



## PLAIN ENGLISH: TO BETTER MANAGE YOUR FINANCES



National Adult Literacy Agency  
Áisíneacht Náisiúnta Litearthachta do Aosaigh

'Recession', 'Credit crunch', 'Guarantee' and 'Subprime' are just some of the terms explained in the Plain English Guide to Financial Terms. This [guide](#) was developed by the National Adult Literacy Agency (NALA) and the EBS Building Society.

The [A - Z pocket guide](#) to understanding financial terms is a free publication for the general public, businesses and the financial services sector.

Read it and you will have a greater understanding of the jargon used every day to describe all aspects of financial products and services.

### Financial terms explained

The A - Z pocket guide to understanding financial terms has more than 500 definitions including a number of terms to reflect the current economic climate . We include some of them below.

#### Credit crunch

- sudden drop in the general availability of loans
- sudden increase in the cost of borrowing from banks.

#### Recession

A major fall in economic activity, over an extended time in areas like:

- investing
- creating jobs
- buying goods and services

#### Sub-prime lending

Lending to people who are thought to be less likely than others to repay a loan. For example, lending to those who have limited or poor credit history or have previously being declared bankrupt.

#### Poor writing is barrier to understanding

Research shows that providing poorly written information is the greatest barrier to understanding financial information.

Recent research commissioned by the National Adult Literacy Agency (NALA) in partnership with the EBS Building Society, found that:

- 30% would prefer if banks used less financial jargon
- more than one in five would switch financial institution if they provided clearer information

**Poor financial literacy is barrier to consumers**

Earlier research from 2005 again under the EBS/NALA programme, also looked at financial literacy. They found that understanding of financial terms was an issue among some people within the Irish population. The research found that people in all income brackets had problems understanding financial information. It also found that poor literacy stopped people from being able to use services such as banks and post offices.

**Barrier to accessing services**

Having difficulty understanding how financial services like bank accounts and mortgages work can have a considerable impact on the day-to-day lives of one in four Irish adults who have the lowest level of literacy. This should be a major concern for any organisation providing printed financial information to the public.

Are you sure that you understand your financial information? See how many terms you know in NALA's A-Z Guide to Financial Terms.

[Download the NALA's A-Z Guide to Financial Terms >>](#)

**Plain English support**

NALA provide an editing and review service of documents that can make your financial and other information easy to understand. We also offer plain English training so that you can create more reader-friendly information. Contact [plainenglish@nala.ie](mailto:plainenglish@nala.ie) or call Claire O'Riordan at (01) 412 7922.