Pennsylvania
Department of Education

Personal Finance Glossary | Grades 3 to 5

The terms in this glossary relate to the Academic Standards for Personal Finance in the Grades 3 to 5 grade band. The definitions illustrate how to explain these concepts in an age-appropriate manner. Click a letter to navigate to that section of the glossary.

A • B • C • D • E • F • G • H • I • L • O • P • R • S • T • V • W

A

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Account: A record of money kept at a bank or credit union

Advertisement: A message that tries to get people to buy or do something

Asset: Something a person owns

Attitude: How a person thinks or feels that can shape money choices

Auto insurance: Insurance that helps pay for damage or injury from a car accident

Automated teller machine (ATM): A machine that lets people take out or add money to their bank account

B

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Balance: The amount of money left after spending or adding more

Bank: A business that keeps people's money safe and helps with saving or borrowing

Borrow: To take money or something for a time and give it back later

Borrower: A person who borrows money or things and must return or repay them

Borrowing: Using something that belongs to someone else and returning it later

Budget: A plan for how money will be saved and spent

C

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Cash: Paper money and coins used to pay for things

Cause: A reason why someone supports or helps with an activity or project

Charity: Giving money, time, or items to help others

Check: A written order that tells a bank to pay money from an account

Checking account: An account that lets people pay for things using checks or debit cards

Choice: A decision between two or more options

Conversation: A talk where people share thoughts, ideas, or plans

Cost: The amount of money needed to buy or do something

Credit: Money that a person can borrow now and pay back later

Credit card: A card that lets a person buy something now and pay for it later

Credit union: A place where members keep money safe and can borrow or save together

D

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Debit card: A card that takes money directly from a checking account to pay for something

Decision: Choosing what to do after thinking about the options

Donation: Money or goods given to help others

E

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Earn: Money received for doing work

Earning: Money a person gets for doing work or helping others

Education: Learning, knowledge, or skills through school or experience

Emergency: An unexpected event that needs quick action or money

Entrepreneur: A person who starts and runs a business

Entrepreneurship: The process of planning and running a business to earn money

Expense: Money spent on goods or services

Experience: Something a person has done or learned from in the past

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Fees: Extra charges for a service or for borrowing money

Financial decision: A choice about how to use or manage money

Financial goal: A money-related goal, such as saving for something important

Financial institution: An organization, such as a bank or credit union, that helps people save, spend, borrow, and manage money

Flood insurance: Insurance that helps pay for damage caused by flooding

Fraud: When someone lies or tricks others to take money or personal information

Fundraising: Collecting money to support a cause or activity

G

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Gift card: A card worth a set amount of money that can be used to buy things

Gifts: Something given to another person without expecting payment

Goal: Something a person wants to do or achieve

Goods: Something people make or buy

H

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Habit: Something a person does often, usually without thinking about it

Health insurance: Insurance that helps pay for medical care

Household: People who live together in a home and share responsibilities

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Identity theft: When someone steals another person's personal information

Income: Money a person gets from work, gifts, or other sources

Information: Facts or details about someone or something

Installment: One of several small payments made over time to pay for something

Insurance: A plan that helps people pay for losses or damage when something unexpected happens

Interest: Money earned for keeping money in an account or paid for borrowing money

L

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Lender: A person or business that lets someone borrow money

Loan: Money borrowed that must be paid back, usually with extra money called interest

Long-term: Lasting for a long time, often many months or years

Long-term goal: A goal that takes a long time to reach, often many months or years away

O

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Opportunity cost: What a person gives up when choosing one thing instead of another

P

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Password: A secret word or code that protects accounts and personal information

Payment: Money given to pay for something

Plan: A set of steps that help a person reach a goal

Premium: The amount of money paid regularly for insurance

Price: How much money something costs

Prioritize: To decide what things are most important to do or pay for first

Priority: Something that is more important than other things

Privacy: The right to keep personal information safe and not shared without permission

Purchase: Something that has been bought

R

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Rent: Money paid for using someone else's property, such as a home or apartment

Repay: To pay back money that was borrowed

Repayment: The act of paying back borrowed money

Responsibility: Doing what is expected and taking care of tasks

Risk: The chance that something bad or unexpected may happen

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Safety net: Money or support to help during hard times

Salary: Money paid to a worker on a regular schedule for doing a job

Sales tax: Money added to the cost of certain things people buy

Save: To set aside money to use later for needs or goals

Saving: Putting money aside instead of spending it right away

Savings: Money set aside to use later

Savings account: An account that helps people save money and sometimes earn interest

Security: Feeling or being protected from harm or loss

Service: Work done to help others, often for pay

Short-term: Lasting for a short time or happening soon

Short-term goal: A goal that can be reached soon, such as in a few weeks or months

Skill: The ability to do something well

Spending: Using money to buy things or pay for services

Supplemental income: Extra money earned in addition to a main job

Support: Helping or caring for a person, group, or cause

T

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Tax: Money people pay the government to help provide services for everyone

Trade-off: Giving up one thing to get something else

Training: Practice or study that helps a person learn to do a job

Trust: Belief that someone or something is honest and reliable

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Value: How much something is worth

W

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Wages: Money earned for each hour or piece of work done

Wants: Things people would like to have but do not need to live, like toys or snacks

Work: Tasks or activities people do to earn money