Annuity
A contract between you and an insurance company in which you make a lump sum payment or series of payments and in return obtain regular assets.

Asset
Something a person or company owns, such as a car or home, that has monetary value.

Asset allocation
A strategy that invests assets in your portfolio according to your goals, risk tolerance, and time horizon.

Beneficiary
A person or entity eligible to receive distributions from a trust, will, qualified accounts, transfer on death accounts, or life insurance policy.

Beneficiary designation
Choosing a person, persons, or entity to receive your assets, including payouts from retirement plans, annuities, and life insurance policies, in the event of your demise.

Consolidating debt
Rolling multiple debts into one payment.

Dividends
An individual share of something distributed such as a share in a pro rata distribution (as of profits) to stockholders.
Deductible
The amount paid out-of-pocket for covered expenses before an insurer pays the rest.

Defined benefit
An employer-sponsored retirement plan where employee benefits are computed using a formula that considers several factors, such as length of employment and salary history.

Defined contribution
A plan that’s typically tax-deferred, like a 401(k) or a 403(b), in which you contribute a fixed amount or a percentage of your paycheck in an account to fund your retirement.

Diversifying
Mixing a variety of investments within a portfolio with the goal of producing higher returns and posing a lower risk than any individual investment found within the portfolio.

Earnings
Something (such as wages) earned or the balance of revenue after deduction of costs and expenses.

Estate
Everything of value that you own—real estate, investments, insurance and any other assets.

Gig economy
Freelancers and independent contractors are hired instead of full-time employees.

Gross
Earnings or worth overall total exclusive of deductions.

Individual Retirement Accounts (IRAs)
Pretax income, up to specific annual limits, toward investments that can grow tax-deferred (no capital gains or dividend income is taxed until withdrawn). Individual Retirement Accounts may be subject to a penalty upon withdrawal.

Match
A contribution your employer makes to your employer-sponsored retirement plan based on the elective deferral contributions you make.
Mutual Fund
An open-end investment company that invests money of its shareholders in a usually diversified group of securities of other corporations.

Net
Earnings or worth remaining after the deduction of all charges, outlay, or loss.

Payday loan
A short-term loan with high interest based on your income and credit profile. A payday loan’s principal is typically a portion of a borrower’s next paycheck.

Portfolio
A collection of all your investments that can include stocks, bonds, cash, real estate, or other assets. To make things simpler, we group them into a few asset classes. Common asset classes include stocks, bonds, real estate and cash. But no matter what you invest in, it’s a part of your investment portfolio.

Power of Attorney
A legal document giving someone else the power to act and make decisions for you if you are not able to do so.

Profit
The excess of returns over expenditure in a transaction or series of transactions, especially the excess of the selling price of goods over their cost.

Roth IRA
An individual retirement plan similar to a traditional IRA, but contributions are not tax deductible and qualified distributions are federal tax free.

Trust
A legal arrangement under which one party manages property for the benefit of others.

Wraparound coverage
A Medicare wraparound is a type of insurance policy that covers what Medicare and related medical insurance does not cover. Medicare wraparound is also known as supplemental health insurance, because it fills a void left by Medicare.