

**Math for Financial Literacy © 2013**  
**Chapter 1: Ways to Earn Money—Glossary**

**bartering.** Trading items other than money.

**base pay.** Pay the employee receives for the work performed.

**biweekly pay period.** Pay structure in which employees are paid every two weeks, often on a Friday.

**commission.** Percentage of the amount of a business transaction paid to a sales agent or broker.

**contract.** Formal agreement between two or more entities, such as people or organizations.

**direct deposit.** Automatic deposit of a person's paycheck into his or her checking account.

**earned income.** Pay that comes from a person's work.

**employer.** Person or company who hires a person and pays him or her for work done.

**entrepreneur.** Person who starts a business venture and assumes the risk of its success or failure.

**gross pay.** Employee's total pay before deductions.

**hourly wage.** Amount of money paid for each hour worked.

**income.** Money received by a person or company.

**independent contractor.** Person who provides a service to the public or to a company for money.

**minimum wage.** Lowest hourly wage employers are legally required to pay employees.

**money.** Tool that makes it easier to trade one thing of value for another.

**monthly pay period.** Pay structure in which salaried employees receive 1/12 of their annual salary on the last day of each month.

**oral contract.** Agreement that has been acknowledged only through spoken words.

**overtime.** Wages that are earned when an employee works more than 40 hours in a week.

**overtime pay.** Wages that are earned when an employee works more than 40 hours in a week.

**pay period.** Repeating time frame that an employer uses to calculate and pay salaries and wages.

**payroll.** List of employees a company pays.

**salary.** Fixed payment for a person's work, usually paid monthly or twice per month.

**semimonthly pay period.** Pay structure that divides the month into two pay periods; payday is often at the middle and the end of the month.

**straight commission.** When the only compensation received by an employee is commission.

**unearned income.** Income that is not derived from a person's work.

**weekly pay period.** Pay structure in which employees are paid each week.