

BBC Learning English
6 Minute English
7 February 2013
Penny pinching!



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- Rob:** Hello I'm Rob and this is 6 Minute English. With me today is Finn. Hello Finn.
- Finn:** Hello Rob.
- Rob:** Today we're discussing money.
- Finn:** Money – a subject close to my heart. But we're not talking about big money are we?
- Rob:** No, we're talking about the **humble** penny. The Canadian penny, to be more precise. It's going to be withdrawn from **circulation** because production costs have exceeded its monetary value.
- Finn:** So there's not much time left to 'spend a penny'!
- Rob:** That's a very good penny idiom and I'm sure there are plenty more we'll mention in today's programme.
- Finn:** Yes – but of course the penny is not the proper name for this small Canadian coin – its official name is the cent. Do we have any cent idioms today?
- Rob:** We don't but, as always, I do have a question to ask you.
- Finn:** OK.
- Rob:** Well, on the theme of money, in which country would you use the Tambala coin?
Is it:
- a) Malawi
 - b) Madagascar
 - c) Myanmar

- Finn:** I don't know the answer. It sounds like an African country, so I'm going to say Malawi.
- Rob:** Malawi. Well, I'll let you know the answer at the end of the programme. But let's get back to the news the Canadian penny – or cent - is being withdrawn from circulation.
- Finn:** The Royal Canadian Mint will no longer distribute the coin to financial institutions around the country, but it will remain **legal tender**.
- Rob:** Legal tender – that means shops can still accept the coin as payment for things. But it's slowly going to disappear because places like banks will not be given any new ones. So why is this?
- Finn:** I suppose the coin does not have much value – and personally, I find having loads of small coins in my pocket really annoying.
- Rob:** It's true, although all those pennies can add up to a lot of money, so I like to save them in a big jar. People say if you take care of the pennies, the pounds will take care of themselves!
- Finn:** Well in Canada, at least, there will be fewer pennies to collect, it might be nickels instead. Nickels are worth five cents each. That's because the government has advised shop owners **to round out** prices to the nearest nickel for cash transactions. That means to increase or round up, or decrease or round down to the nearest nickel.
- Rob:** Canada is not alone in withdrawing small coins. Other countries, such as New Zealand, Australia, the Netherlands, Finland and Sweden, no longer use the penny. And here in the UK, some people think the penny is a waste of space.
- Finn:** Peter Nichols is a coin dealer; would he miss the British penny if it was withdrawn?

Peter Nichols, British coin dealer:

Not at all, I don't even count them in the till. When the section gets too full I put them in the charity box, that's more where it comes from now, yeah.

Rob: So he wouldn't miss them. The pennies he gets now go in to a box where money is collected for charity. So they are **a nuisance** – they just get in the way.

Finn: Of course the other problem with these small coins is how much they cost to make. They are not cost-effective. In Canada, it costs 1.6 cents to make a 1 cent coin. That means it costs the economy **a pretty penny**.

Rob: A pretty penny! That means a large sum of money. Yes, the Canadian economy makes a loss of 11 million Canadian dollars every year by making these coins. That's a big loss from a small coin. But back in the UK, some people are fond of this humble coin. They want to look after the penny.

Finn: Could we say they are 'penny pinchers' Rob? That's what we call people who are careful with how they spend their money – they count every penny!

Rob: That's not me and it isn't Phil Mussel, who is a **numismatist** – that's someone who collects and studies coins...

Phil Mussel, Director of Coin News magazine:

I think it would be a great shame if we got rid of the penny. It's one of those iconic coins of Britain. We've had the coin since 780, and we've had it ever since. In fact up until the fourteenth century, it was the only coin in circulation.

Finn: So Phil Mussel is nostalgic about the British penny. He calls it an **iconic** coin – it represents or is a symbol of British currency.

Rob: By getting rid of the penny altogether, there is fear that it could create **inflation**, as shop keepers round up prices.

Finn: Phil Mussel fears if it happened in the UK, prices would only go up – that is **inevitable** – it will happen.

Rob: Well that would make our wallets and pockets a lot lighter!

Finn: What? Ah, the penny's dropped, I see what you mean!

Rob: Good. Well here is something that is inevitable, the answer to this week's question. Earlier, I asked you in which country would you use the Tambala coin?

Finn: And I said Malawi. Was I right?

Rob: You were right. The Tambala coin is legal tender in Malawi 100 Tambalas make one Kwacha. OK, it's almost time to go but before we do, Finn could you remind us of some of the words we have heard today.

Finn: Yes. We heard:

humble

circulation

legal tender

to round out, up or down

a nuisance

a pretty penny

numismatist

iconic

inflation

inevitable

Rob: Well, that's all we have time for today. Please join us again soon for Six Minute English from bbclearningenglish.com

Vocabulary and definitions

humble	modest or insignificant
circulation	go around in the economy
legal tender	currency, such as coins and paper money, that can be lawfully used as payment for goods and services
to round out	to increase or decrease the price to the nearest price that can be paid
a nuisance	something that causes annoyance or inconvenience
costs a pretty penny	is very expensive
numismatist	a collector and student of coins
iconic	well known and represents something
inflation	the increase in prices and fall in the purchasing value of money
inevitable	certain to happen or unavoidable

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