

Glossary

Advertising	Advertising is a way of letting people know about the products or services that you are offering by putting adverts in places like newspapers, magazines, the internet, television or radio.
Afford	Being able to afford something means having enough money to buy it without borrowing from someone else. If someone has money , but says they 'can't afford' something, it may be because the money they have needs to be saved or spent on something else.
Amount	The amount of something describes how much there is of it, e.g. number, value , size.
Bank	A bank is a business that looks after your money for you by keeping it safe in a bank account . Banks lend money to people to help them buy things like houses and cars. People usually have to pay interest on money they borrow from a bank, which helps the bank to make a profit .
Bank account	A bank account is a service provided by a bank or building society to keep your money safe. Your bank will send you a record of how much money you have given them to look after in your bank account , which is known as a bank statement. You can pay money into your bank account to save it, take money out when you need it, and pay bills through your account. When you leave money in your account, some banks pay you interest .
Bank transfer	A bank transfer is when money in your bank account is sent directly via electronic payment to another bank account in someone else's name or to a business.
Barter	Before coins and notes were invented, people used to swap items such as animals and food. This was known as bartering .
Borrow	Borrowing money means that you are receiving money from somewhere that you intend to pay back. You might borrow informally from friends and family or take out a formal loan , with a written agreement from a bank or building society .
Budget	A budget is a plan that helps you to keep track of your money and know how much you can afford to spend . If you have a set budget for buying something this is the amount of money you have available to spend .
Building society	A building society is an organisation that is owned by its members, who may be customers saving or borrowing from the society. They often offer a range of financial services and are similar to banks .
Buy	To buy something means to pay money for it.
Cash	Cash is money in the form of notes and coins .
Cash machine	A cash machine is a machine that lets you get cash out of your bank account using your debit card . It is also known as an ATM, or automatic teller machine.
Cash register	A cash register is a machine in a shop or restaurant where cash is kept and is used to add up and record how much money people need to pay for what they are buying . This is sometimes known as a 'till'.
Cashier	A cashier is the person you pay money to when you buy something, for example in a shop. You will usually find cashiers behind a cash register .

Change	Change is the money returned when you pay for something with more cash than it costs , so you pay a little more and receive the rest of the money back. For example, if your apples cost £2, but you give the cashier £5, you will receive £3 change.
Cheap	Something might be described as cheap if it costs less money than usual, or less than you thought it would.
Coins	Coins are small, flat pieces of metal with different amounts on them that are used as money . In the UK, there are coins for the following amounts : £2, £1, 50p, 20p, 10p, 5p, 2p and 1p. Coins are often bronze, silver or gold in colour and come in different shapes and sizes.
Cost	The amount of money that is needed to buy something, do something or make something is known as the cost .
Counterfeit	If something is counterfeit this means it is fake or an unauthorised copy made to make people believe it is the real thing.
Credit card	A credit card is a small plastic card available to people 18 year olds and older from most banks , which allows you to borrow money up to a certain limit. A credit card lets you buy something without having to pay for it right away. Every month you are sent a statement to show how much you have borrowed and how much you need to repay. If you don't repay the full amount , you will start paying interest .
Credit union	A credit union is a community-focused, non-profit making organisation that encourages saving and lends money to members at low interest rates . To use a credit union you have to become a member.
Currency	Currency means money in any form used to buy goods and services e.g. euro, pound, dollar. Different countries use different currencies.
Debit card	A debit card is a small plastic card used to pay for things in a shop or online without using cash or a cheque. You can also use your debit card to take cash out of your bank account from a cash machine . When you make a payment or take cash out with your debit card, the money is taken straight out of your account electronically, if you have the money available to spend . You cannot borrow money on a debit card.
Debt	Debt is money that you owe to another person or organisation that needs to be paid back. People often pay off their debts by paying small amounts back each week or month.
Deductions	Deductions are amounts of money taken from your gross pay directly by your employer. Deductions are usually taken from your wages or salary for income tax , national insurance , pension contributions, and student loan repayments.
Deposit	When you put money into your bank account it is called making a deposit . When you make a deposit, the amount you have in your bank account goes up. Deposit can also mean a payment that secures the purchase of something, which is normally a percentage of the total amount .
Earn	To earn money means to get money in return for work that you do.
Electronic payment	An electronic payment refers to any kind of payment that does not involve cash . Electronic payments use a system to transfer money between banks . This allows companies to pay wages directly into workers' bank accounts , or for people to pay for things with debit cards or credit cards .
Essential	If something is essential then it is extremely important or absolutely necessary. For example, it is essential for people to have food in order to survive.

Expenses	Expenses are things that you need to spend money on in order to live, such as rent, bills and food.
Fair trade	The fair-trade movement aims to make sure that workers and producers get paid fairly.
Financial records	Financial records are written information about money matters, such as what has been spent and what has been saved . The bank statement for your bank account is an example of a financial records. These may be printed on paper or provided electronically.
Gift card	A gift card is a small plastic card with a specified amount of money on it, which can be given to someone as a gift and use to pay for things.
Gross	The gross amount of money means the total amount of money before any deductions , such as income tax or National Insurance . For example, if a person earns £10 per hour, and works 40 hours, the gross amount will be £400.
Income	Income is any money that comes to you through earnings, gifts, selling things you own, from your parents etc.
Income tax	Income tax is a tax that you have to pay on almost all types of income . Income tax goes to the Government for the work that it does, such as improving schools and fixing roads. Income tax is taken from your income and the amount you pay depends on how much money you earn and can change every year.
Interest	The reward you get for keeping your money with a bank or building society . It is also the cost you pay when you borrow money through a loan or credit card . For example, if you take out a £100 loan from a bank with a 5% interest rate over a year, your interest would be £5, so your total repayment would be £105 at the end of that year.
Interest rate	The interest rate refers to a percentage of the total amount that is paid as interest on savings or charged as interest on loans . For example, if you take a one year loan of £500 with 10% interest rate, you would owe £550 after 12 months.
Job	A job is work that someone does, usually to earn money . People may have jobs for reasons other than money . However, people are usually paid for the jobs they do.
Lend	When you lend money you allow someone to use it for a period of time on the understanding that it will be paid back to you.
Loan	A loan is a sum of money that you borrow from a person or organisation, usually with interest .
Luxury	A luxury is something that you do not usually need but you want because you enjoy it.
Merchandise	Items that are bought, sold, or traded to celebrate or promote a particular brand or organisation. We might say that a sports team sells ' merchandise ', which are things that fans can buy such as t-shirts and hats.
Money	Money is a form of currency that can be used to pay for things. Many people keep their money in a bank account and use a debit card or credit card to make electronic payments . Cash is money in a physical form. Money can be earned by working a job .
Money box	A money box is small box that can be used to keep your cash safe and as a way of saving money .
National Insurance contributions	National Insurance contributions are a type of deduction that the Government collects from people's wages . They are used to pay for benefits that you might need to claim, and your state pension when you retire. A plastic card with your NI code is sent to all UK residents just before their 16th birthdays. Employers and employees both pay contributions.

Needs	Needs are the things you really cannot do without. A 'need' might be something such as food, clothes or a place to live.
Net	The net amount of money means of the amount of money remaining after deductions , such as tax , have been taken away. For example, if you earn £500 from a job , but have to pay £100 tax, you would be left with £400 net.
Notes	Notes are pieces of flexible plastic or paper with different amounts on them that are used as money . In the UK, there are notes for the following amounts : £5, £10, £20 and £50.
Offer	If an item in a shop is on offer , this usually means it is reduced in price . For example, when you buy one item and get a second item at half price or 20% off the original price .
Online payment	An online payment is a transfer of money from one person or organisation to another made through the internet. You might make an online payment when ordering clothes or games on the internet. To make an online payment you need to use your bank details, or debit/credit card details. You are not allowed to make a payment using someone else's details.
Owe	When you owe money this means that you have borrowed money from someone and still need to pay it back.
Paid	Getting paid means receiving money for work you have done or in return for something you have sold.
Pay	When you pay someone you give them a sum of money . You may pay someone because you are buying something from them, because they have done some work for you, or because you owe money to them.
Pension	A pension is income paid regularly by the government or a private company to a person who does not work anymore because they have reached retirement age.
Price	The price is the amount of money that you have to pay to buy or do something.
Price per unit	The price per unit is amount of money it costs for one item. Something might have a price for a pack of 3, but it may also show the 'price per unit' which would be the cost of 1 of the items in the pack. For example, 3 tins of soup for £3 is a price per unit of £1 per tin.
Price tag	A price tag is a small piece of card or paper attached to an item for sale showing the price to pay if you want to buy it. You will often see price tags on supermarket shelves or on items of clothing in shops.
Priority	A priority is the most important thing you have to do or deal with before everything else. A spending priority might be something you need to buy , before you can spend money on something you want .
Profit	Profit is the amount of money left after all costs and expenses have been deducted from your income . For example, if a business has £1,000 and their expenses are £300, they are left with £700 profit.
Purse	A purse is a small bag or case that people carry their cash and debit cards or credit cards in. It is similar to a wallet .
Quality	The quality of something refers to how good or bad it is against something similar.
Quantity	The quantity of something refers to how much of the thing there is.

Salary	A salary is an amount of money paid to an employee for a job , usually paid directly to their bank account every week or month.
Save	To save means to put money aside to use in the future. Saving can also mean that you are spending less than you usually would on something. For example, if you receive £10 and put £3 aside in a money box or bank account for later.
Savings account	A savings account is a type of bank account that is designed specifically for you to save money in. Savings accounts usually pay more interest than a normal bank account , and are best for saving large amounts of money for a longer period of time.
Spend	To spend means to pay money for things that you need or want to buy .
Tax	Tax is a fee charged by a government when you buy a product (VAT), earn income (income tax) , or do an activity (road tax). Taxes help pay for public goods and services such as the police, the NHS, street lighting and street cleaning.
Value	The value of something means how much money it is worth.
Want	A want is something you would like to have because you enjoy or like it, but you do not need it.
Wallet	A wallet is a small flat folded case, usually made of leather or plastic, to keep cash and debit cards or credit cards in. Some people also use their wallet to keep items like receipts and tickets safe. It is similar to a purse .
Wages	Wages refers to the amount of money you are paid on a weekly or monthly basis for the work that you do.
Work	Work often refers to a job that someone does, which they are usually paid to do.

