

# The Grasshopper and the Ant

## LESSON DESCRIPTION AND BACKGROUND

In reading and discussing an adaptation of Aesop’s fable “The Grasshopper and the Ant,” the students learn about the trade-off between satisfying wants today and planning for the future. They use the fable to examine their own behavior and decisions about saving. They learn that interest payments provide an incentive to save. They compose fables of their own, expressing their ideas about the importance of decisions about consuming and saving.

“You can’t have your cake and eat it, too” is an old and familiar saying. If people could have everything they want, whenever they want it, life would be very different. People wouldn’t worry about choices, and they certainly wouldn’t worry about things they might want in the future. However, resources and incomes are limited, so people must make choices.

Understanding the concept of opportunity cost is critical for good decision making. The ability to identify the opportunity cost—the highest-valued alternative that must be given up when another option is chosen—helps people to assess their alternatives.

Understanding opportunity cost is especially helpful in decisions about saving money. Saving money enables people to extend their uses of today’s income over a longer period of time. For most children, the future is very abstract. They tend to think only about things they want right now. Saving for the future may be far from their minds, or utterly foreign.

Lesson 4 correlates with national standards for English language arts, mathematics, and economics, and with personal finance guidelines, as shown in Tables 1-4 in the introductory section of this publication.

## ECONOMIC AND PERSONAL FINANCE CONCEPTS

- Economic want
- Interest
- Opportunity cost
- Savings
- Spending
- Trade-off

## OBJECTIVES

At the end of this lesson, the student will be able to:

- Define **opportunity cost** and **interest**.
- Analyze the **trade-offs** and **opportunity cost** in a decision about **saving**.
- Identify reasons to **save**.
- Explain how **savings** can be used to satisfy future wants.
- Use the concept of **opportunity cost** to compare the advantages and disadvantages of **saving**, and to make informed decisions about **saving**.
- Explain how **interest** serves as an incentive to **save**.

## TIME REQUIRED

One or two 45-minute periods

## MATERIALS

- A transparency of **Visual 4.1** (to display with answers) or a transparency of **Exercise 4.2** (to display without answers)
- A copy of **Exercise 4.1, 4.2, and 4.3** from the *Student Workbook* for each student

**ADDITIONAL RESOURCES**

To download visuals, find related lessons, correlations to state standards, interactives, and more visit <http://fffl.councilforeconed.org/3-5/lesson4>

**PROCEDURE**

1. Write the word “Fable” on the board. Ask the students if they can recall any fables they have read or heard. **(Answers will vary.)** To elaborate on the students’ responses, explain that a fable is a short story, often with animals as characters, intended to teach a moral—a lesson about life. If the students are unfamiliar with fables, they might read an Aesop’s Fables version of “The Grasshopper and the Ant.” An adapted version of this fable appears later in this lesson.
2. Explain that fables are found worldwide. For centuries they have been handed down from one generation to another, first orally, and later through writing.
3. Ask the students the following questions:
  - a. Fables are fiction. What is fiction? **(A story or stories about something that didn’t really happen.)**
  - b. How do you know that the fables you have read or heard are fiction? **(Answers will vary. Some students may mention that animals really can’t talk.)**
  - c. In fables, animals and inanimate objects may be represented as speakers and actors. Were animals or inanimate objects used as characters in the fables you have read or heard? **(Yes.)**
  - d. Usually fables have a moral. What is a moral? **(A lesson about life.)**
  - e. What were the morals in the fables you have read or heard? **(Answers will vary.)**
4. Write “You can’t have your cake and eat it, too” on the board. Ask:
  - a. What does this statement mean? **(If you eat your cake now, you won’t have it to eat later. If you save your cake for later, you can’t eat it now.)**
  - b. Ask volunteers to describe times when they had to choose between two economic wants—spending allowance money on a movie ticket or a birthday present for a friend, for example. The volunteers also should tell what they decided to do in these cases. Make a list of the cases on the board: choosing whether to play soccer or basketball at recess, choosing whether to buy a toy or a snack, choosing whether to watch television or study for the math test, choosing whether to save your allowance to buy a video game or to spend the allowance now, etc.
5. Explain to the students that when they chose the thing they wanted most, they had to give up having the other thing. The item they gave up was their opportunity cost. An “opportunity cost” is the highest-valued alternative not chosen. **(It is not the list of all the things given up in a particular case; items way down on the list of things somebody might have wanted do not count as opportunity costs.)**
6. Have the students review the listed examples and make up sentences using the term *opportunity cost*. For example:
  - If I choose to play soccer during recess, my opportunity cost is the chance to play basketball.
  - If I buy a toy, my opportunity cost is the snack that I would otherwise have purchased with the same amount of money.
  - If I use my time to watch television, my opportunity cost is studying for my math test.
  - If I save my allowance to purchase a new video game, my opportunity cost is the things I would otherwise have bought with the same amount of money.
7. Extend the line of questioning. Ask: When you made these choices, why did you choose one alternative over another? What factors influenced your choices? **(Answers might include I chose to play soccer because my friends wanted to play soccer, or I chose to watch television because otherwise I would have missed my favorite shows.)**

8. Tell the students that many stories have been written and told about how hard it is to make choices. They will read one of these—a fable about a grasshopper and an ant. Distribute a copy of **Exercise 4.1** from the *Student Workbook* to each student. Assign the students to read the story independently or conduct an in-class session in which students take turns reading aloud.

9. When the students are finished reading, discuss the following questions:

- What is spending? (**Buying things.**)
- What is saving? (**Not buying now; setting money aside to be used later.**)
- What was the ant’s message—the moral of the story? (**If you do nothing but play today, you may have nothing left for tomorrow.**)
- What does this message mean? (**The fable illustrates the concept of opportunity cost. Spending all your money today means that you do not have money for things you may want tomorrow. The opportunity cost of spending today might be something you will want tomorrow. The opportunity cost of saving for the future is what you might have bought today if you had not chosen to save.**)
- How did the ant earn the money she was putting in the bank? (**By working.**)
- Give an example of a choice you have made and, like the grasshopper, later wished that you hadn’t made. (**Answers will vary.**)

10. Explain that the ant worked to earn income. She spent some of her income and saved some of it. That’s what most people do with the income they earn. Ask:

- Where did the ant save her money? Why? (**She saved her money in the bank. She knew her money would be safe there, and the bank paid interest on savings.**)
- How did the ant explain the concept of interest to the grasshopper? (**Interest is extra money the bankers pay her for putting**

**some of her money in their bank and saving some of her income.)**

- Why didn’t the grasshopper understand what the ant was saying about interest? (**He thought she meant that the bank was interested in saving and that she found saving to be interesting. He wasn’t listening carefully.**)

11. Point out that banks do pay interest. Interest is money people earn when they allow the bank or someone else to use their money. Make sure the students understand that when banks use this money, they must pay it back when the people who have saved ask for it to be returned.

12. Explain that people sometimes are better off by choosing to save. When people save, there is a trade-off between short-term (present) goals and long-term (future) goals. In order to have money for long-term (future) spending, people give up some short-term (present) spending. Define “trade-off” as giving up some of one thing to get some of another thing—not buying a new television set now in order to have money for new tires for the family car, for example.

13. Remind the students of the expression about the cake, introduced earlier. Explain that you can’t eat your cake now and have it to eat in the future. But you could make a trade-off, eating some cake now and saving some of it for the future. The grasshopper could have made a trade-off by saving some money and spending some money. Ask the students for examples of trade-offs they have made. (**Answers will vary.**)

14. Explain that the plot of a story is made up of a series of events. It usually begins with the introduction of the characters and the conflict or problem they face. The action builds to a high point, and then a conclusion is reached. Is this the pattern followed in “The Grasshopper and the Ant?” To find out, the students can use a simple procedure to diagram the plot. Distribute copies of **Exercise 4.2** from the *Student Workbook*. Ask the following questions; have the students fill in the boxes on **Exercise 4.2** as

they come up with answers. You may want to display **Visual 4.1** (which shows the answers) or **Exercise 4.2** (which does not show the answers) while you are asking these questions.

- Who are the characters in the story? (**The ant and the grasshopper.**)
- What problem does the grasshopper have? (**The grasshopper spends all his money all the time.**)
- What actions occur as a result of the problem? (**The grasshopper tries to borrow money from the ant. The ant says that the grasshopper should learn to save, and he explains the benefits of saving.**)
- What is the climax or high point of the story? (**The grasshopper sees the ant getting money from the bank to go to the movies and the grasshopper doesn't have any money.**)
- What is the conclusion? (**The grasshopper realizes that he's not having fun anymore, so he should change some of his choices.**)

15. After the students complete the plot diagram in **Exercise 4.2**, ask the following questions:

- What did the ant say we give up when we spend? (**Something we could have in the future.**)
- What did the ant call the next-best alternative that is given up when a choice is made? (**The opportunity cost.**)
- What did the ant say the bank pays her to save? (**The bank pays interest.**)
- What is interest? (**Money that savers earn from the bank when they put their money into a bank savings account.**)

16. Give each student a copy of **Exercise 4.3** from the *Student Workbook*. Review the instructions about writing this next chapter for the story of the grasshopper and the ant. The chapter should focus on what the grasshopper has learned from the ant about saving, interest, and opportunity cost. Before the students begin

writing, conduct a discussion in which they offer ideas about getting started and developing their new chapters. Tell the students that they may add other characters if they wish. When everybody has composed a new chapter, call for volunteers to read their work to the class or in small groups.

## CLOSURE

Review the concepts of trade-offs and opportunity cost as they are related to decisions about saving. How can people use these concepts to make good decisions about whether to spend money now or save it for future uses?

Have the students give examples from their own experience illustrated by “The Grasshopper and the Ant” story.

Have the students answer the following questions:

- What is saving? (**Income not spent on goods and services now.**)
- When people save, what do they give up? (**Goods and services they might otherwise buy now.**)
- When people spend, what do they give up? (**Saving for goods and services in the future.**)
- What do we call something we give up when we make choices? (**Opportunity cost.**)
- What is a trade-off? (**Giving up some of one thing to get some of another thing.**)
- What is interest? (**Payment made for using someone else's money; payment received for letting someone else use your money.**)
- When might you earn interest, and why is it important? (**When you save money in a bank account or in another financial institution, you can earn interest—a percentage of the money you have saved in the account. Interest provides an incentive to save.**)
- What is a moral of a story? (**A lesson about life taught through a story.**)

**ASSESSMENT**

At the end of the **Saving** Theme, select appropriate assessment questions for this lesson.

**EXTENSION**

- Visit The Wise Pocket Clubhouse at [www.umsl.edu/~wpockets/](http://www.umsl.edu/~wpockets/). Students may read “Will Saves for the Stars,” a story about a boy saving money to buy a telescope.
- Arrange for the students to check out fables from the library. Assign them to write a paragraph about examples of choices and opportunity costs they find depicted in the fables. Make a bulletin board to display these paragraphs.
- Read other stories about saving and choices—for example, *Bear Wants More*, by Karna Wilson; *Click, Clack, Moo: Cows that Type*, by Doreen Cronin; *Just Shopping with Mom*, by Mercer Mayer; *Mailing May*, by Michael O’Tunnel.