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Money matters

■ **Credit (general loans)**

■ **Insurance**

■ **Tipping**

■ **Tax**

■ **Payment**

■ **Attitude to money**

■ **Mortgages (house loans)**

A

Credit is quite easy. Many people buy things like TVs, washing machines and cars on credit. They pay a small deposit and then make monthly payments over two or three years. But interest rates are high: 20–30% a year. Banks offer many different types of loans, but there are also many small finance companies who want to give personal loans. Buying a house is not difficult either. Banks and building societies will lend you up to three and half times your annual salary. This is often as much as 95% of the cost of the house.



B

Generally, we are not a country which uses cash very much. Payment by credit card is becoming more usual now, but a lot of people still use their cheque books to pay for everything, even when the amount is small. You need to have a special cheque guarantee card, since people in Britain do not carry identity cards. For services such as gas, telephone, electricity, water or other regular payments (insurance, loans, etc) people find it easier to pay by direct debit.



C

People don't like to talk about salaries or income. But they are very happy to tell you how much their new jacket cost in the sales, or what they saved on their new cooker. Bargaining in shops is not usual, but when you buy something second-hand, it's OK to discuss the price. Generally, people do not carry much cash and we don't leave tips for bar staff, cinema staff, or even waiters when the service is included in the bill.



D

Income tax is quite low in Britain, with a top rate of 40% and a bottom rate of 20%. Most people pay about 25%. For employees of companies, this is taken out of their monthly salaries, before they receive their pay cheque. We also pay 10% National Insurance for social security benefits, like pensions, health and unemployment. The problem is that we have a lot of other taxes, some direct, like local government tax, and some indirect, like VAT, a consumer tax of 17.5% on almost all goods and services.

Money matters Worksheet 19

ACTIVITY

Pairwork and whole class: reading, speaking

AIM

To talk about the way money is used: systems of payment, borrowing and tax.

GRAMMAR AND FUNCTIONS

Making comparisons and talking about similarities and differences: *the same as, different from, more than, less than*

VOCABULARY

Money: *payment, credit, debit, tax, interest, social security benefit, insurance, an amount, a loan, a cheque, cash, a tip, a bill, a rate, to bargain, to save, to lend, annual, monthly, direct, second-hand*

PREPARATION

Make one copy of the worksheet for each student.

TIME

40 to 60 minutes

PROCEDURE

- 1 Ask the students to think of all the things that you can do with money, for example, *spend it, save it, borrow it, pay with it.*
- 2 Give a copy of the worksheet to each student and go through the table at the top, checking that they know the terms.
- 3 Ask students to read the texts and to match the letters A, B, C, D to the corresponding headings at the top of the page. (Each text may correspond to more than one heading.)
- 4 Ask students to check their answers in pairs.
- 5 Check again with the whole class and ask one or two students to describe the characteristics of one of the financial practices in Britain.
- 6 Allocate a particular area, such as *tipping* or *tax*, to a pair of students and ask them to make comparisons between the British system and financial practices in their own countries.
For example:
We have the same attitude to tipping as the British.
The rate of income tax is higher than in Britain.
It's more difficult to buy a house.
- 7 Each pair should then report back to the rest of the class.

FOLLOW-UP

Ask the students to write a letter of advice to someone who is coming to live in their country. For example:

Always give a tip to the barman.
Don't carry a lot of cash with you.

ANSWERS

Credit (general loans)	A
Insurance	D
Tipping	C
Tax	D
Payment	B
Attitude to money	C and B
Mortgages (house loans)	A