

## Car rental group Hertz files for bankruptcy

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The car rental company Hertz has filed for bankruptcy protection in the US after plummeting rentals. Hertz is the world's second largest car rental company and is a household name. It operates over

10,200 franchises in 150 countries on six continents. It is one of the highest-profile companies to file for bankruptcy because of COVID-19. It had already furloughed or laid off more than 20,000 of its employees as rentals dried up worldwide. This is about half of its global workforce. It said: "The impact of the pandemic on travel demand was sudden and dramatic, causing an abrupt decline in the company's revenue and future bookings." Hertz had \$18.8 billion of debt on its books as of March the 31st.

Hertz was founded in 1923 when John Hertz of the Yellow Cab and Yellow Truck and Coach Manufacturing Company bought a small car rental company. He pioneered what he called a "drive yourself" system, making available just a dozen Model T Ford cars to customers. His mission was, "to be the most customer-focused, cost-efficient vehicle and equipment rental company in every market." CNN wrote about how the pandemic has impacted Hertz and the entire car rental industry. It said rentals have been "devastated by the plunge in travel since the pandemic hit earlier this year". It added: "Nearly two-thirds of its revenue comes from rentals at airport locations, and air travel has fallen sharply."

Sources: [cnn.com](http://cnn.com) / [bbc.com](http://bbc.com) / [marketwatch.com](http://marketwatch.com)

## Writing

Governments should never let companies go bankrupt. Discuss.

## Chat

Talk about these words from the article.

car / rental / bankruptcy / protection / household / furloughed / global / workforce / cab / drive / system / dozen / equipment / pandemic / industry / revenue / airports

## True / False

- a) Hertz has filed for bankruptcy protection because it cannot buy cars. T / F
- b) Hertz is the world's largest car rental company. T / F
- c) Hertz furloughed or laid off over half its workers because of COVID-19. T / F
- d) Hertz said it has no debt but has to file for bankruptcy. T / F
- e) Hertz was founded by Mr Hertz in 1923. T / F
- f) The Hertz company started with just 12 cars. T / F
- g) Hertz wanted to be the most cost-efficient car rental company. T / F
- h) Almost two-thirds of Hertz's revenue comes from airport locations. T / F

## Synonym Match

(The words in **bold** are from the news article.)

- |                      |                 |
|----------------------|-----------------|
| 1. <b>filed</b>      | a. unexpected   |
| 2. <b>plummeting</b> | b. destroy      |
| 3. <b>dried up</b>   | c. reservations |
| 4. <b>sudden</b>     | d. nosediving   |
| 5. <b>bookings</b>   | e. affected     |
| 6. <b>founded</b>    | f. sites        |
| 7. <b>pioneered</b>  | g. submitted    |
| 8. <b>impacted</b>   | h. established  |
| 9. <b>devastated</b> | i. dwindled     |
| 10. <b>locations</b> | j. developed    |

## Discussion – Student A

- a) What do you know about the company Hertz?
- b) How does a company become bankrupt?
- c) What would you do if you went bankrupt?
- d) What things do you rent?
- e) How are companies doing in your country during the pandemic?
- f) What's the difference between 'laid off' and 'furloughed'?
- g) What is the future of car rental companies?
- h) How can Hertz pay off its debts?

## Phrase Match

- |                                     |                    |
|-------------------------------------|--------------------|
| 1. Hertz has filed for bankruptcy   | a. efficient       |
| 2. a household                      | b. of the pandemic |
| 3. It had already furloughed        | c. on its books    |
| 4. The impact                       | d. in travel       |
| 5. Hertz had \$18.8 billion of debt | e. or laid off     |
| 6. customer-                        | f. fallen sharply  |
| 7. cost-                            | g. protection      |
| 8. how the pandemic has             | h. focused         |
| 9. devastated by the plunge         | i. name            |
| 10. air travel has                  | j. impacted Hertz  |

## Discussion – Student B

- What do you think about what you read?
- Should governments protect companies with a long history?
- What do you know about Ford Model T cars?
- How has the pandemic impacted the travel industry?
- How do you feel about travelling overseas?
- How is your country's economy doing?
- What other companies can you see going bust?
- What questions would you like to ask the bosses of Hertz?

## Spelling

- nmipgelut rentals
- It operates over 10,200 ainfchrs
- It had already lugfuroedh or laid off more
- half of its global ocrekrfow
- causing an rautbp decline
- Hertz had \$18.8 billion of tedb on its books
- He erndoeip what he called a...
- to be the most customer-ecfusod
- cost-fnicteei vehicle
- the eientr car rental industry
- devastated by the nulegp
- Nearly two-thirds of its eneveur

### Answers – Synonym Match

1. g	2. d	3. i	4. a	5. c
6. h	7. j	8. e	9. b	10. f

## Role Play

### Role A – Cars

You think cars are the best things to rent. Tell the others three reasons why. Tell them what is wrong with their things. Also, tell the others which is the worst of these to rent (and why): CDs, clothes or friends.

### Role B – CDs

You think CDs are the best things to rent. Tell the others three reasons why. Tell them what is wrong with their things. Also, tell the others which is the worst of these to rent (and why): cars, clothes or friends.

### Role C – Clothes

You think clothes are the best things to rent. Tell the others three reasons why. Tell them what is wrong with their things. Also, tell the others which is the worst of these to rent (and why): CDs, cars or friends.

### Role D – Friends

You think friends are the best things to rent. Tell the others three reasons why. Tell them what is wrong with their things. Also, tell the others which is the worst of these to rent (and why): CDs, clothes or cars.

## Speaking – Rent

Rank these with your partner. Put the best things to rent at the top. Change partners often and share your rankings.

- |            |                 |
|------------|-----------------|
| • Cars     | • Parking space |
| • CDs      | • Clothes       |
| • Friends  | • An allotment  |
| • Bicycles | • Apartments    |

### Answers – True False

a	F	b	F	c	T	d	F	e	T	f	T	g	T	h	T
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Answers to Phrase Match and Spelling are in the text.