

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 (p/l) | the amount of money a person or business has to spend regularly, <i>SYN expenditure</i> 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 <i>n</i> |
| be in credit | If you are in credit , there is money in your bank account. OPP be overdrawn |
| promptly | without delay prompt <i>adj</i> |
| debt | the amount of money you owe sb |
| mount up | increase gradually in size <i>SYN build up; accumulate</i> |
| transaction | a piece of business between people. In banking, you put money into an account, 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  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?
2 Is there money in your account?
3 Do you know what you spend?
4 Do you always pay credit card bills?
5 Is he careful with money?
6 Does the company want the money now?
7 She doesn't earn much, does she?
8 Does he waste a lot of money?

~ Yes, I £100.
~ No, I'm afraid I'm
~ Yes, I keep a record of all my
~ Yes, otherwise debts can up.
~ Yes, he's very
~ Yes, they have asked for payment.
~ No, she's on quite a low
~ 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.



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 <i>n</i> |
| 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 <i>n</i> |

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 to help you.

| | | | | | |
|-------------|-----------|-------|-----------|-----------|-------|
| 1 subtract | subsidize | ..... | 4 cutback | calculate | ..... |
| 2 subsidize | economize | ..... | 5 budget | cutback | ..... |
| 3 deficit | subsidy | ..... | 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.

