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# Business & Money Issues

OPEN TO DEBATE



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# OPEN TO DEBATE 3

70 passages on diverse topics about business and money  
70 authentic and idiomatic conversations  
70 cartoons with funny dialogs and comments  
490 lively discussion questions

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Suggestions to the Teacher

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## UNIT 01

### Student Loans and Student Debt

**Kang-Dae:** Ella, why did you come to Korea?

**Ella:** Well, I came here to get a good job as a teacher and also out of a spirit of adventure.

**Kang-Dae:** Well, aren't there good jobs in America?

**Ella:** Of course, but it can be hard to find a job when you're fresh out of college.

**Kang-Dae:** And Korea hires many English teachers, right?

**Ella:** Yes, that's right. Also, I can earn a lot of money here to pay off my student loans.

**Kang-Dae:** Oh, I've heard that a lot of foreign English teachers in Korea are paying off student loans.

**Ella:** Yes, it's pretty common. Most of my friends are in the same boat.

**Kang-Dae:** Well, I hope it's a good experience for you and that it will help you pay off those loans.

**Ella:** Thanks!



- Your student loan is due at the end of this month. You need to pay back your loan on time.
- No way! How can I? I've been jobless since I graduated. I'm broke.
- Don't worry. We'll help you take out a new loan to pay off your student loan.



During the 2016 presidential race in the United States, Democratic candidate Bernie Sanders gained a lot of support from young people for his proposal concerning college tuition. Sanders advocated that a free college education should be available for any American citizen at a public college or university. Currently, the total tuition at public colleges and universities adds up to about \$70 billion per year. Under Sanders' plan, the federal government would cover 67% of this cost, and the individual states would cover the remaining 33%. Of course, if students attended a private university, such as Harvard, they would have to pay their own tuition and fees. As you can imagine, young Americans supported Sanders enthusiastically. Hillary Clinton, the eventual Democratic nominee, also called for debt-free tuition for American college students.

At present, many American college students finance their college education through student loans. These loans typically take years, if not decades, to repay. In 2018, Americans owed nearly \$1.5 trillion in student loan debt, spread out among 44 million borrowers. The average college student who graduated in 2018 left the university with \$38,390 in student loan debt. As you can imagine, not everyone is able or willing to repay their student loans. The delinquency rate for student loans currently stands at 11.5%, one of the highest rates among all types of debt.

There was a time when a person who owed student loans could simply declare bankruptcy and be free of that debt, and seven years after bankruptcy, their credit record was clear again. However, in 1976, the U.S. Congress put a stop to that easy way out. They passed a law that excluded student loans from bankruptcy protection. Since that time, student loans exist until they are repaid or until the borrower dies. Students who default on repayment of their student loans may become ineligible for certain jobs. In some states, professional licenses, such as those of nurses, are revoked if the license holder fails to repay student loans.

### What do you think?

- (1) Are you shocked by the amount of student debt that American students have?
- (2) How do college students in your country pay for their education? Is it free? Do they get loans?
- (3) Do most college students in your country get a part-time job to help pay their expenses?
- (4) Do you think that student loans should be erased if the person declares bankruptcy?
- (5) What dangers does a country face when a college education is too expensive?
- (6) Is it fair to revoke a nurse's license if she is not repaying her student loans?
- (7) Do you think that parents should be held responsible if their children don't repay student loans?

## UNIT 02

### The Frenzy of "Black Friday"

**Abigail:** Dae-Ho, does Korea have anything like the "Black Friday" shopping day in the U.S.?

**Dae-Ho:** Yes, of course. We have the "Korea Sale Festa."

**Abigail:** Hmm...I'm afraid I've never heard of it. Tell me about it.

**Dae-Ho:** Well, the government began to promote it a few years ago as a Korean version of Black Friday.

**Abigail:** I see. When does it take place?

**Dae-Ho:** It usually runs for about 10 days in September or October.

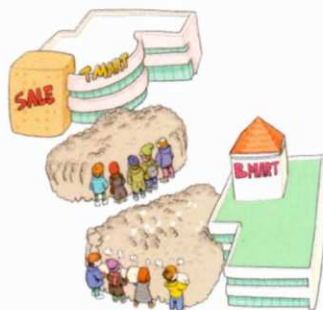
**Abigail:** Can you get some good deals?

**Dae-Ho:** Yes, of course. Department stores like Hyundai and Lotte offer discounts of up to 80% on some clothing.

**Abigail:** Wow! That's pretty good. I'll have to check out this event.

**Dae-Ho:** And you can even get a discount on a new car.

**Abigail:** That's amazing! Thanks for the information.



- Where are you going?
- I'm going shopping on Black Friday. They're offering 50% off the TV set that I want to buy. Isn't that a once-in-a-lifetime opportunity? Why don't you join me?
- I don't think so.
- Why not?
- They'll offer 80 or 90% off after Black Friday.
- How is that possible?
- After Black Friday is over, they'll be overwhelmed with returned goods, and they'll have no choice but to give a greater discount.



The term "Black Friday" refers to the day after Thanksgiving in the United States, which is also the first day of the Christmas shopping season. In the 1960s, police officers in Philadelphia began to use the term "Black Friday" in a negative sense because they had to work tiring 12-hour shifts in order to handle the increased traffic of early Christmas shoppers. Later, stores tried to put a positive spin on the term Black Friday by claiming that it was actually based on the accounting term "to be in the black," which means to make a profit, as opposed to the term "to be in the red," which means to lose money.

Black Friday is not an official holiday, but many non-retail employees and almost all students have, in effect, a "four-day weekend," which includes Thanksgiving Day, Black Friday, Saturday, and Sunday. Black Friday has routinely been considered the busiest shopping day of the year in the United States since 2005. In Canada, retailers have joined the Black Friday frenzy in order to keep Canadians from traveling across the border to shop at U.S. stores. Black Friday has been promoted in other countries as well.

For many years, it was common for retailers to open their doors at 6:00 am on Black Friday. However, in the late 2000s, some retailers began to open at 5:00 am, 4:00 am, or even midnight. In 2012, Walmart and other retailers opened their stores on Thanksgiving Day itself. Some shoppers camp out overnight in front of a store in order to be at the beginning of the line when the store opens. This activity poses a serious safety risk because campers block emergency access, and they rush the doors as soon as they open. Since 2006, there have been 12 reported deaths and 117 injuries in the U.S. because of Black Friday.

Why are retailers willing to participate in such madness? The answer is simple: they have no choice but to lower their prices and extend their holiday hours in order to remain competitive and to boost their bottom line.

### What do you think?

- (1) What is the busiest shopping day in your country? Is it similar to Black Friday?
- (2) Do you prefer to shop for gifts online or in a physical store?
- (3) What are the most important holidays for gift giving in your country?
- (4) How often do you shop at a traditional market? What about at a large department store?
- (5) Do people in your country ever camp out before a store opens? Would you ever do that?
- (6) Have you ever paid regular price for an item but later saw it on sale? What did you do?
- (7) What is the best shopping experience that you have ever had? What is the worst?

## UNIT 03

### Big-Box Stores versus Local Businesses

**Victoria:** Mun-Hee, do you know where the nearest Costco is?

**Mun-Hee:** Yes, I do. The nearest one to us is located in Sangbong. Would you like to go there?

**Victoria:** Yes, I'm planning to go there this coming Sunday.

**Mun-Hee:** Oh, wait a minute. This coming Sunday is the 2nd Sunday of the month.

**Victoria:** Is that important? I'm not sure about what you mean.

**Mun-Hee:** Maybe you haven't heard. The government passed a law a few years ago that forces big-box stores to close on the 2nd and 4th Sundays.

**Victoria:** You're kidding!

**Mun-Hee:** No, not at all. It's a law that's designed to help small mom-and-pop stores to stay in business.

**Victoria:** I see. It must be because those small grocery stores often go out of business when a superstore opens up nearby.

**Mun-Hee:** Exactly! The government wanted to give those small stores a fighting chance to stay open.

**Victoria:** Okay, I understand, but it still makes shopping inconvenient.



In order to satisfy both big-box stores and mom-and-pop stores, the government introduced a law that required big-box stores to be open only on weekdays and mom-and-pop stores only on weekends. But as soon as the law became effective, both of the rival stores began to complain. So the government has decided to change the business days as follows: big-box stores will be open only on the weekend while mom-and-pop stores will be open only on weekdays.



A few years ago, a 44-year-old grocery store in North Carolina suffered a fate that has become very common during the current generation. The store was doing well financially until a Walmart opened nearby. Immediately, the old grocery store saw a 30% drop in sales. The store owner tried cutting prices in order to compete. In response, Walmart would match or undercut those low prices. The old store simply could not compete with the big-box store and finally closed its doors forever.

What exactly is a big-box store? It is also called a superstore, supercenter, megastore, or warehouse store. In Europe, such stores are called hypermarkets. The architecture of a big-box store is very basic. It is a large, free-standing, rectangular structure built on a concrete slab. In North America, such stores are usually built on a single floor, but in big cities, where space is expensive, they may be built on two or more levels. Floor space in such stores is huge, ranging from 50,000 square feet (4,650 m<sup>2</sup>) to 200,000 square feet (18,600 m<sup>2</sup>). Big-box stores are usually divided into two types: general merchandise stores, such as Walmart and Target, and specialty stores, such as Barnes & Noble (books) or Best Buy (electronics).

The biggest advantage of the big-box store consists of cheap prices. However, once you are inside the store, the superstore expects you to buy other items, including items that you do not need. These items may be more expensive. Big-box stores usually carry items in the largest sizes available. These sizes may be fine for large families, but they may not be worth it for a couple or a small family, who may have difficulty finding space in a small apartment. One glaring disadvantage of megastores is that they usually charge a membership fee of \$50 to \$100 in order to join. Occasional shoppers may be better off shopping at the neighborhood mom-and-pop store. Finally, big-box stores often have long lines and crowded parking lots.

### What do you think?

- (1) What are the names of some big-box stores in your city? Are you a member of any of them?
- (2) How much is a membership fee to a big-box store in your area?
- (3) What type of items would you buy at a superstore? What would you buy at a local grocery store?
- (4) Would you prefer to shop at a big-box store or at a department store?
- (5) Does your country's government have any laws restricting big-box stores?
- (6) Some big-box stores even have small food courts inside. Have you ever eaten at one? What did you eat?
- (7) Are big-box stores in your city usually constructed on a single floor?



## UNIT 04

### Excessive Compensation for CEOs

**Ye-Won:** Angel, I'm thinking about starting my own company after I graduate.

**Angel:** Oh, that sounds wonderful! Maybe you will be a famous CEO someday.

**Ye-Won:** Haha. I doubt that, but I hope that my company can be successful.

**Angel:** Do you want to be paid a lot of money as CEO?

**Ye-Won:** I just want a reasonable amount—that's all.

**Angel:** The two CEOs of Ben and Jerry's ice cream had an interesting rule about compensation.

**Ye-Won:** Oh, what's that?

**Angel:** They said that the CEO's salary would never be more than five times the salary of the lowest-paid worker.

**Ye-Won:** Wow, I've never heard of that. It sounds reasonable to me.

**Angel:** Well, Ben and Jerry sold the company a few years ago, and the new owners don't apply that rule anymore.

**Ye-Won:** Oh, that's too bad.

*CEO: I've heard workers are complaining that my salary is too high. So I will put a limit on my salary.*

*Worker: Good idea. How much is the limit?*

*CEO: I won't receive more than 4,000 times your average salary.*

*Worker: Why 4,000 times?*

*CEO: My job is 4,000 times more stressful than yours.*

*Worker: Don't you think our job is also stressful?*

*CEO: I don't agree. All you have to do is follow my orders.*

*Worker: That's why we're under stress all the time.*

