



# Lesson 19: Financial Sleuth

## TOPIC: FINANCIAL RESOURCES

### OVERVIEW:

With an overload of content and “free” information available in the marketplace, young adults need to practice differentiating between credible and useful resources and those that are aiming to sell or deceive. This lesson combines financial resources by demonstrating how to research and build a team of financial experts to have in your back pocket, such as a **financial advisor** and certified **public accountant**. Learners will also investigate financial websites and applications that are credible and relevant to planning for their future and assess what items to consider when selecting financial experts to work with.

### OBJECTIVES:

1. Demonstrate how to find and use financial resources
2. Differentiate between credible and dishonest financial resources
3. Define and explain the role of a financial planner
4. Understand federal and state consumer protection laws and self-regulatory organizations

### INDIVIDUAL HANDOUTS:

- Solid or Scam?
- Financial Lifeboat\*
- Build Your Team\*

### MONEY SMART PORTFOLIO HANDOUTS:

- Build Your Team
- Financial Lifeboat

### TEACHER PRESENTATION SLIDES:

- Credibility (2)

### ESSENTIAL QUESTIONS:

- What financial resources are available to me?
- How do I know what resources to trust?

### ASSESSMENT ACTIVITIES:

#### Pre-Assessment:

- **Slide:** Credibility (2)

#### Post-Assessment:

- **Handout:** Build Your Team
- **Handout:** Financial Lifeboat

**Time:** 55 min

#### Subject Connections:

- English Language Arts
- Technology

#### Supplies:

- Projector (for teacher presentation slides)
- Access to the Internet (optional)

#### Preparation:

- Make copies of student handout
- Set up projector with presentation slides

**Glossary with key vocabulary** 11

**\*Money Smart Portfolio Handouts**

# Instruction Steps

## WARM UP Building Financial Knowledge

10 MINUTES

Open the lesson by asking students where they go when they need to get their vehicle fixed or when they need a haircut. Tell students we can take our vehicle to the auto shop to get it repaired or visit a hairdresser to cut our hair, but we can also do these tasks ourselves if we have the skill, knowledge, and desire.

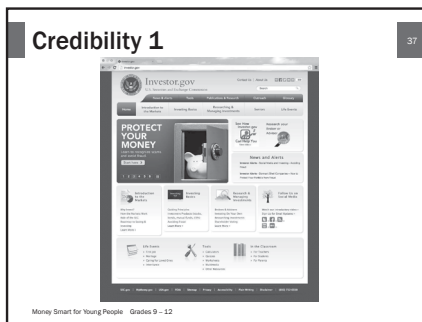
Help students understand that the same is true in building our financial knowledge. We can teach ourselves how to find the answers we need, but we can also work with financial experts who, like the auto mechanic who knows the ins and outs of vehicles, know the ins and outs of finances.

Help students understand that throughout our lives we will likely use a combination of teaching ourselves and working with financial experts to help guide our financial future in the right direction.

## GUIDED EXPLORATION Self-Educate

15 MINUTES

Explain to students that, when we teach ourselves about something, we will likely turn to the Internet to find the answers we need. In doing so, we have to wade through advertisements, scams, and deceitful information in order to get to credible, trustworthy advice that we can learn from.



Display the **Credibility** slides one at a time and discuss the two different website images shown. Ask students to evaluate whether or not they are credible, authentic resources. Explain that the first image is credible because it is created by a trusted entity, the U.S. Securities and Exchange Commission.

The information is unbiased and direct. In contrast, the second example is not credible because it is full of vague, lofty phrases to lure the consumer in. There is no information to confirm whether the creators of the website are trusted, experienced, or realistic in their offerings.



### ┌ MONEY SMART TIP! ┐

└ Refer to Lesson 20, *Protect Yourself*, for more information about scams, frauds, and misleading advertisements. ┘

Next, ask students to explain what measures they can take in order to evaluate the credibility of an online source. Help students understand that there are often red flags for untrustworthy sites, including poor writing style, spelling or grammar errors, and lack of information about the author of the site.

Explain to students that domain names can also be a clue to the credibility of a website (for example: .gov means it is a government website and .edu means it is an educational institution, both of which are trusted entities).

Explain that, just as we review websites to assess credibility, it is also important to review credibility of the people we choose to work with on our finances.

Explain that the majority of financial experts are ethical and credible, but, as in any other industry or profession, there are individuals who scam and take advantage.

For example: a financial advisor is someone who offers financial advice, but if he or she is promising a return on your investments that sounds too good to be true, they probably are.

Financial experts should also be transparent with their actions and fees, and you should be able to track down their credentials. To track down credentials, share with students FINRA's Broker Check website at <https://brokercheck.finra.org/>.

Next, distribute the ***Solid or Scam?*** handout and have students work with a partner to answer the questions.

Regroup as a class and invite pairs to share their answers, reviewing why each is either a solid source or a scam-worthy situation. Explain that having the ability to distinguish between a solid, trustworthy resource and one that is misleading is one of the best tools you can have in your financial toolbox.

**Grade-Level Modifications:**

**Beginner:** Before moving on to the Extended Exploration section, spend additional time reviewing scam sources versus credible sources and make sure students are able to recognize the difference between the two.

**Advanced:** Have students research and discuss different types of investment fraud, such as Ponzi schemes or insider trading. For more information, have students visit the SEC website at [www.sec.gov/index.htm](http://www.sec.gov/index.htm).

**INDEPENDENT  
EXPLORATION**  
**Build Your Team**

25 MINUTES

**Note:** These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

Explain that self-educating is important, but so is building a team of financial professionals who can help answer questions and guide you through decision making processes. While you can accomplish many financial tasks on your own, sometimes the advice of an expert can save you time and even money in the long run.

Distribute the ***Build Your Team*** handout and allow students time to conduct research and complete the worksheet.

Next, ask students to share their research with the class, and discuss how different financial experts can help us achieve a solid financial plan.

Ask students to think about when in their lives they may need to call upon such experts and how they will approach finding the right person when the time comes.

## **WRAP UP**

### **Financial Lifeboat**

10 MINUTES

Close the lesson by distributing the ***Financial Lifeboat*** handout and allowing students time to complete the activity. Invite students to share their financial lifeboat selections and the reasoning behind their selections.

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## **Extended Exploration**

**Note:** Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

### **ENGLISH LANGUAGE ARTS**

#### **Writing Prompts:**

What are the advantages and disadvantages to teaching yourself something versus hiring a financial expert? In terms of your financial life, when do you think you would do something yourself? When do you think you might need a financial professional's help? Why?

What are three ways to spot a website scam? How do you know if a financial website is credible or not? Brainstorm criteria you can use to evaluate the legitimacy of a website.

#### **Suggested Readings:**

*What You Can Do to Avoid Investment Fraud* by Investor.gov: Read tips on how to avoid investment fraud.

([www.investor.gov/protect-your-investments/fraud/how-avoid-fraud/what-you-can-do-avoid-investment-fraud](http://www.investor.gov/protect-your-investments/fraud/how-avoid-fraud/what-you-can-do-avoid-investment-fraud))

*Types of Frauds* by Investor.gov: Explore different types of frauds ranging from Ponzi schemes to Internet fraud.

([www.investor.gov/protect-your-investments/fraud/types-fraud#VB2WnmRdVNs](http://www.investor.gov/protect-your-investments/fraud/types-fraud#VB2WnmRdVNs))

Investment Advisers by Investor.gov: Read about how to select an investment advisor and important questions to ask.  
([www.investor.gov/research-before-you-invest/methods-investing/working-investment-professional/investment-advisers#.VB2XAGRdVNs](http://www.investor.gov/research-before-you-invest/methods-investing/working-investment-professional/investment-advisers#.VB2XAGRdVNs))

*Financial Coaching: A Strategy to Improve Financial Well-Being* by the Consumer Financial Protection Bureau: Review two briefs that present findings on how financial coaching programs help increase financial well-being.  
([www.consumerfinance.gov/data-research/research-reports/financial-coaching-strategy-improve-financial-well-being](http://www.consumerfinance.gov/data-research/research-reports/financial-coaching-strategy-improve-financial-well-being))

## MATHEMATICS

### Activity/Project Ideas:

Use investment fraud scenarios to challenge students to calculate financial losses on different investments.

## SOCIAL STUDIES AND ECONOMICS

### Discussion Topics:

Discuss what ethical standards exist for financial investors and advisors. Engage students in assessing how effective standards are, who determines the standards, and what the consequences are for violating ethical practices.

### Activity/Project Ideas:

Have students research and assess different Ponzi schemes, such as those found at  
[www.sec.gov/spotlight/enf-actions-ponzi.shtml](http://www.sec.gov/spotlight/enf-actions-ponzi.shtml).

## TECHNOLOGY

### Online Resources:

*Broker Check* by Investor.gov: A website that allows you to search the backgrounds and qualifications of individual brokers and brokerage firms. [www.investor.gov](http://www.investor.gov)

Certified Financial Planners Board of Standards (CFP Board): The CFP Board sets the standards for financial planning services, including education, examination, experience, and ethics.  
[www.cfp.net/home](http://www.cfp.net/home)

### **Activity/Project Ideas:**

Have students research and assess additional financial websites and assess what specific elements make the resources credible. Challenge students to put together criteria to evaluate the legitimacy of the websites.

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## **Classroom activities from the Consumer Financial Protection Bureau (CFPB)**

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

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## **Answer Key**

### **Student Handout 1:**

#### ***Solid or Scam?***

*Scenario 1. SCAM.* A bank will not ask you to respond to a text message with your account number. The request for personal details via text message is a red flag that this could be a scam.

*Scenario 2. SCAM.* If an offer sounds too good to be true, then it likely is!

### **Student Handout 2:**

#### ***Build Your Team***

**Financial Team Member:** YOU! Answers will vary. Students should convey that they are ultimately in control of the decisions they make, making them the most vital aspect to their financial team.

**Financial Team Member:** Financial Advisor

1. *What is a financial advisor?* A person who provides financial information and advice.
2. *What role or function does a financial advisor play in helping you with your finances?* A financial advisor can help with investment and savings strategies, formulating a plan to reach financial goals, and offer general consulting on financial issues.

3. *Where can we find more information about financial advisors?*  
Answers will vary. Students should be able to demonstrate the ability to research and present credible sources and websites for additional information.

**Financial Team Member:** Certified Public Accountant (CPA)

4. *What is a CPA?* An accountant who has met the requirements of a state law and has been granted a certificate.
5. *What role or function does a CPA play in helping you with your finances?* A CPA helps with income tax preparation and returns, financial accounting, and general accounting consulting.
6. *Where can we find more information about CPAs?* Answers will vary. Students should be able to demonstrate the ability to research and present credible sources and websites for additional information.

**Financial Team Member:** Lawyer

7. *What is a lawyer?* A person whose job it is to guide and assist people in matters relating to the law
8. *What role or function does a lawyer play in helping you with your finances?* A lawyer can help you with legal questions related to important financial topics, from buying a home to writing a will.
9. *Where can we find more information about lawyers?* Answers will vary. Students should be able to demonstrate the ability to research and present credible sources and websites for additional information.

**Financial Team Member:** Insurance Agent

10. *What is an insurance agent?* A person employed to sell insurance policies.
11. *What role or function does an insurance agent play in helping you with your finances?* Insurance agents help answer questions about different insurance options, help you select the right insurance for your needs, and offer strategies to manage potential risks.
12. *Where can we find more information about insurance agents?*  
Answers will vary. Students should be able to demonstrate the ability to research and present credible sources and websites for additional information.

**Student Handout 3:**

***Financial Lifeboat***

Answers will vary. Use handout to assess student ability to prioritize financial resources that will personally benefit them.



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# SOLID OR SCAM?

Name: \_\_\_\_\_

Read each scenario below and decide whether the situation is a solid, credible resource or a deceitful scam. Be prepared to explain your answers.

Scenario 1: Larry gets a text from his credit card provider saying there is a problem with his account and action is required in order to keep the card open. The text instructs him to reply with his account number and the most recent purchase amount made on the card in question. **SOLID or SCAM?**

Why?

Scenario 2: Jillian has been researching new laptops but the brand she wants costs \$500 and she has been reluctant to spend that much. While she's scrolling through her social media accounts, Jillian sees an ad from an online store selling the same computer she wants plus a bonus set of headphones, a laptop case, and a software package for only \$50. She's so excited she clicks through and starts to place an order. **SOLID or SCAM?**

Why?



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# BUILD YOUR TEAM

Name: \_\_\_\_\_

Knowing how to find trusted experts for different financial needs is an important part of managing your personal finances. Using an Internet search engine, research the roles that each of the following individuals play in assisting with your finances, and answer the questions below.

**Financial Team Member:** YOU! Remember that you are the *first* person on your financial team. You are in the driver's seat of your financial car, so it is important to teach yourself how to find the answers that you need!

**Financial Team Member:** Financial Advisor

1. What is a financial advisor? .
  
  
  
  
  
  
  
  
  
  
2. What role or function does a financial advisor play in helping you with your finances?
  
  
  
  
  
  
  
  
  
  
3. Where can we find more information about financial advisors? A

**Financial Team Member:** Certified Public Accountant (CPA)

4. What is a CPA?
  
  
  
  
  
  
  
  
  
  
5. What role or function does a CPA play in helping you with your finances?
  
  
  
  
  
  
  
  
  
  
6. Where can we find more information about CPAs?



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### **BUILD YOUR TEAM** *(continued)*

#### **Financial Team Member:** Lawyer

7. What is a lawyer?

8. What role or function does a lawyer play in helping you with your finances?

9. Where can we find more information about lawyers?

#### **Financial Team Member:** Insurance Agent

10. What is an insurance agent?

11. What role or function does an insurance agent play in helping you with your finances?

12. Where can we find more information about insurance agents?



## Lesson 19: Financial Sleuth

# FINANCIAL LIFEBOAT

Name: \_\_\_\_\_

### THE PROBLEM...

You are the captain of a large boat in charge of carrying financial resources from one island to another. The boat is filled to the brim with financial resources — financial advisors, accountants, and lawyers, oh my! The boat is in the middle of the Pacific Ocean and begins to sink. There is one lifeboat, but it can only hold four financial resources. Since you are the captain of your financial boat, you must be one of the four resources in the lifeboat. Therefore, only three other financial resources can be saved.

### THE TASK...

As captain, decide which financial resources you will save and the three resources most able to help you in your financial journey. You must be able to justify your choices for choosing or not choosing each resource.

### SURVIVING RESOURCES...

1. You! Remember...you are your best financial resource because you have the power to control your personal finances. You are first on the lifeboat!

2.

3.

4.