

Earning and spending money

Reading

Look, everyone, I think we ought to try and economise a bit this month -go carefully on our spending money, cut out a few luxuries, just generally cut down a bit. OK?

Below is an English family's budget in pounds sterling for next month. Look at it to see where their money is coming from and how much is going out. Note down how you think they could save money and any differences between this budget and a family budget in your country.

Income		Outgoings	
Basic salary (gross 380, after tax):	335.00	National Insurance Contributions:	46.00
Overtime payment:	56.50	Mortgage payment:	175.00
Productivity bonus:	10.00	Rates (Direct Debit)	39.50
Royalties on 'Son of Jaws':	35.50	Gas and Electricity - Quarterly Bills:	164.00
Son's wages (4 x 45 net):	180.00	Alimony - maintenance money to ex-wife:	173.50
His tips and commission:	25.00	HP instalment on car:	88.00
Basic Earnings:	642.00	Road Tax:	80.00
plus extras:		Speeding fine:	35.00
Jim's college grant (240 - 3, tax-free):	80.00	Life Insurance premium:	48.00
Freda's scholarship (120-3):	40.00	Deposit on new washing-machine:	45.00
Child Benefit (7.50 x 2 x 4):	60.00	Accountant's fees (3 months overdue):	25.00
Dad's pension:	136.00	Repayment on Credit Company loan (Standing Order):	60.00
Ted's dole money - unemployment benefit:	146.00	Interest on overdraft on current account:	45.00
Dad's dividend on his BP shares:	13.00	Other bank charges:	10.00
Interest on Mum's savings (bank deposit account):	3.50	Subscription to magazines	10.00
Tax Rebate (Tax year 1980 - 81):	4.50	Donation to 'Help the Aged':	5.00
Winnings on the Derby:	2.50	Contribution to Labour Party funds:	7.50
Total extras:	485.50	Jenny and Jim's pocket money:	60.00
		Stake money for football pools and horse-racing:	18.50
		Church Collection:	1.00
Total Income (all sources):	1127.50	Total Expenditure:	1136.00
		Balance:	-£8.50

Practice

- [1] Act out or write a conversation between various members of this family, discussing how perhaps they could **cut down and save a little money**.
- [2] Below are a number of ways **of saving or making money**. Note down which you think are sensible and which you would not recommend. If you are working in a group, discuss your notes. If you are working on your own, write a brief summary of them.

- 1 **buying in bulk to beat inflation**
- 2 looking out for genuine **reductions** and real **bargains** in the sales
- 3 buying supermarket **brands** rather than **brand-name products**
- 4 buying **economy-size** packets and tins of things
- 5 collecting packet tops that offer **discounts** on the next **purchase**, have '5p off' labels on them or contain forms for **special offers**
- 6 looking out for special **HP (hire-purchase) deals** at **good rates of interest**
- 7 delaying **payment of bills** until the **final demand**
- 8 taking your holidays **out of season at cheap rates**
- 9 buying **second-hand** clothes in **jumble sales or charity shops**
- 10 buying products that offer **trading stamps or gift vouchers or competitions** with once-in-a-lifetime **prizes**
- 11 using the telephone at **off-peak, cheap-rate** times
- 12 **shopping** only at places where money can be **refunded** rather than goods **exchanged**
- 13 changing your **foreign currency** when the **rates of exchange** are favourable
- 14 checking your **bank statement and cheque counterfoils** to make sure there are no errors
- 15 looking after **receipts and guarantees**

- [3] Which expression from the list of comments below would you use about yourself at the moment? Notice how many expressions we have for rich and poor, reflecting our obsession with money, and how we often refer to *pence* as *p* in everyday conversation.

He's a **multi-millionaire**.
 She **inherited** millions (an oil-heiress).
 They **won a fortune**.
 She's got **more money than sense**.
 They're **made of money**.
 He's a very **wealthy** businessman.
 She's extremely well-off.
 You're looking very **prosperous**.
 They say we're living in an **affluent society**.
He's comfortably off.
 Money doesn't buy happiness, but it helps.
 I'm **a bit hard up** at the moment, actually.
I'm down to my last ten p.
He's broke.
 They're **on the breadline**.
I haven't got a penny to my name.
 I'm afraid we're **bankrupt**, gentlemen.
 Now I know what it's like to be **poverty-stricken**.
I'm running into debt.
 I owe money everywhere.
I'm heavily in debt.
 I'm a few thousand **in the red**.
I'm up to my ears in debt.
 I wonder if it's true that **crime doesn't pay!**

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Note down the various ways in which shops and firms in your country encourage you to buy their products.

Act out or write a conversation between a friendly **bank manager** and a newly-married couple. They are asking for advice on **financial matters**: how to manage their **salaries, savings, monthly outgoings, etc.**

Act out or write an interview between an employer and an employee who is trying to explain how difficult it is to **'make ends meet'** on his or her **salary** and is therefore asking for a **rise**.

Write a reply to your bank manager's letter enquiring about your £200 **overdraft**. Explain why you have one and what you're going to do about it.

Write the opening of your speech to a meeting of your town's Young Socialists on the inequality in present-day society and the unfair **distribution of wealth**.

Write the first paragraph or two of a brochure announcing that you have set up as a **financial adviser**. Outline the services you will be offering, the **benefits** that clients will receive etc.

If you meet any other words to describe your finances, add them here.