

Financial Glossary for Kids

Checking account: an account at a safe place, such as a bank or credit union, where money is kept and can be taken out as needed to cover expenses.

Credit: the ability to borrow money, up to a certain amount, such as through a credit card.

Credit card: a plastic card allowing the cardholder to borrow money for purchases in exchange for interest charged against the card balance.



Debt: money that is owed as a result of borrowing.

Debit card: a plastic card that uses the money in the cardholder's checking account to fund transactions.

Interest: the fee for borrowing money from a lender.



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Interest rate: the rate at which interest is charged or paid.

Investment: an asset or share that is purchased in the hope of earning money, such as a real estate property or a piece of a company.



Loan: money borrowed from a bank, credit union or private lender.

Mortgage: a loan that is used to buy a house.

Savings account: an account at a bank or credit union to safely keep your money and let your savings grow.



Stock: ownership in a company that is sold to raise money. The stock rises in value when the company is doing well and the stockholder can then sell their stock to earn money.

