



## Content Vocabulary: Personal Finance

### DECISION MAKING

**Alternative** – One of many choices or courses of action that might be taken in a given situation

**Choice** – Decision made or course of action taken when faced with a set of alternatives

**Customs** – Long-established practice or habit by a person, family, or society

**Delayed gratification** – Making an economic choice to postpone a reward

**Evaluation** – Setting criteria to help establish value or worth

**Goods** – Tangible objects that satisfy economic wants

**Human Capital** – The health, education, experience, training, skills and values of people. Also known as human resources

**Impulse purchase** – Making a purchase without comparing prices and benefits beforehand

**Long-term goal** – Something a person or organization plans to achieve at least five years in the future

**Media literacy** – Using critical thinking to analyze mass media and its messages

**Needs** – Items you must have to live

**Opportunity Cost** – The value of the best alternative you give up when scarce resources are used for one purpose rather than another

**Peers** – Those belonging to the same societal group based on age, grade or status

**Priorities** – Judging among alternatives, especially when goods or services are in short supply

**Pay Yourself First (PYF)** – Putting money into savings each month (or each paycheck) before paying other bills

**Resources** – Items that are useful in the process of achieving goals; natural, human and capital resources are used to produce goods and services

**Risk** – The possibility of variation in the return on an investment

**Scarcity** – In an economic system choices are made about how resources will be used because it is not possible to produce all goods and services that people want

**Services** – Actions performed to satisfy economic wants

**Short-term goals** – Something a person or organization plans to achieve within a one-year time period

**Standards** – Established measure of quality or quantity

**Time-value-of-money** – Money received today is worth more than the same amount received later due to its earning potential

**Unintended consequences** – Unexpected results of a decision or action

**Values** – Strongly held beliefs or principles about what is right or wrong, or what is valued

**Wants** – The items people wish to have, but that are not necessary for survival