

Choose to Save Vocabulary List

	TERM	DEFINITION
1	Compound interest	Earning interest on interest
2	Consumption	The purchase of goods and services
3	Do it yourself	When you complete a task yourself rather than paying someone else
4	Emergency savings	Cash set aside to cover the cost of unexpected events
5	Interest	Price paid for using someone else's money
6	Interest rate	Percentage rate used to calculate interest
7	Liquidity	How quickly and easily assets can be accessed and converted into cash
8	Pay yourself first	Saving for the future by putting money aside before paying regular monthly bills or using income for discretionary purchases
9	Principal	The original amount of money saved or invested
10	Saving	Accumulation of excess funds by intentionally spending less than you earn
11	Savings	Portion of income not spent on consumption
12	Time value of money	Money available at the present time (today) is worth more than the same amount if received in the future