



MONEY SMART FOR YOUNG ADULTS



MODULE 9

Protecting Your Money and Your Identity

Participant Guide



FDIC-027-2022

The Federal Deposit Insurance Corporation is an independent agency created by Congress to maintain stability and public confidence in the nation's financial system. One way we do that is by providing free, non-biased financial education materials, including this participant guide. For more information about our family of Money Smart products, visit **[fdic.gov/moneysmart](https://www.fdic.gov/moneysmart)**.

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WELCOME

Welcome to the FDIC's Money Smart for Young Adults!

This is the participant guide for **Module 9: Protecting Your Money and Your Identity**. Use it during and after training. You can write in it. It is yours to keep.

Module Purpose

This module helps you protect your money and prevent identify theft. By the end of this module, you will be able to:

- Identify risks to assets
- Identify ways to reduce risks to assets
- List warning signs of identity theft and financial fraud
- Use strategies to prevent identity theft and financial fraud
- Report identity theft and get help
- Explain how insurance works
- Identify types of insurance and when they are needed
- Explain the role of recordkeeping for making sure insurance covers risks

SECTION 1:

Risks to Your Assets

We will discuss how to identify risks to your assets and ways you can reduce those risks..



KEY TAKEAWAY

Being aware of risks to your assets prepares you to take steps to reduce those risks.

Assets and Risks

Something you have that has value is called an **asset**.



Risk to an asset is the possibility that you will lose it or that it will lose value.



You can protect the value of your assets by taking steps to reduce risks.

Reducing Risks to Your Assets

You cannot eliminate all risks, but you can reduce some of them.

- Make informed choices that anticipate risks.
- Know your rights and responsibilities.
- Be careful with personal information.
- Get insurance.

 **TRY IT:**

Spotting Risks to Assets

List the risks associated with one of these common assets.

Cash

Home

Car

Job

✓ APPLY IT:

Risks to My Assets

Complete this worksheet to identify risks to your assets and what steps you may want to take to reduce those risks.

My Assets	Risks to My Assets	How I Can Reduce Those Risks

Remember the Key Takeaway

“ Being aware of risks to your assets prepares you to take steps to reduce those risks.”

SECTION 2:

Identity Theft and Fraud

We will discuss identity theft and fraud, steps you can take to reduce the risks of identity theft and fraud, and what to do if it happens to you..



KEY TAKEAWAY

You can reduce your risk of identity theft. Help is available if it happens to you.

Identity Theft Basics

Your identity is an asset.

Identity theft is a crime that happens when someone uses a person's identifying information without authority.

What are some examples of documents that have information about identity?

What other pieces of information can thieves use to impersonate someone?

How could you be harmed if someone got that information?

Criminals use many techniques to try to trick you into giving them personal information, including:

- **Phishing:** Criminals trick you into giving them information, often through email.
- **Vishing:** Phishing by phone.
- **Smishing:** Phishing by text messages.
- **Spearm phishing:** Targeted form of phishing in which criminals try to trick groups of people that have something in common.
- **Pharming:** Criminals trick you by setting up fake websites that appear legitimate.
- **Skimming:** Criminals steal your credit or debit card number when you swipe a payment card at a physical location, such as a gas station.
- **Social media scamming:** Criminals trick you into giving them personal information on social media sites, chat rooms, bulletin boards, mobile apps, photo sharing sites, and similar places.



Warning Signs of Identity Theft

Watch for unexpected transactions or communications that could indicate your identity has been stolen.

Warning signs of identity theft include:

- Withdrawals from your bank account that you did not make
- Missing bills or statements
- Merchants refusing your checks
- Credit card transactions that do not go through
- Letters about accounts you did not open
- Emails about purchases you did not make
- Statements for credit cards you do not have
- Debt collectors calling about debts that are not yours
- Passwords or usernames that suddenly do not work
- Notifications about changes to your online accounts you did not make
- Unfamiliar accounts on your credit reports
- Medical bills for services you did not receive
- Health records for conditions you do not have
- Notification from the Internal Revenue Service (IRS) that more than one tax return was filed in your name, or that you have income from somewhere you never worked
- Notification about a data breach

TRY IT:

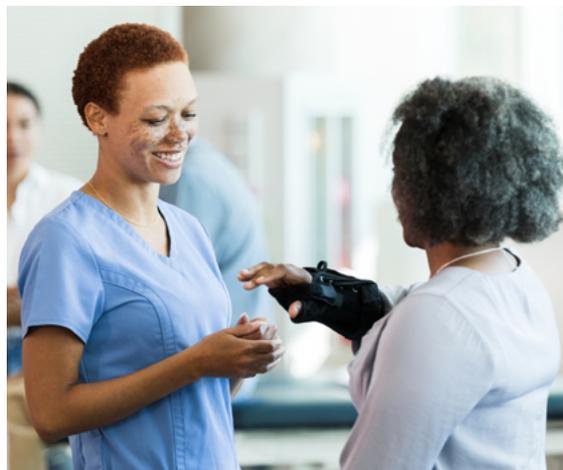
Spotting Warning Signs of Identity Theft

Read the scenario and then answer the questions..

SCENARIO: Ella Spots Warning Signs of Identity Theft

Ella is training to become a physical therapy assistant and also works. Ella receives a lot of communications, including paper mail, email, text messages, and direct messages and posts in social media. One day in spring she receives:

- An email from her place of worship
- An envelope from a dentist's office
- A direct message on a social media site for professionals
- An email from her career training program
- An envelope from her bank
- A thick envelope with coupons
- An envelope from the county government



Here is more information about each communication. Are there warning signs of identity theft?
Be ready to explain your answers.

Communication	Are There Warning Signs of Identity Theft?
<i>An email from her place of worship.</i> The subject line is “Contribute to the Renovation Fund this month and we will match your donation!”	<input type="checkbox"/> Yes <input type="checkbox"/> No
<i>An envelope from a dentist's office.</i> It looks like a bill, but Ella does not remember going to the dentist recently.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<i>A direct message on a social media site for professionals.</i> The sender, whom she does not know, is looking for professionals in the field of physical therapy. Her short message encourages Ella to contact her to explore career opportunities.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<i>An email from her career training program.</i> It is an automatically generated notice that her username and password for the school's billing and tuition management system have been changed. Ella has not logged into the system in the past week.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<i>An envelope from her bank.</i> It is marked, “Make the most of your new EasyCard Express!” Ella does not remember applying for anything new.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Communication

Are There Warning Signs of Identity Theft?

A thick envelope with coupons.

It is addressed to “Resident.”

Yes No

An envelope from the county government.

It is marked “citation notice.” It looks similar to a speeding ticket she got two years ago.

Yes No

Steps to Minimize Identity Theft

You can never completely eliminate all risks. However, you can take steps to minimize some of them.

- Guard your personal information closely.** If someone requests your Social Security number or other personal information, ask why they need it, how it will be used, how they will protect it, and what happens if you do not share it.
- Avoid letting others use your smart phone.** Letting others use your phone gives them opportunities to access your personal information. Personal information can be used to commit identity theft or fraud.
- Activate security features on your devices.** Lock screens and other features prevent others from using them without your knowledge.
- Do not respond to unsolicited requests.** They may be text messages, emails, or phone calls asking for sensitive information, such as your Social Security number or date of birth.
- Protect your mail.** Your mail is often an easy target for an identity thief because you likely receive and send personal information that way.
- Sign up for direct deposit.** This gives thieves less access to your information because paychecks and checks for public benefits do not go through the mail.
- Shred all personal and financial information.** Destroy all pieces of paper containing your personal information before recycling them.
- Review your financial accounts regularly and carefully.** Contact your financial institution immediately if there is a discrepancy in your records or if you notice something suspicious.
- Beware of identity theft on the internet.** Be cautious about providing bank account or other personal information online.
- Protect your devices, such as computers, phones, and tablets.** Find more information about staying safe online at onguardonline.gov, a Federal Trade Commission (FTC) resource.
- Review your credit reports at least once every 12 months for warning signs of identity theft.** Carefully check your credit reports for activity you do not recognize. You can request a copy at annualcreditreport.com. Ordering your own credit reports does not affect your credit scores.
- Keep your important documents secure.** This applies to both paper and electronic documents.
- Beware of disaster-related scams.** Con artists take advantage of people after disasters by claiming to be from legitimate charitable organizations.
- Read scam alerts.** The FTC maintains a running list of scams at consumer.ftc.gov/features/scam-alerts. You can report scams on the FTC site, too.

✓ APPLY IT:

My Action Plan to Reduce Risks of Identity Theft

Use this worksheet to consider what you want to start doing or do more of to reduce your risk of identity theft.

List some actions you could take for each strategy you want to apply or improve upon.

Guard my personal information closely

Avoid letting others use my smart phone

Activate security features on your devices

Do not respond to unsolicited requests

Protect my mail

My Action Plan to Reduce Risks of Identity Theft *continued*

Sign up for direct deposit

Shred all personal and financial information

Review my financial accounts regularly and carefully

Beware of identity theft when I use the internet

Protect my devices, such as computers, phones, and tablets

My Action Plan to Reduce Risks of Identity Theft *continued*

Review my credit reports at least once every 12 months

Keep my important documents secure

Beware of disaster-related scams

Read scam alerts

Can you think of anything else?

Reporting Identity Theft and Getting Help

The Federal Trade Commission (FTC) is a great source of information on identity theft and fraud. Visit [identitytheft.gov](https://www.ftc.gov/identitytheft).

Create an identity theft report with the FTC. If your identity has been stolen, you are not alone. One of the best steps you can take is to create an identity theft report with the FTC. It demonstrates to businesses that someone stole your identity and makes it easier to correct problems caused by identity theft.

Work with credit reporting agencies. Credit reporting agencies, also called credit bureaus or credit reporting companies, make credit reports. You can work with credit reporting agencies to:

- 1) **Place a fraud alert on your credit reports.** This alert means potential creditors must verify your identity before they issue credit in your name. Placing a fraud alert on your credit reports is free. To place this alert, contact one of the three nationwide credit reporting agencies: Equifax, TransUnion, or Experian. Contact information is in your participant guide. Whichever credit reporting agency you contact to place the fraud alert must contact the other two.

You can place a one-year initial fraud alert. You can do this if your identity has been stolen or if you think it might be stolen. An identity theft report is not required. When it expires, you can place another one.

You can also place a seven-year extended fraud alert. You must first file an identity theft report.

- 2) **Dispute inaccurate information on your credit reports.** Do so with each of the credit reporting agencies that included the inaccurate information.
- 3) **Place credit freezes on your credit reports.** Getting a credit freeze is free. A credit freeze lets you restrict access to your credit reports, making it less likely an identity thief can access them without your permission. A credit freeze remains in place until you ask the credit bureau to temporarily lift it or remove it altogether.

Contact the three nationwide credit reporting agencies at:

- Experian: [experian.com](https://www.experian.com), 1-888-397-3742
- TransUnion: [transunion.com](https://www.transunion.com), 1-800-680-7289
- Equifax: [equifax.com](https://www.equifax.com), 1-888-766-0008

Communicate with creditors and debt collectors. If your identity has been stolen, the FTC advises that you communicate with your creditors and debt collectors to:

- Alert them about fraudulent accounts
- Get copies of documents related to the theft of your identity
- Ask them to stop contacting you about fraudulent accounts
- Get written information about fraudulent accounts

The image shows a sample of the Federal Trade Commission's Identity Theft Report form. The form is titled "Identity Theft Report" and includes a section for "Contact Information" with fields for name, address, phone number, and email. Below that is a "Personal Statement" section where the victim describes the incident. The "Accounts Affected by the Crime" section contains two tables. The first table is for a "Credit card opened by the thief" from Chase, with a fraudulent amount of \$400. The second table is for a "Mobile phone with fraudulent charges (account takeover)" from Verizon Wireless, with a fraudulent amount of \$900.

Accounts Affected by the Crime		
Credit card opened by the thief		
Company or Organization: Chase		
Account Number: 98889888		
Date fraud began	Date that I discovered it	Total fraudulent amount
1/15/16	3/15/16	\$400
Mobile phone with fraudulent charges (account takeover)		
Company or Organization: Verizon Wireless		
Account Number: 84-20000089		
Date fraud began	Date that I discovered it	Total fraudulent amount
1/15/16	3/15/16	\$900

Know and exercise your other rights. You have other federal rights related to identity theft. See **identitytheft.gov** for more details. In many states, businesses or organizations that lose or misplace certain types of personal information must tell you if that has happened. To learn more, go to **usa.gov** and search for “data breach” together with “[your state’s name].” For example, if you live in Indiana, type “data breach Indiana.”

Remember the Key Takeaway

“ You can reduce your risk of identity theft. Help is available if it happens to you.”

SECTION 3:

Insurance and Recordkeeping

We will discuss how insurance can reduce the financial impact of a loss and the importance of keeping accurate records..



KEY TAKEAWAY

Insurance provides protection from financial loss. Keep accurate records of your assets and any damages to your property.

How Insurance Works

Insurance can reduce the financial impact of a loss or event covered by the insurance policy. Insurance is an important way to protect yourself from financial catastrophe.

Insurance policies provide definitions of terms used and their meanings. Here are general definitions of some key terms related to insurance:

Insurance premium	When you take out an insurance policy, you agree to pay this amount of money on a regular basis to the insurance company.
Covered loss	These are the losses or events that the insurance policy covers.
Coverage limit	This is the maximum amount of money the insurance company will pay.
Deductible	You agree to pay up to that amount each year before the insurance company will pay any claims.
Copayment	This is the dollar amount you have to pay each time you receive services or file a claim for a covered loss.
Coinsurance	This is the percentage of each claim you must pay before the insurance will pay.
Exceptions or Exclusions	These are limits on insurance coverage, or situations the insurance will not cover. They will be stated in the written insurance policy.
Claim	This notifies the insurance company you have incurred a loss that you believe is covered by your insurance policy.
Adjudication	Means to review. The insurance company reviews your claim and determines if the loss is covered by your insurance policy, what you owe, and what it will pay.

Types of Insurance

You can review information and tools on various types of insurance from the National Association of Insurance Commissioners at [naic.org](https://www.naic.org).



Getting Insurance

The types and amounts of insurance you need depend on your individual situation. Purchasing insurance is about managing risks to your assets.

Periodically review all your insurance coverages. That way, you will be familiar with what is and is not covered, see if you need to change your insurance coverage, and know if you can get a better deal elsewhere.



Shop Around

Review state-specific shopping tips at [naic.org](https://www.naic.org) and search for “state map.”

1. Check out insurance companies. Research a company’s complaint record at [eapps.naic.org/cis](https://www.eapps.naic.org/cis). Also, find out what others think about a company’s customer service by reading online reviews from current customers.
2. Ask for discounts.
3. Compare quotes from several insurance companies.
4. Consider tradeoffs between deductibles, coinsurance, coverage limits, and premiums.

APPLY IT:

Insurance—Do I Have It? Do I Need It?

Review the list of types of insurance and check if you have it or might need it.

Type of Insurance I Might Need	Do I Have It?			Do I Need It?		
	Yes	No	Don't Know	Yes	No	Don't Know
Health insurance	<input type="checkbox"/>					
Long term care insurance	<input type="checkbox"/>					
Dental insurance	<input type="checkbox"/>					
Vision insurance	<input type="checkbox"/>					
Disability insurance	<input type="checkbox"/>					
Life insurance	<input type="checkbox"/>					
Pet insurance	<input type="checkbox"/>					
Identity theft insurance	<input type="checkbox"/>					
Vehicle insurance	<input type="checkbox"/>					
Renters insurance	<input type="checkbox"/>					
Homeowners insurance	<input type="checkbox"/>					
Flood insurance	<input type="checkbox"/>					
Other:	<input type="checkbox"/>					
Other:	<input type="checkbox"/>					

Keeping Accurate Records

Keeping accurate records is an important part of making sure insurance adequately covers your risks.



Create and maintain a list of your assets. Creating and maintaining a detailed inventory of the assets you are insuring will help if you need to file an insurance claim. This mainly applies to insurance that covers property.



Document any damages and save receipts for related expenses. Take videos and pictures to record damage to your home, personal property, or vehicle. Save receipts for any expenses you incur as a result of the damage or loss. Keep copies for your records and share them with your insurance company.



File claims as soon as possible. If you have incurred a loss that you believe is covered by your insurance policy, file a claim as soon as you discover the loss. Your policy might include a time limit for filing a claim.

Remember the Key Takeaway

“ Insurance provides protection from financial loss. Keep accurate records of your assets and any damages to your property.”

MODULE CLOSING

Remember the Key Takeaways

SECTION	KEY TAKEAWAY
1: Risks to Your Assets	Being aware of risks to your assets prepares you to take steps to reduce those risks.
2: Identity Theft and Fraud	You can reduce your risk of identity theft. Help is available if it happens to you.
3: Insurance and Recordkeeping	Insurance provides protection from financial loss. Keep accurate records of your assets and any damages to your property.

Take Action

You are more likely to act if you commit to **taking action now**. One way to commit is to think about what you plan to do because of what you learned today. Then write it down.

What will I do?

How will I do it?

Will I share my plans with anyone? If so, who?

Where to Get More Information or Help

The Federal Trade Commission (FTC) is a great source of information on identity theft and fraud. Visit **[identitytheft.gov](https://www.identitytheft.gov)**.

Find information and tools on insurance from the National Association of Insurance Commissioners at **[naic.org](https://www.naic.org)**, especially in the section for consumers.

To obtain three credit reports per year, visit **[annualcreditreport.com](https://www.annualcreditreport.com)**.

If you have a question about a banking product, ask a customer service representative at the financial institution for help.

If you have a concern, explain to the customer service representative what happened and what you would like done to correct the situation. If that does not help, consider contacting the federal regulator for that financial institution.

To find out who regulates the financial institution, call the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342) or visit **[fdic.gov/consumers/assistance/filecomplaint.html](https://www.fdic.gov/consumers/assistance/filecomplaint.html)**.

Pre-Training Survey

Your instructor may ask you to complete this pre-training survey.

1. You can eliminate all risks by taking precautions to protect yourself.

True False

2. Both strangers and people you know can steal your identity.

True False

3. Why is insurance important?

- a. It can reduce the financial impact of a covered loss.
- b. It prevents damage from natural disasters.
- c. It has federally insured deposit protection.
- d. It allows you to digitally encrypt your information to keep it safe.

4. Which of the following are ways to reduce the risk of identity theft?

- a. Protect your numbers (e.g., Social Security number, credit card numbers, bank account numbers)
- b. Protect your mail
- c. Sign up for direct deposit
- d. All of the above

Post-Training Survey

Your instructor may ask you to complete this post-training survey.

Please answer these questions:

1. You can eliminate all risks by taking precautions to protect yourself.
 True False
2. Both strangers and people you know can steal your identity.
 True False
3. Why is insurance important?
 - a. It can reduce the financial impact of a covered loss.
 - b. It prevents damage from natural disasters.
 - c. It has federally insured deposit protection.
 - d. It allows you to digitally encrypt your information to keep it safe.
4. Which of the following are ways to reduce the risk of identity theft?
 - a. Protect your numbers (e.g., Social Security number, credit card numbers, bank account numbers)
 - b. Protect your mail
 - c. Sign up for direct deposit
 - d. All of the above

About the Training

Please answer the following questions about the training.

1. The trainer:

- | | | |
|--|------------------------------|-----------------------------|
| Shared information in a way that was clear and easy to understand. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Made the training engaging. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Encouraged participation and discussion. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Showed respect for all participants. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Created a good learning environment. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

2. Do you feel better able to make decisions related to the topic of this training?

- True False I do not know

3. Did the training provide information that you can use immediately?

- True False I do not know

4. What were strengths of the training materials?

What could be improved?

5. What were strengths of how the instructor led the training?

What could be improved?

6. What else would you like to learn about this topic or other money topics?