Business Conversation 14: Budget Cuts

Practice 1 | Useful Expressions

Directions: Listen and repeat.

- **budget cut** - the act of reducing the budget in a company or an organization in order to save money
- **pay cut** – reduction of one's salary
- **wage** - salary
- **higher-up** - informal way of calling someone who has a rank, status or position superior to others; boss
- **not to take a decision lightly** - to take a decision after considering it carefully and seriously
- **subtraction** - deduction, reduction
- **neutralize** - to stop something from going to bad; to make it neutral
- **deficit** - shortage; insufficiency; the amount of money by which a sum of money falls short of the required or expected amount
- **value** - to consider that someone or something is important

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Practice 2 | Dialogue

Directions: Read the dialogue aloud with your teacher.

The Head of a Department has to let his subordinates know that
they are all getting a lower salary because of the recent budget cuts,
so he calls each of his employees in his office individually.

Frank : Hey, Jonathan. Please take a seat.

Jonathan : Thank you, Frank.

Frank : As you might have already heard, the **higher-ups** decided some **budget cuts** were in order.

Jonathan : Yes, my co-workers let me know.

Frank : I want you to understand that we **didn't take this decision lightly**. It was either firing some people or **lowering wages**. We thought lowering the wages was preferable for a temporary amount of time. That is the reason why we decided on a **pay cut.**

Jonathan : How big will the **subtraction** be?

Frank : Ten percent off of everybody's wages. Including superiors, so that includes me.

Jonathan : That doesn't sound too bad. Will that be able to **neutralize** the problem?

Frank : We are hoping it can take care of most of the **deficit**.

Jonathan : Thank you for taking the time to deliver this announcement personally.

Frank : Of course. We **value** our employees.

Jonathan : Goodbye, Frank.

Frank : Goodbye, Jonathan.

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Check your understanding: Answer the following questions.

1. Why was Jonathan called to Frank's office?

2. Between what options did the higher-ups have to decide?

3. How much was the salary cut by?

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Practice 3 | Role-Play

Directions: Have a role-play with your teacher in the following situation.

Situation

As the head of your firm, you have to let your workers know that they will all be getting a pay cut.

Expressions:

- budget cuts
- wages
- deficit
- not to take a decision lightly
- consider the recent recession (recession: a difficult time for the economy)
- neutralize

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Practice 4 | Discussion

Directions: Discuss these topics and exchange thoughts with your teacher.

1. Have you ever had a salary cut? Why?
2. Do you think decreasing salaries is a necessary action sometimes? In what cases?
3. Would you agree to a salary cut if the reason was justified?
4. How would you behave if your salary were cut unjustly?
5. Is salary deduction common in your country?

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