

Financial Responsibility & Decision Making

Evaluating Financial Information

PwC's *Earn Your Future*™ Curriculum

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Introduction

“The reality is that all children don’t know the basics of saving and investing. It’s a skill they need to be successful in our economy.”

– Education Secretary Arne Duncan, April 2011.

Recent history underscores the immediate need for youth to develop skills in math and financial literacy, and yet, current data shows there is a lack of access to curricula for students to learn:

- A 2011 survey conducted by American Express found that a majority of parents with children in high school or college gave schools below-average or failing grades in teaching responsible spending.
- A 2012 survey by Junior Achievement and Allstate Foundation showed 23 percent of teens are uncertain about their ability to budget successfully.
- Despite the fact that 13 states mandate personal finance coursework as a high school graduation requirement, there is no national legislation mandating that it be a requirement in schools.*

The enclosed lesson plan about financial literacy is designed to increase students’ proficiency in financial literacy. Your expert knowledge and real-life examples, coupled with this one- hour lesson plan aligned to national standards in personal finance education, will fill a critical gap in our current education system, and better prepare the next generation of leaders to make sound financial decisions and be productive citizens.

We applaud your efforts to bolster students’ understanding of concepts critical to the health of our economy and stability of our nation. Furthermore, we thank you for serving as an ambassador for PwC, reinforcing our commitment to helping students improve their skills in financial literacy and to youth education overall.

Lesson description

Students will analyze and evaluate advertising claims. Students will review online and printed sources of product information and list the strengths and weaknesses of each. Students will develop an advertisement pitch and their peers will evaluate the financial claims and determine the validity of the claims.

Grade(s)

6-8

Lesson time

45-60 min

Pre-visit prep

- Review the 5-minute prep to familiarize yourself with the lesson topic vocabulary
- Review the handouts to familiarize yourself with their structure and requirements
- Review product cards to familiarize yourself with each product type and the questions
- Obtain lesson materials listed under the “Materials” section below.

Student learning objectives

Students will:

- Define advertising, claim, and fraud
- Identify several claims used by advertisers to entice the public
- Identify several types of online ads found on websites
- List the strengths and weaknesses of online and printed sources of product information
- Create an advertisement pitch
- Evaluate advertisement pitches created by their peers

Materials

For up to 30 students, obtain ahead of time:

Class/Group

- Chart paper
- Markers
- Painter's tape
- Handout B – Mark Scenario (1 copy for facilitator to read)

Student

- Handout A: What Do You Think? (1 per student ~ 30 copies)
- Sample print ads from magazines or newspapers (1 per pair/group ~ 15 advertisements)
- Handout C – Types of Advertising Claims (1 per student ~ 30 copies)
- Product cards (1 card per group ~ 1 copies)
- Handout D – Exit ticket (1 per student ~ 30 copies)

5 Minute Prep

Background

Everyday each of us is bombarded with messages from companies trying to entice us to buy their products or use their services. These advertisements can be found in print sources, such as magazines and billboards, and online as we surf the web. Viewers who are not careful to discern these messages can find themselves persuaded to purchase goods and services that may or may not live up to their claims. In order to be educated and savvy consumers, we must take the time to evaluate the messages we receive before we tap into our personal finances to acquire these products.

Vocabulary

- **Advertising:** To call public attention to, especially by pointing out desirable qualities so as to create a desire to buy or do business with
- **Claim:** The verbal or print part of an ad that makes some proclamation of superiority for the product being advertised
- **Fraud:** The use of dishonest methods to cheat another person of something valuable

Sources

Background information and vocabulary adaptations based on information from:

- *Council for Economic Education 2011 Survey of the States
- Vocabulary adapted from The Language of Advertising claims:<http://sunset.backbone.olemiss.edu/~egjb/comp/ad-claims.html>
- Vocabulary adapted from Merriam Webster Dictionary for Kids: www.wordcentral.com
- Vocabulary adapted from Wikipedia.com:www.wikipedia.com
- Types of Advertising Claims adapted from The Language of Advertising Claims:<http://sunset.backbone.olemiss.edu/~egjb/comp/ad-claims.html>
- Federal Trade Commission Act—Basics adapted from The Federal Trade Commission: www.ftc.gov

Pre and Post Assessments

Before beginning the lesson, facilitators should introduce themselves and **distribute** the Pre-Assessment to the students. If time allows, consider conducting a mini icebreaker before the Pre-Assessment.

Note: It is highly recommended that facilitators read the questions aloud to the students and encourage students to select answers as they move through the questions. Reassure the students that the assessments are not graded tests or quizzes, and they do **not** need to put their names on the assessments. The assessments are a tool to measure classroom comprehension of a given module and gauge effectiveness of instructor delivery.

Collect the Pre-Assessments once completed.

Facilitators should teach the lesson to the students and administer and collect the Post-Assessment at the end of class, **keeping in mind the same considerations outlined above**. Again, students do **not** need to put their names on Post-Assessments.

Lesson activities

Greeting

Say: Hi everyone! My name is _____ and I am really excited to be working with you. Today we are going to take some time to explore advertisements.

Activity A – What do we already know about advertising and advertisements? (5 minutes)

Materials

Class/Group

- Chart paper
- Markers

Student (one for each student)

- Handout A: What Do You Think?

Ask: How many of you know what advertisement is?

Count the number of hands that are raised.

Say: Good. It seems that most of you have some knowledge of advertisements. Let's take a minute to see just how much you might know about them.

Distribute Handout A.

Say: I would like for each of you to take a brief moment, no more than about a minute, to answer the questions on the worksheet I just gave you. When you are done we will share our responses.

Give students approximately one minute to complete Handout A.

Say: Okay, it looks like most of you are done answering the questions. Let's take a minute to share our responses.

Ask: Who would like to share their response to the first question?

Read the first question.

Select a volunteer to share his or her answer.

Say: Thank you. Is there anyone who disagrees with that response?

Select a student who has an opposing answer.

Ask: Why do you think that is not (true/false)?

Allow the student some time to explain his/her viewpoint.

Say: Alright, so it seems we may have some differences of opinion. Let's go through the remaining questions and we will check and see how many of you answered true versus how many of you answered false.

Read each of the remaining statements. After each statement is read,

Ask: Students to raise their hands if they marked "true" and then ask students to raise their hands if they voted "false."

Say: Now I am going to read off the correct answers for each question.

Read each of the correct answers aloud.

Say: Now, we are going to take a little more time to explore advertising and the claims made by advertisers. We are also going to discuss ways that we can evaluate the information we are given so that we can make good decisions about how we choose to spend our money.

Activity B – Evaluating advertisement claims (20 minutes)

Note: If running short on time, consider skipping the partner activity and instead summarize the AEIOU notes.

Materials

Class/Group

- Handout B – Mark's Scenario (1 copy for the facilitator)
- Markers and chart paper/whiteboard/chalkboard/overhead projector and transparencies
- Sample print ads from magazines or newspapers (can also be obtained from www.myprofessionaladvertising.com/Print%20Advertising.htm)

Say: Advertising is all around us.

Ask the class: Where are some places that we come in contact with advertisements?

Select 3 – 5 students to share their ideas.

Write their ideas on the chart paper/board/overhead projector.

Say: This list shows us that we see advertisements in lots of different places.

Ask the class: What is the point of all of these advertisements? Why are there so many messages coming at us all at once?

Select 2-3 students to share their ideas.

Say: You all are definitely on the right track. The whole point of advertisements is to sell us something.

Ask the class: How many of you can honestly say that you have bought something because of an advertisement? In other words, how many of you know that something that you heard or saw in an ad made you want to buy that product or go get some sort of service that a business was offering?

Select 1-2 students to share an example of something they bought because of an advertisement.

Say: I think that all of us have engaged in the practice of buying something because it looked good in a magazine or sounded good on the television or on the internet.

Ask the class: Is there any problem with buying something just because we heard it or saw it in an ad?

Select 1-3 students to share their ideas.

Say: Okay, those are good points. I think one thing we want to keep in mind is that we always want to make sure that we are spending our money wisely. If we jump on every product we see in an advertisement then our finances can start to suffer.

Say: Many of us don't take the time to evaluate the advertisements we see and hear on a daily basis.

Ask the class: Who knows what I mean by 'evaluate'?

Select 1 student to share his/her ideas.

Say: When we evaluate, we make some sort of judgment. When we evaluate ads, we are judging them to see if what they are telling us is worthwhile enough for us to spend our money. Today I am going to share a strategy to help you evaluate the advertisements you encounter every day.

Write on the chart paper/board/overhead "AEIOU".

Ask the class: What are these?

Say: You are right. These are the vowels. We are going to use these letters to help us evaluate advertisements.

Write "A—ask questions."

Say: When you come across an ad, you should ask yourself questions like "What is really being sold? What does the ad want me to think or do?"

Write "E—evaluate claims."

Say: Next you should determine what the ad is actually saying. Sometimes advertisers use words in tricky ways. We need to look closely to see what they are actually promising or claiming.

Write "I—investigate further."

Say: Because we know that advertisers are trying to sell us something, we shouldn't necessarily take only their perspective into account. If at all possible we should try to do more research about a product to see what others say about the product. We should determine if the facts support the ad's message.

Write "O—open your mind."

Say: Sometimes we are too quick to believe what we see and hear. We need to start with an open mind and say to ourselves that maybe everything we are hearing or seeing is not completely true.

Write “U—understand who’s talking.”

Say: We should always remember that an advertisement comes from one perspective. We need to determine who is delivering the message so that we can understand where they are coming from and why they want us to listen to them.

Say: I am going to read you a brief scenario about a boy named Mark. After I read it I want us to discuss the decisions Mark made.

Read the scenario on Handout B.

Ask: Why do you think Mark bought the shoes?

Select 1-2 volunteers to share their thoughts.

Ask: What things do you think the advertisers purposely said that would make a boy want to buy those shoes?

Select 1-2 volunteers to share their thoughts.

Ask: Do you think it was wrong to buy the shoes? Can I get one person who thinks it was wrong to buy the shoes tell me why?

Select 1 volunteer to share his/her thoughts.

Say: Okay, can I get someone who doesn’t think it was wrong that he bought the shoes to share their thoughts?

Select 1 volunteer to share his/her thoughts.

Ask: What might have been a better financial decision? In other words, what might have been a better way to handle his birthday money?

Select 2-3 students to share their ideas.

Say: Now we are going to practice using our strategy. I would like for you to each work with a partner or in groups of 3 (depending on the class size). I am going to give each pair/group an advertisement. You should use the AEIOU strategy to evaluate the ad. I am going to give you about 7 minutes to do this. When everyone is done, we will take about 3 minutes to have a few pairs/groups share some of their findings.

Note: If the students have computers and internet access, you may choose to have a few of the groups analyze advertisements they find online. If you choose to use this option, you can direct students to visit www.kids.nationalgeographic.com/kids/; www.sikids.com/; or, www.timeforkids.com/TFK. Each of these sites is geared towards kids and contains advertisements.

Ask: Does anyone have any questions?

Distribute advertisements.

Remember to continue to direct students’ attention to the AEIOU notes that are posted as they work on their evaluations.

Say: You have about two more minutes. Take these last two minutes to finish up your thoughts.

Say: Okay, time is up.

Ask: Do I have a few pairs/groups who would like to share some of their evaluation?

Select 1-3 pairs/groups to share their evaluations (or segments of the completed evaluation).

Say: You all did a great job evaluating advertisements created by other people. Now we are going to shift our focus and you all are going to become the advertisers.

Activity C –Creating an advertisement (20 minutes)

Materials

Class/Group

- Chart paper
- Markers
- Product information cards and questions (1 per group ~ 7 copies needed)

Student (one for each student)

- Handout C – Types of Advertising Claims

Say: Now that you have had an opportunity to evaluate advertisements you are going to work in groups to create an advertisement. Each group is going to be assigned a product type and you will have approximately 7-10 minutes to design an ad for your product. You are going to put your ads on chart paper and then we will do a gallery walk to evaluate each of the ads using our AEIOU strategy.

Say: Before you get in your groups and get started, I want to go over a few resources.

Distribute Handout C

Write the following on the board:

Federal Trade Commission Act (Basics)

This Act requires the following:

- Advertising must be truthful and non-deceptive
- Advertisers must have evidence to back up their claims
- Advertisements cannot be unfair

Say: The sheet you have is the Types of Advertising Claims worksheet (Handout C). This sheet explains different techniques used by advertisers and provides you with examples of each of the techniques.

Say: On the board is a basic cheat sheet from the Federal Trade Commission Act. Advertisers may be tempted to make up information to make their products sound good, but the government does have laws against that. The Federal Trade Commission is the agency that is in charge of monitoring advertisements and the Trade Commission Act provides guidelines for what advertisers can and cannot do. The information on the board is a very abbreviated form of the rules you must follow as you create your ads today. Essentially, you are not allowed to engage in fraud in order to sell your product.

Divide students into small groups. You may have them count off, select their own partners, or use some other method to make the groups. Ideally there should be no more than 3-4 students in each group.

Distribute a product card, a piece of chart paper and markers to each group.

Read the directions on the card aloud.

Allow a minute for each group to review the cards.

Ask the class: Does anyone or any group have any questions?

Say: You all have approximately 7 minutes to develop your ad and transfer the information onto chart paper. When you are finished, I will give you tape to post your ads on the wall.

Select 1-2 groups to be “ringers” after the students have started working.

Say: **To ringer groups only!** I want your group to create an advertisement that is questionable. Your ad should be something that people might think is too good to be true. Think about the Mark story we listened to and what those advertisers did to get Mark to want to buy their product. You can use that as an example of what to do. We want to see if your classmates decide that maybe this buying your product isn't the best use of their money.

Ask: Do you understand? Do you have any questions?

Answer any questions from the group.

Allow students 7 minutes to work in groups to complete the task.

Circulate the room as groups work and answer any questions.

Say: You have about 3 minutes left.

Say: You have about 2 minutes left. If you haven't started, you should begin transferring your advertisement onto the chart paper.

Say: You have about 1 minute left. You need to finish up your ads and begin posting them around the room (or in the designated location).

Distribute strips of painters tape to students so that they can post their ads to the walls.

Say: Okay, I see some interesting ads posted around the room. I want to give us all an opportunity to see all of the ads and to evaluate the ads. Each of you needs to grab a sheet of paper and something to write with. We are going to do a gallery walk so that we can look at all of the ads and use our strategy to evaluate the ads.

Say: I am going to give you about 4-5 minutes to walk around the room and evaluate each ad. I want you to use the AEIOU strategy as you look at each ad. Write down your answers to the questions you ask yourself and any other thoughts, questions, and ideas that come to your mind. When we are finished, we will wrap up with a discussion.

Allow students 4-5 minutes to walk around and view each poster/ad.

Remind students as they walk around that they should be writing an evaluation of each ad using the AEIOU strategy.

Say: You have 2 minutes left.

Say: You have 1 minute left.

Note: If you notice that students are finishing before the allotted time is up, you should wrap up the gallery walk and move into the next segment of the lesson.

Say: Good work everyone. Let's take a minute to talk about what we noticed as we did our gallery walk.

Discuss what students noticed. Encourage them to refer to the notes they took as they walked around and the AEIOU strategy. Ask students which ads they found to be the most successful. Ask if any ads seem to use fraud or would cause them to question if the claims were real.

Say: This activity helped to give you another perspective on advertising and the use of claims. I think now you can see how advertisers use lots of different tactics to persuade us. I hope you also understand how important it is for us to really evaluate all of the advertising information we receive on a daily basis. It is only after we evaluate the advertising that we can make smart and informed decisions about whether we should spend our money on their products.

Ask: Did anyone have any final thoughts or questions?

Closing reflections (5 minutes)

Materials

Student (one for each student)

- Handout D – Exit tickets

Say: Today we learned about advertising and the different claims used to persuade us to purchase different goods and services. We also learned a strategy we can use to help us evaluate advertisements and we used that strategy on some actual ads. Finally, you had an opportunity to create advertisements of your own. You all have been given a lot of information today. I want to give you an opportunity to see what stuck with you, and what you learned about different steps you can take to evaluate advertisements before you spend your money. I am going to distribute your exit ticket. Take a minute to fill out the sheet and when you are finished, I would like for you to turn it back in to me.

Say: I will give you 3 minutes to complete the sheet.

Allow students 3 minutes to complete the exit ticket. When the time is up, collect the completed worksheets from the students.

Say: Thank you for allowing me to spend time with you today. Evaluating information we receive, especially in the form of advertisements, is a valuable skill and today you learned a strategy to help you do this. I enjoyed working with you all today.

Evaluation/assessment of student learning

During lesson/in-class

- T/F worksheet (Handout A)
- Print ad/web ad evaluation using AEIOU strategy
- Original advertisement creation
- Gallery walk notes and discussion
- Exit Ticket (Handout D)

Ideas for post-lesson assessments

- Students can compare two television ads that are selling the same product. They can evaluate the strengths and weaknesses of the claims made by each company.

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- Students can research companies that have been accused of false advertising or forced to change their ad claims. (Frosted Mini Wheats is a good contemporary example. Listerine is another product that has a long history in this area.)
 - Students can compare older ads and their claims to contemporary ads. Historic ads can be found at:<http://library.duke.edu/digitalcollection/adaccess/>.

Extensions/enrichment

- Teachers can have students keep an “Ad Log.” Over the weekend, instruct students to record how many promos they receive in a day. Students create a log sheet to record all the ads they come across. Students should record the date, time, place seen, and the nature of the ad (what was it for).
- Have students visit the website www.admongo.gov. This site is sponsored by the Federal Trade Commission and teaches students about advertising.
- Have students visit the FTC Virtual Mall (<http://www.ftc.gov/YouAreHere>). Direct students to the “East Terrace” portion of the site. Here they will engage in activities designed to have them explore the claims used by advertisers.