32 Personal finance

A Spending and saving

Are you good at looking after your money? For example, do you:

- keep a clear record of **outgoings**, e.g. **debit card** payments, or do you find you are largely **unaware** of how much you are spending?
- keep your account **in credit** all the time, or are you sometimes **overdrawn**?
- pay your credit card bills **promptly**, or do you allow **debts** to **mount up**?
- check all the **transactions** in your **bank statements**, or do you just **ignore** them?
- think you're **cautious** with money, or do you waste large **sums** of money?

GLOSSARY

outgoings (*pl*)	the amount of money a person or business has to spend regularly, SYN **expenditure** OPP **income** the money you earn from work or savings
debit card	a plastic card used for taking money directly from your bank account
unaware (of sth)	not knowing or realizing that sth is happening OPP **aware**; **awareness** *n*
be in credit	If you **are in credit**, there is money in your bank account. OPP **be overdrawn**
promptly	without delay **prompt** *adj*
debt	the amount of money you owe sb
mount up	increase gradually in size SYN **build up**, **accumulate**
transaction	a piece of business between people. In banking, you **put** money **into** an acount, or **take** it **out / withdraw** it.
bank statement	a printed record of activities in an account over a particular period
ignore	pay no attention to sth
cautious	careful about what you say or do, to avoid mistakes; not taking risks
sum (of sth)	an amount of money

1 **Is the pronunciation of the underlined letters the same or different? Write *S* or *D*. Use the APP to help you.**

1 expenditure transaction ..... 3 debt debit ..... 5 aware cautious .....
2 cautious withdraw ..... 4 aware overdrawn ..... 6 withdraw ignore .....

2 **Complete the sentences.**

1 I'm completely _____ of how often I make _____ card payments because I never write them down. I have to go online to look at my bank _____ in order to see all the _____ I've made.
2 I keep a reasonable _____ of money in my bank account – enough to keep it in _____. And I like to pay all my bills _____; that way I don't forget.
3 I didn't keep a record of my _____ this month. Now I'm _____ and I've got various _____.
4 My sister is very stupid: she even _____ letters from her bank telling her she needs to _____ money _____ her account.

3 **Complete the dialogues with a single word.**

1 Did you take some money out? ~ Yes, I _____ £100.
2 Is there money in your account? ~ No, I'm afraid I'm _____.
3 Do you know what you spend? ~ Yes, I keep a record of all my _____.
4 Do you always pay credit card bills? ~ Yes, otherwise debts can _____ up.
5 Is he careful with money? ~ Yes, he's very _____.
6 Does the company want the money now? ~ Yes, they have asked for _____ payment.
7 She doesn't earn much, does she? ~ No, she's on quite a low _____.
8 Does he waste a lot of money? ~ Yes, he has no _____ of what things should cost.

4 ABOUT YOU **Write your answers to the questionnaire at the top of the page, or talk to another student.**

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TEST YOURSELF

LIVEWORKSHEETS

B Looking after your money

Creating a personal budget

Few people bother to **budget**, which is why so many are in debt. You must **calculate** the total income coming in each month, and the total going out, both regular outgoings and all other expenses. Then, **subtract** the expenses from the income. If there's a **surplus**, don't spend it: **pay off** any money you **owe** (in other words, your debts), and keep the rest for emergencies. If there is a **shortfall**, then you must take action. Consider where you can **economize** and **make cutbacks**. And don't expect anyone else to **subsidize** you and pay your debts.

GLOSSARY

budget	plan how much to spend and what to spend it on. A **budget** is the amount of money available to spend with a plan for spending it.
calculate	use numbers to find a total number, amount or distance SYN **work (sth) out**; **calculation** *n*
subtract sth (from sth)	take one number from another to calculate the difference SYN **take sth away (from sth)**
pay sth off	finish paying money that you owe for sth
owe	have to pay sb for sth that you have received or borrowed
economize	reduce the amount of money, time, goods, etc. that you use SYN **make cutbacks**
subsidize	give money to sb to help them pay for sth **subsidy** *n*

SPOTLIGHT *surplus, deficit, shortage, shortfall*

A **surplus** is more of something than is necessary. If it is money, the opposite is a **deficit**; if it is food, petrol, etc, the opposite is a **shortage**.

A **shortfall** is the difference between what you have and what you need.

5 Underline the words connected with money, and tick the words connected with numbers.

budget	owe	calculate	economize	work something out
subsidize	subtract	pay sth off	deficit	take sth away

6 Is the pronunciation of the underlined letters the same or different? Write *S* or *D*. Use the APP to help you.

1 subtract subsidize .....
2 subsidize economize .....
3 deficit subsidy .....
4 cutback calculate .....
5 budget cutback .....
6 owe economize .....

7 Circle the odd one out, then write what the other two words have in common.

1	a) shortfall	b) surplus	c) deficit	.....
2	a) shortage	b) calculation	c) shortfall	.....
3	a) economize	b) take away	c) subtract	.....
4	a) economize	b) make cutbacks	c) subsidize	.....
5	a) deficit	b) shortage	c) budget	.....
6	a) work out	b) calculate	c) pay off	.....

8 Complete the texts.

The floods in the spring are now causing severe food **(1)** _____ throughout the country, and this will leave many farmers with a significant **(2)** _____ in their income, and perhaps hoping for a government **(3)** _____ to help them.

I'm not careful with money and don't often budget , but then I decided to keep a record of my regular outgoings. At first, it was difficult to **(4)** _____ all my expenses, but I managed after a while. One month, I realised I had a **(5)** _____ , and that I would have to **(6)** _____ .

I'm ashamed to say that when I went to university I was still unable to **(7)** _____ . So, I borrowed money and ended up **(8)** _____ lots of money to different people. Eventually my parents came to the rescue and **(9)** _____ me for much of the three years during my degree.

TEST YOURSELF

LIVEWORKSHEETS