

Financial Literacy Month

Learn the lingo in 30 days. No more mysteries here—just plain talk to up your money game.

Week 1

Know where your paycheck goes

01
MON

Take-home pay

The amount of money you receive in your paycheck after deductions such as taxes, Social Security, and benefits (think: health care and retirement savings) have been subtracted.

02
TUE

W-2

A financial snapshot of your income that helps with filing taxes each year. It tells you about your annual earnings, deductions, and other money details that the IRS is curious about.

03
WED

Taxable income

The part of your money that the IRS is interested in for figuring out how much tax you owe. It's what's left over after you've taken out any deductions and exemptions.

04
THU

Social Security

Social Security helps provide financial support when you retire. It's a government program that sends regular payments to eligible individuals, which helps them maintain financial security in their later years.

05
FRI

Essential expenses

These are crucial, must-pay costs for basic living, like housing, food, utilities, and health care. They are the necessities that you need to cover to maintain a reasonable quality of life.

06
SAT

Discretionary spending

The money you choose to spend on non-essential items and activities, like entertainment, dining out, travel, or other purchases. It's the flexible part of your budget, allowing for personal preferences and wants.



Week 2

America Saves Week

07
SUN

Cash stuffing

One approach to budgeting where each of your spending categories has its own envelope with cash inside. This helps you spend more mindfully and closely track where your money is going.

08
MON

Contribution rate

A slice of your income that you're dedicating to retirement savings or investments. It's a great way to transform your intentions into impact.

09
TUE

Emergency savings

Money set aside to help cover unexpected costs like medical bills or a home or car repair. Try starting with \$1,000 then gradually build it up to cover 3 to 6 months of essential expenses.

10
WED

Long-term goal

A money goal that's 3+ years away—like eliminating debt, saving for a home, or planning retirement. Taking small steps now can make a big difference in helping turn these goals into reality.

11
THU

Credit score

A number between 300 and 850 that helps banks and credit card companies make decisions about lending you money. Higher scores help make it easier to get approved for more credit or lower interest rates.

12
FRI

Money mapping

Think of money mapping like a financial roadmap. It's a visual guide that helps you plot where your money comes from, where it goes, and planning for your goals.

13
SAT

Debt minimum payments

The smallest amount you must pay each month on a loan or credit card. Adding a little bit more to your minimum monthly payment will help you pay off debt faster.



Week 3

Learn the lingo

14
SUN

Retirement accounts

Savings accounts that offer ways to save money and invest for the future, often with special tax savings. There are 9 basic types of retirement accounts, each with their own benefits.

15
MON

401(k)

A workplace account where you set aside and invest a portion of your paycheck to save for retirement. Many employers match contributions (you put in money and they put in money), up to a certain amount.

16
TUE

403(b)

A retirement savings plan available for employees in certain tax-exempt organizations, like public schools, nonprofits, and government agencies. It allows you to contribute money to help invest and save for retirement.

17
WED

IRA

An individual retirement account (IRA) is a personal retirement savings account (separate from employer-sponsored plans). You contribute money, often with tax incentives, and prep for the retirement you want.

18
THU

HSA

A Health Savings Account (HSA) is a tax-efficient way to manage health care costs. You contribute pre-tax money to cover qualified medical expenses, now or in the future.

19
FRI

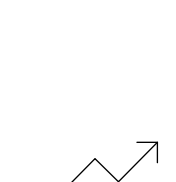
FSA

A Flexible Spending Account (FSA) lets you set aside pre-tax money for health care or dependent care expenses, like prescriptions or childcare. These accounts are typically "use it or lose it."

20
SAT

529 savings plans

A flexible, tax-advantaged savings account for education expenses. You invest money and then any withdrawals for qualified expenses (for preschool through college and beyond) are tax-free.



Week 4

Make your money work harder

21
SUN

Avalanche debt payment method

A debt payoff method that tackles high-interest debt first. After you pay off the account with the highest interest, while continuing to make the minimum payment on your other debts, then you start paying down the loan with the next highest interest.

22
MON

Snowball debt payment method

A debt payoff approach where you start by paying off the smallest debt first, while continuing to make the minimum payment on your other debts. Then roll those victories into bigger ones. This helps you gain momentum.

23
TUE

Investing

You put money into assets like stocks or bonds with the goal of making more money than you started with. It can be a helpful way to build a solid financial foundation over time.

24
WED

Stock market

A financial marketplace where you can buy and sell shares of public companies. Many people invest in the stock market with hopes of earning more money on their investments.

25
THU

Compound interest

Compound interest is when interest you earn in a savings or investment account earns interest of its own. So, you earn interest on both your initial investment and the interest that's added to the balance over time.

26
FRI

Volatility

Volatility is like a roller coaster of ups and downs in the money world. It measures how much an investment's value fluctuates, offering opportunities and risks for investors.

27
SAT

Inflation

Inflation is the rise in the price of goods and services over time. This diminishes the value of money. What you could buy yesterday might cost more tomorrow.



Week 5

Protect your loved ones

28
SUN

Estate plan

A financial playbook for the future. It includes a will, power of attorney, and more to ensure your wishes are honored and that your loved ones are cared for.

29
MON

Will

A will is your personal script when you're no longer around. It outlines who gets what, from your prized possessions to property. It's your final say in ensuring your wishes are honored.

30
TUE

Beneficiary

A beneficiary is like a VIP of your financial plans. Usually a family member or close friend, they are who you designate to receive your assets, like life insurance, retirement funds, or bank accounts.



Investing involves risk, including risk of loss.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917

© 2024 FMR LLC. All rights reserved.

1130614.1.0