

Chatterbox #126 – Money

Informal Contractions in this Episode

Informal contractions are unofficial short forms of other words, and they're usually only used in casual conversation. For example, when a native English speaker talks casually, they might say *gonna* instead of *going to*, or *whaddya* instead of *what do you*. Even though informal contractions are usually only used in spoken English, we include them in the Culips written transcripts to help you get used to how they're used and what they sound like.

These are the informal contractions used in today's episode, along with their meanings:

- **'cause:** because
- **dunno:** don't know
- **gonna:** going to
- **kinda:** kind of

Transcript

Andrew: Hey everybody. This is Andrew.

Harp: And Harp.

Andrew: And we're back with another Culips episode.

Harp: Yes. Check out our website Culips.com, that's C-U-L-I-P-S.com because that's the only place where you can sign up and become a member. And when you're a member, you have access to the learning materials for each and every episode. And what do the learning materials include?

Andrew: Well, they include some great things such as full transcripts of every episode that we record and also you get detailed explanations of the most important expressions that we talk about. And you also get quizzes to test your knowledge.

Harp: Exactly. And remember that we're on Facebook and Twitter so come on over there and say hi to us or leave us a comment or a suggestion for an upcoming episode.

- Andrew: Yup. That's an excellent idea.
- Harp: So how are you?
- Andrew: I'm doing pretty well. How are you, Harp?
- Harp: I'm very, very, very well.
- Andrew: Very well. OK. That's great.
- Harp: Yeah. I'm just happy. Sun's shining, it seems like spring is gonna come soon. Very soon.
- Andrew: Yeah. I'm excited. My mom and my sister are coming for a visit next week, so that should be cool.
- Harp: Ooh. That's very exciting.
- Andrew: Yeah. I haven't seen them for a while so it will be good to reconnect.
- Harp: Nice. Is it their first visit here?
- Andrew: Second visit, I think. They were here last year too.
- Harp: Cool. So let's get started with today's episode. Today we're gonna bring you a Chatterbox episode.
- Andrew: Yeah. And that's where we talk about an interesting topic and explain some really cool things.
- Harp: Yup. And today we're going to be talking about money.
- Andrew: Yeah. This is a topic that interests a lot of people.
- Harp: Yup. I would say it interests everyone.
- Andrew: Yeah. **Money makes the world go round**, right?
- Harp: Exactly. So we're gonna break it down, and we're gonna start with talking about **salaries**.
- Andrew: OK. **Salaries**.
- Harp: Yes. Then we're gonna talk about cash versus cards.
- Andrew: Mhmm. A very relevant issue in my life. Cash versus cards. OK.

- Harp: Exactly. And then we're going to finish it off with talking about some personal stories about us and money.
- Andrew: We'll talk about our own finances I suppose.
- Harp: Exactly. So let's get started our first topic of **salaries**.
- Andrew: OK. So salaries. There's a couple of different ways this can work.
- Harp: Yeah. Exactly. Usually it's either an hourly rate or an annual **salary**.
- Andrew: So **salaries** we should just explain. This is a way to talk about the money that you make, and like you said, you can get it either on an hourly basis or on an annual or a yearly basis.
- Harp: Exactly. Your **salary** is the money that you are paid to do your job and, yeah, you either make an annual **salary** or an hourly **salary**, and it usually depends on what kind of job or career that you're in.
- Andrew: That's right. And when I think of an hourly **salary**, or an **hourly wage**, I think this is usually a job that is done by a younger person. Maybe they're not working full-time. It's kinda like a part-time job. Or maybe it's a blue-collar job, perhaps.
- Harp: Yup. Exactly. And when I think about this and an hourly rate, I think back to when I got my first job, and I was making four dollars an hour.
- Andrew: Four dollars an hour?
- Harp: Yup. It was back a long time ago.
- Andrew: Yeah. That must have been a really long time ago.
- Harp: It actually wasn't that long ago because in Alberta the **wage** is much lower than in other places.
- Andrew: Right. I remember when I got my first job, it paid me \$8.71 an hour.
- Harp: Wow. That's a lot more than \$4.00 an hour.
- Andrew: Yes. Definitely.
- Harp: And that was my **wage** when I was working at a fast food restaurant. So I was working there part-time as a student, and to me, actually four dollars an hour, it was a lot of money back then.
- Andrew: OK. And the other option is a yearly **salary**.

- Harp: Yes. And this doesn't mean that you're only paid once a year. It just means that when they're telling you how much you make they're just saying it in a yearly amount. Like you make \$30 000 a year, or you make \$100 000 a year.
- Andrew: Exactly. Yeah.
- Harp: It doesn't count it based on exactly how many hours you work each week, and most of the time you end up working more for less.
- Andrew: I think so. That's what I've heard a lot of my friends complain about. I'm at the age where people are just starting to start their careers, and they're at the **bottom of the ladder**, and they're saying that they're working so much. When they **crunch the numbers** and figure out their **hourly wage** it really doesn't amount to that much.
- Harp: Yeah. I know exactly what you mean. You get so excited when you're like, "Oh, I'm making so much money. I'm making 45 000 or 50 000," or whatever your starting **salary** is, and then you realize how many hours you do to make that money, and it's usually kind of disappointing.
- Andrew: Yup. I think so. When you're just starting a new career, you have **to put your time in** and, yeah, it can be frustrating when you do the math.
- Harp: Yeah. 'Cause usually when you're starting out in your career your **salary** is normally pretty low. Like maybe 30 or 40 thousand dollars per year.
- Andrew: Yeah. That's right. So I have a semi-personal question for you, Harp?
- Harp: OK.
- Andrew: How often do you get paid?
- Harp: I get paid every two weeks.
- Andrew: Every two weeks? OK.
- Harp: Yeah. Which I actually enjoy much more than when I used to be paid twice a month.
- Andrew: Is it not the same thing?
- Harp: It's not the same thing.
- Andrew: OK. Explain. How is this different?

- Harp: OK. 'Cause when you're paid twice a month, you get paid usually on the first and on the fifteenth. And some months have 28 days and some months have thirty days. It's not as regular. You have to kind of think more about when you're gonna get paid. While if you're getting paid every two weeks you know that every Thursday or every Friday or whatever day is payday, you know you're going to get the same amount of money in your bank account that time. It's more consistent for me.
- Andrew: Yeah. That makes sense. And one thing I like about the every two-week system is that some months you get three paydays.
- Harp: Exactly. I love when that happens.
- Andrew: Yup. I'm actually on the two-week system as well, so I get paid every two weeks.
- Harp: Yeah. I just find it's more consistent, it's easier to keep track of everything, you know exactly when you're gonna get paid. It's not like it's hard to calculate what day of the month it is and figure it out, but it's just more intuitive when it's every two weeks.
- Andrew: Mmhmm. One of my old jobs used to pay me once a month. So it was a consistent day, I knew it was like the 25th of the month, every month, but it seemed like by the time payday rolled around I really needed that paycheck.
- Harp: Yup. I've never been paid monthly, and I don't think that I could deal with it. But we're gonna save this topic for our last section.
- Andrew: OK.
- Harp: Let's move on to the second topic though, cash versus cards.
- Andrew: Cash versus cards. OK. Well to talk about myself for a little bit, I am a card guy.
- Harp: Yeah. You like to use **Interac** or credit cards?
- Andrew: Yeah. I'm in love with my **debit** card.
- Harp: I have to agree with you. It's so rare that I **have cash on me** now.
- Andrew: Well, we should explain. A **debit** card is a way to pay for something automatically withdrawing the money from your bank account. So it's a direct **debit** out of your account to pay for whatever you buy.

- Harp: Exactly. And I would say almost every single store in Canada now has a little machine where you put your card in and then you put in your **PIN number**, which is a personal identification number it's usually four numbers long or eight numbers max, and the money goes directly out of your chequing account.
- Andrew: Mmhmm. Exactly. So, like you said, almost every store in the country has a **debit** machine. But one thing that I've noticed since I moved to Montreal is that restaurants often don't have a **debit** machine.
- Harp: That is true. And also taxi drivers in Montreal never have machines, and it drives me crazy.
- Andrew: I know. This is the one area that I run into problems with because I don't often carry cash, but I know that if I go out for a drink or if I go to a restaurant, I'm gonna need to get some cash.
- Harp: Yeah. I always have to plan to carry **cash on me**. It never happens anymore that I'm actually carrying cash.
- Andrew: Yeah. A lot of my friends actually work in the restaurant industry, and so they make tips as part of their job. And they get paid those tips in cash. So I'm always, if I'm out at a restaurant or something, I'm always like, "Hey can you lend me some cash? I'll pay you back later," because I never **have the cash on me**. It's very frustrating.
- Harp: I know exactly what you mean. I have to end up paying a lot of money when I'm taking out money from a machine that's not my bank. So you have to pay all these fees because I never carry cash with me.
- Andrew: Mmhmm. Usually what a restaurant or bar will do if they don't have a **debit** machine is they will install an ATM, or a cash machine, inside the restaurant. But if you want to take money out of that machine you have to pay two or three dollars, and it's kinda frustrating.
- Harp: Yeah. It's really a waste of money and bad planning on my part when I have to do this. I'm trying to get better at this.
- Andrew: I just want the restaurants to change over. Get the **debit** machines.
- Harp: Exactly. But it's funny because when I was younger, I would always **have cash on me**.
- Andrew: Yeah, really? I feel like I've... Well I dunno. I'm trying to think. I got my **debit** card when I was maybe ten years old.
- Harp: Oh, you did? Wow! That's really young!

- Andrew: Mmhhh. Yeah so I've had it for a long time. I think I'm just so used to using the **debit** card.
- Harp: And do you change your password a lot on your **PIN**?
- Andrew: You know I should do it more often. I'll do it tonight when I go home.
- Harp: 'Cause I'm kind of lazy for changing my **PIN** so if I had had my card since I was ten, I probably would still have the same number.
- Andrew: I recently changed it. Actually, last year.
- Harp: OK. Last year!
- Andrew: This was actually the first time I'd changed it, last year.
- Harp: That's funny. So in Canada, a lot of people just use cards and don't carry **cash on them**.
- Andrew: Mmhhh. Yeah. We'd like to know what it's like in your country. You should let us know. Is it a cash based system? Is it a credit card/**debit** card system? We'd like to find out.
- Harp: Or, I'm hearing a lot more about mobile payment with your mobile phone, you make payments and you can pay for almost anything, which I don't even understand because I've never done it before.
- Andrew: Yeah. This is the future I think. Paying with your cellphone.
- Harp: Yes. I agree. But we need one of our listeners to tell us how they do it.
- Andrew: Yup. Explain this to us please.
- Harp: All right. Let's move on to our last topic.
- Andrew: Right. So we've talked a little bit about our personal finances and what we do with money, but we're gonna talk more about that now.
- Harp: OK. So now I'm a start with you because you had a bank account since you were ten years old.
- Andrew: Yeah. My parents took me to get a bank account when I was probably about eight years old. Yeah. Around then.
- Harp: Wow. And then you would get your **allowance** and put your money in there?

- Andrew: Yeah. Yup. I would have a little **allowance**. A little savings account. My parents gave me a little bit of money for savings. And I started working when I was super young. I had a paper route.
- Harp: Wow!
- Andrew: So, yeah. Maybe from when I was about 11 years old I started making money for myself.
- Harp: That's great.
- Andrew: Yeah. I remember when I first got my bank account, it used to have the **passbook** to update your balance, and that is such an antique thing to think about now. They don't exist at all but it was cool.
- Harp: Yup.
- Andrew: I loved to go to the bank and get the lady to update it, so I could track my savings. It was really cool.
- Harp: That's funny that you loved it, 'cause I hated it. I would always lose my **passbook** so it would never show my whole history.
- Andrew: Yeah. But they got rid of those a long time ago now.
- Harp: Yeah. Everything's online now. Before you used to have this book that you'd give to the teller, and it would show all of the transactions for your bank account. And now everything's online, and you sign into your bank account, and you can see everything that you've done.
- Andrew: It seems crazy to me to think that people actually lived that way. Not even that long ago we'd have to carry this special document around just to track our finances.
- Harp: I actually have a friend who works in a bank as a teller, and she tells me that it's really hard to get older people to change into using online banking because for someone is 80 or 90 years old, they don't really know how the Internet works, so they just want their **passbook** updated.
- Andrew: Yeah. Exactly, and this actually just reminded me of something else. I recently moved into a new apartment, and as part of my lease agreement, I had to pay for the upcoming year with **cheques**. I had to give **post-dated cheques**. And when I was writing all these **cheques** I thought, "Wow, this is really strange. I never write **cheques** anymore." And it was a very manual type way of managing my money.

- Harp: I don't even know how people would pay for rent without **cheques** though. That's the only way I've ever paid for rent.
- Andrew: I think that's the only thing that we use **cheques** for now is, maybe for some bigger, official business transactions, but would you ever use a **cheque** for anything other than rent?
- Harp: Yup. I do actually have a **cheque** book still, and I use **cheques** very rarely. But usually when I owe someone money, and it's kind of the easiest way of doing it rather than getting their bank information and sending it to them electronically, which is easy if you're doing it often. But if it's just a one-time thing, and somebody lent me money, I'd just write them a **cheque**.
- Andrew: Yeah. That would make sense. I remember when I was a kid, you used to see people in the grocery store pull out their **cheque** book and write a **cheque** to pay for something, but that just doesn't happen at all anymore.
- Harp: Nope. I've never seen someone paying with a **cheque** for groceries but, yeah, it definitely happened a lot in the past.
- Andrew: And it was so annoying because it would take them forever to go through with their transaction, to sit there and fill out the **cheque**. It's crazy, and I'm glad it's gone.
- Harp: That's true.
- Andrew: OK. So what about your finances? What do you do? Do you have anything that you'd like to share?
- Harp: Yeah. I think I'm pretty good with finances now, but I didn't start at as young an age as you. I wish I did. My parents had this kind of system that worked where if we did some special chores then we would get money, but it was never in a bank account. It was always kind of a system that they would write or keep in their heads. And I think it would have been better if I could have seen the amounts that I was earning and then spending. It might have been actually completely arbitrary the way my parents did it, but in my head I would remember thinking, "OK, I'll do this and I'll vacuum everything and then I'll get an extra five dollars."
- Andrew: That's kind of a cool system, but it seems to me like very easy for your parents to take advantage of.
- Harp: Yeah. I would have to keep very careful track of it, which I wasn't very good at doing, but my sister would. She'd write everything down and keep track of it. She was very good with her money and now she still is.
- Andrew: That's awesome.

- Harp: Now, do you make **a budget** Andrew?
- Andrew: Do I **budget**? Very loosely.
- Harp: So you have an idea generally in the month of how much you want to spend?
- Andrew: Yup. I know what my expenses are, and I know what I have coming in. And since I'm a student I'm not making a ton of money, so I kind of loosely say, "I know what I can buy," but I sort of stick to the bare essentials right now.
- Harp: OK. Yeah. I'm really bad at **budgeting**.
- Andrew: Yeah.
- Harp: **Budgeting** to me is a little bit like dieting. Like if I try to restrict myself, I'll just end up eating more or, in this case, spending more.
- Andrew: Yeah. It's one of those things I don't even like to think about, to tell you the truth. But, yeah, it's something that I kind of loosely do, but I'd just rather not.
- Harp: I don't like to restrict myself, like you only have this amount of money for this thing. What I like to do more is think "Do I actually need to buy this? Do I actually need to go to a restaurant today?" And I restrict myself more that way rather than defining a strict **budget** and sticking to it.
- Andrew: I think I'm the same way, to tell you the truth. I think if I allotted myself, "Here's \$100 for entertainment, and here's \$100 for clothing," then I would either. I wouldn't like the responsibility of actually having to spend that money or the guilt if I spent more than that. I just sort of know what I can afford and what I can't, and I try to stay within those boundaries.
- Harp: Yeah. I try to be more reasonable about it and just really think to myself, "Is this a need or a want?" And almost all of the time it's the want, so you have to only focus on the needs.
- Andrew: I'm sure that all the financial advisers listening out there listening right now are shaking their heads at us and saying, "You guys. This is the wrong way to do it." But that's kind of how we live I guess.
- Harp: Yeah. Exactly. No, I'm not giving advice to anyone; I'm just saying how I live my life.
- Andrew: That's right.

- Harp: Yeah. Every time I go to the bank, and I speak with an adviser they're always telling me, "We need to do this more structured." But the one thing I've started doing in the last couple of years is doing automated transfers of money into my different savings accounts. So every two weeks, when I get paid on my payday, automatically I have a certain amount that goes into an **RRSP**; I have an amount that goes directly into a tax-free savings account. I have a lot of different savings accounts that I have different goals for. Like an **RRSP** is a registered retirement savings plan, so that money is specifically set aside for when I'm old. I don't touch it, I don't think about it, it's money that doesn't exist for me once it's out. But my tax-free savings account is for if I'm trying to save for a vacation. It's more of a short-term goal. So my advisers have set me up like that, which I really enjoy so I don't have to think about doing that. I just like when it happens automatically.
- Andrew: Yeah. You're so responsible. That's awesome.
- Harp: You'd be surprised how much money you can save.
- Andrew: I know. I saw this thing on the Internet right around New Years. You know, everyone is making new years resolutions and people are trying to resolve to save money and to be more financially aware. And there was this meme going around that said if you saved ten dollars a week, I believe it was, and then you doubled it every week, by the end of the year you'd have a ton of money. I don't remember exactly the figure, but it was crazy. I thought, "I could do that. I should do that."
- Harp: OK. That's interesting. Yup. You just need to start I think. 'Cause for me I was thinking back when I was younger, "I don't need to worry about that right now," or, "It's too hard. I can't do it." But when it's automated, you don't even think about it anymore.
- Andrew: Yeah. I will look into that. You know I think as soon as I graduate, I'm going to be hitting the real world really soon, and that's when I've got to get everything in line and, yeah, **welcome to the real world**.
- Harp: Yeah. It's true. It is different when you're a student. You're more in survival mode.
- Andrew: Exactly. Unfortunately.
- Harp: Well, you're almost done school, so you'll be entering the mean, real world soon.
- Andrew: Yeah. With a full-time job and a full-time income. Yay!
- Harp: Yeah. It'll be fun. It'll be fun to be earning more money I'm sure. All right, well let's do a quick recap of what we talked about today.

- Andrew: Sure. Well we started our chat talking about **salaries** and hourly **salaries** compared with annual or yearly **salaries**.
- Harp: Yes. Exactly. And then we talked about cash versus cards.
- Andrew: Mmhmm. And then, finally, we talked about personal finances.
- Harp: Exactly. And remember, we are not giving advice in the personal finance section.
- Andrew: Yeah. This is just what we do. We are not experts, so you'll really have to talk to somebody else about that.
- Harp: Exactly. But, if you want to improve your English, we are experts so check out the website Culips.com. C-U-L-I-P-S.com.
- Andrew: And while you are downloading our episode on iTunes, leave us a rating.
- Harp: Yes. Tell us how wonderful we are. Well, we hope you think we're wonderful.
- Andrew: That's right. Well, thanks for listening everybody, and we'll catch you next time.
- Harp: Bye everyone.

Detailed Explanation

Money makes the world go round

Money makes the world go round, or **money makes the world go around**, is a common way to say that money is what makes society function. So much of our lives are based on money, and if you think about what aspects of our lives are structured by our defined by money, you'll see how true this expression is. The things we're able to do in our free time, and the way people in other cultures live, is defined by money.

There are a lot of slang words and synonyms for money in English, and this is because it's such a huge part of our lives. One of those words is cash. Cash can be used generally to mean money, or it can be used specifically to refer to bills, as oppose to money, that's electronic (in other words, money that's transferred through debit or credit cards). Another common slang word for money is dough. It's less formal than money or cash, and it comes from another synonym for money, bread. Bread is not used in casual speech for money, but is used in expressions for money, such as 'bread and butter', which refers to your job or other source of income. Dough is the raw form of bread, and was more in previous decades. It's a slang term, which is not as used today as it was in the 1980s or 1990s. Other slang terms for money include: bucks, moolah, bacon, and coin.

Here is another example using the expression **money makes the world go round**, along with some common slang words for money:

Renata: How's the new job going?

Laura: Oh, all right. It's easy cash, and I could use the money. I have to think about how to pay for college next year, and it's nice to have some dough to spend when I go out.

Renata: Yep. **Money makes the world go round!**

Laura: It's so true. Sad, but true. This job is going to be super helpful though. Now I'll finally have some moolah to spend when we go to the cottage this summer!

Salary versus hourly wage

Salary is a word, which describes the total amount of income, or money you make per year at your job. A **wage** refers to the amount you make per hour. Usually, jobs that are temporary or part-time are paid out by hours because the hours vary from week to week. Salaries are for jobs that are full-time, usually 40 hours per week, and often between the hours of 9-5.

Here is an example using both **salary** and **hourly wage** in conversation:

Rocio: I asked my boss for a raise today.

Ajisai: Oh, really? That can be so awkward! Did he increase your annual **salary**, then?

Rocio: Well, I'm only part-time so I get paid by the hour. He did increase my **wage**, though.

Ajisai: That's great! Good for you!

To be at the bottom of the ladder

To be at the bottom of the ladder means to be at the lowest position in a job, usually a corporate job. The term **ladder** is used to talk about the hierarchy or ranking system that appears in corporate jobs. They are lower-level positions, sometimes called junior or entry-level positions, and then there are higher-level positions, the highest being the CEO or president. The reason that the metaphor of a **ladder** is used for the corporate world hierarchy is because it's possible to climb this ladder, or get higher in the hierarchy. You can do this by working really hard, or just by being in the organization for a long time.

Here is another example of **to be at the bottom of the ladder**:

Tamara: Did you start that new job yet?

Thiago: I start tomorrow. It's just an entry-level position though, nothing to get too excited about. I'm at the **bottom of the ladder**.

Tamara: Yeah but that company has a lot of room for movement. If you stick around and do good work, you can easily get promoted to a more senior position within a year.

Thiago: Yeah, I did hear it's easy to climb the **ladder**. You're right. I should be more optimistic about it. Thanks!

To crunch numbers

To crunch numbers means to process a great amount of numerical data or to do a lot of adding, subtracting, and other equations to figure out the answer to a mathematical problem. A lot of the time, it refers to the act of trying to make **a budget** work or to find a way to make money last for your lifestyle. Accountants, people who work with other people's finances so that people can **budget** their money for their lifestyles, are often called number crunchers.

Here is another example of **to crunch numbers**:

Oyvor: Are you going to be able to come with us to Florida for Spring Break this year?

Arsha: I'm not sure if I can afford it yet. I'll **crunch the numbers** tonight and see if I can somehow make it work. I may have to pick up more hours at work.

Oyvor: Well, see what you can do. It's going to be a lot of fun and I'd love for you to come with us.

Arsha: Yeah, I'll figure it out tonight and get back to you.

To put your time in

To put your time in means to contribute your time to a company or to a cause. It usually means that you've contributed a great deal of time to something, or at least a sufficient amount of time to warrant or justify a raise or a promotion.

Here is another example using **to put your time in**:

Jonata: I got a promotion at work yesterday!

Suelen: That's awesome! How did you do it?

Jonata: I just **put my time in**. I've been there for 5 years and have a spotless attendance record, so it was time for a promotion anyway.

Suelen: Well, good for you for sticking around. Most of our friends quit a job after a year because they get so restless!

Interac and debit

Interac and **debit** refer to the electronic transfer of money as oppose to physical paper and coin money. **Interac** is the trade or brand name for the electronic transfer of money itself, and **debit** refers to the act of transferring the money (usually a payment of some sort that you do at a machine when buying something). When you use this type of transaction, you use a **debit** card and a **debit** machine, most often at a cash register or an automatic teller machine.

Here is another example using **Interac** and **debit**:

Farhad: Did you buy your movie ticket yet?

Suttipong: No, I'll buy it when we go to the theatre. I hope they have **Interac** there, though. I have no cash on me.

Farhad: I paid by **debit** the last time we went, so you'll be fine. If not though, I could lend you some money.

Suttipong: OK, thanks.

To have cash on you

To have cash on you means to actually have physical bills or coins on you as opposed to just having a debit or credit card on you. If you carry **cash on you**, it means that you have physical money in your wallet. It's not too often that people carry **cash on them** anymore since electronic money transfer or Interac is so popular now. People may carry a small amount of cash on them so that they don't have to use debit for small purchases like a pack of gum or maybe their lunch, but for the most part people prefer to carry only their debit cards or credit cards.

Here is another example using **to have cash on you**:

Leticia: How do you want to pay for our restaurant bill? Should I ask the waiter to split the bill?

Harun: Do you **have cash on you**? If so we can split it. I have only enough to cover my own meal. If you don't **have cash on you**, I could use credit.

Leticia: No, I should have enough. I'll get the waiter to give us two separate bills.

A PIN number

A PIN number is an acronym, which stands for Personal Identification Number. Since the term *number* is already part of the acronym, the word number after **PIN** is redundant, even though it's commonly said that way. **A PIN** is a set of numbers (usually 4) that allows you to make electronic payments using your debit card. Even credit cards may have **PINs** that you need to enter into a machine before being allowed to make a purchase. The reason that **PINs** are used is so that only you can make purchases with your debit or credit card. Since cards can be lost easily, **PINs** add an element of safety. If you lose your debit or credit card, a stranger who finds your card would need to know your **PIN** before making any purchases using your card.

Here is another example using a **PIN number**:

Jiri: Do you want to come with us for lunch?

Kafe: Not today. I have an appointment at the bank.

Jiri: Oh, making some investments?

Kafe: No, I just have to get a new **PIN number**. I forgot mine and now I can't get any money out from the bank machines or use my debit card.

Jiri: Oh, I hate that. **PINs** can be really hard to remember. You should use the last four digits of a phone number you had a long time ago or something. Something only you know but that's easy for you to remember.

Kafe: Yeah, my old **PIN** was really easy to forget. Thanks for the tip!

Cheques and checks

Cheques (or the alternative spelling, **checks**) refer to pieces of paper, which state sums of money that you use to transfer or give to places or persons. You usually get **cheques** from your bank, and they have pre-designated numbers on them referring to your bank account. Then there are blank spaces on them that you use to fill out the date, who the money is for, and the amount you are giving to the person or organization. **Cheques** used to be very popular for paying for things such as a dentist appointment, groceries, or anywhere where you would be spending a lot of money – more money than people usually carry on them at any given time. Since debit cards came into existence, **cheques** are no longer used as much, and some places don't even accept them at all.

Here is another example using **cheques**:

Ubiracy: So how would you like to pay for your dental appointment today?

Diany: I have debit and credit cards. I don't **have any cash on me**. Do you accept credit cards?

Ubiracy: Unfortunately, no. We only accept **cheques**. It's a little traditional, but it's easier for us to put the insurance through that way. It's better if we have a physical proof of payment with a signature.

Diany: Oh, OK. Well I don't usually carry **cheques** on me, but I can run home and get one. It'll only take me 5 minutes.

Ubiracy: No problem, see you in five minutes.

An allowance

An allowance refers to a set amount of money that you are given for doing a specific task, or a specific sum you are given to use on a certain day or for a certain time. Parents give kids **allowances** for doing housework, and businesses give their employees **allowances** when they are travelling for business to use on daily expenditures such as meals and hotels.

Here is another example using an **allowance**:

Taquinho: Are you thinking of going away this summer?

Chizu: I was, but I'll have to save up for it. Just a week at a cottage or something would be nice.

Taquinho: I was thinking the same thing! We could go halves on it and rent it together if you want. I've saved up my **allowances** all year for it.

Chizu: Yeah, I should pick up some extra chores at home so that I can get a bigger **allowance** and then it should be no problem to pay for half the rent. I'll talk to my mom about it tonight and get back to you.

Taquinho: Ok, awesome.

A passbook

A passbook is a paper book that states your bank account balance. It also gives you a summary of all your transactions such as deposits and withdrawals. Paper **passbooks** are rarely ever used now, and most transactions can be viewed on a computer. In past years, you would take your **passbook** to a bank and the bank would put it into a machine that would type out all your past transactions into the book. You would get this updated every so often to keep track of all your finances. Now, you can see all these transactions when you log into your bank account from any personal computer, and some banks don't even offer **passbooks** anymore. Another word for **passbook** is bankbook.

Here is another example of a **passbook**:

Daiane: Are you going out for lunch today?

Patricia: No, I'm going to stay at my desk and do some online banking. I need to look at my past month's transactions because my balance doesn't seem right.

Daiane: I should use online banking too. I still have a **passbook** that I get updated every time I go to the bank.

Patricia: Really? I haven't had a bankbook since I first opened my account. I was like eight years old!

Daiane: I know, I know. It's so old. But, it works and I like having a physical printout of my transactions.

Patricia: Yeah, but you could always just print out your transactions from your online view of your account.

Daiane: Maybe. I like my way though.

Post-dated cheques

A **post-dated cheque** is a cheque you write that has a date which is several days, weeks, months, or even years from the date you write it. These are useful if you need to give a landlord cheques for rent, for you can give them several **post-dated cheques** for future months.

Here is another example using **post-dated cheques**:

Marilia: Did you find an apartment yet?

Saeed: I did! I just have to drop off some **post-dated cheques** to the landlord, and the place is all mine!

Marilla: I think that landlords are no longer allowed to ask for **post-dated cheques**, right?

Saeed: I heard that too, but I sort of like the idea of not having to give him a new cheque every month. If I just give him 5 months worth of cheques, I won't have to go to his place every month to drop one off.

Marilla: Yeah it's definitely more convenient. Well, if you know for sure you're going to like it there and not want to move in 5 months, I'd say go for it.

Saeed: I'll invite you over once I get all settled in.

A budget

A budget is an organizational chart you use to allocate money to certain daily necessities. The word **budget** can also be used as a verb, **to budget**, which means to balance or divide your money into certain categories so that it lasts until you get paid again. You can make **a budget** that has categories for all your daily necessities such as groceries, public transit, entertainment, and other things you spend your money on, and then you can allocate a certain amount of your paycheck to each of these categories. This helps you ensure that your paycheck lasts until your next paycheck, and it allows you to see how you can set some money aside for things like a vacation or even retirement.

Here is another example using **a budget** and **to budget**:

Aurielie: What are you writing?

Lao: Oh, I'm working on **a budget**. With this new job, I have to make sure I have enough money to get through the month. I took a job that pays less but I like it more. So it's important to make **a budget**.

Aurielie: Yeah, **budgeting** is so important. Especially if you want to put some money away in savings.

Lao: Yep. So far I haven't been able **to budget** for savings. Still working on it.

Aurielie: Well, good luck! You may have to start shopping at discount stores to save a bit of money on necessities. I do it all the time. You can come with me next time to see how I make my own **budget** work.

Lao: That would be really helpful. Thanks.

RRSPs

RRSP is an acronym, which stands for registered retirement savings plan. It is a type of savings account where you put money away for your future retirement. Retirement refers to when you are old enough to quit your job and live off the money you've saved when working. Many full-time jobs offer programs where you can put part of your paycheck away for when you retire.

Here is another example using **RRSP**:

Aya: Happy Birthday, Virginia! Wow, 30 years old!

Virginia: Ah, don't remind me! I feel like such an adult now.

Aya: Yep. Time to start thinking about retirement!

Virginia: Haha, very funny. But speaking of retirement, do you have an **RRSP** program at your work?

Aya: No, why?

Virginia: Well, I have one at my work and I'm thinking about joining it. It's never too soon to start putting money away for when I do retire in 30 years or so.

Aya: Wow, you really are an adult now!

Welcome to the real world

The real world refers to reality, usually quite a harsh reality, that young people realize as they get older. It's the world of finances and budgeting and can be very complex and unforgiving. When we're young, we tend to only know money in terms of allowances, or what our parents give us to use, and we don't really realize where it comes from or how difficult it is to make. When we get older and realize how hard it is to make this money, we finally see the real world. In this episode, we hear Andrew say '**welcome to the real world**', which is something people say to younger people when they begin to realize the world of money.

Here is another example using **welcome to the real world**:

Eva Maria: I got my first bill in the mail yesterday. I feel like such an adult.

Mona: Yeah, **welcome to the real world**. Can you believe that we once thought things like electricity and water were free? It seems so weird that we have to pay for it now. Being an adult is pretty weird.

Eva Maria: Yep. I mean, I love that I get to stay out as late as I want and eat chocolate for breakfast if I want to, but the money part of the real world sort of sucks.

Mona: Definitely.

Quiz

1. Money makes the world go _____.

Fill in the blank, please.

- a) round
- b) square
- c) crazy
- d) simple

2. A salary refers to an annual income, and a wage refers to:

- a) a promotion
- b) an hourly income
- c) the corporate ladder
- d) a low income

3. If someone gets lots of promotions at a corporation, they are said to be climbing the corporate _____.

Fill in the blank, please.

- a) money
- b) passbook
- c) ladder
- d) building

4. What does crunching numbers mean?

- a) to make a lot of money at your job
- b) to get lots of promotions
- c) to ask your parents for a bigger allowance
- d) to process an equation to figure out the answer to a mathematical problem

5. Interac is the brand name given to the act of transferring money electronically.

The act of transferring money electronically is called:

- a) debit
- b) cash trade
- c) totem poling
- d) transat

6. What does PIN stand for?

- a) Primary Information Network
- b) Personal Identification Number
- c) Priority Idea Number
- d) Protected Info Name

7. What does RRSP stand for?

- a) Real Requested Savings Program
- b) Required Retirement System Process
- c) Registered Retirement Savings Plan
- d) Retirement Relationship Services Plan

Answers:

1.a 2.b 3.c 4.d 5.a 6.b 7.c