



ESL PODCAST 563 – Reducing Household Expenses

GLOSSARY

finances – how one manages one’s money; the way that one saves and spends money and/or the amount that one saves and spends

* They review their finances together at the end of each month, balancing their checkbook and paying the bills.

financial planning – the process of planning for one’s financial future, especially how one will pay for retirement and major expenses like a child’s wedding or college education

* They took a class in financial planning to learn about their options for saving for retirement.

household budget – the amount of money spent each month, and the way in which it is spent, by a family or a group of people who live together

* Fifty percent of their household budget is spent on rent and the rest is for transportation, food, clothing, and entertainment.

all about – very much involved or interested in something; with a strong interest in or passion for something

* Vince is all about football and never misses a game on TV.

bottom line – profit or loss; the amount of money that a person or organization has made or lost at the end of a certain period of time

* If the company can’t improve its bottom line, it will go out of business by the end of the year.

spending patterns – the way in which money is spent; the amount of money spent in each of several categories

* They changed their spending patterns by cooking at home more often and eating out at restaurants less often.

to underestimate – to guess or believe that something is smaller, less, and/or less important than it actually is

* Phuo underestimated her own strength and was surprised when she was able to pick up a 100-pound weight.

expense – money that is spent on something; cost

* We could reduce our transportation expenses by taking the bus instead of driving our car to work each day.



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discretionary – optional; something that one has a choice about

* The company gives managers a large discretionary budget that they can spend however they want, as long as their department continues to perform well.

spreadsheet – an electronic document created with Excel, Lotus, or a similar program, used to store numbers and data and make calculations based on that information

* When they were trying to buy a home, Leola created a spreadsheet to compare the cost per square foot of each of the homes they looked at.

nonessential – something that is nice to have, but is not necessary; something that one can live without

* If you live in a remote area, your car is probably an essential, but if you live in a city with lots of public transportation options, it's probably a nonessential and you could save money by selling it.

to do the math – to look at the numbers; to base one's decision on calculations rather than vague (unclear) ideas

* Once they did the math and considered the cost of taxes, transportation, babysitting, dry-cleaning, and business lunches, they realized that they could actually save more money if Becca quit her job and stayed home to take care of the children.

to cut back – to reduce; to decrease the amount of something

* The school is trying to cut back its costs by serving less expensive food in the cafeteria.

drastically – dramatically; very much; importantly; in a big way

* Living in New York City is drastically different from living in a small agricultural town like the one I grew up in.

retirement – the period of time after one has stopped working, usually beginning when one is 65 years old

* Cristian looks forward to a long retirement when he can go golfing for hours every day.

to afford – to be able to pay for something; to have enough money to buy something

* If we want to be able to afford a good college education for our children, we need to start saving money now while they're infants.



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COMPREHENSION QUESTIONS

1. What does Roland say they need to remember?
 - a) That they tend to spend too much money.
 - b) That they spend less than they should on expenses.
 - c) That they spend more than they think they do.

2. What does Roland mean when he says that Ginger should “do the math”?
 - a) She should base her conclusions on the actual numbers.
 - b) She should carefully consider how big a TV she needs.
 - c) She should check his calculations.

WHAT ELSE DOES IT MEAN?

all about

The phrase “all about,” in this podcast, means very much involved or interested in something, having a strong interest in or passion for something: “Hank is all about food. When he travels, all he wants to do is eat in restaurants.” The phrase “out and about” means to be out of one’s home or office, doing many different things: “On weeknights, they stay at home to rest, but on the weekends they’re always out and about, going to parties and exploring nearby areas.” The phrase “to be quick about it” is used to tell someone to hurry: “When Kazauki asked if he could take a break before continuing, his boss said, ‘Yes, but be quick about it.’” Finally, the phrase “to go about (one’s) business” means to do the things that one normally or usually does: “We were surprised to see everyone going about their business shortly after the earthquake.”

to cut back

In this podcast, the phrase “to cut back” means to reduce or to decrease the amount of something: “Louise is trying to cut back on calories by putting skim milk in her coffee instead of cream.” The phrase “to cut (one’s) teeth” means to try doing something for the first time: “He cut his teeth at a small insurance company before beginning to work for some of the most powerful companies in the country.” Finally, the phrase “to cut corners” means to do something poorly in order to save money or time: “Yes, we can save money on the home



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renovation by cutting corners, but it will end up being more expensive when we have to make repairs in a few years.”

CULTURE NOTE

“When times are tight” (when one doesn’t have enough money for everything one wants to buy), Americans try to “pinch pennies” (save money) and cut costs in many different ways.

Many Americans “clip” (cut out of a larger piece of paper) “coupons,” which are small pieces of paper that give shoppers a certain amount of money off when buying something. For example, a coupon clipper might take a coupon for \$0.35 off of a bottle of juice when he or she goes to the grocery store. Shoppers might also choose to buy “generic” (with a store brand) food, toiletries, and cleaning supplies.

Other Americans try to save money by canceling unnecessary services. For example, they might “switch” (change) to a less expensive cell phone plan with fewer minutes each month, or they might cancel their “cable” (paid TV channels) or magazine “subscriptions” (something that is paid for each month). People might decide to have their hair cut less frequently or stop “dying” (coloring) their hair.

Many people find that they can save a lot of money by “brown-bagging it” (bringing lunch to the office from home) instead of eating lunch at restaurants, and by bringing coffee from home in a “travel mug” (a special cup with a lid) instead of buying expensive coffee drinks.

Americans can also save money by starting to do things on their own instead of paying someone else to do them. For example, they might cook at home instead of going out for dinner at a restaurant. They might also decide to wash their own car, make their own coffee, clean their own home, or “mow” (cut the grass) on their own instead of paying for another person to do it.

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



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COMPLETE TRANSCRIPT

Welcome to English as a Second Language Podcast number 563: Reducing Household Expenses.

This is English as a Second Language Podcast episode 563. I'm your host, Dr. Jeff McQuillan, coming to you from the Center for Educational Development in beautiful Los Angeles, California.

Our website is eslpod.com. Go there to download a Learning Guide for this episode that will give you all of the vocabulary, definitions, sample sentences, additional definitions, cultural notes, comprehension questions, and, most importantly, a complete transcript of everything we say on this episode.

This episode is a dialogue between Roland and Ginger about "household expenses," the money that you have to spend to live in a house or apartment. Let's get started.

[start of dialogue]

Roland: If we want to save enough money to buy a house, we need to get serious about our finances and do some financial planning. I think the first step is to create a household budget.

Ginger: Okay by me. You know that I'm all about the bottom line.

Roland: Yeah, right. I think we have a pretty good idea of our spending patterns, so it shouldn't be too hard to come up with a budget that we can both live with.

Ginger: Right.

Roland: Okay, one thing we need to keep in mind is that we tend to underestimate our monthly expenses. If you look at our discretionary spending on this spreadsheet I created, you'll be surprised at how much money we spend on nonessentials.

Ginger: Okay, I can cut back on nonessentials.

Roland: You can?



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Ginger: Sure, instead of getting my nails done every week, I'll get them done only three times a month.

Roland: Well, that's a start...

Ginger: And instead of buying a new 60-inch TV, we can get a 52-inch one instead. That should save us a lot of money.

Roland: I think you need to do the math. If we don't cut back much more drastically, we'll be ready for retirement by the time we can afford a house!

[end of dialogue]

Roland begins by saying to Ginger, "If we want to save enough money to buy a house, we need to get serious about our finances and do some financial planning." Roland and Ginger want to buy a house; they need to save their money, so they need to "get serious about," or focus on, be concentrated on, and actually do things related to their finances. Your "finances" are how you manage your money, the way you save and spend, the amount of money that you save and spend. "Financial planning" is the process of sitting down and thinking about your future and the money that you will need. When you retire, how much money you will have to live on? If your child is going to go to college, how much money will you need to send them there? The answer is a lot!

Well, Roland says that he thinks the "first step," the first thing they should do, is create a household budget. "Household" refers to everyone who lives in your house, apartment, or condominium: the father, the mother, the children, maybe grandma, maybe grandpa, and so forth. A "budget" is a plan about how much you are going to spend for different things – how much are we going to spend for food, how much are we going to spend for gasoline for our car, and so forth.

Ginger says, "Okay by me (meaning yes, I agree). You know that I'm all about the bottom line." The expression "to be all about (something)" means to be very interested in something, very involved, perhaps, in something. I'm all about the Dodger baseball team; I love to watch the Dodgers here in Los Angeles. Ginger is all about the bottom line. The "bottom line" refers to the amount of money that you have at the end of a certain period – how much did you spend, how much did you save. Did you spend more than you saved, or did you save more than you spent? I should mention that "about" as a preposition is used with a lot of



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different verbs and idioms (phrasal verbs); take a look at the Learning Guide for some more information about that one.

Roland says, “Yeah, right. I think we have a pretty good idea of our spending patterns.” Your “spending patterns” are the ways in which you spend money. A “pattern” is something that happens usually repeatedly over time. You always spend about this much money every month on food, this much money on cable television, this much money on Starbucks coffee, and so forth. Roland says, “it shouldn’t be too hard (too difficult) to come up with (to write down) a budget that we can both live with (that we both agree to follow).” Ginger says, “Right,” meaning I agree.

Roland says, “Okay, one thing we need to keep in mind (meaning one thing we need to remember) is that we tend to underestimate our monthly expenses.” “We tend to” means we usually “underestimate.” “To estimate” means to guess approximately how much of something that you need or want. “To underestimate” means to guess or believe that something is smaller, or less, or perhaps less important than it actually is. So if you say, “Oh, I estimate I spend 10 dollars a month on gasoline,” and you actually spend 100 dollars a month on gasoline, well, then you are underestimating. The opposite would be, of course, “to overestimate,” to guess too high rather than too low. Roland says that he and Ginger underestimate their monthly expenses. “Expense” is money that is spent on something. The money that you give to other people for something, that’s an expense.

Roland says, “If you look at our discretionary spending on this spreadsheet I created, you’ll be surprised at how much money we spend on nonessentials.” “Discretionary” means optional, something you have a choice about, something you could do or not do. “Discretionary spending” is money that you don’t have to spend; money that you could save or spend, depending on your decision. A “spreadsheet” is an electronic document, usually created by a program such as Excel or Lotus or other software, that’s used to store numbers and to make calculations about things – numerical things. So, what Roland has done is made a spreadsheet on the computer of how much they spend, and he says they spend a lot of money on nonessentials. Something that is “essential” is something you must have. Food and water are essentials for human life. “Nonessentials” are things you don’t need. A 56-inch flat screen television is a nonessential; human beings can actually live without one. I know that’s hard to believe for some of you! Computers are really essential for many people in their jobs and businesses; they’re not nonessential, at least they’re not for me.



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Ginger says, “Okay, I can cut back (I can spend less) on nonessentials.” Roland says, somewhat surprised, “You can?” Ginger says, “Sure, instead of getting my nails done every week, I’ll get them done only three times a month.” “To get your nails done” is to go to a place where they shape and paint your fingernails and toenails, something that women usually do – and some rock stars! What Ginger is saying is that instead of going every week to get her nails done, she’ll only go three times a month, not four times a month. Roland says, “Well, that’s a start (that’s a beginning).” Ginger then says, “And instead of buying a new 60-inch TV (that is, a television where the screen is 60 inches measuring diagonally, from one corner to the other, opposite corner), we can get a 52-inch one instead. That should save us a lot of money.” Of course, these are not very important sacrifices; you’re not going to save a lot of money doing these sorts of things.

Roland says, “I think you need to do the math.” When someone says “do the math,” they mean look at the numbers, calculate, add and subtract, figure out exactly what the numbers are. “Do the math.” “Math” is short for mathematics. Here, it means really do the calculations. “If we don’t cut back much more drastically, we’ll be ready for retirement by the time we can afford a house!” “To cut back,” as I mentioned earlier, means to reduce, to decrease the amount of something. The verb “cut” has several meanings in English; “to cut back” is a phrasal verb, but there are other ways of using this verb that are explained in the Learning Guide. Roland says that they have to cut back drastically. “Drastically” means in a big way, a lot. If they do not, they’ll be ready for retirement by the time they can afford a house. “Retirement” is when you quit your job, usually after you’re 55-60-65 years old, and you don’t work anymore. In the United States, it’s typical around the age of 65, though some people retire earlier and some later. “To afford” means to be able to pay for something. Roland is saying that they won’t be able to buy a house for many, many years unless they cut back much more drastically.

Now we’ll listen to the dialogue at a normal speed.

[start of dialogue]

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[end of dialogue]

The script for this episode was written by someone who's all about writing great scripts, Dr. Lucy Tse.

From Los Angeles, California, I'm Jeff McQuillan. Thank you for listening. Come back and listen to us next time, won't you, on ESL Podcast.

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