

Sending Money Home

Pre-Reading

A. Warm-Up Questions

1. What reasons do people have for migrating from a developing nation to a developed nation?
2. What reasons do migrants have for sending money home to their countries of origin?
3. How do migrants send money (remittances) to their families back home?
4. What fees are associated with international money transfers?



B. Vocabulary Preview

Match up as many words and meanings as you can.

Check this exercise again after seeing the words in context on page 2.

- | | |
|--------------------------|---|
| ___ 1. remittance | a) at a much quicker increase |
| ___ 2. migrant | b) the state of not having enough money to live a safe and healthy life |
| ___ 3. exponentially | c) a transfer of funds to a person or institution in one's home country |
| ___ 4. developing nation | d) public health related to safe water and sewage facilities |
| ___ 5. poverty | e) a person or group that receives something |
| ___ 6. sanitation | f) one who moves to another country or region for work or a better life |
| ___ 7. recipient | g) something that encourages or motivates a person to do something |
| ___ 8. conversion | h) a strong feeling of anger or dislike that often grows over time |
| ___ 9. economist | i) a country that is underdeveloped compared to industrialized nations |
| ___ 10. incentive | j) a strong belief that something should or must happen |
| ___ 11. expectation | k) the changing from one type of measurement/value to another |
| ___ 12. animosity | l) an expert who studies how money and goods are made and used |

Reading

SENDING MONEY HOME

Sharing the wealth

1. **Remittances** refer to money sent to a person's home country. Worldwide, **migrants** send more than \$600 billion (USD) to their countries of origin each year. This amount has risen **exponentially** in the past few decades. About 80% of remittances flow from developed nations to **developing nations**. In the poorest nations, remittances are equivalent to about 10% of a nation's gross domestic product (GDP).
2. Approximately 70% of remittances are used for immediate needs. For families living in **poverty**, remittances are a lifeline much like foreign aid. Money from migrant relatives provides food, shelter, health care, and improved **sanitation**. Some **recipient** families use remittances for education. Girls who would otherwise have been forced into child labor may get a chance to go to school.
3. Not all remittances go to poor families. Some migrants invest in their countries of origin. They may have long-term plans to open a business or retire back home. Since migrants already pay taxes on their income, they aren't usually required to pay taxes on remittances. Senders do incur money transfer and **conversion** fees, though. In some cases, recipients also pay fees. The average cost for an international money transfer is 7–10%. Many **economists** think this is far too high.
4. While the benefits of remittances are clear, economists often note the negative effects on receiving nations. For example, recipient families can become dependent on these funds. The financial support from abroad can cause people to have less **incentive** to find good jobs and contribute to society. The receiving country may also become less competitive in the world market. During an economic downturn in a host nation, the receiving nation will also suffer. Likewise, if immigration policies change, a recipient nation's economy could experience a severe decline in remittances.
5. There are also human costs associated with remittances. Migrants often work multiple jobs in order to save enough money to survive *and* send money home. They may even participate in illegal activities to meet their families' **expectations**. Disagreement about how much money to send and how to spend it can lead to **animosity**. What happens when a migrant decides to stop sending money home?

“If the transaction costs on remittances worldwide were cut from an average of 10 percent to an average of 5 percent, it would unlock \$15 billion a year in poor countries.”

—Bill Gates, philanthropist

GDP

A nation's gross domestic product is the total value (\$) of its goods and services produced in a year.

Comprehension

Discuss these questions in pairs, and then write the answers in your notebook. Try to use vocabulary words from page 1.

1. Describe one statistic from paragraph 1 in your own words.
2. What is paragraph 2 mainly about?
3. What is one negative effect of remittances on receiving nations?
4. What are two human costs of remittances?
5. How does the reading end?

Vocabulary Review

A. Chunking

Create six words or expressions by pairing the words that are commonly found together in English. Each word can only be used once. Write a sentence for each example.

Word List:

- nation
- child
- home
- conversion
- financial
- force
- support
- fees
- into
- developing
- labor
- back

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Vocabulary Review cont.

B. Synonyms

Find a sentence from the reading that contains the words below. What other word or phrase could the author have used instead of the **bold** word?
Rewrite the sentence from the reading in your own words using your synonym.

#	Word	Synonym	Rewritten Sentence
1	exponentially		
2	poverty		
3	incentive		
4	animosity		

Writing Percentages

A. Reference

Percentages are used in many situations (e.g., for grades/marks, statistics, scientific facts, or even when talking about effort). Unlike other rules about writing numbers, it's best to use numerals when writing percentages (except at the beginning of a sentence).

- India receives more than 12% of the world's remittances.
- Forty-five percent of residents in Metro Vancouver are immigrants.

Note #1

The word "percent" is used with numbers. The word "percentage" is used when the numbers aren't mentioned.

- What percentage of your income do you send back home?
- The average MTO (money transfer operator) fee is 10%.

Note #2

In general, the verb agrees with the noun, not the percentage.

- As little as 1% of remittances are spent on health care in our village.

B. Research

Do some research to find the percentages that complete each sentence. Share your findings with your class.

1. One of the Sustainable Development Goals (SDGs) of UN Member States is to reduce remittance fees to _____ by 2030.
2. Currently, international migrants represent approximately _____ of the global population.
3. In _____ (year), remittances in the Philippines were equivalent to _____ of the nation's GDP.
In India during that year, remittances represented about _____ of the GDP.
_____ of China's GDP equals its remittances from that same year.

Discussion

1. Is the money received from migrants worth the cost of family separation? Why or why not?
2. Would you agree with some economists that MTOs (money transfer operators) contribute to world poverty? Why or why not?
3. Which MTOs are available in your region? Do people have enough options to choose from? Why is competition important?
4. Should money transfer and conversion fees be a fixed amount or a percentage of the funds?
5. Why is it important to research MTOs before sending money to another country?
6. How are remittances similar to and different from foreign aid?
7. What expectations do family members in developing nations often have on relatives living and working in developed nations?
8. Would you rather be a recipient of remittances in a developing country or a working migrant sending money home from a developed nation? Explain your reasons.

Critical Thinking

IN PAIRS OR SMALL GROUPS

You've learned a lot about how remittances affect recipients, receiving nations, and migrants. Read the related question about host nations and make some predictions about positive and negative impacts. Then do some research and share your findings with your class.

How do you think remittance flows affect host nations?

Listening

Fill in the blanks as you listen to the recording.

SENDING MONEY HOME

Sharing the wealth

1. Remittances refer to money sent to a person's home country. Worldwide, _____ send more than \$600 billion (USD) to their countries of origin each year. This amount has risen exponentially in the past few decades. About 80% of remittances flow from developed nations to _____ nations. In the poorest nations, remittances are equivalent to about 10% of a nation's gross domestic product (GDP).
2. Approximately 70% of remittances are used for immediate needs. For families living in _____, remittances are a lifeline much like foreign aid. Money from migrant relatives provides food, shelter, health care, and improved sanitation. Some _____ families use remittances for education. Girls who would otherwise have been forced into child labor may get a chance to go to school.
3. Not all remittances go to poor families. Some migrants invest in their countries of origin. They may have long-term plans to open a business or retire back home. Since migrants already pay taxes on their income, they aren't usually required to pay taxes on remittances. Senders do incur money transfer and _____ fees, though. In some cases, recipients also pay fees. The average cost for an international money transfer is 7–10%. Many _____ think this is far too high.
4. While the benefits of _____ are clear, economists often note the negative effects on receiving nations. For example, recipient families can become dependent on these funds. The financial support from abroad can cause people to have less _____ to find good jobs and contribute to society. The receiving country may also become less competitive in the world market. During an economic downturn in a host nation, the receiving nation will also suffer. Likewise, if immigration policies change, a recipient nation's economy could experience a severe decline in remittances.
5. There are also human costs associated with remittances. Migrants often work multiple jobs in order to save enough money to survive *and* send money home. They may even participate in illegal activities to meet their families' _____. Disagreement about how much money to send and how to spend it can lead to _____. What happens when a migrant decides to stop sending money home?

Wrap-Up

1. What vocabulary did you learn in this lesson that you want to try to use more often? Name two words or expressions.

2. What statistic or fact surprised you most about remittances?

3. How does this topic relate to you personally?

4. How likely are you to discuss this topic outside of class?
Put a check mark (✓) above your choice.

Very Unlikely	Unlikely	Not Sure	Likely	Very Likely
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Answer Key

LESSON DESCRIPTION:

Students read about remittances. They discuss how sending money home affects recipients, receiving nations, and migrants. This lesson also includes a review on writing percentages and a research task about host nations.

TEACHING TIPS:

See *Discussion Starters Teaching Guide* (<https://esllibrary.com/courses/72/lessons/>) for a variety of ways to use the reading.

LEVEL: High Int – Adv

TIME: 1.5–2 hours

TAGS: discussion, sending money home, remittances, GDP, economy, economics, migrants, immigration, immigrants

Pre-Reading

A. WARM-UP QUESTIONS

Have students work in small groups or as a class. Answers will vary.

B. VOCABULARY PREVIEW

- | | | | | | |
|------|------|------|------|-------|-------|
| 1. c | 3. a | 5. b | 7. e | 9. l | 11. j |
| 2. f | 4. i | 6. d | 8. k | 10. g | 12. h |

Reading (and/or Listening)

Read individually, in small groups, or as a class. You can also play the listening as your students read along. A gap-fill version of the reading is available on page 7. Help your students with vocabulary and expressions that they are unfamiliar with. Discuss the quote and explain the word *philanthropist*: a person whose goal is to help others have a better life.

Comprehension

- Each year, migrants send more than \$600 billion (USD) in remittances to their home nations. Approximately 80% of remittances flow from poor nations to wealthy nations. In the poorest countries, remittances represent up to 10% of their GDP.
- Paragraph two is mainly about how remittances help alleviate poverty.
- One negative effect of remittances on receiving nations is that citizens can lose incentive to contribute to society. Another is that nations can become less competitive in the world market.
- Two human costs of remittances are: a) it puts a lot of pressure on migrants, and b) deciding how much to send and how to spend the money can cause resentment over time.
- The reading ends with a question worth pondering. Since it is the migrant who has to take the action and send the money home, what happens if he/she decides to cut the family off? Do his/her dependents have any way to coerce the migrant to continue funding the family back home? Imagine what happens when a migrant remarries in a foreign country. Will his/her new family agree to share the family income?

(continued on the next page...)

Answer Key cont.

Vocabulary Review

A. CHUNKING

Example sentences will vary.

- | | |
|----------------------|----------------------|
| 1. developing nation | 4. conversion fees |
| 2. child labor | 5. financial support |
| 3. back home | 6. force into |

B. SYNONYMS

Encourage your students to use a dictionary to find synonyms for some of the keywords from this lesson. Ask for some example sentences and share them on the board. Here are some examples you can use if your students struggle to come up with their own.

- This amount has risen **exponentially** in the past few decades. [This number has risen *dramatically* in the past twenty years.]
- For families living in **poverty**, remittances are a lifeline much like foreign aid. [*Impoverished* families rely heavily on money that relatives send home.]
- The financial support from abroad can cause people to have less **incentive** to find good jobs and contribute to society. [The free money gives citizens less *reason* to look for good work and contribute to the local economy.]
- Disagreement about how much money to send and how to spend it can lead to **animosity**. [Conflict about remittances can lead to *resentment* between family members.]

Writing Percentages

A. REFERENCE

Review the notes on writing percentages. You may want to tell your students that they may see percentages written out in words as well as numerals, but that it is a good practice to use numerals.

B. RESEARCH

Challenge students to find recent statistics to complete the sentences. Answers will vary based on when this lesson is completed. You may want to tell your students to look at worldbank.org or theglobaleconomy.com.

Discussion

Answers will vary.

Can be done in small groups or pairs.

Critical Thinking

Put your students in small groups or pairs to think about the positive and negative impacts of remittances on host nations (such as the US or Canada). Can your students find any research to support their predictions?

Listening

- migrants, developing
- poverty, recipient
- conversion, economists
- remittances, incentive
- expectations, animosity

Wrap-Up

Have students reflect on what they learned in this lesson in pairs, small groups, or as a class. You may also want to distribute an exit slip for your records: <https://esllibrary.com/resource-categories/104/resources/2228>.

SPELLING NOTE:

This lesson shows the American spelling of the word *Labor*. Most other English-speaking countries spell this word this way: *Labour*. Make it a challenge for your students to find this word in the lesson and see if they know the alternate spelling.