



ESL Podcast 336 – Going Out of Business

GLOSSARY

to go belly up – to fail as a business; to have to close because a business is not earning enough money

* The farm went belly up when it didn't rain enough for two summers in a row.

to struggle – to try very hard or for a very long time to do something that is difficult

* No matter how much Mathias struggles in his math class, he always gets a good grade on his tests.

to downsize – to sell things and/or reduce the number of employees to make a business smaller

* More than 120 people lost their jobs when the company decided to downsize by closing one of its factory.

to throw in the towel – to give up; to stop trying to do something because it is too difficult

* Heidi spent all of last year trying to learn how to play the violin, but she finally threw in the towel, realizing that she didn't have enough patience.

debt – money that is owed to a bank, company, or person; money that one borrowed and needs to pay back to another person or company

* Many U.S. college students graduate with more than \$30,000 in debt.

What a shame! – what a pity; a phrase used to show that one feels bad about something that has happened; a phrase used to show one's sympathy for someone

* Did you hear that Vicky lost the race that she had been training toward for over a year? What a shame!

profitable – making money; a company or project that makes more money than it spends

* His business is very profitable, because he buys each bicycle for only \$60 and sells each one for more than \$200.

loan – money that a bank, another financial institution, or a person gives to another company or person for a specific period of time, with the understanding that the money will be paid back with interest

* Shari didn't have to get student loans for college because her parents helped her pay for school.



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to bail (oneself) out – to get out of a difficult situation, especially when there isn't enough money; to do something so that one is no longer in a difficult financial situation

* Clark bailed himself out of his large credit card bills by selling all his books and CDs to get enough money to pay the bills.

to run out of options – to no longer have choices; to be forced to do one thing, because there are no alternatives

* The Milanos tried to make enough extra money to pay their bills, but now they've run out of options and they'll have to sell their house.

to pack it in – to stop doing a job, activity, or something else

* After walking in the mountains for 14 hours trying to reach the top, they decided to pack it in and sleep for the night.

to go out of business – to close a business, usually because it is not making money

* After its airplane crashed, no one wanted to travel with that airline any more and the company went out of business.

to liquidate – to sell everything that a business owns, usually to use the money to pay back debts

* When the clothing store liquidated all of its products, we were able to buy some very inexpensive suits.

to lose (one's) lease – to no longer have access to a building where one is living or working, because the rental agreement has ended and the owner does not want to sign another agreement

* The business lost its lease on the building when the owner decided to convert the offices into apartments.

generation – a group of people who were born at about the same time; a group of people who have similar ages

* Do you think it's true that the new generation is very good at using computers, but it is difficult for older generations to learn to use new technology?

to tear (something) down – to destroy a building, usually to build something else in its place

* The city bought the old glass factory and is going to tear it down to build a city park.



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economic downturn – a period of time when the economy does poorly; a period of time when there is little money in the economy and most businesses have a difficult time making money

* Do you believe that there will be an economic downturn in the United States in the next five years?

bankrupt – without enough money to pay one’s debts, so that one is forced to close a business

* The company went bankrupt when it wasn’t able to pay its employees.

COMPREHENSION QUESTIONS

1. What does Helio mean by saying that the business “went belly up”?

- a) The owners got sick to their stomach.
- b) The business failed and had to close.
- c) The store started selling only shirts.

2. What happens if a company needs to “pack it in”?

- a) The business closes permanently.
- b) The business packs up everything it owns.
- c) The business gets extra products to sell.

WHAT ELSE DOES IT MEAN?

shame

The phrase “what a shame,” in this podcast, means what a pity and is used as a way to show that one feels bad about something that has happened: “Mr. DuBois just found out that his wife has to return to her country early. What a shame!”

The word “shame” means feelings of embarrassment, guilt, and unhappiness because one has done something wrong: “Don’t you feel shame about lying to your parents?” A “crying shame” is a great shame: “It’s a crying shame that you weren’t able to see your son’s soccer game last night.” Finally, the phrase “to shame (someone)” means to make another person feel bad about something that he or she has done: “The teacher shamed her students for having cheated on the exam.”



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bail

In this podcast, the phrase “to bail (oneself) out” means to do something so that one is no longer in a difficult financial situation: “Once Sun stopped spending so much money on clothes and food, she was able to bail herself out of debt within one year.” The phrase “to bail (someone) out of jail” means to pay enough money so that a person can leave jail and go home until his or her trial: “Who would you call if you needed someone to bail you out of jail?” The phrase “to bail (something) out” means to remove liquid from a boat or another large container, often by using small buckets or one’s hands: “During the storm, Adrian steered the boat while we tried to bail water out of the boat.”

CULTURE NOTE

When a U.S. company is failing and can no longer pay its debts, it needs to “declare bankruptcy” (officially announce that the company is closing because it does not have enough money). The laws and “regulations” (rules) for declaring bankruptcy are different in every state.

The most common type of bankruptcy is “Chapter 7 bankruptcy” where the company “files a petition for bankruptcy” (presents all the documents to the government), showing that it does not have enough money to “cover” (pay) its debts. Then a “trustee” (a person or organization that is responsible for the company) collects all of the company’s “assets” (things that can be sold for money) and sells them. Sometimes the company can “state” (say) that certain assets are “exempt,” meaning that they cannot be sold as part of the bankruptcy proceedings. The courts decide whether assets can be made exempt.

The “proceeds” (money made from selling things) from selling the assets are given to the “creditors,” the people and organizations that the business owed money to. The creditors are generally unhappy, because they don’t get enough money to cover the full cost of the debt, but at least they get something.

Bankruptcies may be either “voluntary” or “involuntary.” A “voluntary bankruptcy” happens when the business owner realizes that he or she doesn’t have enough money to cover the debts and declares bankruptcy. An “involuntary bankruptcy” happens when the creditors file the petition for bankruptcy because they believe this is the best way for them to get at least some of their money back.

Comprehension Questions Correct Answers: 1 – b; 2 – a



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COMPLETE TRANSCRIPT

Welcome to English as a Second Language Podcast number 336: Going Out of Business.

This is English as a Second Language Podcast episode 336. I'm your host, Dr. Jeff McQuillan, coming to you from the Center for Educational Development in beautiful Los Angeles, California.

You can go to our website at eslpod.com, and download a Learning Guide for this episode. The Learning Guide will give you all of the vocabulary, definitions, additional sample sentences using the key terms from this episode, you will also have a cultural note about a general topic related to this episode. We also include additional definitions not discussed on the podcast, comprehension questions, and a complete transcript of this episode.

This episode is called "Going Out of Business." It's a dialogue between Julianne and Helio about a business that has closed. Let's get started.

[start of dialogue]

Julianne: I'm really glad to be back in Macville. What happened to the market that used to be here?

Helio: Oh, it went belly up. It struggled for many years. The owners tried to downsize and reduced the space they were renting, but they had to throw in the towel when they got into debt.

Julianne: What a shame! It was such a nice store, and the family who owned it was always so friendly.

Helio: Yeah, things have changed a lot around here.

Julianne: Where is the restaurant that was next to the market? I used to eat lunch there all the time.

Helio: The owners couldn't make it profitable and after trying to get loans to bail themselves out, they ran out of options. They had to pack it in.

Julianne: What's happening here?



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Helio: The gift shop is going out of business. It's having a big sale to liquidate the store. The owners lost their lease and have to close. This store has been in the family for generations, but the property owners want to tear down the building for a parking lot.

Julianne: A parking lot? For what? With this economic downturn and all of these businesses going bankrupt, who will want to park here?

Helio: Your guess is as good as mine.

[end of dialogue]

Our episode is entitled "Going Out of Business," which describes what happens when a company decides to close its business. Julianne begins by saying, "I'm really glad to be back in Macville. What happened to the market that used to be here?"

Helio says, "Oh, it went belly up." "To go belly (belly) up" is an expression that means to fail as a business – to go out of business. Helio says the business "struggled for many years." "It struggled," it tried very hard to do something that was difficult. "The owners tried to downsize and reduced the space they were renting." "To downsize" means to reduce the size of your business. It is often used to mean you are getting rid of some your employees – you have a smaller company, you are "downsizing."

Well, this company downsized by reducing the amount of space it had to rent for its store, but eventually the company "had to throw in the towel when they got into debt." The expression "to throw in the towel" is an idiom meaning to give up; to stop trying to do something because is too difficult: "I tried to learn how to play the piano when I was young, but it was too difficult for me so I threw in the towel." In this case, the business has to throw in the towel because they are in debt (debt). "Debt" is when you owe money to a bank, a company, or another person. You borrow the money, then you are in debt to that person. Notice we use the expression "to be in debt," means I have a lot of loans I have to pay. So in this case, the company went into debt, or they got into debt, which meant they didn't have enough money to pay back the loans that they had taken out. You can be in debt without closing your business, of course, as long as you are paying for your loans. In the United States, there are many people who bought big houses over the last few years, and now are in debt and they have problems paying their loans.



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Julianne says, “What a shame!” That expression, “what a shame,” means “what a pity.” It’s used to show that you feel bad about something that has happened. It can also be used to show sympathy to someone else. “My girlfriend left me,” and you say “What a shame! Can I get her phone number?”

Helio says that “things have changed a lot around here.” Julianne asks, “Where is the restaurant that was next to the market? I used to eat lunch there all the time.” Helio says, “The owners (of the restaurant) couldn’t make it profitable.” When we say something is “profitable,” we mean it’s making money; it is getting more money in than it spends – they are profitable. Well, they could not make the business profitable, “and after trying to get loans to bail themselves out,” Helio says the restaurant “ran out of options.” “To get a loan,” as we talked about earlier, means you get money from a bank or from another person, with the understanding that you are going to pay that money back, you are going to give it back. Usually, you give it back “plus interest,” you give them money for loaning you the money.

The restaurant tried “to get loans to bail themselves out.” The expression “to bail (bail) one’s self out” is to get out of a difficult situation, especially when you don’t have enough money; to do something so that it is no longer a default financial situation for you. For example, if a bank is having problems and it doesn’t have enough money, in many countries the government will come in and bail the bank out – they will get them out of this difficult financial situation. Both the word “bail” and “shame” have additional meanings in English; take a look at our Learning Guide for some more explanations.

Well, the company – the restaurant tried to get loans to bail itself out, but “they ran out of options.” An “option” is a choice – an alternative. “To run out of something” means to no longer have something. You can run out of milk: “I don’t have any milk in my house, I ran out.” In this case, “to run out of options” means you don’t have any other choices; you are forced to do one thing because there are no alternatives.

The restaurant “had to pack it in.” This is yet another expression meaning to stop doing a job or an activity. You may say that at the end of the day at your work: “I’m going to pack it in” – I’m going to stop working. In this case, the restaurant stopped operating completely.

Julianne says, “What’s happening here?” meaning what is going on in this town of ours – this city where we used to live. Helio says, “The gift shop is going out of business. It’s having a big sale to liquidate the store.” When a company, especially a store, closes, it will often try to liquidate its products. “To liquidate”



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means to sell everything that the business owns. Usually because you need to pay back your debt – you need to pay your loans, so you sell everything you have. That is “to liquidate.”

Helio says the owners of the gift shop lost their lease and had to close. “To lose your lease” means that you can no longer rent the place where you were renting before. A “lease” (lease) is a legal agreement to rent something; “to lose your lease” means you no longer are able to rent from whoever owns the property – whoever owns the building. They decided not to, we would say, “renew your lease.” “Renew” means to sign a new agreement.

Helio says the “store had been in the family for generations.” “Generations” means a long time, in this case. A “generation” is a group of people who are born at about the same time. We sometimes refer to every 15 to 20 years as a generation. There’s a famous book in the United States called The Greatest Generation, talking about the generation of Americans that fought in World War Two. My father was one of those, in the “greatest generation.”

Well, in this case the store had been in the family for generations – for many years, “but the property owners want to tear down the building for a parking lot.” “To tear something down” is a phrasal verb meaning to, in this case, destroy something – to get rid of something. In the neighborhood where I live, there are many small houses, like mine, that have been torn down and new houses have been built on the same area – the same land where the little house used to be.

Julianne says, “A parking lot? For what? With this economic downturn and all of these businesses going bankrupt, who will want to park there?” She’s saying that there’s no need for a parking lot because there has been an economic downturn. A “downturn” is when the economy gets worse. People are losing their jobs, inflation may be going up, this is a “downturn.” “To go bankrupt” means that you legally declare to the government that you no longer have money to pay your debts. Usually if you go bankrupt as a business, you have to close your business. So, that is “bankruptcy.” I hope you don’t go bankrupt any day soon!

Now let’s listen to the dialogue, this time at a normal speed.

[start of dialogue]

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Helio: Your guess is as good as mine.

[end of dialogue]

The script for this podcast was written by Dr. Lucy Tse, who's still in business!

From Los Angeles, California, I'm Jeff McQuillan. Thanks for listening. We'll see you next time on ESL Podcast.

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