

Grade 8
Unit 9 Vocabulary

Financial Literacy

(8.12ABCDEFG)

Interest - A fee paid for borrowing money or profit that grows in a savings account or through an investment

Money paid for the use of other money



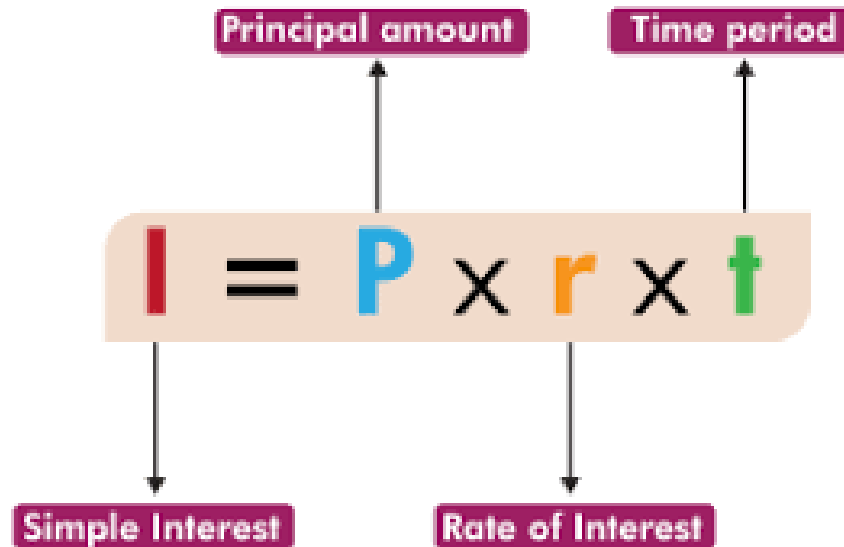
Investing - Using money with the goal of increasing wealth over time.

Something we put our money in to help it grow



Simple Interest - Interest that is only on the principal loan or investment

Interest on the original dollars only



Compound Interest - Interest earned or paid on the principal AND previously earned interest

Interest on the original dollars and interest dollars

Compound interest

$$A = P(1 + r)^t$$

P = money borrowed or invested

r = annual interest rate

t = the length of time you borrow or invest

A = accumulated amount

Cost of Credit - The additional amount, over the amount borrowed, that a borrower pays; the interest that is accrued

Extra amount that the borrower has to pay



COST OF CREDIT

SALE!
~~\$999~~
\$799






19.49% APR
Min Payments

TOTAL PAID
\$1,822



PERSONALFINANCECLUB

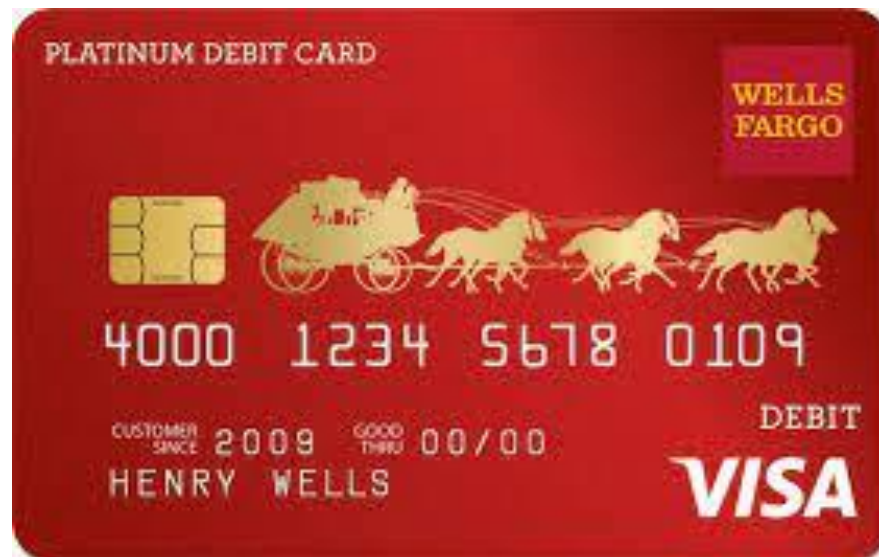
Principal - The total amount of money borrowed (or invested), not including any interest or dividends.

The amount of money borrowed or invested



Debit Card - A card issued by a bank allowing the holder to transfer money electronically to another bank account when making a purchase.

A payment card that deducts money directly from your checking account



Credit Card - A small plastic card issued by a bank, business, etc., allowing the holder to purchase goods or services on credit.

A payment card that allows you to make a purchase and pay for it later.



Stored Value Card - A payment card with a monetary value stored on the card itself, not in an external account maintained by a financial institution.

A gift card



Online Payment App – Digital wallets that securely store the user's credit card or debit card information. The customer either uses the mobile app on their phone or selects that app option on the merchant's website at checkout.

Apps that can transfer \$

