



**ESL Podcast 424 – Being in Debt**

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**GLOSSARY**

**to be behind on (something)** – to be behind schedule; to be doing things later than one should be doing them; to not be able to do things on time when they need to be done

\* How did you get so far behind on your math homework?

**exorbitant** – a number or an amount of money that is much higher than it should be

\* Next year, it will cost more than \$30,000 to study at that university. That's exorbitant!

**interest** – the amount of additional money that must be paid when one borrows money; the amount of money that one pays to be able to borrow money

\* How much interest have you paid on your car loan?

**debt** – the amount of money that a person, business, or organization needs to pay to another person, business, or organization

\* She has almost \$45,000 in debt, including a \$30,000 student loan and a \$10,000 car loan.

**to speak from experience** – to give someone advice or tell someone how something works based on the knowledge that one got while going through a similar experience in one's own life

\* Harold never went to college, so he speaks from experience when he tells people how difficult it is to find a good job without a university degree.

**loan** – the amount of money that one borrows from a bank or person, with an agreement to pay it back along with additional money (interest)

\* Do you think we can get a home loan to buy a larger house?

**to default** – to not make the loan payments that one agreed to make; to not be able to pay off a loan

\* If you default on your loan, you might lose your house and your bank might become the new owner of it.

**to run up (something)** – to spend a lot of money or to use a lot of something so that one has to pay a lot

\* Hitashi ran up her phone bill by making too many international phone calls.



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**to borrow** – to take and use someone’s money or another thing with an agreement to pay it back or give it back after a certain period of time

\* I forgot to bring a pen. Can I please borrow one of yours? I’ll give it back at the end of the meeting.

**loan shark** – a person who lets other people borrow money but charges very high interest and, when those people are not able to pay the money back, might use violence or threaten to hurt the other people to get his or her money back

\* Some loan sharks charge as much as 40% interest, so it’s better to get a loan from a bank if you can.

**to lend** – to give someone money or another thing with an agreement that he or she will pay it back or give it back after a certain period of time

\* Would you ever consider lending money to a co-worker?

**credit counselor** – a person who helps people with bad credit learn what they can do to fix the situation and pay off their debt

\* They met with a credit counselor who suggested that they stop using their credit cards until they can pay off all their old debt.

**creditor** – a person or organization to whom one owes money; a person or organization that has loaned money to oneself but that one has not yet paid back

\* My uncle has a lot of financial trouble. At least one creditor calls him every day, asking him to make payments.

**to defer payment** – to agree to make payments later than they would normally be made, usually because one does not have enough money to make the payment right away.

\* When Shawn called the credit card company and explained that he had lost his job and wouldn’t be able to pay his bill for a few months, the company agreed to defer his payments.

**to raise money** – to get money for a specific purpose, usually from many different sources

\* The church members made cookies and cakes and sold them to raise money for their work in other countries.



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**to pay off (something)** – to pay all of a debt so that one no longer owes anything

\* Vicky was finally able to pay off her credit card debt last week, but she celebrated by going shopping!

**debt collector** – a person whose job is to get people to pay their debt to the people who gave them the money originally

\* When Ulag couldn't pay his bills, he moved to the other side of the country to try to hide and start over, but the debt collectors found him and continued asking him to make the payments.

**restraint** – control; behavior that is calm and rational, especially in a difficult situation where it would be easy to act in inappropriate ways

\* I really admire your restraint! If my son had done what your son did, I would have been really mad.

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**COMPREHENSION QUESTIONS**

1. What would you expect a loan shark to do?
  - a) Charge exorbitant interest.
  - b) Default on a loan.
  - c) Agree to defer payment.
  
2. Which of these is an example of financial restraint?
  - a) Borrowing money from family and friends.
  - b) Running up credit card debt.
  - c) Paying off bills and debt.

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**WHAT ELSE DOES IT MEAN?**

**to run up**

The phrase “to run up (something),” in this podcast, means to spend a lot of money or to use a lot of something so that one has to pay a lot: “How did you run up \$80,000 of debt in just three years?” If something is “run-down,” it is old, used and not in very good condition anymore: “Her car is run-down, but it still works.”



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The phrase “to run out of (something)” means to not have any more of something, usually because it has been sold, used, or given away: “We ran out of milk. Can you please buy more on your way home from work?” Finally, the phrase “to run off” means to leave one’s family or to leave a difficult situation: “I can’t believe you ran off before we had finished the presentation.”

### **to lend**

In this podcast, the verb “to lend” means to give someone money or another thing with an agreement that he or she will pay it back or give it back after a certain period of time: “Do you think your bank will lend me the money I need to open a new restaurant?” The phrase “to lend (someone) a hand” means to help someone do something: “Could you please lend me a hand and help me carry these heavy boxes?” The phrase “to lend (someone) an ear” means to listen to someone: “Many older people just want someone to lend them an ear for an hour.” Finally, the phrase “to lend weight to (something)” means to make something seem more believable or likely: “The high number of people with sore throats in the winter lends weight to the theory that people get sick most often in the winter.”

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### **CULTURE NOTE**

Many Americans spend a lot and save very little. “Consequently” (as a result), many Americans have a lot of debt. For some people, this debt is “manageable,” meaning that they can make payments. But other people are “in over their heads” (are in a difficult situation with many problems that they cannot solve). These people often “turn to” (look for a solution in) credit counseling.

Credit counseling is education that helps people avoid getting into too much debt. For people who are already “deep in debt” (with a lot of debt), credit counseling can help them reach agreements with their creditors and make a plan to pay off debts over time. Credit counseling is often offered by non-profit organizations.

Credit counseling can be extremely helpful. Credit counselors might teach people about interest rates and “compounding interest” (how interest grows over time). They might help people make a “budget” (a plan for spending money) and “prioritize” (decide what is most important) their purchases. Often credit counselors “advise” (tell people what to do) people to cut up their credit cards so



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that they won't be "tempted" (won't have the desire to do something they shouldn't do) to spend money that they don't really have.

Good credit counselors can help people "manage" (control) their debt and create a plan to be debt-free within a few years. But there are other credit counselors who give people "partial" (incomplete) or incorrect information and don't really help them "get out of debt" (pay all their debts). Instead, they offer to "consolidate their debts" (put all their debts on one single credit card or account). Making a single payment is easier, but the account often has a much higher interest rate, so the person ends up paying much more money over time.

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



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**COMPLETE TRANSCRIPT**

Welcome to English as a Second Language Podcast number 424: Being in Debt.

This is English as a Second Language Podcast episode 424. I'm your host, Dr. Jeff McQuillan, coming to you from the Center for Educational Development in the beautiful City of Los Angeles, in the State of California, in the country of the U.S.A.

Visit our website at [eslpod.com](http://eslpod.com). You can download a Learning Guide for this episode which contains all of the vocabulary, definitions, sample sentences, additional definitions, cultural notes, comprehension questions, sudoku puzzles, and a complete transcript of this program.

This episode is a dialogue between Chang and Ilya about being in debt (owing other people money), which is a common phenomenon (a common situation) nowadays. Let's get started.

[start of dialogue]

Chang: I don't mean to be nosey, but all of those bills are red or pink. Are you behind on all of those bills?

Ilya: I am, but it's no big deal. I can catch up on them next month.

Chang: You know that being late on bills is bad for your credit score, right? You also have to pay exorbitant interest if you have credit card debt.

Ilya: Don't worry about it. Everything will be fine.

Chang: I'm only speaking from experience. When I first started working, I had a loan that I defaulted on and I ran up my credit cards. I had to borrow money from my family and friends to pay my bills. I was so desperate at one point, I even went to see a loan shark.

Ilya: Did he lend you money?

Chang: I decided against borrowing money from him after talking to my brother about it. With his help, I found a good credit counselor and got my finances under control. My two main creditors agreed to defer payment for a couple of months, but not before I sold my car and most of what I owned to raise money.



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Ilya: Maybe I can do that.

Chang: Do what?

Ilya: Work with a credit counselor so I don't have to pay my bills.

Chang: You've got it all wrong. It took me years to pay off those bills. I just didn't have debt collectors calling me at all hours of the day, that's all. A little advice: A little restraint now will save you a lot of pain.

Ilya: Okay, okay. I got the message. Remind me never to pay my bills in front of you again!

[end of dialogue]

Chang begins by saying "I don't mean to be nosey." To be "nosey" (nosey) means that you are asking questions about something that does not concern you; it's not any of your business, we would say. It's not something you should be asking about. But Chang asks anyway. He says, "all of those bills are pink or red." In the U.S., when you are late paying your bill, say from the telephone company or the gas company, they will send you a bill, but the ink will be in pink or red. That means that you are late.

So, Ilya's bills are all red or pink. Chang says, "Are you behind on all of those bills?" To be "behind on" something is an expression which means to be behind schedule, to be doing things later than when you should be doing them. So if the bill is due on October first and you don't send it in until October 15<sup>th</sup>, you are behind on your bills.

Ilya says, "I am (I am behind), but it's no big deal (it's not important). I can catch up on them next month (I can get back to where I should be next month)." Chang says, "You know that being late on bills is bad for your credit score, right?" Here in the U.S., there are organizations that keep track of how good you are in making your payments, and they give you a score which the banks will use. If, for example, you want to get a loan, you have to have a good "credit score," a good credit history. You have to show that you pay your bills on time.

Chang says, "You also have to pay exorbitant interest if you have credit card debt." "Exorbitant" (exorbitant) means a number or an amount of money that is much higher than normal, much higher than it should be, too high. "Interest" is



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the amount of additional money that you have to pay when you borrow money from someone else. It's the price of that money that you are borrowing. If you borrow \$1,000 from the bank at 10 percent interest, you have to give the bank \$1,100 (one thousand, one hundred dollars) back to pay for the loan and the interest. "Credit card debt" is when you owe some money to usually Visa or MasterCard or American Express or another credit card company. "Debt," in general" is money you owe to other people.

Ilya says, "Don't worry about it. Everything will be fine." Chang says, "I'm only speaking from experience." The expression to "speak from experience" means to give someone advice or tell someone how something works based upon your own experience with that situation. Chang says, "When I first started working, I had a loan that I defaulted on and I ran up my credit cards." A "loan" is the money that someone gives you, a bank or a person. To "default" on a loan means not to make the payments that you are supposed to make. So if you borrow \$1,000 and have to pay it back in 10 months, you would pay \$100 a month – plus interest, of course. To default on your loan is to miss one of your payments or two of your payments. This, of course, can cause problems for you.

Chang also says he ran up his credit card. To "run up" something means to spend a lot of money or to use a lot of something that one has to pay a lot. So, "I ran up my credit card" means I charged a lot of things on my credit cards. Chang says, "I had to borrow (I had to ask someone for) money from my family and friends to pay my bills. I was so desperate (I was so in a difficult situation) at one point, I even went to see a loan shark." A "loan shark" (shark) is someone who lends other people money but charges a very high interest, and when those people don't pay the money back they might use violence (or hurt you) if you don't pay them back. That would be a "loan shark."

Ilya said, "Did he (did the loan shark, and she's assuming it was a man – could have been a woman) – did he lend you money?" To "lend" means to give someone money or to give someone something else with the understanding that that person will give that back to you. "Lend" has a couple of different meanings in English, as does the expression to "run up." Where can you find more information? That's right, our Learning Guide!

Chang says, "I decided against borrowing money (from the loan shark) after talking to my brother about it. With his help, I found a good credit counselor and got my finances under control." A "credit counselor" is a person who helps someone with a lot of debt, especially credit card debt, to fix the problem. Usually they make an agreement (an arrangement) with the different companies,





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and they help the person pay back the money. They don't give them the money, but they help the person be organized and to come up with a plan to pay their debts off (to pay them back).

"My two main creditors," Chang says, "agreed to defer payment for a couple of months." Your "creditor" is the person or organization to whom you owe money; it's the person who lends you money. Could be a bank, could be another person. To "defer" something means to wait until later before you do it. We might also say to "put it off," to do it later than when it was originally scheduled. So, Chang was deferring payment, he was going to pay them later than he was supposed to, but he had to sell his car and most of what he owned to raise money. To "raise money" means to get money for a specific purpose, usually from different sources. You might work, you might ask somebody for another loan; all of these would be ways of getting money (of raising money).

So, Ilya says, "Maybe I can do that." And Chang says, "Do what?" meaning what can you do. Ilya says, "I can work with a credit counselor so I don't have to pay my bills." Well, of course, this is not what a credit counselor does. Chang says, "You've got it all wrong," meaning you are completely incorrect. He says, "It took me years to pay off those bills." To "pay off" is a two-word phrasal verb meaning to give the money back to someone who has lent you money. Chang says, "I just didn't have debt collectors calling me at all hours of the day." So, going to the credit counselor stopped the debt collectors from calling him. A "debt collector" is a person or company whose job it is to get you to pay your bills, and what they'll do is they'll call you, and keep calling you, to remind you to pay your bills.

Chang says, "A little advice: A little restraint now will save you a lot of pain," meaning a lot of pain later. "Restraint" is when you don't do something even though you could. To "show restraint" means I'm not going to do something even though I could do it for some higher reason (for some better reason).

Ilya says, "Okay, okay. I got the message (I understand). Remind me never to pay my bills in front of you again!" Of course, Ilya didn't really get the message, did she?

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

[start of dialogue]

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Ilya: Maybe I can do that.

Chang: Do what?

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Chang: You've got it all wrong. It took me years to pay off those bills. I just didn't have debt collectors calling me at all hours of the day, that's all. A little advice: A little restraint now will save you a lot of pain.

Ilya: Okay, okay. I got the message. Remind me never to pay my bills in front of you again!

[end of dialogue]

Our script today was written by Dr. Lucy Tse, who is never behind on writing her scripts!

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



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