



Unit Vocabulary

- **Budget** – A plan that outlines an individual's or organization's expected income and expenses over a specific period, typically a month or year.
- **Income** – The total amount of money earned or received, including wages, salary, business profits, and other sources.
- **Expense** – The money spent or incurred for goods, services, or obligations during a specific period.
- **Fixed Expenses** – Regular and predictable costs that remain constant over time, such as rent, mortgage, or insurance premiums.
- **Variable Expenses** – Costs that fluctuate from month to month, like groceries, utilities, or entertainment.
- **Net Income** – The amount of money remaining after all expenses (including taxes) have been deducted from gross income.
- **Gross Income** – The total earnings before any deductions such as taxes, insurance, or retirement contributions.
- **Surplus** – The amount of money remaining after all expenses have been paid, often used for savings or investment.
- **Deficit** – A situation where expenses exceed income, resulting in a negative balance.
- **Savings** – Money set aside for future use, typically for emergencies or specific goals, that is not spent immediately.
- **Debt** – Money that is borrowed and needs to be repaid, often with interest, such as loans or credit card balances.
- **Cash Flow** – The movement of money into and out of an individual's or business's accounts, affecting the overall financial health.
- **Emergency Fund** – A savings reserve kept aside to cover unexpected expenses or financial emergencies, such as medical bills or car repairs.
- **Financial Goal** – A target or objective related to money, such as saving for a house, paying off debt, or building retirement funds.
- **Allocation** – The process of distributing resources, such as money, across various categories (e.g., savings, expenses, investments).