



US28090 Future Focus Glossary

Term	Definition
monetary value	This means being worth money.
interest	Interest is the extra money that you have to pay when you have a debt. It is usually a percentage of the amount you have borrowed and is charged at regular intervals, for example, every month. If you have a savings account with a bank, the bank pays you interest because you're loaning them your money.
return	This is the amount of money that you get back from an investment. This can be because your investment has increased in value over time and someone is willing to pay more for it than you did, or because your investment produces income, for example, profits from a company you have invested in. You can also lose money in investing, creating a negative return.
incentive	An incentive is something that motivates or encourages us to do something.
capital gain	This is the profit you make when you sell an investment for more than you paid for it. For example, if you buy a house for \$300,000 and sell it for \$320,000, your capital gain is \$20,000. A capital loss is when you sell an investment for less than you paid for it.
diversification	Diversification is a way to spread your risk by choosing to invest in shares from a range of companies, industries, and countries around the world. Some shares will do well, some may not, but by spreading the risk you won't lose all of your money in one go. Diversification is a useful strategy because no one can see into the future with 100 % confidence, so it's impossible to predict which shares will do well and which won't.
contractor	A contractor is someone who provides goods or services to a person or an organisation for a fixed amount of time.
freelancer	A freelancer is a self-employed person who does projects for different companies. Freelancers tend to get paid by the hour rather than having a fixed salary.
gig worker	Gig-workers are people who do short-term or temporary work.