

Personal Finance



***DON'T WANT TO
BE BROKE?
LEARN HOW TO
MANAGE YOUR
MONEY!***

Income

- How much money you make doing your job
- People have to decide how much to spend and save



Credit

- The ability to borrow money
- No one wants to lend money to people who have a history of not paying them back
- Examples: car loans, home mortgage, credit cards, student loans



Interest

- When you borrow money from someone, you have to pay it back plus interest
- It is best to borrow money when interest rates are low



Saving

- The income not spent after people buy all of the things they need or want



Investing

- When a person risks their money now, because they believe they will receive a greater profit in the future
- Example: I buy 20 Playstation 4s, because I believe I can convince people to buy them for more than I spent.

