

Grantley Speaking

Episode 2: Not at the Dinner Table

1. **Pension fund** – A reference to the [Fortress Caribbean Pension Fund](#). This fund invests the contributions of employees from companies' registered pension plans.

What's a pension plan? - A pension plan is a retirement plan that requires an employer to make contributions into a pool of funds set aside for a worker's future benefit. The pool of funds is invested on the employee's behalf, and the earnings on the investments generate income to the worker when they retire.

Some pension plans may allow a worker to voluntarily contribute part of their current income from wages into an investment plan to help fund retirement. The employer may also match a portion of the worker's annual contributions, up to a specific percentage or dollar amount.

2. **Mutual funds** - A mutual fund is a way for many people to pool their money and buy stocks, bonds or other securities. Mutual funds are divided into shares and each investor in the fund buys a number of shares that corresponds to the amount of money invested. Investors therefore participate proportionally in the gains or losses of the fund. The price of each share is known as the Net Asset Value (NAV). The NAV is simply the total value of the securities the fund owns divided by the number of the fund's shares outstanding.
3. **Investment** - An asset or item acquired with the goal of generating income or appreciation. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit.
4. **Investors** - An investor is any person or other entity (such as a firm or mutual fund) who commits capital with the expectation of receiving financial returns.
5. **Diversification** - Diversification can be neatly summed up as, "Don't put all your eggs in one basket." The idea is that if one investment loses money, the other investments will make up for those losses. Diversification can't guarantee that your investments won't suffer if the market drops. But it can improve the chances that you won't lose money, or that if you do, it won't be as much as if you weren't diversified.
6. **Stocks** - A stock (also known as "shares" and "equity") is a type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings.
7. **Bonds** – A debt security, similar to an IOU. Borrowers issue bonds to raise money from investors willing to lend them money for a certain amount of time.

When you buy a bond, you are lending to the issuer, which may be a government, or corporation. In return, the issuer promises to pay you a specified rate of interest during the life of the bond and to repay the principal, also known as face value or par value of the bond, when it "matures," or comes due after a set period of time.

8. **Real Estate** - Property consisting of land or structures attached to land. As an investment, this refers to property that generates income or is otherwise intended for investment purposes rather than as a primary residence.

9. **Public Company** - A public company is a business whose shares can be freely traded on a stock exchange or over-the-counter. Also known as a publicly traded company, publicly held company, or public corporation. The stocks of this type of company belong to members of the general public, as well as pension funds, and other large investing organisations.
10. **Return** - A return, also known as a financial return, in its simplest terms, is the money made or lost on an investment.
11. **Shares** - Shares (also known as equities) are like tiny fractions of a company. If you own one, you own a little bit of the company and a proportion of the company's value. Shares are bought and sold on a stock exchange.
12. **Credit card** - A borrowing tool used to buy items; transfer balances or withdraw cash up to a set credit limit. Once a month you receive a statement of your borrowing. You then have the option to pay off the full amount borrowed on the card, or an amount less than that, as long as you make at least the minimum payment. If you don't repay in full, you'll usually be charged interest. If you borrow beyond the credit limit, charges usually apply.
13. **Instant gratification** - Instant gratification is the desire to experience pleasure or fulfillment without delay or deferment. Basically, it's when you want it; and you want it now.
14. **Traveller's cheques** - A traveller's cheque is a cheque for a prepaid fixed amount issued by major financial service institutions. It's used as an alternative to cash, so a purchaser can use it to buy goods or services when travelling. They can also be exchanged for cash. The bank (or other issuer) provides security against lost or stolen traveller's cheques.
15. **Meeting Turn** - A meeting turn is an informal rotating savings club popular amongst West Indian and African communities. A group of people get together and contribute an equal amount of money into a fund weekly, bi-weekly or monthly. The total pool, also known as a hand, is then paid to one member of the club on a previously agreed schedule. The pool rotates until all members have received their share.

People from different West Indian islands also refer to it as sou-sou (from the Yoruba term "esesu,"), "partner", "box hand" and "min" among other terms.
16. **Asset** - An item that has value. It could be financial or "real", that is something physical like land, buildings, cattle or machinery.
17. **Liability** - A financial debt or obligation arising from past transactions or events.
18. **Compound interest** - This is interest that is calculated both on an original sum of money and on interest which has previously been added to that original sum.

Definitions extracted from:

www.360financialliteracy.org
www.entrepreneur.com
www.essence.com/lifestyle/money-career
www.investopedia.com
www.moneyadvice.service.org.uk
www.marketbusinessnews.com