

Living in Debt

Living in NYC, it is not uncommon to come across more young individuals who earn a good deal of money. It is hardly surprising, living in the biggest city in the country (and a state with a very high earning potential). And, when living just a few subway stops away from mid-and-downtown Manhattan, it's inevitable to run into people in their mid-twenties who work within big industries – like finance, tech, and consulting – that pay higher salaries. Some of these lucrative industries pay insane salaries to new grads fresh out of school, and there are tons of articles that explain, in detail, what it's like to make that kind of money very early on. To some, the idea of securing a salary in the 100k-200k range (while 46% of millennials are making under 25k) seems somewhat mythical.

It is quite curious to learn how people would react – emotionally, professionally, and socially – if they were to earn a salary that high. Would they overspend? Have no financial pressures or concerns? Would they bother even crafting a home budget for themselves, or feel indifferent because there's not as much pressure to track? Would they cook for themselves or eat every meal out, and blow through their money? It's interesting to examine the behaviors and financial strategies of those who earn, say, above 100k, to see if they consider themselves to be in a better or worse situation from having earned a paycheck that size. The findings of research into what it's like to be a millennial earning 100k+ are actually kind of shocking.

The sentiments expressed by individuals earning that much ranged from brutal honesty about the things they waste money on (like \$100 cab rides to work), how much they're taxed, and why making 100k doesn't make you rich anymore. It provided deep insight into the reality of making a very sizable \$100k income, yet feeling (and actually being) broke. A 28-year-old pharmacist, for instance, found herself in deep financial trouble, said she knew she needed a change when she flat out couldn't pay her bills despite earning so much. She easily racked up nearly \$14,000 in credit card debt and medical expenses. While the medical bills incurred resulted from a car accident, which wasn't her fault, her health insurance only covered 60% of the \$200,000 of hospital expenses. Despite her being in the top 6% earning bracket for her age cohort, that unfortunate event, combined with less-than-savvy financial decisions, led her to the dire situation in which she found herself. Because of her high salary, she felt like she deserved the luxuries she indulged in, and didn't think twice about treating herself to things like apartment furnishings and expensive nights out – as she felt she "deserved them" for working so hard. Whilst in spending mode, it's hard to realize what is happening. In retrospect, it becomes clear how quickly and easily the debt can grow. It's perfectly understandable how something like that might have happened despite having a 100k salary served as a kind of security blanket mistaken for a barrier between financial stability and potential financial desperation. Budgets easily slip out of control once in autopilot spending mode. Apparently, 100k doesn't promise the same financial security that it once did, and a salary that high hardly pushes the proud recipient over the edge into "rich" territory anymore. The cost of living and price inflation has contributed to a widening gap between the aura of a six-figure paycheck, and what it actually offers. Frankly, it's insane to read that one can still come up short while making 100k, and it makes people acutely aware of how most of the country manages household budgets with incomes way lower than that.

Adapted from www.thefinancialdiet.com

Ex. 1 Find the words or expressions in the text which mean the following:

1) to meet: _____

2) many: _____

3) impossible to avoid: _____

4) bringing a lot of money: _____

5) the generation born roughly between 1980 and 2005: _____

6) however: _____

7) completely: _____

8) to allow yourself a little luxury: _____

9) to buy yourself something nice: _____

10) the money you have to spend for food, rent, etc.: _____

11) to have difficulty having enough money till the end of the month:

12) to pay for water, heat, Internet, etc.: _____

Ex. 2 Match the expressions from the two columns into logical collocations:

- | | |
|---------------------|---------------------------|
| 1) to craft | gap between ... |
| 2) deep | situation |
| 3) to find yourself | expenses |
| 4) to rack up | retrospect |
| 5) medical | in deep financial trouble |
| 6) to incur | the home budget |
| 7) a dire | a household |
| 8) in | insight into sth |
| 9) a widening | medical bills |
| 10) to manage | debt |

Ex. 3 Provide English equivalents of these expressions:

1) obojętny	7) grupa wiekowa
2) roztrwonić pieniądze	8) nierozsądne decyzje finansowe
3) być opodatkowanym	9) poduszka finansowa
4) być splukany	10) budżet wymyka się spod kontroli
5) the insurance covers ...	11) 6-cyfrowy dochód
6) przedział dochodów	12) potencjalne wysokie zarobki

Grammar corner...

The first, second or third conditionals come in many forms, not just „if sth happened, I would do sth” or „if I had done sth, sth else would have happened”. If you’d like to make it more formal, you use inversion, like „had I thought about it earlier, I would have avoided the trouble”. If you’d rather make it sound less likely, you use should, like in „if you should see Jim (but I don’t think you will), please give him my regards” or you can also invert that and say „should you see Jim, please give him my regards”. Other ways of making a conditional sound less probably is using the structure „if they were to offer me the job, I would move to LA” or ... surprise ... you can also invert it and say „were they to offer me the job, I would move to LA” or you can use it in the passive AND invert it, just like here: „were I to be offered the job, I would move to LA”. Clever, huh? Another way of decreasing likelihood is to use „if you happen to find my keys (but I don’t think you will), please FedEx them to me”.

Ex. 4 Rewrite the sentences in a more formal way using the phrases in parenthesis.

1. If you by any chance managed to win this contract, I would give you a fat bonus. (HAPPENED) =>
2. If you somehow run into Mike, remind him he’s late with the report. (SHOULD) =>
3. If I found a gold fish, I’d ask it for an unlimited number of wishes. (WERE TO) =>
4. If I had asked you for help sooner, I’d have finished the project well ahead of schedule. (HAD) =>
5. If she won an Oscar, her salary would increase dramatically. (WERE TO + inversion) =>

GLOSSARY	
to come across sth	napotkać coś
a good deal of	sporo
inevitable	nieunikniony
lucrative	dochodowy / lukratywny
millennials	pokolenie urodzone między 1980 a 2005
yet	jednakże
flat out	całkowicie
to indulge in sth	pofolgować sobie
to treat yourself to sth	sprawić sobie coś
the cost of living	koszty utrzymania / życia
to come up short	nie wyrabiać się do „pierwszego”
to pay your bills	opłacać rachunki
to craft the home budget	opracować budżet domowy
deep insight into sth	głęboki wgląd w coś
to find yourself in deep financial trouble	znaleźć się w ciężkich tarapatach finansowych
to rack up debt	narobić długów
medical expenses	koszty leczenia
to incur medical bills	ponieść koszty opieki medycznej
a dire situation	trudna sytuacja
in retrospect	z perspektywy
a widening gap between ...	rosnąca dysproporcja między ...
to manage a household	zarządzać gospodarstwem domowym
indifferent	obojętny
to blow through money	roztrwonić pieniądze
to be taxed	być opodatkowanym
to be broke	być spłukanym
the insurance covers ...	ubezpieczenie pokrywa ...
an earning bracket	przedział dochodów

an age cohort	grupa wiekowa
less-than-savvy financial decisions	nierozsądne decyzje finansowe
a security blanket	poduszka finansowa
a budget slips out of control	budżet wymyka się spod kontroli
a 6-figure paycheck	sześciocyfrowy dochód
high earning potential	potencjalne wysokie zarobki
insane	szlony
grads fresh out of school	absolwenci tuż po ukończeniu szkoły
100k	100,000.00

ANSWER KEY:

Ex. 1

- 1) to come across sth
- 2) a good deal of
- 3) inevitable
- 4) lucrative
- 5) millennials
- 6) yet
- 7) flat out
- 8) to indulge in sth
- 9) to treat yourself to sth
- 10) the cost of living
- 11) to come up short
- 12) to pay your bills

Ex. 2

- 1) to craft the home budget
- 2) deep insight into sth
- 3) to find yourself in deep financial trouble
- 4) to rack up debt
- 5) medical expenses
- 6) to incur medical bills
- 7) a dire situation
- 8) in retrospect
- 9) a widening gap between ...
- 10) to manage a household

Ex. 3

- 1) indifferent
- 2) to blow through money
- 3) to be taxed
- 4) to be broke
- 5) the insurance covers ...
- 6) an earning bracket
- 7) an age cohort
- 8) less-than-savvy financial decisions
- 9) a security blanket
- 10) the budget slips out of control
- 11) a 6-figure paycheck
- 12) high earning potential

Ex. 4

- 1) If you happened to win this contract, I would give you a fat bonus.
- 2) Should you run into Mike, remind him he's late with the report.
- 3) If I were to find a gold fish, I'd ask it for an unlimited number of wishes.
- 4) Had I asked you for help sooner, I'd have finished the project well ahead of schedule.
- 5) Were she to win an Oscar, her salary would increase dramatically.