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## **Super-rich 'hiding' over \$21 trillion**

**24th July, 2012**

[http://www.breakingnewsenglish.com/1207/120724\\_tax\\_havens.html](http://www.breakingnewsenglish.com/1207/120724_tax_havens.html)

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# THE ARTICLE

From [http://www.BreakingNewsEnglish.com/1207/120724\\_tax\\_havens.html](http://www.BreakingNewsEnglish.com/1207/120724_tax_havens.html)

The world's wealthiest people have over \$21 trillion dollars (that's 21 followed by 12 zeroes) hidden away from the tax authorities. This is according to a recently released study into secret tax havens. The report, called *The Price of Offshore Revisited*, is from an organization called the Tax Justice Network, written by high-profile economist James Henry. It says the figure the rich have quietly stashed away is equivalent to half the size of the U.S. and Japanese economies combined. However, this figure is a conservative estimate and Mr Henry believes the real amount could be as much as \$32 trillion. Henry said private wealth held offshore represents "a huge black hole in the world economy."

Henry based his assessment on data from the World Bank, the International Monetary Fund (IMF), the United Nations, central banks, and national treasuries. He wrote: "The number of the global super-rich...is fewer than 10 million people. Of these, less than 100,000 people worldwide own \$9.8 trillion of wealth held offshore." He said the wealth in tax havens makes "a significant difference" to our current thinking about inequality. Another unsavoury aspect highlighted by Henry is that "lost tax revenue...is large enough to make a significant difference to the finances of many countries". He also says the world's largest banks designed and operate tax havens, which specialize in "tax dodging".

# WARM-UPS

**1. TAX HAVENS:** Walk around the class and talk to other students about tax havens. Change partners often. Share your findings with your first partner.

**2. CHAT:** In pairs / groups, decide which of these topics or words from the article are most interesting and which are most boring.

*wealthiest / trillion dollars / hidden away / tax authorities / equivalent / estimate / assessment / treasuries / super-rich / offshore / significant difference / tax dodging*

Have a chat about the topics you liked. Change topics and partners frequently.

**3. WEALTH:** What's the best thing to do with \$1 trillion? Complete this table and share what you wrote with your partner(s). Change and share again.

	Pros	Cons
Invest in art		
Start a company		
Use a tax haven		
Keep it under the bed		
Spend it all		
Keep it in the bank		

**4. TAX:** Students A **strongly** believe tax is unnecessary; Students B **strongly** believe the opposite. Change partners again and talk about your conversations.

**5. ~EST:** What would you rather be? Rank these and share your rankings with your partner. Put the best at the top. Change partners often and share your rankings.

- the wealthiest
- the best at a sport
- the most artistic
- the best at languages
- the happiest
- the healthiest
- the most handsome / beautiful
- the kindest

**6. WEALTH:** Spend one minute writing down all of the different words you associate with the word 'wealth'. Share your words with your partner(s) and talk about them. Together, put the words into different categories.

# BEFORE READING / LISTENING

From [http://www.BreakingNewsEnglish.com/1207/120724\\_tax\\_havens.html](http://www.BreakingNewsEnglish.com/1207/120724_tax_havens.html)

**1. TRUE / FALSE:** Read the headline. Guess if a-h below are true (T) or false (F).

- |   |       |
|---|-------|
| a. The super-rich are avoiding paying tax.                              | T / F |
| b. A report on tax havens was written by a leading entrepreneur.        | T / F |
| c. The rich are hiding an amount of money the same size as Japan's GDP. | T / F |
| d. The real amount of hidden cash could be 50% higher than thought.     | T / F |
| e. The World Bank said it would not contribute any data to the report.  | T / F |
| f. The report says fewer than 100,000 people own \$21 trillion.         | T / F |
| g. The hidden cash makes inequality in the world worse than believed.   | T / F |
| h. Many of the world's top banks have designed systems for tax dodgers. | T / F |

**2. SYNONYM MATCH:** Match the following synonyms from the article.

- |                 |               |
|-----------------|---------------|
| 1. wealthiest   | a. comparable |
| 2. zeroes       | b. avoiding   |
| 3. high-profile | c. evaluation |
| 4. equivalent   | d. prominent  |
| 5. conservative | e. present    |
| 6. assessment   | f. richest    |
| 7. significant  | g. reserves   |
| 8. current      | h. noughts    |
| 9. finances     | i. serious    |
| 10. dodging     | j. cautious   |

**3. PHRASE MATCH:** (Sometimes more than one choice is possible.)

- |                               |                                 |
|-------------------------------|---------------------------------|
| 1. 21 followed by             | a. estimate                     |
| 2. according                  | b. a significant difference     |
| 3. stashed                    | c. hole in the world economy    |
| 4. a conservative             | d. on data from the World Bank  |
| 5. a huge black               | e. treasuries                   |
| 6. Henry based his assessment | f. 12 zeroes                    |
| 7. national                   | g. in "tax dodging"             |
| 8. our current thinking       | h. to a recently released study |
| 9. large enough to make       | i. about inequality             |
| 10. specialize                | j. away                         |

# WHILE READING / LISTENING

From [http://www.BreakingNewsEnglish.com/1207/120724\\_tax\\_havens.html](http://www.BreakingNewsEnglish.com/1207/120724_tax_havens.html)

**GAP FILL:** Put the words into the gaps in the text.

The world's wealthiest people have over \$21 trillion dollars (that's 21 (1) \_\_\_\_\_ by 12 zeroes) hidden (2) \_\_\_\_\_ from the tax authorities. This is according to a recently released study into (3) \_\_\_\_\_ tax havens. The report, called The Price of Offshore Revisited, is from an organization called the Tax Justice Network, written by high-(4) \_\_\_\_\_ economist James Henry. It says the figure the rich have quietly stashed away is (5) \_\_\_\_\_ to half the size of the U.S. and Japanese economies (6) \_\_\_\_\_. However, this figure is a (7) \_\_\_\_\_ estimate and Mr Henry believes the real amount could be as much as \$32 trillion. Henry said private wealth held offshore (8) \_\_\_\_\_ "a huge black hole in the world economy."

*combined*  
*secret*  
*represents*  
*profile*  
*followed*  
*conservative*  
*away*  
*equivalent*

Henry based his assessment on (9) \_\_\_\_\_ from the World Bank, the International Monetary Fund (IMF), the United Nations, central banks, and national (10) \_\_\_\_\_. He wrote: "The number of the global super-rich...is fewer than 10 million people. Of (11) \_\_\_\_\_, less than 100,000 people worldwide own \$9.8 trillion of wealth held offshore." He said the wealth in tax havens makes "a (12) \_\_\_\_\_ difference" to our current thinking about (13) \_\_\_\_\_. Another unsavoury aspect highlighted by Henry is that "lost tax revenue...is large enough to make a significant difference to the (14) \_\_\_\_\_ of many countries". He also says the world's largest banks designed and (15) \_\_\_\_\_ tax havens, which specialize in "tax (16) \_\_\_\_\_".

*finances*  
*treasuries*  
*dodging*  
*inequality*  
*data*  
*these*  
*operate*  
*significant*

## LISTENING – Listen and fill in the gaps

From [http://www.BreakingNewsEnglish.com/1207/120724\\_tax\\_havens.html](http://www.BreakingNewsEnglish.com/1207/120724_tax_havens.html)

The world's wealthiest people have over \$21 trillion dollars (that's 21 (a) \_\_\_\_\_ ) hidden away from the tax authorities. This is according to a recently released (b) \_\_\_\_\_ havens. The report, called The Price of Offshore Revisited, is from an organization called the Tax Justice Network, (c) \_\_\_\_\_ James Henry. It says the figure the rich have (d) \_\_\_\_\_ equivalent to half the size of the U.S. and Japanese economies combined. However, this figure (e) \_\_\_\_\_ and Mr Henry believes the real amount could be as much as \$32 trillion. Henry said private wealth held offshore represents "(f) \_\_\_\_\_ the world economy."

Henry (g) \_\_\_\_\_ data from the World Bank, the International Monetary Fund (IMF), the United Nations, central banks, (h) \_\_\_\_\_. He wrote: "The number of the global super-rich...is fewer than 10 million people. Of these, less than 100,000 people worldwide (i) \_\_\_\_\_ wealth held offshore." He said the wealth in tax havens makes "a significant difference" to our current thinking about inequality. Another (j) \_\_\_\_\_ by Henry is that "lost tax revenue...(k) \_\_\_\_\_ a significant difference to the finances of many countries". He also says the world's largest banks designed and operate tax havens, which (l) \_\_\_\_\_.

# AFTER READING / LISTENING

From [http://www.BreakingNewsEnglish.com/1207/120724\\_tax\\_havens.html](http://www.BreakingNewsEnglish.com/1207/120724_tax_havens.html)

**1. WORD SEARCH:** Look in your dictionary / computer to find collocates, other meanings, information, synonyms ... for the words 'super' and 'rich'.

<b>super</b>	<b>rich</b>
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- Share your findings with your partners.
- Make questions using the words you found.
- Ask your partner / group your questions.

**2. ARTICLE QUESTIONS:** Look back at the article and write down some questions you would like to ask the class about the text.

- Share your questions with other classmates / groups.
- Ask your partner / group your questions.

**3. GAP FILL:** In pairs / groups, compare your answers to this exercise. Check your answers. Talk about the words from the activity. Were they new, interesting, worth learning...?

**4. VOCABULARY:** Circle any words you do not understand. In groups, pool unknown words and use dictionaries to find their meanings.

**5. TEST EACH OTHER:** Look at the words below. With your partner, try to recall how they were used in the text:

<ul style="list-style-type: none"><li>• followed</li><li>• recently</li><li>• written</li><li>• quietly</li><li>• figure</li><li>• hole</li></ul>	<ul style="list-style-type: none"><li>• data</li><li>• number</li><li>• less</li><li>• current</li><li>• large</li><li>• specialize</li></ul>
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# TAX HAVENS SURVEY

From [http://www.BreakingNewsEnglish.com/1207/120724\\_tax\\_havens.html](http://www.BreakingNewsEnglish.com/1207/120724_tax_havens.html)

Write five GOOD questions about tax havens in the table. Do this in pairs. Each student must write the questions on his / her own paper. When you have finished, interview other students. Write down their answers.

	STUDENT 1 _____	STUDENT 2 _____	STUDENT 3 _____
Q.1.			
Q.2.			
Q.3.			
Q.4.			
Q.5.			

- Now return to your original partner and share and talk about what you found out. Change partners often.
- Make mini-presentations to other groups on your findings.



# TAX HAVENS DISCUSSION

STUDENT A's QUESTIONS (Do not show these to student B)

- a) What did you think when you read the headline?
- b) What springs to mind when you hear the term 'super-rich'?
- c) What do you think about what you read?
- d) What do you think of the super-rich?
- e) Do the super-rich live on another planet?
- f) What do you know about tax havens?
- g) How do you think the super-rich can hide so much money?
- h) What do you think of the fact the hidden amount of money, at a conservative estimate, "is equivalent to half the size of the U.S. and Japanese economies combined"?
- i) Is this a crime?
- j) Is money really the root of all evil?

*Super-rich 'hiding' over \$21 trillion – 24th July, 2012*  
More free lessons at [www.BreakingNewsEnglish.com](http://www.BreakingNewsEnglish.com)

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# TAX HAVENS DISCUSSION

STUDENT B's QUESTIONS (Do not show these to student A)

- a) Did you like reading this article?
- b) What do you think about?
- c) Should the 100,000 really super-rich people give more to help the world's less fortunate?
- d) What should governments do about offshore bank accounts and tax havens?
- e) Are tax havens immoral?
- f) Are the super-rich immoral for allowing such inequality to occur?
- g) With so many people facing austerity measures, the super-rich are hiding their billions to avoid tax. What do you think of this?
- h) Will this situation ever change?
- i) Are you surprised big-name banks like UBS and HSBC are included in the report, accusing them of setting up accounts so the wealthiest people in the world can avoid paying tax?
- j) What questions would you like to ask a member of the super-rich elite?

# LANGUAGE – MULTIPLE CHOICE

From [http://www.BreakingNewsEnglish.com/1207/120724\\_tax\\_havens.html](http://www.BreakingNewsEnglish.com/1207/120724_tax_havens.html)

The world's wealthiest people have over \$21 trillion dollars (that's 21 (1) \_\_\_\_\_ by 12 zeroes) hidden away from the tax authorities. This is according to a recently released study (2) \_\_\_\_\_ secret tax havens. The report, called The Price of Offshore Revisited, is from an organization called the Tax Justice Network, written by (3) \_\_\_\_\_-profile economist James Henry. It says the figure the rich have quietly (4) \_\_\_\_\_ away is equivalent to half the size of the U.S. and Japanese economies combined. However, this figure is a (5) \_\_\_\_\_ estimate and Mr Henry believes the real amount could be as much as \$32 trillion. Henry said private wealth held offshore represents "a huge (6) \_\_\_\_\_ hole in the world economy."

Henry based his assessment (7) \_\_\_\_\_ data from the World Bank, the International Monetary Fund (IMF), the United Nations, central banks, and national (8) \_\_\_\_\_. He wrote: "The number of the global super-rich...is fewer than 10 million people. Of these, less than 100,000 people worldwide own \$9.8 trillion of wealth (9) \_\_\_\_\_ offshore." He said the wealth in tax havens makes "a significant difference" to our current thinking about (10) \_\_\_\_\_. Another (11) \_\_\_\_\_ aspect highlighted by Henry is that "lost tax revenue...is large enough to make a significant difference to the finances of many countries". He also says the world's largest banks designed and operate tax havens, which specialize in "tax (12) \_\_\_\_\_".

## Put the correct words from the table below in the above article.

- |     |                  |                  |                  |                 |
|-----|------------------|------------------|------------------|-----------------|
| 1.  | (a) following    | (b) follows      | (c) followers    | (d) followed    |
| 2.  | (a) into         | (b) onto         | (c) up to        | (d) as to       |
| 3.  | (a) top          | (b) high         | (c) up           | (d) leading     |
| 4.  | (a) stitched     | (b) slashed      | (c) stashed      | (d) squashed    |
| 5.  | (a) consortium   | (b) consolidated | (c) conservative | (d) constrained |
| 6.  | (a) white        | (b) black        | (c) gold         | (d) pink        |
| 7.  | (a) in           | (b) of           | (c) at           | (d) on          |
| 8.  | (a) treasuries   | (b) treasured    | (c) treasures    | (d) treatises   |
| 9.  | (a) lofted       | (b) held         | (c) bequeathed   | (d) betrothed   |
| 10. | (a) equidistance | (b) equivalents  | (c) equity       | (d) inequality  |
| 11. | (a) savoury      | (b) salty        | (c) unsavoury    | (d) tangy       |
| 12. | (a) dodging      | (b) dodgems      | (c) dodgers      | (d) dodgy       |



# HOMework

**1. VOCABULARY EXTENSION:** Choose several of the words from the text. Use a dictionary or Google's search field (or another search engine) to build up more associations / collocations of each word.

**2. INTERNET:** Search the Internet and find out more about tax havens. Share what you discover with your partner(s) in the next lesson.

**3. TAX HAVENS:** Make a poster about tax havens. Show your work to your classmates in the next lesson. Did you all have similar things?

**4. SUPER-RICH:** Write a magazine article about someone who is super rich. Include an imaginary interview with him/her.

Read what you wrote to your classmates in the next lesson. Write down any new words and expressions you hear from your partner(s).

**5. LETTER:** Write a letter to a tax expert. Ask him/her three questions about tax havens. Give him/her three of your opinions on them. Read your letter to your partner(s) in your next lesson. Your partner(s) will answer your questions.

# ANSWERS

## TRUE / FALSE:

a. T      b. F      c. F      d. T      e. F      f. F      g. T      h. T

## SYNONYM MATCH:

- |                 |               |
|-----------------|---------------|
| 1. wealthiest   | a. richest    |
| 2. zeroes       | b. noughts    |
| 3. high-profile | c. prominent  |
| 4. equivalent   | d. comparable |
| 5. conservative | e. cautious   |
| 6. assessment   | f. evaluation |
| 7. significant  | g. serious    |
| 8. current      | h. present    |
| 9. finances     | i. reserves   |
| 10. dodging     | j. avoiding   |

## PHRASE MATCH:

- |                               |                                 |
|-------------------------------|---------------------------------|
| 1. 21 followed by             | a. 12 zeroes                    |
| 2. according                  | b. to a recently released study |
| 3. stashed                    | c. away                         |
| 4. a conservative             | d. estimate                     |
| 5. a huge black               | e. hole in the world economy    |
| 6. Henry based his assessment | f. on data from the World Bank  |
| 7. national                   | g. treasuries                   |
| 8. our current thinking       | h. about inequality             |
| 9. large enough to make       | i. a significant difference     |
| 10. specialize                | j. in "tax dodging"             |

## GAP FILL:

### Super-rich 'hiding' over \$21 trillion

The world's wealthiest people have over \$21 trillion dollars (that's 21 (1) **followed** by 12 zeroes) hidden (2) **away** from the tax authorities. This is according to a recently released study into (3) **secret** tax havens. The report, called The Price of Offshore Revisited, is from an organization called the Tax Justice Network, written by high-(4) **profile** economist James Henry. It says the figure the rich have quietly stashed away is (5) **equivalent** to half the size of the U.S. and Japanese economies (6) **combined**. However, this figure is a (7) **conservative** estimate and Mr Henry believes the real amount could be as much as \$32 trillion. Henry said private wealth held offshore (8) **represents** "a huge black hole in the world economy."

Henry based his assessment on (9) **data** from the World Bank, the International Monetary Fund (IMF), the United Nations, central banks, and national (10) **treasuries**. He wrote: "The number of the global super-rich...is fewer than 10 million people. Of (11) **these**, less than 100,000 people worldwide own \$9.8 trillion of wealth held offshore." He said the wealth in tax havens makes "a (12) **significant** difference" to our current thinking about (13) **inequality**. Another unsavoury aspect highlighted by Henry is that "lost tax revenue...is large enough to make a significant difference to the (14) **finances** of many countries". He also says the world's largest banks designed and (15) **operate** tax havens, which specialize in "tax (16) **dodging**".

## LANGUAGE WORK

1 - d    2 - a    3 - b    4 - c    5 - c    6 - b    7 - d    8 - a    9 - b    10 - d    11 - c    12 - a