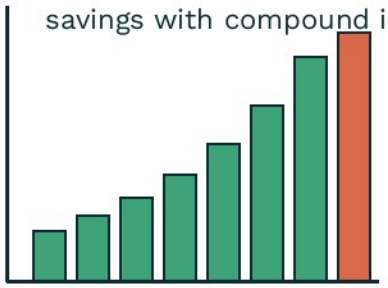
Personal Finance and Interest

How money grows and costs

WHAT IS IT?

Personal finance is the skill of planning what you earn, spend, save and borrow. Interest is the price of money over time: it grows savings and adds to the cost of loans.



THE BIG IDEAS

1. Spend less than you earn and save the difference.
2. Compound interest earns interest on interest, so starting early helps.
3. Borrowing costs more than the amount borrowed: check the rate and the total.
4. A written budget sends money where you decide.

YOU SEE IT WHEN ...

- Savings accounts and loans
- Prices, sales and tax at the checkout
- Phone plans and subscriptions

WORDS YOU WILL MEET

Budget
a plan for income and spending

Interest
the cost of borrowing or the reward for saving

Principal
the starting amount of money

APR
the yearly cost of borrowing, as a percent

Credit
borrowing now and paying back later

Inflation
prices rising over time

GOOD TO KNOW FIRST

Percentages and decimals.

IN YOUR COURSE YOU WILL ...

- Build a monthly budget
- Compare loans and credit costs
- Compute simple and compound interest
- Set and track savings goals

Start tip: Set one savings goal and track it each month.

creouts.com · © Creouts Publishing · Free for home and classroom use · Not for resale or redistribution