



Lesson Nine

Protecting Your Money



websites for protecting your money

The internet is probably the most extensive and dynamic source of information in our society. The following web sites can provide students and others with current information, assistance, and data related to this lesson. Web addresses ending in “com” are commercial; “.org” are nonprofit; and “.gov” are government.

Better Business Bureau	bbb.com
CardTrak: Comparison of Costs & Features	cardtrak.com
Consumer Reports	consumerreports.org
Consumer World	consumerworld.org
Direct Marketing Association	thedma.org
Government Information Sources	consumer.gov pueblo.gsa.gov ftc.gov
Legal Information for Consumers	nclc.org nolo.com
National Fraud Information Center Privacy Information	fraud.org ftc.gov/privacy/index.html pirg.org digitalprivacyalliance.org
RAM Research Group	ramresearch.com

protecting your money lesson outline

overview

“How can I best protect the money I’ve worked so hard to earn?”

“What actions should I take to resolve a consumer problem?”

Print advertisements, television commercials, radio promotions, and infomercials are part of students’ everyday lives. Lesson 9 begins by teaching students to look closely at advertising to discover messages that affect their decisions. Students will investigate misleading or deceptive claims and learn rules for evaluating advertisements to avoid spending traps.

Next, the lesson explores various shopping options available to students. It teaches basic safeguards that consumers can take when dealing with door-to-door salespeople and telemarketers or when buying online and by phone. The lesson also makes students aware of some of the laws that help protect consumers from fraud.

The next section of the lesson provides suggestions for resolving consumer problems. It identifies sources of help available through government agencies and other organizations and provides practice writing a letter of complaint.

Finally, the lesson addresses the growing problem of identity theft. It introduces the concept of information privacy and outlines steps that students can take to protect themselves from identity theft.

Suggested teaching strategies, teaching notes, activities, slides, and short quizzes are linked to student objectives. Additional ideas to help students practice and generalize skills learned in “Protecting Your Money” to real life situations are included at the end of the lesson.

student performance goal:

- The student will increase his/her awareness of advertising, marketing, and privacy concerns that can lead to financial problems for consumers.

lesson objectives: the student will...

- **9-1** recognize questionable advertising techniques.
- **9-2** identify ways consumers can protect themselves from fraud.
- **9-3** demonstrate effective strategies to deal with a consumer complaint.
- **9-4** identify ways consumers can protect themselves from identity theft.

protecting your money teaching notes

9-1 The student will recognize questionable advertising techniques.

what techniques do advertisers use to sell products? how can ads mislead you?

- Using slide 9-1a, define the various advertising techniques.
- Bring several newspaper advertisements and advertising supplements to class. As each example is shown, have the class make a match between the example and the advertising technique listed in slide 9-1a. Ask students if they can identify familiar television ads that also use such techniques.
- Give students additional practice identifying these techniques using activity 9-1a.
- Ask students which of the techniques discussed tend to be the most effective for their age group. If students have younger brothers and/or sisters, which techniques do they think would be more effective with these age groups?
- Define the words: “fraud,” “unethical,” and “misleading.” Talk about advertisements that are unethical or misleading. (slide 9-1b) Emphasize how to spot the difference between facts and unsupported claims.
- As a homework or in-class assignment, have students search magazines and supplements for print ads that they think are unethical or misleading. After reviewing the examples, have them clip and tape the print ads up around the classroom.
- Discuss what unethical or misleading techniques and appeals are used in each ad.
- Talk about additional sources of advertisements, such as billboards and radio.
- Emphasize with the students that they should read the fine print and watch or listen carefully to advertisements. Discuss the kind of questions that students can ask to determine what ads are really saying. (slide 9-1c)
- Ask students if they can describe the difference between a television show, a commercial, and an infomercial. Discuss how an advertised product may seem tempting but that consumers need to be careful if they decide to place an order.



slide 9-1a



student activity 9-1a



discussion



slide 9-1b



slide 9-1c



slide 9-1d

protecting your money teaching notes

Use slide 9-1d to outline how to spot an infomercial. Talk about how students can best protect themselves if they decide to order the advertised item.

shopping for a car

Information: Presentation of simple, direct information.

Status: Associates product use with those who are successful, and who enjoy and understand the “fine things in life.”

Peer approval: Associates product use with friendship/ acceptance.

Hero endorsement: Associates use of product with a wellknown person.

Sex appeal: Associates use of product with increased sexual appeal.

Entertainment: Associates product with leisure, fun and feelings of enjoyment.

Intelligence: Associates product with smart people who cannot be fooled by gimmicks.

Independence: Associates product with people who can think and act for themselves.



slide 9-1a

terms you should know

fraud — when an advertiser or seller intentionally deceives consumers by telling lies or half-truths about a product or service.

unethical — dishonest or unprofessional.

misleading — giving a false impression about a product or service without lying directly.

examples of misleading advertising

Health fraud: Promises of overnight medical cures and treatments. Products developed after “years of research” and “proven to provide immediate positive results.”

Credit repair: Offers, for a fee, to fix a bad credit record easily and quickly.

“Get rich quick” schemes: Offers an opportunity to earn a lot of money in a short amount of time with very little effort.



slide 9-1b

protecting your money teaching notes

Product misrepresentation: Uses a name similar to nationally recognized brand. Merchandise offered at below market value for a limited time only. Vague descriptions of product.

Scare tactics: Feeds or plays on consumers' fears.

Out-of-context quotations: Comments by a noted person or passages from a story taken out of context to imply an endorsement of a product or service.

Infomercial: A program-length commercial.

How to spot an infomercial:

- The "commercial" is the same length as a TV program.
- The sponsor is identified at the beginning or end.
- One product is proclaimed superior.

DO: Protect yourself if you want to order the item:

- Use a credit card. The Fair Credit Billing Act will offer you some protection if you have problems with the bill or the quality of the product.
- Order or pay by mail. Your purchase will be covered under the Mail or Telephone Order Rule.

DO NOT: Give your bank account number over the phone.

Remember:

- Product claims are made by the advertiser.
- Claims do not represent an objective, independent evaluation of the product.

basic rules for evaluating advertisements

1. Does the ad appeal to your emotions? Try to look beyond the appeal to your vanity and find out what the ad is really saying (or isn't saying) about the product or service.

2. What are the special features of the product?

3. Do you need those features?

4. Is the ad misleading? Does it make unreasonable claims about the product or service?



slide 9-1c

lesson 9 quiz: advertising techniques



quiz 9-1

protecting your money teaching notes

9-2 The student will identify ways consumers can protect themselves from fraud.

how can you protect yourself from fraud?

- Have students brainstorm the many shopping options that they have and list them on the board. (ex. stores, online, mail-order, shopping networks, door-to-door sales, telemarketers)
- Discuss which of these sources are the safest ways to shop. Which provides the most reliable information for the consumer?
- Discuss safeguards that consumers should take to protect their money when placing and paying for an order by phone or online. (slide 9-2a)
- Explain that there are rules in place to protect consumers: the mail-order rule, the Fair Credit Billing Act and the cooling-off rule. (slide 9-2b)
- Review the definition of the word “fraud.” Define the terms “scam,” “solicit.”
- Ask students how many of them have spent time on the phone with a telemarketer or a door-to-door salesperson. Tell students that they must be especially careful to avoid fraud with these solicitors. Provide guidelines for recognizing deception and give students examples of the kind of offers a telemarketer or salesperson might make. (slide 9-2c) Ask students if they have ever been solicited with an offer of prizes or prepaid magazine subscriptions. How did they handle these calls?
- Stress to students that they should say a firm “No thank you,” if they are not interested in the product marketed. If the caller or salesperson persists, they should simply hang up the phone or close the door.
- Have students choose a partner to role-play a conversation between a persistent telemarketer or door-to-door salesperson and a consumer who is not interested in the product.
- For additional information on fraud, students can conduct a search at the Federal Trade Commission website: www.ftc.gov



slide 9-2a



slide 9-2b



slide 9-2c

protecting your money teaching notes

shopping by phone or online

Online:

- Use a secure browser.
- Shop with companies you know.
- Keep your password private.
- Pay by credit card.
- Keep a record of your transactions.

Phone:

- Ask about the company's refund and return policy.
- Ask about the availability of the product.
- Know the total cost of your order.
- Send your payment in by mail. (your purchase will then be covered by the mail-order rule).



slide 9-2a

rules that protect consumers

The telephone and mail-order rule:

- Companies are required to ship the order within a set period of time.
- If your order is not shipped within set time period, the company must send you a notice of options.

The Fair Credit Billing act:

- Sets up a procedure for the quick correction of mistakes that appear on consumer credit accounts.
- Applies to any item bought and paid for with a credit card (including items bought by phone or by mail).

The cooling-off rule:

- If you buy an item from your home (door-to-door sales), you have three days to cancel purchases of \$25 or more.
- Seller must inform you of your cancellation rights at the time of sale.



slide 9-2b

protecting your money teaching notes

terms you should know

fraud — when an advertiser or seller intentionally deceives consumers by telling lies or half-truths about a product or service.

scam — a plan designed to intentionally deceive consumers.

telemarketing and door-to-door fraud

Warning signs:

- High-pressure sales techniques.
- Insistence on an immediate action.
- Offers that sound too good to be true.
- A request for personal financial information.
- A statement that something is free, followed by a request that you pay for something else.

If you hear these signs, hang up or close the door!

DO NOT:

- Do not be pushed into a decision.
- Do not buy anything on terms you don't understand.
- Do not give out personal financial information.

DO:

- Do ask for written information about the company or product.
- Do find out about refund, return, and cancellation policies.

Some telemarketing and door-to-door scams:

- sweepstakes, prize offers, travel packages, investments, charities, work-at-home schemes, magazine sales, lotteries, and business opportunities



slide 9-2c

lesson 9 quiz: protecting yourself from fraud



quiz 9-2

protecting your money teaching notes

9-3 The student will demonstrate effective strategies to deal with a consumer complaint.

what are some ways to solve consumer problems?

- Ask students to share stories or examples of problems they have experienced as consumers. Make a list on the board of the categories of complaints or troubles students have encountered.
- Talk about the importance of efficient record keeping. Help students brainstorm ideas about what records or documents they should keep and how to file and store them.
- Discuss steps that consumers can take to resolve problems. (slide 9-3a) Stress that consumers should take a level of action appropriate to the situation. Only if they are unable to resolve a complaint at one level, should they move to the next level in the sequence. Legal action should be a last resort after all other attempts at resolution have failed.
- Discuss the roles of various consumer or government agencies, such as consumer protection offices, The National Fraud Information Center, and the Better Business Bureau.
- Outline the process of speaking to a salesperson or store manager about a complaint. (slide 9-3b) Have students role-play several scenarios in which they, as consumers, must describe various problems and state the actions they want taken to resolve the problems.
- Outline the process of writing a letter of complaint. (slide 9-3c) Read and discuss a sample letter of complaint (slide 9-3d). Then, using one of the scenarios they have role played, have students practice writing their own letters of complaint. (activity 9-3a)
- Use sample scenarios to discuss the appropriate actions to take toward resolving consumer problems. (slide 9-3e)
- Give students additional practice determining the appropriate level of action to take for given situations. (activity 9-3b)



discussion



slide 9-3a



slide 9-3b



slide 9-3c



slide 9-3d



student activity 9-3a

protecting your money teaching notes

types of problems

- quality of goods unsatisfactory
- defective merchandise or service
- items not shipped or received within specified time
- services that don't live up to claims
- being billed for items not received
- consumer scams

effective record-keeping

1. Why keep records?
2. Types of records to keep: receipts, bills, correspondences, warranties, etc.
3. How to set up a personal record-keeping system: file folders, boxes, envelopes, etc.

steps to resolving consumer complaints (based on order of magnitude)

1. Returning item to store — always keep receipts in a safe place
2. Filing a complaint with the seller (usually a store)
3. Contacting the company that produces the product
4. Contacting consumer or government agencies:
 - City, county, and state consumer protection offices can provide some of the following services: maintaining consumer complaint phone lines, mediating complaints, conducting investigations, prosecuting offenders of consumer laws, and publishing educational materials about consumer rights. To find the consumer protection office in your city, county or state, go to the Federal Consumer Information Center's website: <http://www.pueblo.gsa.gov/crh/state.htm>
 - The National Fraud Information Center provides assistance in filing a complaint with appropriate federal agencies if you are the victim of a scam: www.fraud.org
 - Local newspapers, radio stations, or television stations often provide action lines that you can contact.



slide 9-3a



student activity 9-3b

protecting your money teaching notes

- **The Better Business Bureau** is a national system that provides services such as business and consumer education, reviews of local advertising and reliability reports on charities and businesses. Consumers can check a company's record with other customers by going to the website: www.bbb.org

5. Taking legal action:

- filing a claim in a small-claims court
- hiring a private lawyer

how to write a complaint letter

- Write to the head of the company or the person who handles consumer complaints.
- Type or write neatly.
- Be concise and courteous.
- Include your name, address, account number, and how you can be reached.
- Describe your purchase (name of product, serial numbers, date, and location of purchase).
- Briefly state the facts of the story. Describe the problem.
- State what action you want taken. Be clear and specific.
- State what action you will take if the problem is not resolved.
- Enclose copies of documents related to your problem.
- Always keep copies of all letters to and from the company.



student activity 9-3a

protecting your money teaching notes

9-4 The student will identify ways consumers can protect themselves from identity theft.

how can you protect yourself from identity theft?

- Define identity theft and warn students that it is a growing problem.
- Discuss sources and uses of personal information and the advantages and disadvantages to them as consumers.
- Talk about the general concept of privacy and then define it as it relates to information. Tell students that information privacy is especially important in the information age when computer systems record and store a lot of information about consumers and their activities. Remind the students that access to information today offers many benefits to consumers but also threatens their privacy.
- Talk about students' social security numbers: what they are, how they are used, and the privacy dilemma they create. Discuss precautions students can take to keep their social security numbers safe.
- Outline the key types of information that an identity thief wants access to and identify steps that students can take to protect themselves from identity theft. (slide 9-4a)



discussion



slide 9-4a

information sources

1. Types of information generally available from public sources:

- Certain public records are generally available; e.g., birth records, marriage licenses, divorce records, property deeds, motor vehicle records, and voter registration, all of which facilitate the transfer of important information to the public, news media, government, and businesses.

2. Private information available only to those with legitimate purposes:

- Certain private records are available only to individuals or organizations with a legitimate use for them: e.g., employment information, credit reports, certain tax information (IRS/state tax boards), criminal records, social service records (welfare, Medicaid, etc.), school records, and medical records.

protecting your money teaching notes

privacy and your social security number

1. What is a Social Security number?

- Now commonly used as a personal identifier

2. What is it used for?

- Originally used to identify personal tax collection and Social Security benefit payment accounts
- Now also used for record-keeping purposes by many types of institutions, including financial institutions, universities, voter registration boards, credit bureaus, employers, and government agencies
- Often used in relationship to bank accounts, credit reports, tax records, credit card accounts, telephone company accounts, professional club and association memberships, and college IDs

3. The privacy dilemma:

- The use of a Social Security number makes it easier for various record systems to exchange, compare, and combine information, which increases accuracy



discussion



slide 9-4a

keeping your Social Security number safe

- Do not write Social Security numbers on personal checks.
- Do not use as a password or PIN for ATM, building security, or other sensitive uses.
- Do not provide your Social Security number unless required by a requester such as your employer, bank, etc.

identity theft

A crime in which the thief wants to become you. A thief steals your identity by getting access to key pieces of private information, enabling him or her to then charge purchases on your credit account, cash your checks, take all the money from your savings accounts, obtain loans, open new credit accounts, rent an apartment, buy a car, apply for a job – all in your name.

protecting your money teaching notes

protect yourself from identity theft

1. information to protect:

- Social Security number
- bank account numbers
- credit card account numbers
- PINs and passwords

2. how to protect it:

- Don't carry more credit or debit cards than you need in your wallet.
- Store your Social Security card in a safe place at home, not in your wallet or car.
- Don't have your driver's license or Social Security number pre-printed on checks.
- Take credit card receipts after making a purchase and file or dispose of them carefully.
- Tear up pre-approved credit card offers you receive in the mail before disposing.
- Don't give personal or financial information such as your credit card or checking account number over the phone unless you initiated the phone call and know how the information will be used.
- Pick up new checks from the bank instead of having them sent to your home.
- Don't put personal or financial information on your computer home page or personal computer profile.
- Always check your credit card statements and phone bills for any charges you don't recognize.



slide 9-4a

lesson 9 quiz: protecting yourself from identity theft



quiz 9-4

protect your money lesson outline

additional activities for practice and generalization of concepts related to protecting your money

- Encourage students to think about advertisements they see or hear everyday. Have them bring newspaper advertisements and videotape television commercials. (Caution students about selecting appropriate advertisements to share.) Discuss the messages being conveyed through advertising and help students sort the truth from subtle messages.
- Have students report on a deceptive advertisement they have spotted.
- Divide the class into groups and allow them to choose a product or a service to research. Ask each group to prepare a commercial for that product or service. When preparing their commercials, students should use some of the techniques and appeals discussed in class. After each group presents its commercial to the class, have students answer the following questions:
 1. To whom are you trying to sell your product or service?
 2. What specific techniques and/or appeals did you use to try to sell your product?
 3. Were any of the techniques or appeals you used fraudulent or misleading?
 - Go to www.fraud.org to obtain information on common consumer frauds.
 - Go to www.consumerreports.org to obtain consumer-buying information about a specific product or service of interest.
 - Have students take a survey of their neighbors to learn how they have handled consumer complaints.
 - Have students prepare a video or in-class presentation to show both appropriate and inappropriate ways to handle consumer complaints.
 - Go to www.consumer.gov for information from various federal agencies. Also, conduct a Web search for information to assist with consumer problems.
 - Have students do Web research related to privacy at: www.ftc.gov/privacy/index/html
 - Have students go to the privacy information page of the Federal Trade Commission Web site: www.ftc.gov



lesson 9 quiz: advertising techniques

choose the correct answer.

1. d **Which of these advertising techniques might use a movie star to sell a product?**
 - a. peer approval
 - b. health fraud
 - c. status
 - d. hero endorsement

2. a **The name of a new product sounds like a familiar brand name. What advertising technique is being used?**
 - a. product misrepresentation
 - b. status
 - c. information
 - d. intelligence

3. c **A program-length commercial is commonly called:**
 - a. product misrepresentation.
 - b. get rich quick scheme.
 - c. infomercial.
 - d. out-of-context quotation.

4. d **What is the best way to pay for a product advertised on television?**
 - a. borrow a friend's credit card
 - b. order by phone with a bank account number
 - c. order by phone with a bank PIN
 - d. send a check in the mail

5. d **Always read, watch, and listen to advertisements closely because:**
 - a. they may be misleading.
 - b. they may influence you to spend money unwisely.
 - c. they may make unproven claims.
 - d. all of the above.



lesson 9 quiz: protecting yourself from fraud

choose the correct answer.

1. d **The most reliable source of consumer information is a:**
 - a. shopping network.
 - b. door-to-door salesperson.
 - c. telemarketer.
 - d. product label.

2. b **You should mail a check for a purchase ordered by phone because:**
 - a. it will be covered by the fair credit billing act.
 - b. it will be covered by the mail-order rule.
 - c. it will be covered by the cooling-off rule.
 - d. it is never safe to pay with a credit card.

3. b **The right to cancel purchases of \$25 or more within three business days is the:**
 - a. credit billing rule.
 - b. cooling-off rule.
 - c. mail order rule.
 - d. telemarketing rule.

4. a **The mail-order rule requires that companies:**
 - a. notify customers if an item is not currently available.
 - b. only sell certain items by mail.
 - c. accept credit cards for mail order purchases.
 - d. allow a person to return an item for full credit.

5. d **When shopping online, always:**
 - a. use a secure browser.
 - b. shop with companies that you know.
 - c. keep your password private.
 - d. all of the above.



lesson 9 quiz: protecting yourself from identity theft

choose the correct answer.

1. *b* **Which of these numbers is commonly used as a personal identifier?**
 - a. checking account number
 - b. Social Security number
 - c. credit card number
 - d. phone number

2. *c* **Which of the following would an identity thief most want to have?**
 - a. car keys
 - b. jewelry
 - c. credit card number
 - d. cash

3. *b* **Who can a person safely give his/her social security number to?**
 - a. telemarketer
 - b. an employer
 - c. a grocery store clerk
 - d. none of the above

4. *a* **Which of these should not be kept in a person's wallet?**
 - a. social security card
 - b. credit card
 - c. debit card
 - d. cash

5. *d* **Which of these should be torn up before they are disposed of?**
 - a. pre-approved credit offers
 - b. bank statements
 - c. credit card receipts
 - d. all of the above