



ESL Podcast 388 – Investing Your Money

GLOSSARY

seminar – informational session; class for a small group of people; class on a specific subject

* Herclia went to the university last night to attend a seminar on China’s growing economy.

to invest – to buy something with one’s money with the expectation that it will increase in value so that one can sell it later to make more money

* I wish I had invested in Google when the company was just beginning!

to maximize – to make something as big as possible; to have as much of something as possible

* As the company’s vice-president of marketing, his goal is to maximize sales.

holdings – something that a person owns, especially shares (stocks) in a company

* The company’s holdings are worth three times as much as they were five years ago.

market trend – the way that a specific part of the economy is changing over time

* Right now, the market trend in the United States is that home prices are decreasing.

to get in on the ground floor – to become involved in an activity as early as possible, at the very beginning

* Grace got in on the ground floor when that business first opened, and today she is a millionaire.

appreciation – an increase in the value of something over time; an increase in how much something is worth

* Thanks to the appreciation on their home, they were able to make a lot of money when they sold it.

to divest – to sell something, especially an investment

* When our son was ready to go to college, we divested many of our stocks so that we would have enough money to pay for his education.

warning sign – a signal that something bad might happen or will happen; something that one sees or hears that indicates something negative in the near future

* Chest pains are warning signs of a heart attack.



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savings – bank accounts where one puts money to use in the future; money that one has saved

* Salina puts 50 dollars into her savings every week.

rate of return – interest rate; the percentage of money that one earns on an investment over a specific period of time

* When we calculated how much money we would need to save for retirement, we assumed a six percent rate of return on our investments

to speculate – to buy things because one hopes and believes that their value will increase greatly, so that one can sell them later to make a lot of money

* Ulysses is speculating in the gold market because he thinks the price of gold will increase in the next few years.

to diversify – to increase the number of different types of something that one has, especially when talking about investments

* The Richardsons have invested a lot of money in power companies, but now they want to diversify their investments by purchasing stocks in other types of companies, too.

portfolio – the group of stocks that a person or company owns; the variety and types of investments that a person or company has

* The value of her portfolio has decreased a lot in the past year.

risk – the possibility that something negative, bad, or harmful will happen

* If we don't wash our hands before we eat, there is a risk that we will get sick.



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COMPREHENSION QUESTIONS

1. What does “getting in on the ground floor” mean?
 - a) Maximizing one’s holdings.
 - b) Investing in something as early as possible.
 - c) Taking the elevator from the first floor.
2. How can one increase the value of an investment portfolio?
 - a) Read the road signs.
 - b) Look for a better rate of return.
 - c) Eliminate appreciation.

WHAT ELSE DOES IT MEAN?

holdings

The word “holdings,” in this podcast, means something that a person owns, especially shares (stocks) in a company: “Do you have any holdings in energy companies?” A “holding” can also be land, buildings, or other things that a person or company owns: “The company is expanding its land holdings in the Southern United States.” The phrase “to hold off” means to wait, or to decide to do something later: “They decided to hold off the wedding until after her mother recovered from her illness.” Finally, the phrase “to be left holding the bag” means to be the only person who has to deal with a difficult situation, even though other people helped to create that situation: “Caroline was left holding the bag at work when her co-worker left the company before their project was finished.”

appreciation

In this podcast, the word “appreciation” means an increase in how much something is worth over time: “There has been a lot of appreciation of homes in this neighborhood because many strong companies have come into the city, helping to build the economy.” The word “appreciation” also means thankfulness, or the feeling of being grateful to someone: “I’d like to take you out for dinner to show you my appreciation for the way that you’ve helped me look for a job.” Finally, the word “appreciation” can mean the feeling of liking something because it is good: “He developed a strong appreciation for classical music at an early age.” Or, “The company shows its appreciation to its best employees by paying them very well.”



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CULTURE NOTE

In the United States, there are many ways to invest money, especially to save for “retirement” (the period of time late in one’s life when one no longer works). Some of these investments are for individuals, and others are “employer-sponsored” (the employer provides some or all of the money) “retirement plans” (organized ways to save money for retirement).

One of the most common ways to save for retirement is to put money into a 401(k). An employee can choose to put part of his or her “salary” (the money that a person makes by working in a job) into a 401(k) investment account each month. That employee does not have to pay any taxes on the money in that account until it is “withdrawn” (taken out of an account) years later, when he or she is ready to retire. Most employers “match” some or all of the employee’s “contributions” (the amount of money that one puts into an account). This means that if an employee puts in 200 dollars each month, the company where he or she works might put in 50 percent or 100 percent of that amount.

An Individual Retirement Account, commonly known as an IRA, is a way for a single person to save for retirement, with or without an employer’s assistance. As with the 401(k), money put into an IRA is “tax-deferred,” meaning that the investor does not have to pay taxes on that money until it is withdrawn years later.

Finally, a “pension” is an arrangement for a certain amount of money to be given to a retired person every month by his or her “former” (previous) employer. Pensions provide a “steady” (reliable and unchanging) retirement “income” (money that one receives), but they generally do not provide as much money as 401(k) retirement plans or IRAs do.

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



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COMPLETE TRANSCRIPT

Welcome to English as a Second Language Podcast number 388: Investing Your Money.

This is ESL Podcast episode 388. I'm your host, Dr. Jeff McQuillan, coming to you from the Center for Educational Development in beautiful Los Angeles, California.

Visit our website at eslpod.com. You can download a Learning Guide for this episode to help improve your English even faster; we suggest you take a look at the Learning Guide. We also have an ESL Podcast Store and an ESL Podcast Blog, where you can go and get additional courses in English and additional help each week on a variety of English language topics.

This episode is called "Investing Your Money." It's going to be a speech, really, by someone who is trying to tell people – instruct people – how they should invest their money – how they should keep their money so that they can make more money. Let's get started.

[start of speech]

Ladies and Gentlemen,

Thank you for coming to today's seminar. We're going to talk about how to invest your money and how to maximize those holdings.

First, we'll talk about market trends and where to find the best opportunities right now. Getting in on the ground floor and getting the highest appreciation is what we all want. A good investor also knows when to divest, and we'll talk about how to read the warning signs.

Many of you have money in savings, but you want a better rate of return, and you're willing to speculate a little to get it. We'll discuss how to diversify your portfolio to minimize risk while maximizing your return.

Are you ready to make some money? Let's get started!

[end of speech]

This episode is about making money. A man is giving a presentation – a seminar. A "seminar" is a class for a small group of people on a specific subject.



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Usually we use this expression when talking about work classes – classes that help you do better at your job, for example.

So he begins by thanking every one for coming to his seminar. He says, “We’re going to talk about how to invest your money.” “To invest” means to buy something with your money with the hope that it will increase in value so that you can sell it later to make more money. So you buy something today, hoping that it will increase in its value, and then you sell it two years or five years or 10 years later and you make more money. You could buy property, like a house or a building; you could buy stocks, which is partial ownership in other companies. There are many different things you can buy as investments.

This seminar is about how to invest your money, and how to maximize those holdings. “To maximize” means to make something as big or as large as possible.” Your boss says, “We want to maximize sales,” he means we want to make as much money as possible. “To maximize your holdings” means to make as much money on the things that you own as possible. Your “holdings” are things that you own, especially stocks in a company, where you own part of the company. This is a word that has a couple of different meanings; take a look at our Learning Guide for some additional explanations.

The seminar introduction continues with a description of what they are going to talk about today. He begins by saying, “First, we’ll talk about market trends.” A “market” is a general word for a place to buy and sell things. You can go to the supermarket to buy food, for example. In this case, the “market” is referring more to the economy, to things like the stock market where you buy and sell stocks. A “trend” is the direction something is moving over time. So, you can have a trend going up, a trend going down, or a trend staying the same. “Market trend,” then, is the way that the economy and the stock market are moving over time. Are they going higher – getting better, or going lower – getting worse?

He’s also going to talk about the best opportunities right now. He says, “Getting in on the ground floor is what we all want.” “To get in on the ground floor” means to become involved in an activity as early as possible, at the very beginning. So, a company is just starting and you want to get in on the ground floor, you would get involved in the company right away, as soon as it gets started. The “ground floor” is the bottom floor of a building. Here, though, the expression means to get in at the beginning.

“Getting in on the ground floor is what we all want,” getting the highest appreciation is also what we all want. “Appreciation,” in this case, means an increase in the value of something over time – an increase in how much



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something is worth. So, if you buy a house in Los Angeles for 500,000 dollars, 10 years from now you hope that it will have a good appreciation, maybe it will be worth 750,000 dollars. “Appreciation” has a couple of different meanings; take a look at the Learning Guide for some more explanations.

“A good investor also knows when to divest.” “To divest” (divest) is the opposite of invest. “To divest” means to sell something – to sell some investment, such as a stock or some piece of property. He says, “we’ll also talk about how to read the warning signs.” The “warning signs” would be indications, or signals, that something bad is going to happen. For example, you come home and you see your wife with a very angry look on her face, and she has a frying pan in one hand. This is probably a warning sign that you are in trouble! “Warning signs,” then, are signals – indications – that something bad is about to happen. For the stock market, there may be warning signs that things are going to get worse.

He continues by saying, “Many of you have money in savings.” “Savings” refers usually to a bank account where you put money into. It’s not exactly an investment usually. Sometimes savings accounts will give you interest on your money, meaning you will get some money back on your money, as like an investment. But often, a savings account is just a place to keep your money that you need in the future to take out to spend on the things you need to buy.

He says, “you want a better rate of return.” Once again, savings accounts in the United States don’t pay very much money. The “rate of return” is the percentage of money that you can earn, or make on your investment in a specific period of time. The interest rate, for example, is a rate of return; it’s the amount of money that you will get back – the percentage of your investment. So for example, if you have 100 dollars and you invest it in a stock – the Center for Educational Development, Incorporated stock. One year later, your investment is now worth 105 dollars; your rate of return was five percent for the year.

If you want a better rate of return than what you can get from a savings account, you need to speculate a little. “To speculate” means to buy something because you hope or believe that the value of that thing will increase greatly, so that you can sell it later and make a lot of money. To speculate means, in this case, to buy something. There are other meanings of the word “speculate.” To speculate, in general, means to give your idea about something, even though you’re not really sure or don’t have all the facts. In finance, in talking about investments, to speculate means to buy something thinking you’re going to get rich very quickly. Usually that doesn’t work out very well; it doesn’t happen that way, usually!



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Finally, he says, “We’ll discuss how to diversify your portfolio to minimize risk while maximizing your return.” “To diversify” means to increase the different types of the thing that you have, in this case, the different kinds of investments. So maybe 25 percent of your money is in stocks, and 50 percent of your money is in land – in real estate, and 25 percent of your money is in gold; that would be to diversify, to take your money and invest it in different kinds of things. Your “portfolio” is the group of stocks that you own; the kinds of investments that you have, in general. So, your entire list of investments would be your portfolio. “Risk” is the possibility that something negative, or bad, will happen. “To minimize risk” (“minimize” is the opposite of maximize, meaning to make smaller) means to make sure that you won’t have something negative happen in the future, to try to reduce the possibility of that negative outcome.

Now let’s listen to the story, this time at a normal rate of speech.

[start of speech]

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Are you ready to make some money? Let’s get started!

[end of speech]

The script for this episode was written by a woman who maximizes your opportunities to learn English, Dr. Lucy Tse.

From Los Angeles, California, I’m Jeff McQuillan. Thank you for listening. Come back and listen to us next time on ESL Podcast.



English as a Second Language Podcast
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