. The amount of money and credit a person has that they can get their hands comprise their financial resources.	*Part A – Unit 2*
Financial Risk	Umbrella term for multiple types of loss associated with financial transactions. Risk is a term often used to imply downside risk, meaning the uncertainty of a return and the potential for financial loss.	*Part C – Unit 19*

Financial Transactions	Recorded events that involve money or payment, such as the act of depositing money into a bank account, borrowing money, purchasing items, getting paid.	*Part A – Unit 1*
Fiscal Multiplier	In economics, the fiscal multiplier is the change in national income per dollar change in government spending. When this multiplier exceeds one, the enhanced effect on national income is called the multiplier effect. The mechanism that can give rise to a multiplier effect is that an initial incremental amount of spending can lead to increased consumption and spending, which will increase income further and thus, increase consumption even more. This results in an overall increase in national income that is greater than the initial incremental amount of spending. In other words, an initial change in aggregate demand may cause a change in aggregate output (and hence the aggregate income that it generates), which is a multiple of the initial change.	*Part B – Unit 15*
Fiscal Policy	The taxing and spending policies of a given level of government. (I got rid of "federal" because states and other levels of government have fiscal policies too).	*Part B – Unit 7*
Fixed Cost	Expenses that do not change as a function of the activity of a business, within the relevant period. For example, a retailer must pay rent irrespective of sales and the rent payment is fixed at a certain rate monthly.	*Part D – Unit 21*
Fixed Income Security	Refers to any type of investment where regular payments of a fixed amount on a fixed schedule are distributed. Fixed-income securities can be contrasted with equity securities, often referred to as stocks and shares that create no obligation to pay dividends or any other form of income.	*Part C – Unit 18*
Food Insecurity	The state of being without reliable access to a sufficient quantity of affordable, nutritious food.	*Part A – Unit 1*
Formal Banking Institutions	Banks, savings and loans, credit unions, etc. that take cash deposits. They allow individuals and businesses to deposit money and withdraw funds from a federally-protected account.	*Part C – Unit 18*
General Living Standards	Commonly accepted baseline of having access to and the ability to address basic human needs such as clean water, nutrition, health care, education, clothing and shelter.	*Part B – Unit 13*

Government Securities	IOUs issued by governments to those who they've borrowed money from. Examples are U.S. Treasury bonds and bills. Governments are obligated to pay those holding these IOUs both interest and the amount initially borrowed called the principal.	*Part B - Unit 7*
Gross Domestic Product (GDP)	The total market value of new and finished goods produced and services provided in a country during one year.	*Part B – Unit 6*
High Interest Loans	Loans that have higher than market rate interest costs that add extraordinary amounts to the principle (original amount borrowed). Usually if a person does not have a good credit rating or history, a lender will charge more.	*Part B – Unit 9*
Home Foreclosure	If the borrower stops paying the mortgage or is unable to make full principal and interest payments on his/her mortgage, the bank can take ownership of the property and this is known as foreclosure. A foreclosed home is one in which the owner is unable to make his monthly mortgage loan payments and the bank repossessed the home. In a foreclosure, the lender is able to seize the property, evict the homeowner and sell the home, as stipulated in the mortgage contract.	*Part A – Unit 4* *&* *Part D – Unit 20*
Housing Bubble	An increase in housing prices fueled by demand and speculation. The belief is that supply is limited and demand will increase so prices rise. As with most bubbles, it eventually bursts, resulting in a quick decline in prices.	*Part B – Unit 6* *&* *Part B – Unit 12*
Housing Starts	The number of new construction on houses and apartments begun during a particular period, used as an indicator of economic conditions. The more housing starts, the better the economic conditions. There is money for construction, which means jobs, and individuals are ready to purchase or pay rent to live in these new homes.	*Part B – Unit 6*
Income Distribution	The distribution of wages earned across a company, industry, or country. Income distribution reveals what percentage of individuals are at various wage levels, information that can reveal more about overall wage patterns than average income can.	*Part B – Unit 12*
Income Distribution Spectrum	The range of income between all wage earners starting at those earning the lowest amount of income to those at the top of the earnings chart.	*Part B – Unit 14*

Independent Auditor	An audit professional who performs an audit in accordance with specific laws or rules on the financial statements of a company, government entity, other legal entity or organization, and who is independent of the entity being audited, meaning works for a different entity than that being audited.	*Part D – Unit 22a*
Individual Retirement Account (IRA)	A retirement funding mechanism. Allows individuals to direct pretax income, up to specific annual limits set by government, toward investments that can grow tax-deferred until retirement.	*Part D - Unit 23*
Inefficient Markets	A theory which asserts that the market prices of common stocks and similar securities are not always accurately priced according to their underlying values (and tend to need intervention (usually by government) to set the course.) I have never come across this as part of the definition. This may be what we believe should be the case but if so I don't think this belief is part of the definition of the concept. If I'm right, then we shouldn't include it here. This theory opposes the efficient market hypothesis which contends that prices of securities tend to be priced accurately. ALTERNATIVE: The inefficient market hypothesis and its proponents contend that market forces sometimes drive asset prices above or below their true value. They find support for their argument from instances of market crashes or upward spikes, whose existence and magnitude are seemingly incompatible with an efficient market point of view. Thus, in an inefficient market, some securities will be overpriced and others will be underpriced, which means some investors can make excess returns while others can lose more than warranted by their level of risk exposure. If the market were entirely efficient, these opportunities and threats would not exist for any reasonable length of time, since market prices would quickly move to match a security's true value as it changed. While financial markets appear reasonably efficient, events such as market-wide crashes and the dotcom bubble of the late '90s seem to reveal some sort of inefficiency within the markets.	*Part B – Unit 7*
Inflation	It is a persistent increase in the average price of goods and services over time. It causes the overall purchasing power of the dollar to fall. In effect, the dollar you made last year will buy less of the same good or services this year.	*Part B – Unit 10* *&* *Part B – Unit 15* *Part C – Unit 18* *Part D – Unit 20*

Insurance	A financial contract where one person or company pays a fixed price in exchange for coverage. Coverage can be in the form of services, such as for Health or Dental insurance or for reimbursement if something is loss, stolen, damaged or someone dies or is injured.	*Part A – Unit 3 Goals*
Insurance Premium	The specified amount of payment required periodically by an insurer for coverage provided for a defined period of time. The premium is paid by the insured party to the insurer, and primarily compensates the insurer for bearing the risk of a payout should the insurance agreement's coverage be required.	*Part B – Unit 7*
Interest	When money is borrowed, interest is typically paid to the lender as a percentage of the principal, which is the amount owed to the lender. The percentage of the principal that is paid as a fee over a certain period of time (typically one month or year) is called the interest rate. A bank deposit will earn interest because the bank is paying for the use of the deposited funds. The interest is calculated upon the value of the assets.	*Part C – Unit 18*
Interest Rate	The percentage or proportion of an amount of money that a borrower must pay a lender in return for the use of that lender's money.	*Part B - Unit 7*
Intrinsic Value	The actual value of a company or an asset based on an underlying perception of its true value including all aspects of the business, in terms of both tangible and intangible factors. This value may or may not be the same as the current market value. Investors use a variety of analytical techniques in order to estimate the intrinsic value of securities in hopes of finding investments where the true value of the investment exceeds its current market value.	*Part B – Unit 10*
Investing	The expending of money with the expectation of achieving a profit by putting it into financial schemes, shares, or property, or by using it to develop a commercial venture.	*Part C – Unit 19*
Investment	A tangible item (property, cash, bonds, art work, stocks) that are purchased with the hope that it will generate income or grow in value in the future. When an item that has been invested is worth more than you paid for it, it becomes an asset. Financial investments usually represent money placed with financial institutions for the purpose of gaining a greater amount of income on the money invested, known as the principal. Investments can include stocks, bonds, mutual funds, and other vehicles. Investing also carries risk of devaluation. This is when instead of asset building, you lose the value of your original amount of cash or property.	*Part A – Unit 3 Goals* *&* *Part A – Unit 2* *Part B – Unit 6* *Part B- Unit 9* *Part C – Unit 19*

Investment Choices	A menu of choices for investment options. The choices generally give members a range of options in terms of risk and expected return.	*Part C – Unit 19*
Key Economic Indicators	Statistics about economic activity that measure the ups and downs of the business cycles and include data such as interest rates, GDP, housing starts. Economic indicators allow analysis of economic performance and predictions of future performance.	*Part B – Unit 6*
Labor Market	The environment in which workers find paying work, employers find willing workers, and wage rates are determined.Labor markets may be local or national (even international) in their scope and are made up of smaller, interacting labor markets for different qualifications, skills, and geographical locations. They depend on exchange of information between employers and job seekers about wage rates, conditions of employment, level of competition, and job location.	*Part B – Unit 12*
Laissez-faire	This term is a French word which literally means "to let alone". It's used to refer to a political philosophy which contends that governments should minimally interfere into people's lives.	*Part B - Unit 6*
Liability	Being legally responsible for something, such as the payment of money for which a person or business is legally responsible.	*Part D - Unit 23*
Liquid Assets	An asset that can be converted into cash quickly and with minimal impact to the price received. Liquid assets are generally regarded in the same light as cash because their prices are relatively stable when they are sold on the open market.	*Part C – Unit 19*
Long-term Interest Bearing Bonds	The prototypical traditional investment, as opposed to stocks, since they have a more certain rate of return. When you invest in bonds, you get paid fixed annual interest specified by the coupon rate, typically twice yearly until maturity of the bond, when you get paid the full value of the bond. Bonds are a great way to save and grow your money steadily, especially during periods of high interest rate when you can get yields comparable to or exceeding that of stock returns without the market risk.	*Part B – Unit 11*
Macro Economics/ Macro Economic Tools	Macroeconomics is the study of factors that impact an economy as a whole and relate to national, regional, and global economies, Macro Economic tools refers to factors that impact the economy such as monetary policy, including the setting of interest rates which impacts the money supply and Fiscal policy including spending or tax cuts.	*Part B – Unit 9* *&* *Part B – Unit 12*

Macro Level Assessment	Used in the social sciences to point to the location, size, or scale of a project or assessment. Macro level refers to large scale systems and influences that impact behavior and markets.	*Part D - Unit 23*
Market Basket of Goods	Each year, about 7,000 families from around the country provide quarterly information on what they spent for housing, clothing, transportation, medical care, recreation, education, communication, and a few other goods and services. This sets an average price for this "market basket of goods" needed for daily living.	*Part B – Unit 10*
Market Deflation	A general decline in prices, often caused by a reduction in the supply of money or credit. Deflation can be caused also by a decrease in government, personal or investment spending.	*Part B – Unit 12* *&* *Part B – Unit 15*
Market Economy	Also known as a supply and demand economy, it is an economic system where prices are set by supply (products) and demand (who wants to buy it). This pull between supply and demand, sets the price, not government regulation. For example, If everyone wants coffee and there is a limited amount of coffee product, the price will be high, because there is high demand and low supply. Because resources and consumer choices change overtime, this system naturally allocates resources based on consumer choices (who is buying what and what is available). These consumer choices are known as "markets."	*Part A – Unit 3 Goals* *&* *Part B – Unit 6* *Part B – Unit 13* *Part B – Unit 14*
Market Forces	Refers to how supply and demand interact to determine prices in a "free market" or capitalist economy.	*Part B – Unit 6* *&* *Part B - Unit 13*
Market Theory/ Financial Markets	In economics, typically, the term market means the aggregate of possible buyers and sellers of a certain good or service and the transactions between them. It's also a virtual place where people and entities can trade financial securities, commodities, and other items of value at prices that reflect supply and demand. Securities include stocks and bonds, and commodities include precious metals or agricultural goods.	*Part B – Unit 15* *&* *Part C – Unit 19*
Market Transactions	The individual actions of exchange of goods and services that are recorded. These individual transactions track market activity and are used to understand trends and form the basis of economic analysis.	*Part B – Unit 6*
Means-tested Income Support Programs	Applicants for these programs must establish need, typically by proving that their income and assets fall below a specified amount. Many income maintenance and social service programs fall into the selective	*Part B – Unit 13*

Term	Definition	Reference
Median Annual Income	Household income is a measure commonly used by the United States government and private institutions. Each household is measured by the income of every resident over the age of 15. Income includes wages and salaries, unemployment insurance, disability payments, child support payments received, regular rental receipts, as well as any personal business, investment, or other kinds of income received routinely. Median household income refers to the mid-point, it is the amount that divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount.	*Part B – Unit 9* *&* *Part B – Unit 13*
Micro Finance	The Microfinance movement was created to ease the suffering caused by poverty in many countries around the world by providing small loans to 'micro' enterprises. Micro banking refers to the delivery of financial banking services, such as savings, credit, insurance, and fund transfers, to those with low-income who are refused access to regular traditional banking services due to lack of collateral, steady employment or credit history. Micro banking may be provided by community savings banks, volunteers, or not-for-profit agencies that offer financial services to persons within the local community without charge. The intent of micro banking is to assist low income entrepreneurs move out of poverty, build assets, and improve their standard of living.	*Part C – Unit 18*
Micro Loans/ Micro Credit	The extension of small loans to those in poverty to help spur entrepreneurship and bring people out of poverty.	*Part C – Unit 19*
Monetary Policy	The Federal Reserve sets monetary policy for the banking system, to stimulate or restrict the growth of the money supply. To stimulate the growth, the Federal Reserve, makes it easier for banks to make more loans by lowering interest rates, making it less expensive for businesses and consumers to borrow money which they can then spend and put back into the economy.	*Part B – Unit 7*
Money	Issued by government and also known as "legal tender, "it is a medium of exchange which has value. Usually coins and banknotes (dollars) and can be used to pay for goods and services. Money also is a unit of accounting to value goods, services and assets.	*Part A – Unit 1* *&* *Part B – Unit 7*
Money Story	A person's narrative about their financial life in relation to and past events that have shaped their history about finances and money.	*Part A – Unit 1*

Monopoly	A type of market which only one seller facing many buyers.	*Part B - Unit 6*
Mortgage	A debt instrument or loan, secured by the collateral of a specified real estate property that the borrower is obliged to pay back with a predetermined set of payments. Mortgages are used by individuals and businesses to make large real estate purchases without paying the entire value of the purchase up front. Over a period of many years, the borrower repays the loan, plus interest, until h/she eventually owns the property free and clear. Mortgages are also known as "liens against property" or "claims on property." If the borrower stops paying the mortgage, the bank can take ownership of the property (foreclose).	*Part A – Unit 1* *&* *Part A – Unit 2* *Part A – Unit 4*
Oligopoly	A type of market which a few sellers facing many buyers.	*Part B-Unit 6*
Pension	A paycheck when you are no longer working as a result of financial contributions that were made during years of work. It is usually a scheduled month or bi-monthly payment from an investment fund that a person (or their spouse or beneficiary) and/or their employer has contributed to during their working life.	*Part A – Unit 3 Goals*
Plausible Inflation Hedges	An investment that is considered to provide protection against the decreased value of a currency, an inflation hedge typically involves investing in an asset that is expected to maintain or increase its value over a specified period of time. Alternatively, the hedge could involve taking a higher position in assets which may decrease in value less rapidly than the value of the currency.	*Part B – Unit 10*
Pre-tax Dollars	Total income before an individual pays any income tax or other tax, but after he/she takes deductions. For example, suppose one's salary is $50,000. If the person takes $10,000 in tax deductions, his/her pretax income is only $40,000.	*Part C – Unit 18*
Predatory Credit	Also known as Predatory Lending is the unfair, deceptive, or fraudulent practices of some lenders during the loan origination process. While there are no legal definitions in the United States for predatory lending, it is broadly defined as imposing unfair and abusive loan terms on borrowers. Though there are laws against many of the specific practices commonly identified as predatory, various federal agencies use the phrase as a catch-all term for many specific illegal activities in the loan industry. These abusive practices include extremely high loan origination fees or management fees, excessive high interest rates and short timeframe for repayment.	*Part C – Unit 18*

Prevailing Wage	Employees performing work on federal, state and municipally funded construction jobs are typically entitled to compensation at no less than the "prevailing wage" rates that are deemed to be prevailing in the locality where the work is performed.	*Part B - Unit 9*
Private Enterprise	Basis of a free market or capitalist system, it is a business that is established, owned, and operated by private individuals for profit, instead of by or for any government or its agencies.	*Part B – Unit 6*
Pro Bono	Work that is done without compensation for the public good.	*Part C – Unit 18*
Production	The action of making or manufacturing from components or raw materials, or the process of being so manufactured. Taking raw materials and turning them into consumable goods.	*Part B – Unit 6*
Progressive Income Tax	A tax where the average tax rate increases as income increases. Other may disagree but I think we should just stick to defining the concepts instead of editorializing about them. That's why I crossed so much out. If the majority disagrees with me, then we can put it back in.	*Part B – Unit 6* *&* *Part B – Unit 7* *Part C – Unit 17*
Proportionate Income Distribution	In a proportionate distribution, a partner receives the appropriate share of certain ordinary income-producing assets of the partnership. A disproportionate distribution occurs when the distribution increases or decreases the distributee partner's interest in certain ordinary income-producing assets.	*Part B – Unit 14*
Purchasing Power	The value of a particular monetary unit in terms of the goods or services that can be purchased with it. For instance: how strong the dollar is compared with other currencies.	*Part B – Unit 10*
Rate of Return	A profit on an investment over a period of time, expressed as a proportion of the original investment. The time period is typically a year, in which case the rate of return is referred to as annual return and is represented in a percentage.	*Part C – Unit 19*
Raw Materials	Natural resources, unprocessed, or minimally processed goods used in the production of other goods and services. Oil, wood, and coal are three examples.	*Part B - Unit 6*

Recession	Business cycle period of temporary economic decline during which trade and industrial activity are reduced, generally identified by a fall in the number of services and products produced that occurs in two successive calendar quarters. Synonymous with economic decline and downturn.	*Part B – Unit 6* *&* *Part B – Unit 12*
Regressive Taxation	A tax where the average tax rate decreases as income increases.	*Part B – Unit 7*
Regulated Banking Practices	Laws that regulate the behavior and practices of business, labor, consumers, and the quality of the banking environment. These regulations were created to oversee and guide the institutions that respond to changing economic conditions such as economic slowdown.	*Part A – Unit 2* *&* *Part B- Unit 7*
Retirement Nest Egg	A substantial sum of money that has been saved or invested for the specific purpose of having income when employment ends. "Nest egg" has been used to refer to savings since the late 17th century. The term is believed to have been derived from poultry farmers' tactic of placing eggs – both real and fake – in hens' nests to induce them to lay more eggs, which meant more income for these farmers.	*Part B – Unit 5*
Retirement Planning	Planning to be prepared for life after paid work ends. This refers to both financial planning as well as non-financial aspects including choices about lifestyle, such as how to spend time when you are no longer working, where to live, when to completely quit working and other life changing decisions.	*Part A – Unit 3 Goals*
Savings	Traditionally, money that is held aside to help cover unexpected expenses and accumulate assets for the future.	*Part C – Unit 18*
Secured Account	A deposit account that has collateral attached to it. This is usually secured by other cash deposits or assets.	*Part C – Unit 19*
Secured Bank Vehicle	A secured loan that has collateral attached to it. This type of loan generally has a lower interest rate because the bank is taking a lower risk because it can collect the collateral if you default on payments. This can mean a mortgage where the loan is secured by the value of the property.	*Part C – Unit 19*

Self-Regulating	Control by oneself or itself, as in an economy, business organization, etc., especially such control as exercised independently of governmental supervision, laws, or the like.	*Part B – Unit 15*
Single Payer System	A system in which the government, rather than private insurers, pays for all health care cost associated with a standard benefits package. (I put this here because I think it's possible (perhaps necessary) for a single payer system not to cover all health care costs; cos-metic surgery just because someone wants a prettier nose than they were born with might be something not covered) Single-payer systems may contract for healthcare services from private organizations (as is the case in Canada) or may own and employ healthcare resources and personnel (as is the case in the United Kingdom). The term "single-payer" only describes the funding mechanism—referring to health care financed by a single public body from a single fund—and does not specify the type of delivery system or for whom doctors work.	*Part B – Unit 7*
Social Mobility	The movement of people from one socioeconomic group into another one. This movement can be into a lower or higher group, where lower or higher is determined by some way of measuring the level of a particular socio-economic grouping.	*Part C- Unit 16*
Stock Market	The market in which shares of publicly held companies are issued and traded either through exchanges or over-the-counter markets. Also known as the equity market, the stock market is one of the most vital components of a free-market economy, as it provides companies with access to capital in exchange for giving investors a slice of ownership in the company.	*Part C – Unit 19*
Stocks	A type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings.	*Part C – Unit 19*
Subprime Loans	In finance, subprime loans refer to lending or making loans to people who may have difficulty maintaining the repayment schedule, sometimes reflecting setbacks such as unemployment, divorce, medical emergencies, etc. Historically, subprime borrowers are defined as having a low credit score and therefore are "desperate" and take loans that have higher interest and repayment schedules.	*Part C – Unit 19*
Surplus	More than what is needed or used, excess, and is synonymous with extra, left-over and savings. Surplus essentially refers to the positive difference between inflows and outflows. When you have more money than you need to cover your costs or expenses, you have a surplus of money.	*Part B – Unit 6* *&* *Part B – Unit 11*

Tax Credit	A benefit paid to *workers/taxpayers* through the tax system. It has the effect of increasing, rather than reducing net income.	*Part C – Unit 16*
Tax Returns	In the United States, taxpayers file reports with the Internal Revenue Service (IRS) or with the state or local tax collection agency. Tax returns are generally prepared using forms prescribed by the IRS or other applicable taxing authority and contain information used to calculate income tax or other taxes.	*Part B – Unit 14*
The Business Cycle	The United States and all other modern industrial economies experience regular business cycles, often called economic ups and downs. In some years, most industries are booming and unemployment is low; in other years, most industries are operating far below capacity and unemployment is high. Economists refer to periods of economic prosperity as expansions or booms and periods of economic decline as recessions, depressions or busts. They call the combination of bust to booms to bust again , the business cycle.	*Part B – Unit 6*
Unearned Income	Any earnings that come from investments and other sources unrelated to employment. Examples of unearned income include interest from a savings account or bonds, capital gains, dividends from stock income from rental property, as well as gifts, inheritances, royalties, in-kind support, awards, prizes, alimony and child support. This income is taxable though sometimes at rates lower than regular income earned through employment, including self-employment.	*Part A – Unit 1*
Unemployment Insurance	A social welfare program in the U.S. which, under certain conditions, pays those who are unemployed a temporary stipend which is a specific proportion of their previous income while working up to a certain maximum amount.	*Part B -Unit 12*
Variable Cost	A cost that varies with the level of output. For example, gas costs associate with operating a car, they can vary depending on how much you drive.	*Part D – Unit 21*
Wage Floor	Set by law or contractually, it is the lowest hourly, daily, or monthly wage that an employer may legally pay to employees.	*Part B – Unit 9*

Wealth	An abundance of valuable possessions or money. A great quantity or store of money, valuable possessions, property, or other riches such as home, savings and investments.	*Part A — Unit 1*
Zero-sum World	There is only so much corporate income in a given year. The more of that income that is used to pay workers, the less profit the corporation makes. The less profit, the less the stock goes up. The less the stock goes up, the less the CEO and the investors make. It's as simple as that. Profit equals income minus expenses. No more, no less. Subtract the right side of the equation from the left side and the answer is always zero. Hence the term, "zero-sum."	*Part B — Unit 14*