

Personal Finance Definitions

Following are some definitions for student and teacher reference:

Save:

- a. **student definition:** keep or put aside money for future wants or needs.
- b. **teacher expanded definition:** to put by as a store or reserve (such as part of an allowance each week); to accumulate or put aside for a particular purpose or occasion (a favorite shirt for a special day or some candy to share with a friend).

Invest:

- a. **student definition:** save money in a way that increases its value for future donating or spending.
- b. **teacher expanded definition:** invest often refers to that part of what you save that is loaned out to others and receives interest (additional money payments paid to you besides payment for the amount you loaned out). Any kind of property can also be an investment if it grows in value.

Saving becomes investing when the resource (money, property, human labor and talent, gifts of nature) is directed to a place where it will increase in value. Students should know that in order to invest a resource like money, you must necessarily have saved it first. Even money earning very low interest in a standard bank savings account is technically invested. Invest is a subset of save.

Spend:

- a. **student definition:** use money for something you want or need.
- b. **expanded teacher definition:** to pay out, trade money for goods or services, use money freely. Spending includes paying taxes, donating to charity, and spending on other wants and needs.

Donate:

- a. **student definition:** give time, talent, or treasure with no expectation of something in return.
- b. **expanded teacher definition:** to voluntarily make a free gift or a grant of; contribute or give esp. to a charity or charitable cause (example: money for a soup kitchen or food pantry) or toward a public-service institution (example: someone donates a site for a park). Donate is a subset of spend.

