

£1m now or £1,000 a week for the rest of your life?

Level 3 • Advanced

1 Warmer

How much is £1 million worth in your currency?

How much is £1,000 worth in your currency?

Would you rather have £1m
now or £1,000 a week for the
rest of your life?

2 Key words

a. Find key words in the article that match the definitions below. The paragraph numbers are given to help you.

1. a situation in which you have to make a difficult decision _____ (para 1)
2. a difficult problem that seems to have no solution _____ (para 1)
3. used for referring to the second of two things that have just been mentioned _____ (para 2)
4. succeeded in getting something that is difficult to get _____ (para 3)
5. getting something you really want _____ (para 4)
6. so good or attractive that you want it very much _____ (para 4)
7. spending a lot of money quickly on things that you do not need _____ (para 5)
8. happy and excited, often because of someone else's bad luck _____ (para 5)
9. a large amount of money that you get when you are not expecting it _____ (para 6)
10. likely to change or become dangerous without warning _____ (para 8)
11. similar to _____ (para 9, two words)
12. a time when you spend a lot of money, especially on something special as a way of making yourself feel good _____ (para 9)

b. Which of these words are informal?

£1m now or £1,000 a week for the rest of your life?

Level 3 • Advanced

Would you take £1m now or £1,000 a week for the rest of your life?

A Canadian teenager didn't just win the lottery, she got to choose how she was paid. Which presents a dilemma ...

Hannah Jane Parkinson

29 March, 2018

- 1 It's a nice dilemma to have and quietly devastating for the rest of us who will probably never have to face such a conundrum. A Canadian teenager who won the lottery, after buying her first ever ticket to celebrate her 18th birthday, was given a choice: take home an instant C\$1m, which works out at around £550,000; or receive C\$1,000 (£550) a week for the rest of her life.
- 2 After consulting a financial adviser, Charlie Lagarde chose the latter option. The adviser pointed out that, as the allowance came untaxed, it was roughly equivalent to an annual salary of C\$100,000. The Canadian economy is pretty stable, which also works in Lagarde's favour, and the cost of living there is relatively cheap. As for pesky inflation eating away at that weekly C\$1,000, it's estimated that Lagarde only has to live about 30 more years to reach \$1m winnings in real terms.
- 3 Towards the end of 2017, Canada announced it would pilot universal basic income – the idea that instead of welfare payments, all citizens, regardless of their income or assets, receive a baseline income from the state. In a way, Lagarde has scored a form of basic income from the lottery corporation and a sizeable one at that.
- 4 There's been a lot of debate online about Lagarde's choice. The idea of landing a giant cheque for a cool million is pretty enticing, although you wouldn't have much change from £550,000 if you lived in London (or any other expensive city) and wanted to get on the property ladder.
- 5 Regardless of where you lived, there would be a temptation to choose the one-off sum. But let's not forget Michael Carroll, the Norfolk-born 19-year-old, who won almost £10m on the UK National Lottery in 2002 and spent the following years blowing most of the fortune, with his excesses and failures tracked by a gleeful press. This seems to be quite a common narrative among large-sum lottery winners – one study even found that lottery winners are more likely to declare bankruptcy within three to five years than the average person in America. I suppose it's like being let loose in a really big, shiny toy shop where everything is affordable. It must take plenty of willpower to survive such a situation.
- 6 Sandra Hayes, a US winner and former social worker, said: "I know a lot of people who won the lottery and are broke today. If you're not disciplined, you will go broke, I don't care how much money you have." Imagine, also, people knowing you'd just landed a windfall. It's very possible a lot of friends would want a piece of it. Hayes again: "These are people who you've loved deep down and they're turning into vampires trying to suck the life out of you."
- 7 A fascinating 2016 study focused on Canada even found that, as well as lottery winners often going broke, there was a knock-on effect: the winners' neighbours ended up in similar financial straits, after attempting to keep up with the spending of the more fortunate residents.
- 8 One factor may be that Lagarde is of the millennial generation, by which I mean the generation that has less economic stability than the one before it and the one before that. The generation that works unpaid internships and can barely get on the property ladder. Such a precarious situation may have influenced Lagarde picking economic stability over Carroll-style spending.
- 9 After some careful thought, I decided that I, too, would take that sweet £550 a week, giving me a tax-free annual sum of a little over £28,000. It would allow anyone to work part-time, or freelance, and without the stress of never knowing where the next pay cheque is coming from. It is, as I said before, akin to a generous universal basic income, which is something I support. Granted, it wouldn't be easy to give up on the idea of an extravagant splurge or the 11-bedroom country house I look up on an estate agent's website on a daily basis. But knowing that the combination of a no-questions-asked guaranteed base salary and income from actual work would enable a comfortable life would be more than enough.
- 10 Lagarde, for her part, will continue to study and hopes to become a photographer, which is a precarious career path. But now, she won't really have to worry about that.

£1m now or £1,000 a week for the rest of your life?

Level 3 • Advanced

- 11 So what would you choose? And if it's a position you do ever find yourself in, please let me know and I will send you my Amazon wish list and a link to the estate agent's website.

© Guardian News and Media 2018

First published in *The Guardian*, 29/03/18

3 Comprehension check

Answer the questions using information from the article.

1. What did Lagarde decide to take and why?
2. Why might her decision have been different if she lived in London?
3. What happened to another teenager who won an even larger sum in a lottery?
4. How might someone winning the lottery negatively affect their neighbours?
5. How are the winnings likely to affect Lagarde's chosen career path?

4 Financial expressions

a. Find these expressions in the article and discuss what they mean.

b. Use them to talk about the article.

1. in real terms
2. welfare payments
3. get on the property ladder
4. declare bankruptcy
5. go broke
6. in financial straits
7. economic stability
8. guaranteed base salary

£1m now or £1,000 a week for the rest of your life?

Level 3 • Advanced

5 Discussion

- Now that you have more information, answer the question again.

Would you rather have £1m
now or £1,000 a week for the
rest of your life?

- Was your answer the same? Why? Why not?
- What factors are likely to influence a person's choice?
- How does the cost of living and the rate of inflation where you are affect your own answers?
- What would you do with the money?
- How would the win change your life and your plans?

6 Difficult choices

Discuss these difficult choices, then write one or two more of your own and discuss them in small groups.

- Would you rather go camping with friends in the rain or spend a silent week at a monastery?
- Would you pretend to like a special meal a friend had cooked for you (but with ingredients that you really dislike) or would you risk upsetting your friend by admitting that you can't eat it?
- Would you rather win a round-the-world business-class plane ticket or a round-the-world cruise?

£1m now or £1,000 a week for the rest of your life?

Level 3 • Advanced

KEY

2 Key words

a.

1. dilemma
2. conundrum
3. latter
4. scored
5. landing
6. enticing
7. blowing
8. gleeful
9. windfall
10. precarious
11. akin to
12. splurge

b.

scored; landing; blowing; splurge

3 Comprehension check

1. the weekly payment for the rest of her life; because the payment is untaxed and she would effectively get an annual salary of 100,000 Canadian dollars. If she lives longer than 30 years, she will end up with more than a million overall. The Canadian economy is stable and the cost of living there is relatively cheap. She took advice from a financial advisor.
2. Property prices are very high and taking the one-off payment might be a young person's only chance of buying a house of their own.
3. He wasted most of the money. Journalists followed what he did and reported on his misfortunes with glee.

4. A study found that neighbours of a lottery winner often get into financial difficulties themselves as they try to keep up with the spending of their more fortunate neighbour.
5. She hopes to be a photographer, a precarious career path. She will no longer need to worry about the financial risks involved.

4 Financial expressions

1. after considering all the things that affect the true value of something
2. regular money given to people who do not have work or who are in need
3. buy your first house with a view to later buying bigger, better houses
4. officially admit that you have no money and cannot pay what you owe
5. no longer have any money and be unable to pay what you owe
6. experiencing financial difficulties
7. a country's financial situation in which things happen as they should and there are no harmful changes
8. money that you get every month regardless of how much you work or how much you earn from other sources