DIY dividends	**DIY Dividenders Essential Lingo**

You gotta talk the talk before you can walk the walk.

A	**Ask price**: the lowest price sellers are willing to accept for a stock. **Asset allocation**: a portfolio's mix of equities, fixed income, cash and other assets. Your asset allocation is determined by your goals, risk tolerance, income needs, and other factors
B	**Buy and hold**: a disciplined investing strategy *(read: delayed gratification!)* based on holding stocks in your portfolio for a long time, regardless of market ups and downs
C	**Capital gain (loss)**: the difference between the price you get when selling an asset and what you paid for it. A capital gain is the profit you make when you sell a stock for more than you paid. A capital loss occurs when you sell for less than you paid. Why we LOVE capital gains – they are taxed at half the rate of regular income, and they can be offset with capital losses **Common share**: a security representing part ownership of a company. Common shareholders can normally vote for the board of directors and are entitled to approved dividends
D	**Discount brokerage**: a firm that allows you to buy and sell stock (online or by phone) at a MUCH lower cost than a full-service brokerage. Discount brokerages are not usually allowed to provide advice: they simply take your order and execute **Diversification**: the practice of spreading out investments across different stocks, sectors and asset classes in order to reduce risk **Dividend**: money paid to a company's shareholders – YOU! **Dividend reinvestment plan (DRIP)**: an arrangement where an investor can receive dividends in the form of new shares rather than in cash. DRIPs can be set up directly with certain companies, or through a brokerage **Dividend tax credit**: a credit you can claim on your tax return that reduces the amount of tax you pay on eligible dividends from Canadian companies – saving $$, DIY Dividenders!! **Dollar-cost averaging (DCA)**: the practice of investing equal amounts of money at regular intervals instead of a lump sum. Dollar-cost averaging can reduce the risk of making an ill-timed investment decision
E	**Earnings per share (EPS)**: a company's net income divided by the number of shares outstanding – more on this in a later Dividender workshop

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F	**Full-service brokerage**: a firm that buys and sells stocks on your behalf and offers advice on investments. Why we DON'T love them: full-service brokerages charge whacked out exorbitant fees often for less than stellar returns **Fundamental analysis**: a method of evaluating stocks by looking at a company's earnings, sales, profits and related factors – more on this in a later Dividender workshop
G	**Guaranteed Investment Certificate (GIC)**: an investment sold by a financial institution that pays a fixed rate of interest for a set period, usually one to five years - normally guaranteed by the federal or provincial government
I	**Index**: a selected number of stocks or bonds used to represent an asset class or segment of the market. For example, the S&P/TSX Composite Index is made up of approximately 260 stocks and is frequently considered a proxy for the entire Canadian stock market
L	**Large-cap stock**: a public company with a large market capitalization. While there are no hard rules, the cutoff for U.S. companies is often considered $10 billion. In Canada, companies may be considered large caps when they reach $3 billion or so
M	**Market capitalization**: a company's stock price multiplied by the number of outstanding shares **Market timing**: an investing strategy that involves making buying and selling decisions based on your expectations of how the markets will perform in the near future – you'll have about as much luck doing this as you will using a crystal ball
N	**Non-registered account**: an investment account that is not sheltered from taxes (like RRSP or TFSA). Also known a taxable or open account. See also registered account
P	**Payout ratio**: the proportion of a company's earnings paid to shareholders in the form of dividends. The payout ratio can help you determine whether a dividend is sustainable **Price-to-book (P/B) ratio**: the ratio of a company's share price to its book value (tangible assets minus liabilities). A low P/B ratio may indicate a stock is undervalued **Price-to-earnings (P/E) ratio**: the ratio of a company's share price to the previous 12 months' earnings per share. A low P/E ratio may indicate a stock is undervalued

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	Price-to-cash-flow ratio: the ratio of a stock's price to the cash generated by the company
R	**Registered account**: investment accounts that offer some form of tax sheltering, such as a Registered Retirement Savings Plan (RRSP) or a Tax-Free Savings Account (TFSA) **Registered retirement income fund (RRIF)**: an investment account that allows you to shelter growth from taxes during retirement but also requires minimum annual withdrawals
S	**Security**: a tradable financial instrument – aka, stock or bond **Small-cap stock**: a public company with a small market capitalization. While there are no hard rules, the S&P/TSX SmallCap Index sets the range at $150 million to $1.5 billion **Stock**: a security that grants partial ownership of a company. Stockholders typically have voting rights and are kept informed of the firm's assets and earnings. Some companies also pay dividends (a % of company earnings) to their shareholders and DIY Dividenders LOVE these **Stock purchase plan**: a program that allows investors to purchase a company's shares directly, without a brokerage, and often at a discount **Stock split**: a company decision to increase its number of shares outstanding while keeping the total value of those shares the same. EG, if a company announces a 2-for-1 stock split, a shareholder with 100 shares worth $50 each would end up with 200 shares at $25 each
T	**Tax-free savings account (TFSA)**: an investment account that allows all growth and income to accumulate tax-tree. Growth and Income – TAX FREE. Read that again. And do everything you can to max out your TFSA. Seriously. We aren't kidding…Dividenders never kid about saving tax **Ticker symbol**: a one- to five-letter symbol used to identify a company on a stock exchange
V	**Value stocks**: companies that appear to be underpriced based on a number of fundamental factors, such as low price-to-earnings and price-to-book ratios or high dividend yield – definitely info for a later DIY Dividender workshop
Y	**Yield**: the income generated by a stock or bond. A stock's yield is its annual cash dividends divided by its current price – the % you are making