

LESSON 1

FINANCIAL LITERACY

Do you know your savings and investing terms?

As you grow older, money will play an important role in your life. Every day, you will choose to spend your money or save your money. If you make a choice to save your money, what will you do with it? Investing your money could be a smart choice. When you invest your money, you are using the money you have to hopefully make more money in the future.

In order to make smart decisions when you invest your money, it is important to know what the words related to investing mean. Research the words below using a resource such as moneyisok.org and then test your new knowledge by completing the crossword puzzle below. Good luck!

Use the following terms:

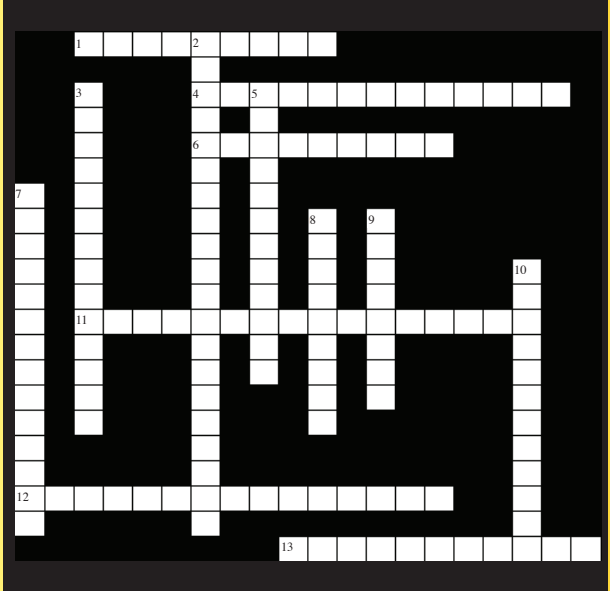
Liquidity, Risk Tolerance, Principal, Mutual Funds, Certificate of Deposit, Equities, Savings Bonds, Investing, Diversification, Rate of Return, Corporate Bonds, Compound Interest, and Savings Account.

Across

- The original amount of money deposited or invested.
- A measure of the likelihood of loss or profit and the uncertainty of an investment's rate of return. (2 words)
- Purchasing securities with the goal of increasing wealth over time, but with the risk of loss.
- Interest earned not only on the principal but also on the interest already earned. (2 words)
- Investing in a variety of stocks, bonds, money market accounts, etc, in order to spread risks.
- An investment tool that pools the money of many shareholders and invests it in a diversified portfolio. (2 words)

Down

- Issued by a bank to a person depositing money in an account for a specified period; a penalty is charged for early withdrawal. (3 words)
- A financial institution deposit account that pays interest and allows withdrawals. (2 words)
- A document representing a loan of more than one year to the U.S. government to be repaid, with interest on a specific date. (2 words)
- A certificate representing the purchaser's agreement to lend money to a business on the promise that the debt will be paid, with interest, at a specified time. (2 words)
- The quality of an asset that permits it to be converted quickly into cash without loss of value.
- A group of investments involving ownership of assets.
- Term for how fast money in savings account or investment grows. (3 words)



This lesson is consistent with the Oklahoma State Department of Education's Standard 5 of the Personal Financial Literacy Passport. For more resources, visit the Oklahoma Council on Economic Education's support website at www.moneyisok.org.

