



## UNIT 7

## Making Major Financial Decisions

## Topic

# Understanding Your Consumer Rights

## LEARNING OBJECTIVE(S)

Students will:

- **develop** a definition of consumer protection using their own words.
- **summarize** the role government agencies and other institutions play in protecting consumers.

## Title

Protect Your Rights

## Overview

*How do you stand up for your rights?* After discussing what consumer protection might mean, students search for definitions online and then collaborate to create one using their own words. Students then work in small groups to research a consumer protection agency and prepare a series of social media posts on behalf of the agency.

## Financial Literacy Theme

Making Major Financial Decisions

## 21st Century Skill(s)

Collaboration, Communication, Creativity

## Key Terms

Consumer protection, laws, regulations

## Materials

- **Consumer Complaints Student Handout**—cut into slips of paper—one scenario per small group
- **Consumer Protection Agencies Student Handout**—one per student
- **Internet access**—at least one device with Internet access per group of 3–4 students

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### Connect

#### How does this connect to the student?

Most students likely are unfamiliar with the ways in which government agencies and others can help them with problems they might encounter as consumers. Agencies may be able to help them if they have issues with a student loan, banking problem, or are the victim of identity theft.

#### How does this connect to careers?

**Consumer Advocate:** People who help consumers understand and protect their rights are often referred to as consumer advocates. Individuals in this role may be attorneys, community organizers, or work for a social service agency. Some also encourage lawmakers and government officials to create policies that help consumers.

#### How does this connect to the world?

The extent to which consumers are protected around the globe varies widely. For example, some countries more closely monitor and regulate financial institutions than others. In comparison to many countries, the United States has rather extensive consumer protection systems in place both through the government and other agencies.

### Prepare

**Background:** When consumers face problems with their finances, there are a host of state and federal government agencies and other organizations that can be of assistance. In some cases they enforce laws enacted by Congress or a state legislature. Some agencies issue and enforce regulations that provide additional protections and requirements beyond those in the law. Others may examine institutions such as banks and credit unions to make sure they are doing business fairly. In addition to these roles, many of these agencies also serve an important role in educating consumers about scams and other issues.

### Engage

- Ask students what they think of when they hear the words “consumer protection.”
- Invite students to form small groups and spend a few moments conducting internet searches related to **consumer protection**. What does that mean? Who protects consumers? Why do consumers need protecting?
- Challenge each group to write its own definition of consumer protection using terms that other teens could understand. Encourage each group to write its final definition on the board or add them to a shared electronic document.
- Discuss the definitions provided by the groups. Challenge the class to reach consensus on one definition using pieces or parts of one or more answers. If you have multiple sections of the same course, it might be interesting to share the definitions from other classes and make comparisons.

### Teach

1. Provide a different scenario from the **Consumer Complaints Student Handout** to each group. Direct each group to read and discuss its scenario. Do they think it is realistic? Do they think they have a legitimate complaint? What would they advise the person to do?
2. Allow each group to briefly explain its scenario and what the group discussed. Ask groups to explain why they would

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In Schools

handle the situation directly or contact someone else for help. Explain that, while some consumer complaints can be handled by individuals, others require the assistance of outside agencies.

3. Distribute a copy of **Consumer Protection Agencies Student Handout** to each student. Explain that each of the agencies listed plays a role in helping to protect consumers, but their role is often unknown to consumers. Some are government agencies, while others are not. Note that the list is not exhaustive. If desired, offer students the names and websites of additional agencies or organizations, especially ones that may be specific to your state or local area.
4. Inform students that their challenge is to select one of the agencies listed, research what that agency does, and draft a series of social media posts that describe the agency's work. The goal is to propose posts that will raise awareness about the help the agency provides to consumers. Whether or not students actually post to social media is left to your discretion. Decide if students will work in the same small groups as before or form new ones. You may assign the agencies to specific groups or allow students to choose them. Each group should have a different agency to investigate.
5. Let students know how long they will have to research their agency and the format they should use to share the social media posts they create. In addition, let them know how many posts should be created (suggest three to seven) and if there are specific social media platform requirements they should follow such as character count limitations or the need to include or create a graphic.
6. Allow groups ample time to research their agencies. Groups with a state agency (attorney general, banking regulator, insurance regulator, etc.) will also need to identify the name of the one that serves consumers in their states. In all cases, groups should determine what the agency does and whom it serves. Does it do so by enforcing **laws** and **regulations**? If so, what kind? Does it educate consumers? If so, about what?
7. Encourage students to be creative with their social media campaigns including the purpose of the campaign (explaining what the agency does, directing consumers to take action, warning "bad actors" that their efforts will not be tolerated, etc.). Groups might consider developing a hashtag or a theme that could be used with each post. Or, they could create graphics to accompany their posts. The extent to which they can be creative will depend on the time allowed for the assignment.
8. Invite each group to share its social media campaign. Discuss the relationship between the posts they developed and the work of the agency. If desired, students could also share their campaigns online and tag the agencies to let them know of their efforts.
9. Remind students of the scenarios they discussed earlier in the activity. Could any of these agencies have provided help? If so, which one(s) and why?
10. Before students leave, ask each of them to submit an exit ticket answering the question, "How can knowing about consumer protection agencies help you in the future?"

## Extend

- **Research:** There are different ways that consumers can contact agencies to request assistance. Some require written complaints while others may have a toll-free number or other means of contacting the agency. Invite students to research how to contact a specific agency and draft a sample letter or complaint they would discuss on a phone call.
- **Practice:** Invite students to practice advocating for their consumer rights by role-playing situations, such as asking to speak to a manager or filing a complaint about a situation. Discuss the importance of maintaining one's composure in difficult situations and remembering that often the person with whom they are talking is not at fault for their problem.
- **Family:** Encourage students to share what they learned with family members. Have they ever contacted a consumer protection agency for assistance with a complaint? Whom do they trust when they need help with a situation?

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### Standards Correlation

[National Standards for Financial Literacy](#) from the Council for [Economic Education](#)

2. Governments establish laws and institutions to provide consumers with information about goods or services being purchased and to protect consumers from fraud.
3. Government agencies supervise and regulate financial institutions to help protect the safety, soundness, and legal compliance of the nation's banking and financial system.
4. Consumers who use credit should be aware of laws that are in place to protect them. These include requirements to provide full disclosure of credit terms such as APR and fees, as well as protection against discrimination and abusive marketing or collection practices.

# Consumer Complaints

**Directions:** Cut out the following scenarios, and distribute one to each small group. Encourage students to read and discuss each situation. Do they think the situation is realistic? What would they do in this situation? Whom would they turn to for help?

Mario is fifteen. His mother let him know that they recently started getting mail with his name from companies with which the family doesn't do business. She thought it was just a mistake, but more and more have been coming. She thinks he may be the victim of identity theft.

Jacqueline is 42 and recovering from a serious illness. She has been doing her best to keep up with all of the medical bills she receives and pay them on time. One company keeps calling to say she hasn't paid a bill, but she is sure that she did. They are threatening to come to her house if she doesn't pay them.

LeAnne bought a new car two years ago and still owes about \$13,000 on her car loan. She pays the finance company every month from her checking account, but they say she is late in her payments. She isn't sure what to do.

Asha received a notice from her bank that they have closed two of her accounts. No explanation was given. She is very concerned because the money she receives at her job is deposited directly into one of the accounts. She isn't sure what will happen to her money on payday.

Joseph hasn't paid one of his credit card bills in over 120 days. He's trying to earn extra money so he can pay off the debt as soon as possible. He says he explained the situation to his lender, but recently a collections agency has been calling him every day. They have left messages with threats and profanity and even tried contacting his boss at work. He wonders if this is legal and how to stop them.

Miguel is retired and recently lost his wife to cancer. He doesn't have family nearby and often gets lonely. An acquaintance from church has been stopping by the house recently. He says that he knows about a great investment that will make sure Miguel never has to worry about money again, but he needs to keep it quiet so others don't find out about it.

# Consumer Protection Agencies

**Directions:** search one of the consumer protection agencies below and prepare a series of social media posts on behalf of the agency. Be sure to consider:

- What does the agency do?
  - Whom do they serve?
  - How do they protect consumers?
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## Federal Government Agencies

Consumer Finance Protection Bureau <https://www.consumerfinance.gov/>

Federal Trade Commission <https://www.ftc.gov/>

Securities and Exchange Commission <https://www.sec.gov/>

## State Government Agencies

**(You will need to locate the specific agency that serves your state.)**

Conference of State Bank Supervisors <https://www.csbs.org/state-bank-portal>

National Association of Insurance Commissioners <https://eapps.naic.org/cis/fileComplaintMap.do>

National Association of Attorneys General <http://www.naag.org/naag/attorneys-general/whos-my-ag.php>

## Non-Governmental Agencies

Better Business Bureau <https://www.bbb.org/>

Consumer Federation of America <https://consumerfed.org/>

Financial Institutions National Regulatory Authority <https://www.finra.org>