



Money Coach Week 6: Pay Yourself First

Vocabulary

Know the Lingo—The Glow-Up Guide to Growing Your Money.

Common Myths to Avoid	Money Mindset Moves
 “I’m too young to invest.” <i>Truth: Starting early is your superpower.</i>	 “Let Future You Eat Too.” Saving and investing are ways of paying yourself first for later.
 “You have to be rich to invest.” <i>Truth: You can start with \$5 and apps like Acorns or Fidelity Youth.</i>	 “Flex with assets, not just outfits.” Wealth isn’t about what you <i>spend</i> , it’s what you <i>keep and grow</i> .
 “Crypto is the only way to get rich.” <i>Truth: Real wealth grows steadily, not overnight.</i>	 “Start small, but start .” Time in the market beats timing the market.

Saving Basics

- Saving
Putting money aside for future use — either for emergencies, short-term goals, or long-term dreams.
Think: security + peace of mind.
- Emergency Fund
Cash saved for unexpected stuff — like a phone breaking, car trouble, or losing your job.
Goal: 3–6 months of expenses.
- Short-Term Savings
Money for goals within a year — like prom, a trip, or buying a new laptop.
- Interest (on savings)
Extra money your bank pays you just for leaving it in a savings account.
The longer it stays, the more you earn (but usually just a little).
- Compound Interest
Interest that builds on interest. *Example: You earn interest on your money AND the interest it earned last month.*

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High-Yield Savings Account (HYSA)

A savings account (usually online) with way better interest than a basic savings account.



Investing Basics

- Investing
Using your money to buy assets (like stocks) that can grow in value over time.
It's riskier than saving, but can pay off way more.
 - Stock
A piece of ownership in a company. If the company grows, your stock can grow too.
Think: owning a slice of Apple or Nike.
 - Bond
A loan you give to a company or government. They pay you back with interest.
Usually lower risk, lower reward.
 - Mutual Fund
A mix of many investments (stocks, bonds, etc.) bundled together. Great for beginners!
 - ETF (Exchange-Traded Fund)
Like a mutual fund, but it trades like a stock. Often with lower fees and more flexibility.
 - Roth IRA
A retirement account that lets your money grow **tax-free**.
Money move = start early and let compound interest work.
 - 401(k)
A retirement plan offered by employers. Some jobs even **match** your contributions.
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Risk, Reward & Strategy

- Risk Tolerance
Is how comfortable you are with the chance of losing money to potentially earn more.
- Diversification
Not putting all your eggs (money) in one basket — spreading your investments to lower risk.
- Return on Investment (ROI)
Is how much profit you make compared to what you invested.
Higher ROI = better growth.
- Dollar-Cost Averaging
Investing a little bit regularly (ex: \$20/week), no matter what the market is doing.
Smart way to avoid emotional investing.