

# Raise Glossary 16 - 19

**Arranged Overdraft:** Permission from your bank to spend more money than you have in your current account (usually with fees).

**Artificial Intelligence (AI):** Solving problems using computers and machines

**Attitude to Risk:** How comfortable you are with the possibility of losing money when investing. All investments carry some level of risk.

**Bonds:** Loans to companies or governments that pay interest. When you buy a bond, you essentially lend the company money for a set time.

**Building Societies:** A financial organisation owned by its customers (called members), mainly focusing on savings accounts and mortgages. Unlike a bank owned by shareholders who get the profits, a building society returns its profits to members through better interest rates on savings or cheaper mortgages.

**Capital Gains:** Profit made when selling an investment for more than you bought it for.

**Car Insurance:** Required protection that pays out if you have a car accident or your car is damaged or stolen.

**Cash ISA:** A tax-free savings account where your money is kept in cash.

**Charitable Causes:** Organisations or projects that help others to which you can donate money.

**Child Trust Fund:** A long-term savings account for children born between 1<sup>st</sup> September 2002 and 2<sup>nd</sup> January 2011, accessible at 18. The government issued each child with a starting payment voucher for their parents or guardians to put into a savings account in the child's name.

**Compound Interest:** When you earn interest on both your original money and previously earned interest, your money grows faster.

**Conveyancing:** The legal process of buying or selling a property.

**Current Account:** An everyday bank account used to pay for goods and services, receive money (e.g wages) and pay for bills.

**Deposit Account:** A savings account where you can put money away and earn interest.

**Dividend:** A payment made by a company to its shareholders from its profits.

**ESG:** Stands for Environmental, Social, and Governance - ways to assess how ethical and responsible a company is.

**Environment:** How business activities affect the natural environment and the planet, such as using renewable energy and dealing with problems caused by water pollution.

**Governance:** How companies are run and managed and how they value their customers and their communities.

**Social:** How companies treat their workers and affect communities by donating to charitable causes.

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**Entrepreneur:** Someone who starts and runs their own business.

**Ethical:** Making financial decisions based on morals and social responsibility.

**Financial Advice:** Professional guidance on managing your money.

**Financial Advisers:** Experts who provide personalised financial advice, often for a fee.

**Financial Conduct Authority:** The government body that regulates financial services in the UK.

**Financially Stable:** Having enough money to cover your needs without worrying.

**Fixed Rate Bond:** A savings account where your money is locked away for a set time with a guaranteed interest rate.

**Government Bonus:** Extra money the government adds to certain savings accounts or schemes.

**Green Investing:** Putting money into environmentally friendly companies or projects.

**Greenwashing:** When a company misleads people about how environmentally friendly or sustainable their products or practices are.

**Home Survey Costs:** Fees for a professional property inspection before buying.

**House Deposit:** The upfront amount you pay when buying a property.

**HM Land Registry:** The government department that records ownership of land and property.

**HM Revenue & Customs:** The UK government department that collects taxes.

**Human Rights:** Basic rights and freedoms that everyone should have.

**Impulsive Buys:** Purchases made without planning or considering the consequences.

**Income Tax:** The tax you pay on money you earn from employment, self-employment, or investments.

**Interest:** Money you earn on savings or money you pay on loans.

**Investing:** Putting money into something that could grow in value over time, like company shares. Investing involves more risk than savings, but it may earn more money in the long-term.

**Investment Fund:** A pooled investment where money from many investors is managed by finance professionals.

**Investment Strategy:** Your plan for how to grow your money over time.

**Land & Buildings Transaction Tax:** A tax paid when buying property in Scotland.

**Lifetime ISA:** A savings account to help people buy their first home or save for retirement.

**Living Expenses:** Everyday and regular costs like food, transport, and bills.

**Loan Interest:** The extra you must pay back when you borrow money.

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**Long-term:** Planning or saving for things more than five years away

**Notice Account:** A notice account is a savings account that pays more interest (extra money you earn) than a regular savings account. However, you have to give notice, like a month or six months, before you can take your money out. This account is good if you don't need your money immediately and want to earn a bit more interest.

**Part-time Job:** Work that takes up some of your time, often alongside studies or other commitments.

**Penalty Points:** Points added to your driving licence when you break road rules, such as speeding.

**Pooled Investments:** When money from many investors is combined to invest in various assets.

**Renewable Energy:** Power from natural sources that won't run out (like wind or solar).

**Rent Deposit:** Money you pay upfront when renting a home that is usually returned when you leave.

**Retirement Plan:** Saving money for when you stop working, for example, paying part of your salary into a pension.

**Savings:** Money you put aside for the near future. Savings are great for short-term goals like a phone, console games, or clothes.

**Self-employed:** Working for yourself rather than an employer.

**Shares:** Owning a small part of a company. For example, if you buy shares in McDonald's, you own a tiny part of that company. The value can go up or down based on how well the company does.

**Short-term:** Planning or saving for things you'll need in the next year or so.

**Simple Interest:** The basic amount of money you earn on savings, calculated as a percentage of the original amount invested only.

**Solopreneur:** Someone who runs a business completely on their own.

**Speed Awareness Course:** A training course offered instead of points on your licence for speeding, but only in some instances.

**Stamp Duty Land Tax:** A tax paid when buying property in England and Northern Ireland.

**Stockmarket:** Where shares in companies are bought and sold.

**Stocks:** Another term for shares in a company.

**Stocks & Shares ISA:** A tax-efficient way to hold investments like stocks and funds.

**Tax Return:** Annual form declaring your income and calculating tax owed.

**Trading App:** A phone app for buying, selling and holding investments such as shares.

**Valuation Fee:** A cost for assessing a property's value before buying.

**Values:** Personal beliefs and principles that guide financial decision-making.

**Water Pollution:** Contamination of water sources, often by business activities