**GLOSSARY**

**Budget:** A plan to balance income and expenses

**Commission:** A compensation to an employee on behalf of the company based on the revenue they generated

**Compound Interest:** Interest that is calculated based off of the original sum PLUS any value previously gained

**Credit:** The trust between a lender and the borrower

**Currency:** A system of money that is in use in a particular country or region

**Debt:** Something, typically money, that is owed or due

**Emergency Fund:** A reserve of money kept in the case of an emergency

**Exchange Rate:** The value of one currency for the purpose of conversion to another

**Expenses:** The cost required for something; the money spent on something

**Fee:** A payment made to someone for a service

**Gratuity:** A tip given on top of the original fee

**Gross Income:** An individual’s total earnings before taxes or other deductions

**Income:** Money received, especially on a regular basis, for work or through investments

**Income Tax:** A type of tax that governments impose on income generated by businesses and individuals

**Interest:** Money paid regularly at a particular rate

**Loan:** A thing that is borrowed, especially a sum of money that is expected to be paid back with interest

**Mortgage:** A type of loan often used to buy a home or other property

**Net Income:** An individual’s total earnings minus income taxes or other deductions

**Principal:** The original sum of money borrowed in a loan or put into an investment

**Rent:** A regular payment to a landlord for the use of property or land

**Salary:** A fixed amount of money paid to an employee

**Sales Tax:** A tax imposed by the government on the sale of goods and services

**Simple Interest:** Interest that is calculated based off of the original sum, or principal

**Tax:** A sum that is paid to the government for public goods and services

**Wage:** An amount of money paid per hour of work