

Glossary

Handout 3-12

Balanced budget: A budget in which income and expenses are equal.

Budget: An estimate of the income and expenses of a person, a family or an organization, over a certain period of time.

Canada Pension Plan (CPP): Canada's government pension system. You pay a portion of your earnings to a fund that gives you income when you retire or become permanently disabled.

Deficit: The amount by which your spending exceeds your income (opposite of surplus).

Employment insurance (EI): A government program that provides temporary income assistance to individuals who have recently lost a job, while they look for employment. The EI program also provides short term support for people who fall ill, have a new baby, or need to care for a family member who is very ill.

Expense: Something you spend money on. This could be a good or service. A budget will have fixed and variable expenses.

Fixed expenses: Expenses that do not change much from month to month, such as rent and utilities.

Fixed income: An income that does not change each month, over an extended period of time. People living on income from sources such as social assistance, provincial disability or pension income are living on 'fixed income' when their level of financial assistance is the same each month.

Gross income: The amount of money you have earned before any deductions (such as EI or CPP).

Lifestyle: A way or style of living; your normal habits, pastimes, attitudes, standard of living, and so on.

Net income: This is the amount of money you take home, or take-home-pay. It is your gross income minus deductions.

Priority: Something that is more important than other things.

Receipt: A printed statement showing things you bought and the price you paid for them.

Savings: Money you have not spent or that you set aside for a special purpose.

Surplus: The amount by which your income exceeds your spending (opposite of deficit).

Variable expenses: Expenses that can change from month to month, such as food and entertainment.