SAVING WITH THE ANT AND THE GRASSHOPPER

WORD BANK

- **Saving**: Putting aside part of what you have now (money, food, etc.) for future use.

- **Spending**: Using resources, like money or food, for current needs or wants.

- **Budget**: A plan for managing your income and expenses to avoid overspending.

- **Emergency Fund**: Money saved for unexpected expenses or emergencies.

- **Investing**: Using money to buy things (like stocks) that grow in value over time.

Once upon a time, there were two friends, Annie the Ant and Gary the Grasshopper. They were very different from one another, especially when it came to planning for the future and managing resources.

Annie the Ant was a hard worker. Every day, she collected food and stored it carefully in her home. She knew that while the meadow was full of food now, things would not always stay this way.

Gary the Grasshopper, on the other hand, spent all his time playing, sleeping and using up whatever he found, without thinking about what he might need later.

THE CONCEPT OF SAVING AND SPENDING

Saving is like what Annie the Ant did, setting aside something you have now, like money or food, so you can use it later when you need it. Saving helps you prepare for unexpected events or periods when resources are scarce.

Spending is what Gary the Grasshopper did, using up what you have now. Spending isn't bad, but it's important to know when to stop and save for the future. If you spend everything, you won't have anything left for later, especially during hard times.

As the days grew colder, winter arrived. The meadow was covered in snow, and all the plants and flowers were gone. Food was nowhere to be found.

Annie the Ant was cozy in her warm home. She had plenty of food stored, so she didn't have to worry about her next meal. Her hard work and planning had paid off.

But Gary the Grasshopper was not so lucky. His storage was empty, and he was cold and hungry.

Gary went to Annie feeling ashamed and asked her for help. Annie smiled and kindly shared her stock of food with Gary with the hopes of teaching him a lesson.

Gary nodded, understanding his mistake
and promised not to repeat this later.

When spring arrived, Gary kept his promise. He worked alongside Annie, collecting food and storing it in her little home. He also learned to balance work and play, making sure to save enough while still enjoying the present.

APPLYING FINANCIAL CONCEPTS

SAVING

- Just as Annie stored food for winter, saving money means putting aside a portion of your income for future needs.

- A good habit is to save at least 20% of what you earn, so you have a financial cushion for emergencies or future goals.

SPENDING WISELY

- Spending is necessary for day-to-day life, but you should only spend what's needed and avoid waste.
- Create a budget to track how much you spend and make sure you're not using up everything you have.

APPLYING FINANCIAL CONCEPTS

PLANNING AHEAD

- Planning for the future helps you be ready for unexpected challenges, like medical emergencies or sudden expenses.

- Just like Annie knew winter would come, you should anticipate financial "winters" and prepare by saving and investing.

BUILDING A SAFETY NET

- Annie's storage of food is like having an emergency fund. This is money saved specifically for tough times, like losing a job or facing unexpected expenses.
- Experts recommend saving enough to cover 3–6 months of living expenses.

INVESTING FOR GROWTH

- Beyond saving, you can make your money grow by investing it in things like stocks, mutual funds, or fixed deposits.

- Investing helps your money work for you, so you have even more resources in the future.

QUIZ TIME

1. What does saving mean in financial terms?

a) Spending all your money on the things you want.
b) Putting aside part of your income for future needs.
c) Borrowing money from a friend for emergencies.
d) Only spending on fun activities.

2. What percentage of your income is it good to save, according to the story?

a) 50%
b) 10%
c) 20%
d) 70%

3. What can investing help you do?

a) Spend all your money quickly.
b) Make your money grow over time.
c) Avoid saving for emergencies.
d) Only buy things you want right now.

QUIZ TIME

4. How is saving money similar to Annie storing food?

a) Both are done to impress others.

b) Both are done for fun.

c) Both are done only during emergencies.

d) Both are done to prepare for future needs.

5. What is an emergency fund?

a) Money saved specifically for unexpected expenses or tough times.

b) Money spent on daily needs like food and shelter.

c) Money borrowed from friends during a crisis.

d) A loan taken to pay for emergencies.

6. How much money should you ideally save in an emergency fund?

a) Enough for a week of expenses.

b) 1–2 months of living expenses.

c) 3–6 months of living expenses.

d) A full year's salary.

Answers: 1B, 2C, 3B, 4D, 5A, 6C

THE END

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To my readers—thank you for joining this journey of learning and discovery. I hope this story helps you understand important financial lessons in a fun and meaningful way.

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