

## Module 3 - Budgeting

## HANDOUT 3-12

### Glossary

**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 you're spending exceeds your income (opposite of surplus)

**Employment insurance (EI):** A Canadian government system. You pay a percentage of your earnings to a fund that provides income for a limited time if you lose your job.

**Expense:** Money you pay; costs

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

**Fixed income:** An income that comes from sources such as social assistance, provincial disability or pension income

**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:** Gross income minus the deductions; the amount of money you take home ("take-home pay")

**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