



**LifeSmarts U Personal Finance Lesson
Mint Simulations Content Vocabulary**

Budgeting	
50/30/20 Rule	Financial planning guideline that suggests spending no more than 50% of disposable income on needs, 30% on wants, and allocating 20% to saving or paying off debt
Budget	An organized plan for saving and spending based on your expected income and expenses
Categorize	Organizing spending by essential and non-essential, then by groups of similar purchases
Disposable income	The money you have to spend or save as you wish after taxes, social security, and other required and optional deductions have been withheld from your gross pay
Emergency fund	An amount of money set aside to cover bills in case of emergency
Expenses	The things people pay for with their money
Financial plan	A plan of action that allows a person to meet not only the immediate needs but also the long-term goals
Fixed expenses	Expenses that remain the same each month
Flexible expenses	Expenditures that change each month and can be reduced or eliminated if necessary
Liabilities	Money owed to individuals, businesses, or institutions
Needs	Items necessary to live, such as clothing, food and shelter
Pay Yourself First	The concept of putting aside a sum of money into savings each month before paying other bills
Recordkeeping	To write down information about a transaction or series of transactions
Saving	The process of setting aside money until a future date instead of spending it today, to provide funds for emergencies, short-term goals, and investments
Short-term goal	Something a person plans to achieve within a one-year time period

Spending	The act of paying money for something
Spending habits	The ways in which a person typically uses money
Variable expenses	Expenses that increase or decrease
Wants	Items that are desired, but that are not needed to live