# Big Money 4



# **Getting Ready**

#### Discuss the following questions with a partner.

- 1 What has happened to the man in the above picture?
- 2 Is there a lottery system in your country? How much money can you win?
- 3 Finish this sentence: If I won a million dollars, I would . . .

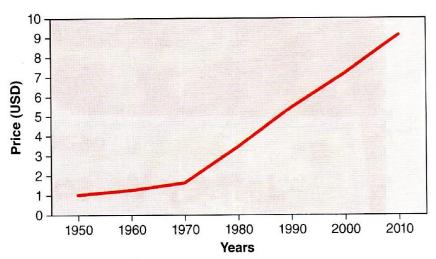
#### UNIT 4

# CHAPTER 1 What Does a Million Dollars Buy?

#### **Before You Read**

Money Knowledge

A The following graph charts the price of the same basket of goods in the U.S. over a period of a few decades starting from 1950. How has time affected the price of goods? What does this tell you about inflation?



Discuss your ideas in A with a partner. How much do you think a million dollars is worth today compared to 20 years ago? How about 50 years ago?

#### Reading Skill Identifying Cause and Effect

Words and phrases such as because, due to (the fact that), as a result, so, and in order to are used to show a cause-and-effect relationship; they signal that one thing (cause) makes another thing (effect) happen. Recognizing cause and effect can help vou better understand and organize the information in a passage.

A Skim the passage on the next page. Then write the cause (reason) or effect (result) for each problem below. Discuss your answers with a partner.

	Cause	Effect
1	The population is more dense, but there are fewer homes available.	Housing has become very expensive.
2		People started moving to the suburbs.
3	People want to be closer to their workplace.	
4		We need more money to buy things.
5	Many older people are living longer.	

- Underline the words and phrases in the passage that helped you understand the cause-and-effect relationships in A.
- Now read the entire passage carefully. Then answer the questions on page 69.



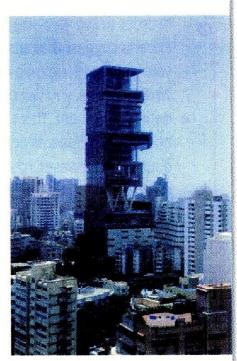
# What Does a Million Dollars Buy?

- When asked the question "What would you do with a million dollars?" most people tend to give similar answers: "Quit my job," "Buy my dream house," or "Go traveling." People often think that having a million dollars would make all their dreams come true. **In reality**, a million dollars may not really be that much money.
  - Twenty years ago, it might have been possible to **fulfil** these dreams. However, things are not so easy today.
- In most industrialized¹ countries, prices for everything from food to transport to university fees have steadily increased over the years. Housing prices in particular have risen greatly. The main reason is that the population has increased—becoming very **dense** in certain areas—but there are fewer homes available for sale or rent. For example, in the U.S., the average price of a new home in 1990 was \$149,800. The

average price in 2010 was \$272,900. With increases like that, you can see why owning **property** is considered a good long-term **investment**.

Housing in city centers also costs more than ever before. People used to move from the city center to the outer city neighborhoods or suburbs to escape overcrowding and noise.

Today, many are moving back because they want to be closer to their workplace. Since space is limited in these areas, supply has not caught up with rising demand, and prices have gone up a result. For example, it is nearly impossible to find a place in London's expensive Mayfair district, or Manhattan in New York City, for a million dollars. Even countries that traditionally have a lower cost of living, like India or Brazil, have seen property prices rise dramatically. A 2,000 square foot



The world's most expensive home is in South Mumbai. It is said to be worth \$1 billion and belongs to Indian businessman Mukesh Ambani.

<sup>&</sup>lt;sup>1</sup> An industrialized country is one that is highly developed and has high standards of living.



(186 square meter) apartment in Mumbai's southern neighborhoods can cost more than \$3 million—the same as a two-bedroom flat in central London.

**Inflation** is another important reason for the rise in the cost of living. Over the last 150 years, as prices have gone up, the value of money has gone down, so we now need more money to buy things. In 1913, for example, \$50,000 had about as

> much buying power as \$1 million does today. Of course, people now earn more money than they did 150 years ago, but they also



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The price of oil has risen dramatically in the last 50 years.

spend more on necessities such as food, medicine, and housing. Due to this increased cost of living and a tendency for younger generations to spend more, people are actually saving less than ever before.

- In order to live well after you retire, you should begin saving as early as possible. Experts suggest that after you stop working, you will need 70 to 75 percent of your **salary** to live on every month. In other words, if you make \$3,000 per month while working, you will need between \$2,100 and \$2,250 per month to live on 45 during retirement. This calculation assumes that you have no mortgage<sup>2</sup> on a
  - house to continue paying, or other major expenses like your children's university education. However, more retired people now rent their housing because they can't afford to buy a home, so they will pay more in housing costs over time. People also have to spend more on health care because they live longer; many
  - 50 people in developed countries now live into their 80s or 90s.
- Due to increased demand for housing, higher inflation, and a longer life expectancy, a million dollars may not be enough to live on. Of course, where you live and how long you live will influence how far a million dollars can go. To be able to retire early, travel the world, and build your dream home, you may have to

<sup>55</sup> be a millionaire many times over!

<sup>&</sup>lt;sup>2</sup> A mortgage is a long-term loan given by banks to help people buy property.

Motivational Tip: Pause and think. Before you answer the reading comprehension questions, take a moment to reflect on what you have just read. What was the most important information from this passage? How was the important information supported with examples? What do you now know that you didn't know before reading this passage? When we pause and think after we read, our comprehension will increase.

A	Write the paragraph number (1-6) next to each main idea.
	People need more savings in order to retire comfortably.  A million dollars is not worth as much as people think.  Many factors influence how far a million dollars can go.  The cost of living has increased due to inflation.  Property in city centers has become much more expensive.  Property is more expensive because there is greater demand and less supply.

Reading Comprehension Check Your Understanding

B Read the following statements. Check (✓) whether they have gone up (▲) or down (▼) over the last 20 years.

1	the value of a million dollars		
2	average price of a house in the U.S.		
3	health care costs		
4	the cost of food and housing	41	
5	how much people save		
6	the number of elderly people		
7	proportion of retired people who own their homes		

# **Critical Thinking**

#### C Discuss the following questions with a partner.

- 1 Are housing prices rising in your country? How has this affected you, your friends, or your parents? What effect does this have on society in general?
- 2 How do you think governments can help solve the problem of rising property prices and rising cost of living in general?

# Vocabulary Comprehension Definitions

A Match the words in the box to the correct definitions. Write a-h. The words are from the passage.

	a in reality	<b>b</b> fulfill	<b>c</b> dense	<b>d</b> property
	e investment	f inflation	g necessities	h salary
1	to achiev			
2			ise it may be worth m	nore in the future
3	things th	at one owns; one	s's house or land	
4	thick; clo	se together		
5	actually;	in fact		
6	money o	ne is paid for wo	rking	
7		•	ls, e.g., food, clothing	9
8	a continu	uing increase in p	rices over time	
	omplete the follov ave to change the		using the words fron	n A. You might
110	ave to change the	ionii oi tile woi	u.	
1	Many people in d	eveloping countr	ies do not have acce	ss to
		such as food or c		
2	I rejected the job	offer because the	e off	ered is too low. It
	doesn't pay as w	and the second s		
3	,		st three months, but .	it
	took almost twice			
4	Make sure you ca	an afford the mor	tgage if you decide to	o buy
5	The population is	very	in Chinese citie	s like Shanghai
			e from the countrysid	
6			arly doubled in the la	
	due to			
7	She's looking for	a job in New Yor	k so she can	her
	dream of living th			
8			ing of a football stadi	um as part of its
	long-term			

#### A Use in-, il-, im-, or ir- to complete the words below. Then discuss the meaning of each word with a partner.

- 1 There are still people in the United States who are \_\_\_\_literate-they can barely read or write.
- 2 It's quite \_\_\_\_\_probable that the thief climbed through the window when it's nearly 20 meters above the ground.
- 3 It is difficult to breathe on a mountain because there is \_\_\_\_sufficient oxygen in the air.
- 4 Sandra has an \_\_\_\_\_rational fear of the dark. She even has a night light by her bed.
- 5 Her handwriting was so \_\_\_\_legible that the teacher could not mark her test paper.
- 6 I won't ask John for advice in the future; what he told me was completely \_\_\_relevant to my situation
- 7 Cancer is still an \_\_\_\_curable disease.
- 8 After waiting for Maria for 20 minutes, Albert began to get \_\_\_\_\_patient.

#### B Complete the following sentences using the words in the box.

	illogical	immature	inseparable	irresponsible	incapable
1	It was		of you to leave	the door unlocke	d after going out.
2				very	
		like a teenage			
3		o self-absorbe out himself.	ed that he seems	5	of thinking about
4	_			npletely	She
		nswer my ques		Time	alaman lang fang blog.
5				They even	signed up for the
	same cla	asses at unive	rsitv.		

## Vocabulary Skill

The Prefixes in-, im-, il-, and ir-

In this chapter you read the word impossible. This word begins with the prefix im-, meaning not or the opposite of. The prefix in- can also mean not. When incomes before the letter I, the prefix changes to il-. Before m or p, it changes to im-. Before r, it changes to ir-.

#### UNIT 4

# CHAPTER 2 Lottery Winners: Rich...but Happy?

# **Before You Read**

**Lottery Facts** 

A Look at the information below. Which of these statistics are surprising to you? What does this tell you about the chances of winning a lottery?

In our lifetime, what are the chances of ...

1 in 500 ...being born with 11 fingers or toes?

> 1 in 1,008 ...drowning?

...living to 100 years old? 1 in 6,000

...finding a pearl in an oyster?

1 in 12,000

...getting struck by lightning?

1 in 280,000

...winning the Mega Millions Jackpot?

1 in 176,000,000

- Discuss the following questions with a partner.
  - 1 Do you know how the lottery works?
  - 2 Do you know anyone who has won the lottery or received a lot of money all at one time? What did they do with the money?

## Reading Skill

Previewing

Previewing is something good readers do when they first encounter new reading material. They ask themselves questions like these: What is this about? What kind of text is this? and What do I already know about it? Previewing can involve skimming, scanning, and predicting to help us get acquainted with the reading passage.

- A Take one minute to preview the passage on the next page. Think about the title and the picture, scan the passage for interesting information, and skim the first and last paragraphs.
- Now discuss the following questions with a partner.
  - 1 What do you think the passage is about?
  - 2 What do you already know about this subject?
  - 3 What interesting points did you notice?
  - 4 Where could you look to learn more about this topic?
  - 5 Do you think you'll enjoy reading the passage?
- Read the entire passage carefully. Then answer the questions on page 75.



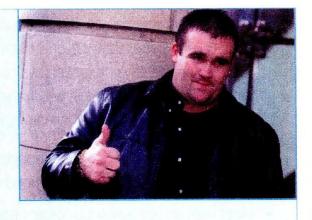


Every week, millions of dollars are spent, and won, on lottery tickets. With jackpots hitting hundreds of millions of dollars, many lottery winners suddenly find themselves with much more money than they're used to. Many will have enough to purchase a new car, buy a luxury house, take a holiday and quit working—all within a short space of time. These "lucky" few, however, may end up with more problems than they had before they struck it rich. According to financial planner Steven Goldbart, two out of three winners spend all their winnings within five years.

Newly affluent lottery winners are actually in quite a tricky situation, so much so that lottery organizers employ counselors to help them. These counselors encourage winners to get advice from financial experts, such as accountants, about how best to invest their earnings. The counselors also help winners to understand how their lives may change for the better—and possibly for the worse. Many lottery winners are sensible when managing their new wealth; some, however, do not use their money wisely and end up getting into various unforeseen difficulties. Take a look at the fortunes of two very different lottery winners.

Michael Carroll is an example of what can happen to lottery winners if they don't manage their money carefully. When Carroll was 19 years old, he won £10 million in England's National Lottery. At the time, Carroll was working as a garbage collector, and the money changed his life. Three months after winning the

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lottery, he bought a home in a small town and turned the backyard into a 24-hour racetrack. The constant noise and dust upset his neighbors. He also purchased several luxury vehicles but was stopped for driving a brand new BMW without license plates or insurance. He was **banned** from driving for six months. This wasn't Carroll's first encounter with the law - he was frequently



in 2006 for violent behavior. Upon his release from prison, Carroll applied for loans to make the payments on properties he had bought and to continue funding his **extravagant** lifestyle. In just eight years, Carroll had spent all his winnings. It was reported in 2010 that he was trying to get his old job as a garbage collector back.



After winning almost \$29 million in a North Carolina lottery in 2009, Billy and Jeff Wilson say they have learned a lot about managing money. When people found out that the father and son had won so much money, the family had to leave their hometown to avoid

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people asking them for financial help. Billy, the elder Wilson, stopped working but likes to believe that winning the lottery hasn't really changed them as people. He said: "We live around a bunch of millionaires and some of them are the most miserable people on Earth. Just because you have money doesn't make you any better than anyone else and sometimes it seems like they forgot that." His son Jeff says he just enjoys hanging out with friends and fishing. Thanks to the sensible way in which they handled their lottery money, the Wilsons are set to enjoy their winnings for a long, long time.

If you should happen to be lucky enough to win a lottery, here are a few simple rules that financial advisors recommend following.

- Meet with an accountant or other financial advisor.
- Pay all **debts**, such as home mortgages, car loans, and credit card bills.
  - Calculate how much money will be needed to live on every year and then invest the extra money.
  - Hand in your resignation only when you know you really don't need the job anymore.

#### A Choose the correct answers for the following questions.

1 The word lucky (line 5) is in quotation marks because lottery winners

Reading	
Comprehension	
Check Your Understanding	J

- a depend on skill and not luck to win
- b may encounter problems with their money
- c will soon lose all their money
- 2 What do lottery counselors do?
  - a They organize and run the lottery.
  - **b** They help lottery winners make financial investments.
  - c They help lottery winners cope with their sudden wealth.
- 3 The word fortunes in line 15 does NOT mean \_\_\_\_\_
  - a luck
  - **b** money
  - c outcome
- 4 According to the passage, what should lottery winners do?
  - a Quit their jobs soon after winning.
  - **b** Pay their credit card bills.
  - c Invest all their lottery winnings.
- 5 What could be another title for the passage?
  - a The Biggest Lottery Winners
  - **b** Winning the Lottery: What Happens Next?
  - c How to Hit the Jackpot

#### B Read the following sentences. Check (✓) whether they apply to Michael Carroll (C) and/or the Wilsons (W).

Th	w		
1	stopped working.		
2	moved to a new place.		
3	got into trouble with the police.		
4	had to borrow money eventually.		
5	is/are still living on the prize money.		

#### C Discuss the following questions with a partner.

- 1 Do you think rich people are treated differently? How would people treat someone who has just won a lottery?
- 2 What personal qualities help a person to handle money well?



# **Vocabulary** Comprehension

Words in Context

A	Choose the best answer.	The words in	blue are	from the passa	qe
	Olloode the best dilower	THE HOLDE	DIGG GIO	nom and padda	н

1	An amuent person has a lot of	-	•
	a talent	b	money
2	If a math problem is tricky, it		
	a doesn't have an obvious solution	b	can be solved easily
3	A sensible person usually		
	a acts without thinking	b	thinks before acting
4	Which is considered a wise investment?	?	
	a taking a course on computer skills	b	buying a candy bar
5	An unforeseen encounter is a meeting the	hat	you don't
	a expect	b	remember
6	If you are banned from something, you	are .	
	a not allowed to do it	b	invited to do it
7	An example of an extravagant expense	is_	
	a a diamond collar	b	a washing machine
8	A person who has a debt	r	noney.
	a has saved	b	owes
	swer the following questions, then dis		5
pa	rtner. The words in <b>blue</b> are from the p	oass	sage.
1	Have you encountered any unforeseen	diffi	culties in learning English?

# B

- 2 What is the most extravagant thing you've ever bought?
- 3 What are some things that are banned in your classroom?
- 4 What do you think people mean when they refer to "sensible shoes"?
- 5 What is the wisest piece of advice that anyone has ever given you?
- 6 Why do you think more and more young people are in debt nowadays?
- 7 Which is the most affluent neighborhood in your city?
- 8 Have you ever been in a tricky situation involving a friend? Why was it tricky?

Motivational Tip: Share with others. Think of two ways that you can share what you learn from this chapter with people who are not in your class. Do you have a friend that you can email after class today? Tell him/her what you learned about the value of money today in your class. As you share what you read with others, your reading skills will improve.

Write the correct -ent or -ant word for each definition. Use the words in
italics to help you. You may use a dictionary to help with spelling.

1 .	;	a person who lives or resides in a certain place
2 .	:	pleasing to you
3 .	:	describes someone who challenges or defies authority
4	:	to depend or rely on something or someone
5	:	empty, having a vacancy, unoccupied
6	:	someone who participates in something
7	:	when something is obvious from evidence
8	:	a person who makes a formal application for
		something, e.g. a job
9	:	a person, plant, or animal that is descended from a
		particular ancestor
10		open to and able to tolerate different views, beliefs, or
		hehavior

#### B Complete the following sentences with the correct forms of the -ent or -ant words from A.

1	It was that she had not prepared for the meeting as she
	had no idea what to say.
2	Nearly 12% of people in the United States are of Irish
	settlers who came to North America over the centuries.
3	A(n) society is one that is accepting of all races and
	religions.
4	The of the building were unhappy with the noise caused
	by the construction next door.
5	The position is still because we haven't found a suitable
	person for the job.
6	There's a(n) smell coming from the refrigerator. I hope
	the food hasn't gone rotten.
7	He has been getting into trouble at school for starting fights and being
	openly toward teachers.
8	Nowadays, people are so on technology to keep in
	touch with friends.

C Think of two more words that end with -ent or -ant. Write a definition for each and see whether your partner can guess the words.

## **Vocabulary Skill**

The Suffixes -ent and -ant

In this chapter you read the word affluent, which ends with the suffix -ent, and extravagant, which ends with the suffix -ant. These suffixes can be used to form adjectives like in the passage. They can also be used to describe someone or something that performs a specific action (e.g., a servant is someone who serves).

#### **Real Life Skill**

Understanding Money and Banking Terms

If you're planning
a trip to an English
speaking country, it is
often helpful to learn
about local banking
customs and practices.
Becoming familiar with
some of the common
money and banking
terms will help you to
better enjoy your stay.

A The following are common words and phrases used in many English-speaking countries. Discuss their meanings with a partner.

Forms of payment	Using a bank machine	At the bank
cash check debit card credit card	ATM <sup>1</sup> PIN <sup>2</sup> withdraw deposit	open a checking account currency exchange money transfer deposit

<sup>&</sup>lt;sup>1</sup>Automated Teller Machine <sup>2</sup>Personal Identification Number

Complete the sentences	. I I	and abuses from A
Complete the sentence	a neinw liging words :	and Dhrases from 🗛.

- You will need a(n) \_\_\_\_\_\_ if you want to reserve a hotel room via the Internet.
   If you want to send or receive money electronically, you should visit a bank or a credit agency and ask about doing a(n) \_\_\_\_\_\_.
   You have Euros, but you need American dollars. You should visit a place that does \_\_\_\_\_\_.
   You have \$500 in your checking account. You go to a(n) \_\_\_\_\_\_ and \_\_\_\_\_\_\_\$85. Your balance is now \$415.
- C Below is a common form of payment in the United States. What is it? Imagine you need to pay \$120.50 to Kean's Department Store. Complete the missing information.

San Francisco, CA 94134	Date
Pay to the order of	\$ 202.00
	DOLLARS
Bank of America	versioners over planting could had be to de-
1234 001 234 567	

### What do you think?

- 1 What are some ways that you can guard your money against inflation?
- 2 Why do you think people play the lottery if the chances of winning are so low?
- 3 Can you name any famous billionaires? How did they get their wealth?
- 4 Do you think wealthy people should donate money to charity? Why, or why not?