

*Use with Required Capital Currency Portfolio.



Capital Currency Dictionary

APR (Annual Percentage Rate)- This number expresses the interest rate and other fees that will be paid on a loan throughout the course of a year.

ATM (Automated Teller Machine)- A computerized machine that provides customers with a secure method of performing financial transactions in a public space without the need for a human clerk.

Bounced Check- This occurs if you write a check for an amount that is greater than the amount of money you have in your checking account. This will result in a fee.

Credit- A tool that provides the opportunity to buy something now and pay for it later.

Credit Report- A record of your credit activities. It lists any credit-card accounts or loans you may have, the balances, and how regularly you make your payments. Your credit report influences whether you are able to buy a home and get a job.

Credit Score- This is drawn from your credit report, which outlines your borrowing, charging, and repayment activities. A good score helps you reach financial goals; a poor score limits financial opportunities.

Debit- The amount of money you take OUT of an account. (This can also be called a withdrawal).

Debit Card- These cards, unlike credit cards, allow you to pay for a purchase by drawing money directly from your checking account.

Deposit- The amount of money you put IN to an account.

Grace Period- The number of days you have to pay your balance before a creditor starts charging interest. Once you receive your monthly bill, you will have three to four weeks (with most creditors) to pay your bill interest-free.

Identity Theft- This is when someone uses your personally identifying information, like your name, Social Security number, or credit card number, without your permission, to commit fraud or other crimes.

Interest- a: The income you receive when you buy a bond or put money into a bank. This is figured as a percentage of the amount of money you put in.

b: The amount of money that you must pay when you borrow money. This is also figured as a percentage of the amount of money you have borrowed.

Compound vs. Simple: Compounding interest is "interest on interest." Interest is added to the original amount, and this new value then gains more interest, and continues to the cycle. This leads to larger growth in shorter time. Simple interest is paid only on the original amount deposited and not on past interest paid.

IRA (Individual Retirement Account)- An investment account you can open to save for your retirement. You have to contribute earned income—money you made by working—and you can only contribute a certain amount annually.

Minimum Balance- The smallest amount you are required to pay for your credit card charges each month.

Register- A booklet where you can record your money transactions. You will most likely receive a register when you open a bank account.

Retirement- The time in an individual's life when he or she stops working; usually between the age of 55-70. Most people hope to retire someday so they can travel, relax, or do the things that they enjoy the most.

401(k)- A retirement savings plan that some employers sponsor for their employees. If you're eligible to open a 401(k) at work, you contribute pre-tax salary.