

# 9b Making money

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Work with a partner. Check that you understand the meaning of the money verbs in bold. Then take turns to play the role of Mr/Ms Money and give financial advice to your client.

## 1 Buying a property

### Client

You **earn** €35,000 a year. Last year your uncle died and you **inherited** €12,000. You have made €8,000 from share investments in the last two years. However, you **owe** €4,000 to a friend and recently **lost** €2,500 at a casino. You are now thinking of **selling** your shares and **spending** all your money and savings on a property in London. You would like to know what price of property you can **afford** and how much you can **borrow** from a bank.

### Mr/Ms Money

A bank will **lend** three and a half times a person's salary to help him/her **buy** a property. A deposit of 5% of the value of the property is usually required by the bank. You believe that property prices in London are very high at the moment and that it's not the best time to buy. You do, however, think that the stock market is a good place to invest money just now.

## 2 Retirement and your pension

### Client

You are 62 years old and due to retire in three years. You are rather disappointed because your pension is not worth as much as you had anticipated. When you retire you want to be able to **afford** to go on a three-month holiday as well as buy a retirement home in the country. Over the last few years, you have **saved** €10,000 which you could **withdraw** with three months' notice. Your mother is 94 and lives in a house which you own.

### Mr/Ms Money

Your client's priority is obviously to get enough money to live on when he/she retires. Interest rates are very low at the moment, so you might recommend that he/she **invests** his/her savings in the stock market instead of putting the savings into a building society. Remind him/her, however, that the investment could go down as well as up. You could also (diplomatically!) suggest that when the client's mother dies, he/she could use the money from the sale of the house to buy a retirement home.

## 3 Ethical investments

### Client

You are interested in the idea of ethical investments but you are worried that the returns on your money might be lower than if you **invested** in companies which were not concerned about the issue of Third World exploitation, oppressive regimes, animal testing, etc.

### Mr/Ms Money

Reassure your client that over the last few years many ethical investments have performed much better than non-ethical investments. Talk to your client about his/her criterion for ethical investments, e.g. Is he/she happy to invest in companies producing alcohol – what about tobacco? What is his/her view on drugs being tested on animals? Is there a particular area which interests him/her – environmental, human rights, etc.? Then explain that you will research companies which match his/her beliefs and arrange another meeting to discuss them in more detail.

## 4 Setting up a business

### Client

You are 23 years old. You need to raise €30,000 to **spend** on setting up a new business – an Internet café in the city centre. You have various options. You could **borrow** the money from a bank, and **pay it back** over a period of five, ten or fifteen years. Alternatively, you could ask your friends and family to **lend** it to you. As a last resort you could **bet** or **gamble** some money and hope to **win** enough to start the business!

### Mr/Ms Money

A bank loan is certainly a good way for your client to raise the money he/she needs. Suggest that your client writes a business plan and presents it to the bank. You'd recommend a ten-year repayment period.