



# LifeSmarts

Learn it. Live it.

## Content Vocabulary: Personal Finance

### MAKING MONEY VOCAB KEY

<i>Vocabulary term</i>	<i>Definition</i>
Bartering	The mutual exchange of goods and services
Benefits	Something worth a monetary value that an employer provides to employees in addition to salary. This can include items such as health insurance, vacation time, and sick pay
Bonus	Money (or something else of value) given to an employee in addition to regular pay, often a reward for job performance
Business Profit	Gross business income minus operating expenses
Capital Gain	Profits from sale of assets, such as stocks, bonds or real estate that are not taxed until the asset is sold
Commission	A percentage of sales received as income
Compensation	Wages plus fringe benefits
Dividend	A distribution of money or stock that a corporation pays to stockholders
Fee	A pre-determined amount of money for a service performed
Gross Income	Income before payroll taxes are removed from the paycheck
Hourly Wage	The rate of pay for each hour worked during a regular workweek
Interest	Money paid for allowing someone else to use your money



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Minimum Wage	The lowest hourly wage allowed by state or federal law
Net Pay	Take home pay after payroll taxes and voluntary deductions are removed
Non-Taxable Fringe Benefit	These benefits are not included in gross income. Examples include health & dental insurance or access to a company gym
Overtime	The rate paid during the workweek after an employee has worked 40 hours. This rate is usually 1-1/2 times the hourly wage
Pension	Income received from a retirement fund when the worker leaves the workforce and has reached retirement age
Perk	Compensation that is not wages. Perks make the job more enjoyable, convenient or help the worker perform on the job
Piece Rate	The type of pay workers receive when they earn money for each item produced
Rent Income	Income received for the use of real property
Royalties	Income earned when others use your original work
Salary	Money paid for an employee to perform a set of duties, usually paid bi-weekly or monthly
Taxable Fringe Benefit	The value of these benefits must be included in your taxable income. Personal use of a company car is an example
Tip or Gratuity	A small gift of money, usually in return for a service; also called a gratuity
Transfer Payment	Income paid by government to individuals who are not working