Economics Vocabulary

1. APR – Annual Percentage Rate for interest paid on a credit card.
2. Check – A written order directing a bank to take money from your account and pay someone you have designated on the order.
3. Co-pay – A partial payment for benefits or services ( example : a doctor’s bill)
4. Co-sign – To add your signature to a loan made by someone else, promising that you will repay if the other person does not.
5. Credit Card – A card that allows an individual to charge the cost of a purchase to a credit account (an instant loan)
6. Credit limit – The amount of money a bank or Credit Card Company is willing to loan you.
7. Credit rating – A report that tells how well you repay your loans.
8. Debit card – A card that allows an individual to pay for a purchase with money electronically withdrawn from his/her account (operates like a check)
9. Deductible – The amount that an individual must pay before the insurance company pays its share.
10. Defaulting on a loan – Not paying a loan as promised
11. FICA – Federal Insurance Contribution Act; also known as Social Security tax (payroll tax that supports a minimum living allowance in retirement)
12. Fixed income – Income that cannot be increased
13. Gross pay – Total pay before payroll taxes
14. Liability insurance – Insurance that may protect individuals from lawsuits where they may be at fault
15. Minimum hourly wage – A dollar amount per hour established by the government that defines the least amount all employers must pay their employees.
16. Minimum payment – The least amount you may pay on a credit card account.
17. Net – Total pay minus taxes
18. Net worth – The value of your assets minus your debts.
19. Payroll taxes – Taxes taken out of your pay before issuing the paycheck, including federal income tax, FICA, and Medicare
20. PIN number – a secret number that an individual uses to identify him/herself at an ATM machine.
21. Principal – The initial amount of a loan before interest charges
22. Property tax – Taxes paid to the town, city and/or county based on the value of your house and land.
23. Take home – Another name for net pay.