



Getting Ready

Discuss the following questions with a partner.

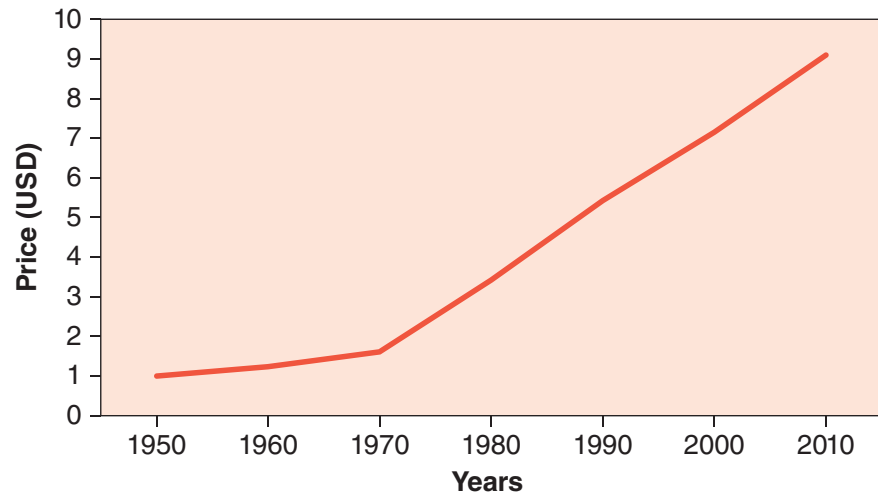
- 1 What has happened to the man in the above picture?
- 2 Is there a lottery system in your country? How much money can you win?
- 3 Finish this sentence: *If I won a million dollars, I would . . .*

CHAPTER 1 What Does a Million Dollars Buy?

Before You Read

Money Knowledge

- A** The following graph charts the price of the same basket of goods in the U.S. over a period of a few decades starting from 1950. How has time affected the price of goods? What does this tell you about inflation?



- B** Discuss your ideas in **A** with a partner. How much do you think a million dollars is worth today compared to 20 years ago? How about 50 years ago?

Reading Skill

Identifying Cause and Effect

Words and phrases such as *because*, *due to* (*the fact that*), *as a result*, *so*, and *in order to* are used to show a cause-and-effect relationship; they signal that one thing (cause) makes another thing (effect) happen. Recognizing cause and effect can help you better understand and organize the information in a passage.

- A** Skim the passage on the pages 67–68. Then write the cause (reason) or effect (result) for each problem below. Discuss your answers with a partner.

Cause	Effect
1 The population is more dense, but there are fewer homes available.	Housing has become very expensive.
2	People started moving to the suburbs.
3 People want to be closer to their workplace.	
4	We need more money to buy things.
5 Many older people are living longer.	

- B** Underline the words and phrases in the passage that helped you understand the cause-and-effect relationships in **A**.
- C** Now read the entire passage carefully. Then answer the questions on page 69.



What Does a Million Dollars Buy?

- 1 When asked the question “What would you do with a million dollars?” most people tend to give similar answers: “Quit my job,” “Buy my dream house,” or “Go traveling.” People often think that having a million dollars would make all their dreams come true. **In reality**, a million dollars may not really be that much money.
 - 5 Twenty years ago, it might have been possible to **fulfill** these dreams. However, things are not so easy today.
- 2 In most industrialized¹ countries, prices for everything from food to transport to university fees have steadily increased over the years. Housing prices in particular have risen greatly. The main reason is that the population has increased—becoming
 - 10 very **dense** in certain areas—but there are fewer homes available for sale or rent. For example, in the U.S., the average price of a new home in 1990 was \$149,800. The average price in 2010 was \$272,900. With increases like that, you can see why owning **property** is considered a good long-term **investment**.
- 3 15 Housing in city centers also costs more than ever before. People used to move from the city center to the outer city neighborhoods or suburbs to escape overcrowding and noise. Today, many are moving back because they want
 - 20 to be closer to their workplace. Since space is limited in these areas, supply has not caught up with rising demand, and prices have gone up as a result. For example, it is nearly impossible to find a place in London’s expensive Mayfair district, or
 - 25 Manhattan in New York City, for a million dollars. Even countries that traditionally have a lower cost of living, like India or Brazil, have seen property prices rise dramatically. A 2,000 square foot



The world’s most expensive home is in South Mumbai. It is said to be worth \$1 billion and belongs to Indian businessman Mukesh Ambani.

¹ An **industrialized** country is one that is highly developed and has high standards of living.



(186 square meter) apartment in Mumbai's southern neighborhoods can cost more than \$3 million—the same as a two-bedroom flat in central London.

4

Inflation is another important reason for the rise in the cost of living. Over the last 150 years, as prices have gone up, the value of money has gone down, so we now need more money to buy things. In 1913, for example, \$50,000 had about as much buying power as \$1 million does today. Of course, people now earn more money than they did 150 years ago, but they also



The price of oil has risen dramatically in the last 50 years.

spend more on **necessities** such as food, medicine, and housing. Due to this increased cost of living and a tendency for younger generations to spend more, people are actually saving less than ever before.

5

In order to live well after you retire, you should begin saving as early as possible. Experts suggest that after you stop working, you will need 70 to 75 percent of your **salary** to live on every month. In other words, if you make \$3,000 per month while working, you will need between \$2,100 and \$2,250 per month to live on during retirement. This calculation assumes that you have no mortgage² on a house to continue paying, or other major expenses like your children's university education. However, more retired people now rent their housing because they can't afford to buy a home, so they will pay more in housing costs over time. People also have to spend more on health care because they live longer; many people in developed countries now live into their 80s or 90s.

6

Due to increased demand for housing, higher inflation, and a longer life expectancy, a million dollars may not be enough to live on. Of course, where you live and how long you live will influence how far a million dollars can go. To be able to retire early, travel the world, and build your dream home, you may have to be a millionaire many times over!

² A **mortgage** is a long-term loan given by banks to help people buy property.

Motivational Tip: Pause and think. Before you answer the reading comprehension questions, take a moment to reflect on what you have just read. What was the most important information from this passage? How was the important information supported with examples? What do you now know that you didn't know before reading this passage? When we pause and think after we read, our comprehension will increase.

A Write the paragraph number (1–6) next to each main idea.

- _____ People need more savings in order to retire comfortably.
- _____ A million dollars is not worth as much as people think.
- _____ Many factors influence how far a million dollars can go.
- _____ The cost of living has increased due to inflation.
- _____ Property in city centers has become much more expensive.
- _____ Property is more expensive because there is greater demand and less supply.

**Reading
Comprehension**
Check Your Understanding

B Read the following statements. Check (✓) whether they have gone up (▲) or down (▼) over the last 20 years.

	▲	▼
1 the value of a million dollars		
2 average price of a house in the U.S.		
3 health care costs		
4 the cost of food and housing		
5 how much people save		
6 the number of elderly people		
7 proportion of retired people who own their homes		

C Discuss the following questions with a partner.

- 1 Are housing prices rising in your country? How has this affected you, your friends, or your parents? What effect does this have on society in general?
- 2 How do you think governments can help solve the problem of rising property prices and rising cost of living in general?


Critical Thinking

Vocabulary Comprehension

Definitions

A Match the words in the box to the correct definitions. Write a–h. The words are from the passage.

a in reality	b fulfill	c dense	d property
e investment	f inflation	g necessities	h salary

- _____ to achieve a stated goal or promise
- _____ something you buy because it may be worth more in the future
- _____ things that one owns; one's house or land
- _____ thick; close together
- _____ actually; in fact
- _____ money one is paid for working
- _____ something everyone needs, e.g. food, clothing
- _____ a continuing increase in prices over time

B Complete the following sentences using the words from A. You might have to change the form of the word.

- Many people in developing countries do not have access to _____ such as food or clean water.
- I rejected the job offer because the _____ offered is too low. It doesn't pay as well as my current job.
- I had planned for this project to last three months, but _____ it took almost twice that time!
- Make sure you can afford the mortgage if you decide to buy _____.
- The population is very _____ in Chinese cities like Shanghai and Beijing, as many people come from the countryside to find work.
- The price of a movie ticket has nearly doubled in the last 20 years due to _____.
- She's looking for a job in New York so she can _____ her dream of living there.
- The government funded the building of a football stadium as part of its long-term _____ in sports.

A Use *in-*, *il-*, *im-*, or *ir-* to complete the words below. Then discuss the meaning of each word with a partner.

- 1 There are still people in the United States who are _____literate—they can barely read or write.
- 2 It's quite _____probable that the thief climbed through the window when it's nearly 20 meters above the ground.
- 3 It is difficult to breathe on a mountain because there is _____sufficient oxygen in the air.
- 4 Sandra has an _____rational fear of the dark. She even has a night light by her bed.
- 5 Her handwriting was so _____legible that the teacher could not mark her test paper.
- 6 I won't ask John for advice in the future; what he told me was completely _____relevant to my situation
- 7 Cancer is still an _____curable disease.
- 8 After waiting for Maria for 20 minutes, Albert began to get _____patient.

B Complete the following sentences using the words in the box.

illogical immature inseparable irresponsible incapable

- 1 It was _____ of you to leave the door unlocked after going out.
- 2 Marco may be 30 years old, but he is very _____. He still behaves like a teenager.
- 3 Han is so self-absorbed that he seems _____ of thinking about anyone but himself.
- 4 I thought Cathy's explanation was completely _____. She didn't answer my question at all.
- 5 Atsushi and his brother are _____. They even signed up for the same classes at university.

Vocabulary Skill

The Prefixes *in-*, *im-*, *il-*, and *ir-*

In this chapter you read the word *impossible*. This word begins with the prefix *im-*, meaning *not* or *the opposite of*. The prefix *in-* can also mean *not*. When *in-* comes before the letter *l*, the prefix changes to *il-*. Before *m* or *p*, it changes to *im-*. Before *r*, it changes to *ir-*.

CHAPTER 2 Lottery Winners: Rich...but Happy?

Before You Read

Lottery Facts

- A** Look at the information below. Which of these statistics are surprising to you? What does this tell you about the chances of winning a lottery?

In our lifetime, what are the chances of ...

...being born with 11 fingers or toes?	1 in 500
...drowning?	1 in 1,008
...living to 100 years old?	1 in 6,000
...finding a pearl in an oyster?	1 in 12,000
...getting struck by lightning?	1 in 280,000
...winning the Mega Millions Jackpot?	1 in 176,000,000

- B** Discuss the following questions with a partner.

- 1 Do you know how the lottery works?
- 2 Do you know anyone who has won the lottery or received a lot of money all at one time? What did they do with the money?

Reading Skill

Previewing

Previewing is something good readers do when they first encounter new reading material. They ask themselves questions like these: *What is this about? What kind of text is this? and What do I already know about it?* Previewing can involve skimming, scanning, and predicting to help us get acquainted with the reading passage.

- A** Take one minute to preview the passage on the pages 73–74. Think about the title and the picture, scan the passage for interesting information, and skim the first and last paragraphs.

- B** Now discuss the following questions with a partner.

- 1 What do you think the passage is about?
- 2 What do you already know about this subject?
- 3 What interesting points did you notice?
- 4 Where could you look to learn more about this topic?
- 5 Do you think you'll enjoy reading the passage?

- C** Read the entire passage carefully. Then answer the questions on page 75.

Lottery Winners: Rich...but Happy?

Every week, millions of dollars are spent, and won, on lottery tickets. With jackpots hitting hundreds of millions of dollars, many lottery winners suddenly find themselves with much more money than they're used to. Many will have enough to purchase a new car, buy a luxury house, take a holiday and quit working—all within a short space of time. These “lucky” few, however, may end up with more problems than they had before they struck it rich. According to financial planner Steven Goldbart, two out of three winners spend all their winnings within five years.

Newly **affluent** lottery winners are actually in quite a **tricky** situation, so much so that lottery organizers employ counselors to help them. These counselors encourage winners to get advice from financial experts, such as accountants, about how best to invest their earnings. The counselors also help winners to understand how their lives may change for the better—and possibly for the worse. Many lottery winners are **sensible** when managing their new wealth; some, however, do not use their money **wisely** and end up getting into various **unforeseen** difficulties. Take a look at the fortunes of two very different lottery winners.

Michael Carroll is an example of what can happen to lottery winners if they don't manage their money carefully. When Carroll was 19 years old, he won £10 million in England's National Lottery. At the time, Carroll was working as a garbage collector, and the money changed his life.

Three months after winning the

lottery, he bought a home in a small town and turned the backyard into a 24-hour racetrack. The constant noise and dust upset his neighbors. He also purchased several luxury vehicles but was stopped for driving a brand new BMW without license plates or insurance. He was **banned** from driving for six months. This wasn't Carroll's first encounter with the law – he was frequently



30 arrested for drug possession and other crimes, and was jailed for nine months
in 2006 for violent behavior. Upon his release from prison, Carroll applied for
loans to make the payments on properties he had bought and to continue
funding his **extravagant** lifestyle. In just eight years, Carroll had spent all
his winnings. It was reported in 2010 that he was trying to get his old job as a
35 garbage collector back.



After winning almost \$29 million
in a North Carolina lottery in 2009,
Billy and Jeff Wilson say they have
learned a lot about managing
money. When people found out
that the father and son had won
so much money, the family had
to leave their hometown to avoid

people asking them for financial help. Billy, the elder Wilson, stopped working
45 but likes to believe that winning the lottery hasn't really changed them as
people. He said: "We live around a bunch of millionaires and some of them are
the most miserable people on Earth. Just because you have money doesn't
make you any better than anyone else and sometimes it seems like they forgot
that." His son Jeff says he just enjoys hanging out with friends and fishing.
50 Thanks to the sensible way in which they handled their lottery money, the
Wilson's are set to enjoy their winnings for a long, long time.

If you should happen to be lucky enough to win a lottery, here are a few simple
rules that financial advisors recommend following.

- Meet with an accountant or other financial advisor.
- 55 • Pay all **debts**, such as home mortgages, car loans, and credit card bills.
- Calculate how much money will be needed to live on every year and then
invest the extra money.
- Hand in your resignation only when you know you really don't need the job
anymore.

A Choose the correct answers for the following questions.

- 1 The word *lucky* (line 5) is in quotation marks because lottery winners _____.
 a depend on skill and not luck to win
 b may encounter problems with their money
 c will soon lose all their money
- 2 What do lottery counselors do?
 a They organize and run the lottery.
 b They help lottery winners make financial investments.
 c They help lottery winners cope with their sudden wealth.
- 3 The word *fortunes* in line 15 does NOT mean _____.
 a luck
 b money
 c outcome
- 4 According to the passage, what should lottery winners do?
 a Quit their jobs soon after winning.
 b Pay their credit card bills.
 c Invest all their lottery winnings.
- 5 What could be another title for the passage?
 a The Biggest Lottery Winners
 b Winning the Lottery: What Happens Next?
 c How to Hit the Jackpot

B Read the following sentences. Check (✓) whether they apply to Michael Carroll (C) and/or the Wilsons (W).

The lottery winner(s) . . .	C	W
1 stopped working.		
2 moved to a new place.		
3 got into trouble with the police.		
4 had to borrow money eventually.		
5 is/are still living on the prize money.		

C Discuss the following questions with a partner.

- 1 Do you think rich people are treated differently? How would people treat someone who has just won a lottery?
- 2 What personal qualities help a person to handle money well?

Motivational Tip: Share with others. Think of two ways that you can share what you learn from this chapter with people who are not in your class. Do you have a friend that you can email after class today? Tell him/her what you learned about the value of money today in your class. As you share what you read with others, your reading skills will improve.

Words in Context

- An **affluent** person has a lot of _____.
a talent **b** money
- If a math problem is **tricky**, it _____.
a doesn't have an obvious solution **b** can be solved easily
- A **sensible** person usually _____.
a acts without thinking **b** thinks before acting
- Which is considered a **wise** investment?
a taking a course on computer skills **b** buying a candy bar
- An **unforeseen** encounter is a meeting that you don't _____.
a expect **b** remember
- If you are **banned** from something, you are _____.
a not allowed to do it **b** invited to do it
- An example of an **extravagant** expense is _____.
a a diamond cat collar **b** a washing machine
- A person who has a **debt** _____ money.
a has saved **b** owes

- 1 Have you encountered any **unforeseen** difficulties in learning English?
- 2 What is the most **extravagant** thing you've ever bought?
- 3 What are some things that are **banned** in your classroom?
- 4 What do you think people mean when they refer to "**sensible** shoes"?
- 5 What is the **wisest** piece of advice that anyone has ever given you?
- 6 Why do you think more and more young people are in **debt** nowadays?
- 7 Which is the most **affluent** neighborhood in your city?
- 8 Have you ever been in a **tricky** situation involving a friend? Why was it tricky?

A Write the correct *-ent* or *-ant* word for each definition. Use the words in *italics* to help you. You may use a dictionary to help with spelling.

- 1 _____: a person who lives or *resides* in a certain place
- 2 _____: *pleasing* to you
- 3 _____: describes someone who challenges or *defies* authority
- 4 _____: to depend or *rely* on something or someone
- 5 _____: empty, having a *vacancy*, unoccupied
- 6 _____: someone who *participates* in something
- 7 _____: when something is obvious from *evidence*
- 8 _____: a person who makes a formal *application* for something, e.g. a job
- 9 _____: a person, plant, or animal that is *descended* from a particular ancestor
- 10 _____: open to and able to *tolerate* different views, beliefs, or behavior

B Complete the following sentences with the correct forms of the *-ent* or *-ant* words from **A**.

- 1 It was _____ that she had not prepared for the meeting as she had no idea what to say.
- 2 Nearly 12 percent of people in the United States are _____ of Irish settlers who came to North America over the centuries.
- 3 A(n) _____ society is one that is accepting of all races and religions.
- 4 The _____ of the building were unhappy with the noise caused by the construction next door.
- 5 The position is still _____ because we haven't found a suitable person for the job.
- 6 There's a(n) _____ smell coming from the refrigerator. I hope the food hasn't gone rotten.
- 7 He has been getting into trouble at school for starting fights and being openly _____ toward teachers.
- 8 Nowadays, people are so _____ on technology to keep in touch with friends.

C Think of two more words that end with *-ent* or *-ant*. Write a definition for each and see whether your partner can guess the words.

Vocabulary Skill

The Suffixes *-ent* and *-ant*

In this chapter you read the word *affluent*, which ends with the suffix *-ent*, and *extravagant*, which ends with the suffix *-ant*. These suffixes can be used to form adjectives like in the passage. They can also be used to describe someone or something that performs a specific action (e.g. a *servant* is someone who *serves*).

Real Life Skill

Understanding Money and Banking Terms

If you're planning a trip to an English-speaking country, it is often helpful to learn about local banking customs and practices. Becoming familiar with some of the common money and banking terms will help you to better enjoy your stay.

- A** The following are common words and phrases used in many English-speaking countries. Discuss their meanings with a partner.

Forms of payment	Using a bank machine	At the bank
cash check debit card credit card	ATM ¹ PIN ² withdraw deposit	open a checking account currency exchange money transfer deposit

¹Automated Teller Machine ²Personal Identification Number

- B** Complete the sentences below using words and phrases from **A**.

- You will need a(n) _____ if you want to reserve a hotel room via the Internet.
- If you want to send or receive money electronically, you should visit a bank or a credit agency and ask about doing a(n) _____.
- You have Euros, but you need American dollars. You should visit a place that does _____.
- You have \$500 in your checking account. You go to a(n) _____ and _____ \$85. Your balance is now \$415.

- C** Below is a common form of payment in the United States. What is it? Imagine you need to pay \$120.50 to Kean's Department Store. Complete the missing information.

222 Shannon Street, 811
 San Francisco, CA 94134 Date _____

Pay to the order of _____ \$ _____
 _____ DOLLARS

Bank of America
 1234 001 234 567 _____

What do you think?

- What are some ways that you can guard your money against inflation?
- Why do you think people play the lottery if the chances of winning are so low?
- Can you name any famous billionaires? How did they get their wealth?
- Do you think wealthy people should donate money to charity? Why, or why not?