

Name: _____ Date: _____ Class: _____



North Carolina: People, Places, & Progress

Chapter 2: North Carolina's Economy

Section 4: Personal Finance

Focused Reading

Instructions: Read the section and complete each item with words from the passages in this section.

1. Our economy is also affected by the actions and decisions of _____ citizens.
2. _____ consists of the decisions individuals make in the management of their money.
3. The money that an individual acquires is called _____.
4. _____ are the spending of some or all of that money for various purposes. Some income may be spent for basic needs, including _____, _____, and _____. Expenses can also be for _____, like smartphones, games, concert tickets, tablets, or hobbies.
5. People with a steady _____ usually deposit some of their money in a _____ at a bank so they can pay their expenses.
6. The best way to manage money is to have a _____, or plan, for how money will be used. The most important rule is that amounts for _____ should never be more than the amount of income.
7. Another use, or purpose, of money is for _____.
8. People give to _____ such as the Red Cross, United Way, Salvation Army, _____, universities, and other _____ organizations whose primary goal is to help other people.

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9. _____ and _____ money means that, rather than spending all income on goods or services now, some income is budgeted for something that will bring a _____ benefit or will earn more _____.
10. The simplest saving method is through a _____. While the money is not being used, it usually earns a small amount of _____ (money paid for the use of money) that is periodically added to the account.
11. An _____ is money spent on something with the goal of making a _____ (more money).
12. One safe investment is a bank's _____ (CD). Money invested in a CD must be left in place for the full length of time specified, but _____ rates for CDs are usually _____ than for savings accounts.
13. Another type of investment is a _____. Basically, the investor is lending money to the _____ or to a company. That _____ will be paid back with interest on a specified date.
14. _____ are another type of investment. A corporation issues shares of _____ (ownership shares in the company) to raise money.
15. _____ are usually safer than individual stocks. A _____ pools the money from many investors and buys many different stocks and bonds.
16. _____ is an arrangement by which a buyer can take possession of something now and pay for it in the future, usually with _____.

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17. Taking out a _____ or buying something on credit can cause a financial hardship if a person _____ or _____ too much.
18. _____ make it easy to purchase things, but it is also easy to buy too many things on credit.
19. Making payments on time and in full is important to a person's _____. Based on credit history, each individual earns a _____.
20. People with poor credit histories and low _____ may find it difficult or impossible to get additional credit.