

## MONEY AND BANKS

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### BANK ACCOUNTS

**Bank statement** – the list of transactions from a bank.

*'You can view your bank statements now online.'*

**A payslip** – a note given to an employee, showing their salary and any taxes deducted.

*'To qualify for a loan you usually have to show at least three months' worth of payslips.'*

To pay something back in **instalments** (UK) **installments** (US) – small, regular payments to pay back money to a bank or other organisation.

**To save, savings** (noun) – to keep money back for the future.

*'My parents told me to always try to save 20% of my salary each month.'*

**To save up for something** – to save for something in particular.

*'My brother is saving up for a new car. He is half way there already.'*

**Income** – all the money you receive on monthly or annual basis such as your salary, interest on savings and investments.

**Outgoings** – all the money that you spend on a monthly or annual basis.

*'Our outgoings are smaller than our income, thank goodness. If it were the reverse, we would be in trouble!'*

### LOANS

**To be in debt** – to have a debt with someone.

*'Unfortunately, most adults nowadays are in debt, one way or another.'*

**Debt** /det/ - the amount of money you owe.

*'Debt is a non-phonetic word. You actually pronounce it "det".'*

**To borrow** – to 'take' money (or something else) from someone or a bank and then pay or give it back.

*'I had to borrow money from the bank to be able to set up my business.'*

**To lend** – to 'give' money (or something else) to someone temporarily. You expect to get it back.

Lend, lent, lent.

*'The bank lent me £10,000 to buy a new car.'*

**Interest rate** – the proportion of a loan that is charged as interest to the borrower.

*'Interest rates have been low since the financial crisis.'*

**To owe** – the amount of debt you have to someone.

*'He owes the bank thousands of dollars in unpaid loans.'*

**To pay off/ to pay back a loan** – to return the money you borrowed.

*'We are slowly paying off the money we owe on our credit cards.'*

**To take out a loan** – to borrow an amount of money from a bank. ('Loan' is the noun of 'to lend').

*'I took out a loan to buy a motorbike.'*

**To take out a mortgage /mortgag/** – to borrow an amount of money from a bank to buy a house. ('A mortgage' is the name of the loan to buy a house).

*'My parents took out a mortgage to buy our house. It took them 30 years to pay back the loan.'*

## INVESTMENTS AND INHERITANCE

**To go public/ to have an IPO (Initial Public Offering)** – when the company decides to sell shares of the company to the public.

*'The last big IPO from a Silicon Valley company was Uber.'*

**To invest, to make an investment** – to put your money in an investment scheme to help it grow.

*'Buying shares in that telecoms company was a good investment.'*

**Stocks and shares** – small parts of a company which are bought and sold (not, 'actions').

*'The shares decreased in value when the CEO announced that he was leaving.'*

**Stock exchange** – where shares are bought and sold.

*'The USA stock exchange is in New York.'*

**Shareholder** – people who own shares.

*'Companies hold shareholder meetings once a year.'*

**To inherit, inheritance** – to gain money or another asset upon another person's death.

*'My great-aunt died and left me \$40,000. Incredible! I didn't even think that she liked me.'*

## FAMILY FINANCES

**Breadwinner** – an old expression to refer to the person who earns the most in the family.

*'For most of my life my father has been the breadwinner. But then he lost his job and my mother took over as breadwinner.'*

**Pocket money** – small amounts of money you pay to children.

*'What did you use to spend your pocket money on?' 'Sweets and chocolate mostly.'*

**A pay rise (UK), a pay raise (US)** – when your salary increases.

*'The workers got a 3% pay raise and so there was a celebration.'*

**A bonus** – an extra amount of money for performing well at your job.

*'The sales people got a bonus for achieving their sales targets.'*

**Wages vs. salary** – 'wages' are calculated by the hour and a 'salary' by the month. Generally, wages are paid to people in blue-collar jobs such as shop assistants and labourers and salaries are paid to people in professional jobs such as teachers and lawyers.

## **FINANCIAL PROBLEMS**

**To be able to afford** something – to have the money to buy something.

*'We can't afford to go on holiday this year as we have had a lot of expenses recently.'*

**To be broke** – to not have any money in that moment.

*'I am broke this week. But I am getting paid on Saturday so I can go out then.'*

**To go broke** – to have a personal financial disaster.

*'My uncle went broke when his construction firm collapsed.'*

**To go bankrupt** – when a company fails and has to close.

*'Kodak went bankrupt when people switched from analogue cameras to digital ones.'*