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Evaluating Green Advertising Claims

PwC's Earn Your Future™ Curriculum

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Introduction

Companies that take measures to operate in environmentally responsible ways often incur higher production costs and subsequently must charge a premium for their products. This price premium has created a phenomenon called 'Greenwashing' in which advertisers inflate the environmental qualities of a good in order to fetch a higher price. This lesson introduces students to the primary techniques advertisers use to create a green perception and provides tools for making better informed purchasing decisions.

Lesson description

This lesson begins with a discussion of students' exposure to and thoughts on the green claims that appear on many common products. While some green claims are exaggerated, many are not. In order to be more informed consumers and understand what products are sincere in their claims, students will learn 6 of the common strategies identified by the Federal Trade Commission that advertisers use to inflate the environmental credentials of a product through an engaging PowerPoint presentation. Students will then apply what they have learned by evaluating three mock advertisements. The lesson concludes with a discussion of how making financially responsible purchasing decisions requires being able to evaluate advertising claims and determine the value of the features a product touts.

Grade(s)

9-12

Lesson time

45-50 minute class period

Pre-visit prep

- Review the 5-minute prep section to familiarize yourself with the background and vocabulary.
- Contact the classroom teacher to ensure that the materials required will be available to you. Materials are listed under the "Materials" section below.
- Print enough copies of Handout 1 – Advertising Detective Worksheet for each pair of students to have one.
- Review Handout 2 – Advertising Detective Worksheet **Key**
- Print Handout 3 – Key: Greenwashing in Advertising – Being an Informed Consumer

Student learning objectives

Upon completing the lesson, students will be able to:

- Define 'Greenwashing' in advertising
- Identify six common techniques advertisers use in making products appear environmentally responsible
- Be able to evaluate environmental claims made in advertisements
- Describe how better understanding the information in advertisements provides a basis for more financially responsible purchases.

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Teacher tips

- Pause often to ask if there are questions. Answer relevant questions clearly.
- Classroom management tip: With students working in groups, there will be plenty of talking between students. Be patient when getting their attention to move forward. Remind students 1-2 minutes before you need their attention for them to finish up what they are working on.

Materials

- Copy of Greenwashing in Advertising—Being an Informed Consumer PowerPoint presentation
- Projector/smart board for PowerPoint presentation
- Handout 1 – Advertising Detective Worksheet
  - One copy for each pair of students.
- Handout 2 – Advertising Detective Worksheet **Key**
- Handout 3 – Greenwashing in Advertising—Being an Informed Consumer **Key**

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5 Minute Prep

Teacher background

Since the beginning of the modern environmental movement in 1970, consumer preferences have been moving toward more environmentally responsible products and companies. In general, operating in more environmentally responsible ways costs more than using traditional methods. The exact reason for the increased production costs of sustainable products varies by industry. However, the essential concept is that companies must account for environmental externalities like pollution, and natural resource management, resulting in a higher price for the consumer. Some ways in which these externalities are addressed include: choosing electricity from sustainable sources, selecting agricultural products from organic producers, and avoiding inexpensive, but harmful petrochemicals.

Choosing resources and manufacturing methods that do not cause environmental harm tends to mean that goods cannot be produced as inexpensively or in as large quantities as when less sustainable choices are made, like using coal fired electricity, conventionally produced agricultural goods, or inexpensive chemicals. These additional costs are reflected in the higher cost of goods produced using sustainable methods. The challenge for consumers is that many of the features that make a product environmentally responsible cannot be easily observed in the product itself. This creates a situation wherein savvy advertisers can market products that may not have been produced with the environment in mind as '**green**,' to sell them for higher prices.

This practice of inflating a product's green credentials has become so widespread that it has earned the moniker '**greenwashing**.' Descriptors like all-natural, earth-friendly, eco-friendly, pure, etc., are used to imply a certain environmental perspective, but are vague as to not indicate any specifics about the product or manufacturing process. Many products also tout certifications verifying the environmental characteristics, but only some of these certifications are trustworthy. Some are issued by the manufacturers themselves and mislead consumers into thinking the claims have been verified by an outside organization.

This issue prompted the **Federal Trade Commission** to create the 'Green Guides' in 1992. Two of these guidelines were directed at consumers to help them understand green ad claims. The third guideline, titled "Complying with the Environmental Marketing Guides", was issued to business to explain compliance with fair green marketing practices. In addition to these general guidelines, the Environmental Protection Agency and US Department of Agriculture have each developed a set of criteria which describe the use of environmental marketing terms for specific goods and industries (Energy Star and USDA Organic). In addition to government agencies, some third party organizations have also developed criteria for certifying a product's green credentials. Reputable certifications from third-parties include Green Seal, Rainforest Alliance, and Sustainable Forestry Initiative. Knowing how to navigate these advertising claims and certifications enables consumers to make more financially and environmentally responsible decisions.

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Lesson activities

Warm-up: (3-5 minutes)

1. Begin by asking students to consider what might be meant by the phrase 'green advertising.'
2. Now ask students consider why advertisers make environmental or green claims about their products. Ask students to raise their hands if their answer to the question is yes.

   – Would you prefer a product that is all-natural over one that isn't?
   – What about a product that donates $1 from each one sold to protect sea turtles over one that does not?
   – Would you prefer a product that is certified 'Rainforest Safe'?
   – How about a regular bottle of soda or one that is made of 50% recycled materials?

3. Now ask if they would be willing to pay just a little bit more for the products bearing these labels. If so, why?
4. In general, products that are more environmentally responsible, opposed to those using traditional methods and materials, cost a bit more. Ask the class if anyone has any ideas as to why this is.

   i. The exact reasons depend on the industry, but in general:

      - The mass production techniques that allow for quick and inexpensive production are not available to green producers.
      - They tend to require more human labor, rather than being more mechanized (or produced by machines).
      - Requires that natural resources must not be depleted—that they must be sustainably-sourced.

5. Explain that part of being financially responsible is understanding what exactly you're paying for in a product. Unlike the quality of leather in a shoe or features of an electronic device, claims about the environmental responsibility of a product are not easily observable and thus harder to evaluate. This lesson is intended to give students the tools to be able to evaluate the quality of a product's environmental claim.

Activity 1: Greenwashing in Advertising (20 minutes)

1. Ask if anyone has heard the term 'greenwashing.'

   a. If so, could they explain it to the class?
   b. If not, explain that green advertising is when companies try to make their products appeal to consumers who favor environmentally responsible goods.

2. Ask students to brainstorm things they have seen on the labels of products that advertise themselves as environmentally responsible.
3. Do they believe the labels?

   a. Ask several students to volunteer their answers and explain why. Be sure to have at least one volunteer from each position.
   b. Are there any strategies they use to help them evaluate the information on labels?

4. Some companies are making genuine efforts to reduce the environmental impacts of their products and operations, but some are not.

   a. Why might a company want to portray its product as environmentally friendly?

5. Explain that there are several common strategies that the Federal Trade Commission—a federal agency charged with protecting consumers—has identified that companies may use to overstate the environmental qualities of their products.

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6. Start the Greenwashing in Advertising: Being an Informed Consumer PowerPoint. (If computer access is not available, print PPT slides as a handout.)

    a. Each of the slides in presentation depicts an example of one of the techniques advertisers use. As each mock ad is displayed, ask the class if they can identify the technique before moving to the following slide in which it is identified.

7. After the presentation, wrap-up the activity with a brief discussion. The following are possible discussion questions.

    a. Was anyone surprised by any of the techniques advertisers use?
    b. Which of these examples have student seen before on actual products?

Activity 2: Green Advertising Detectives (15-20 minutes)

1. The students will now put their knowledge to the test by analyzing the green claims made in three mock advertisements.
2. Students will work in pairs to complete the worksheet Handout 1 – Advertising Detective.

    a. Give each pair one copy of the worksheet.
    b. Explain that they have 10-12 minutes to read the three ads and complete the worksheet.

3. Once students have finished, review the worksheet as a class calling on volunteers to share their answers to each question.

Wrap up: Final thoughts (5 minutes)

1. To conclude and review the lesson's concepts, lead that class in a brief discussion.

    a. Without looking at your worksheets, who can tell me 1 of the 6 strategies advertisers use to exaggerate the green claims of their products?
    b. What is the government agency charged with protecting consumers?
    c. What makes a green claim trustworthy?

2. As consumers, how will what you've just learned affect the way you approach purchasing?

    a. What could you do if you're out shopping and aren't sure about the certification or claim on a product?

        i. Ask a store employee.
        ii. If you have a smartphone you could look up the product or certification. There are apps—one is even made by the FTC—that will give you information on a product or certification if you scan the item.

    b. How does understanding green advertising claims make you more financially responsible?

        i. Environmentally responsible items tend to cost a bit more. If you can tell whether or not a product's claim is sincere, you will know if it is worth the extra money.

Evaluation/Assessment of student learning

Student learning will be assessed through:

- Participation in group discussions
- Completion of Handout 1 – Advertising Detective Worksheet

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Ideas for post-lesson assessments

- Display an actual advertisement for a new car that is billed as eco-friendly. Have students examine the ad and determine if the claims made therein are credible or if the ad is guilty of greenwashing.

Extensions/Enrichments

- Have students collect ads that are good examples of greenwashing and bring them into class. Have several students share their ads and identify the dubious claims.
- Have the class create a list of credible certifications. In groups or pairs, have students research one of the certifications and present their findings to the class.
- Have students research the FTC guidelines and draft response essays to several companies who have employed greenwashing techniques in their ads.

Vocabulary

- **Federal Trade Commission**: A Federal Government Agency Charged with protecting consumers.
- **Green**: A term used to describe products, practices, policies, and everything in between that seeks to minimize or reduce environmental impacts.
- **Greenwashing**: The widespread practice in advertising of inflating or exaggerating the green qualities of goods or services.
- **Organic**: In agriculture, an ecological production management system that promotes and enhances biodiversity, biological cycles, and soil biological activity.

Sources

- Federal Trade Commission: Green Guides
  http://www.ftc.gov/opa/reporter/advertising/greenguides.shtml
- State of Washington: summary of reliable green certifications.
  http://www.ecy.wa.gov/programs/swfa/epp/stand_certifications.html
- Bureau of Consumer Protection: Environmental Marketing
  http://business.ftc.gov/advertising-and-marketing/environmental-marketing
- EPA: Green Advertising Claims Brochure
  http://www.epa.gov/osw/conserve/downloads/greenads.pdf
- USDA Organic
  http://www.usda.gov/wps/portal/usda/usdahome?navid=ORGANIC_CERTIFICATIO
- EPA Energy Star
  http://www.energystar.gov/
- Rainforest Alliance
  http://www.rainforest-alliance.org/certification-verification
- Green Seal
  http://www.greenseal.org/

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Handout 1 – Advertising Detective Worksheet

Name_____**Date**_____

Directions: Read the ads below and evaluate the claims they make by considering the use of greenwashing.

Zoom Eco

42 Miles per Gallon

Get ready for a new wave of technology that marries maximized efficiency and impressive performance. Clean diesels generate at least 90% less Nitrogen Oxide (NOx) and particulate emissions when compared to previous-generation diesels. The Zoom takes you farther for less. With an incredible 42 MPG*, advanced aerodynamics and its 1.4L turbocharged engine, Zoom Eco gives you more fuel efficiency without sacrificing performance. **42 miles per gallon at 30 miles per hour. Only on 4 cylinder, manual transmission models. Excludes hilly roads.*

1. Which, if any, of the greenwashing techniques are being employed in this add?
   (1. Erroneous Claims, 2. Words with no Clear Meaning, 3. Names, Pictures, and Colors, 4. Certifications, 5. Fine Print, 6. Baseless Comparisons)

2. Give an example of each of the techniques identified.

3. Do you trust the information in this ad? Why or why not?

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Maple Wood Farms

Our Organic Roasted Chicken is sure to be a classic. We use only pure, premium cuts of USDA certified organic chicken breast that have been carefully seasoned and roasted to mouth-watering perfection. Because we're committed to the environment, our farms produce 0 greenhouse gas emissions. We're sure you'll agree this is the most delicious deli sliced chicken you'll find anywhere.

1. Which, if any, of the greenwashing techniques are being employed in this add?

2. Give an example of each of the techniques identified.

3. Do you trust the information in this ad? Why or why not?

Green Kitchen Wipes

Finally, a quick and easy way to wipe away what sticky little hands leave behind. These natural cleaning wipes pack some serious cleaning power and are made with naturally derived ingredients, such as citric acid and wood fibers. As with all our cleaning products, these wipes have earned the Earth-Friendly Certification. That means they won't leave behind harsh chemical residue — and you can throw them in the green bin when you're done!

Certified

1. Which, if any, of the greenwashing techniques are being employed in this add?
   (Hint: what is paper typically made of?)

2. Give an example of each of the techniques identified.

3. Do you trust the information in this ad? Why or why not?

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Handout 2 – Advertising Detective Worksheet Key

Name_____**Date**_____

Directions: Read the ads below and evaluate the claims they make by considering the use of greenwashing.

Zoom Eco

42 Miles per Gallon

Get ready for a new wave of technology that marries maximized efficiency and impressive performance. Clean diesels generate at least 90% less Nitrogen Oxide (NOx) and particulate emissions when compared to previous-generation diesels. The Zoom takes you farther for less. With an incredible 42 MPG*, advanced aerodynamics and its 1.4L turbocharged engine, Zoom Eco gives you more fuel efficiency without sacrificing performance. **42 miles per gallon at 30 miles per hour. Only on 4 cylinder, manual transmission models. Excludes hilly roads.*

1. Which, if any, of the greenwashing techniques are being employed in this add?
   (1. Erroneous Claims, 2. Words with no Clear Meaning, 3. Names, Pictures, and Colors, 4. Certifications, 5. Fine Print, 6. Baseless Comparisons)

   Answer: Words with no clear meaning; Names, pictures, and colors; Fine print; Baseless comparisons.

2. Give an example of each of the techniques identified.

   Answer:

   Words with no clear meaning: 'maximized efficiency', 'more fuel efficiency', 'clean diesels'

   Names, pictures, and colors: The car brand name is in earthy shades of green and the image is of people doing outdoorsy things.

   Fine Print: The fine print in this ad gives several qualifies that make the mileage claim much less meaningful. The mileage is certified by the EPA, but the restrictions on speed and terrain make the mileage figure completely unrealistic.

   Baseless comparisons: We don't know anything about the emissions of 'previous diesels'. Nitrogen oxide and particulate emissions could have been minimal to begin with, meaning a 90% reduction is actually quite small.

3. Do you trust the information in this ad? Why or why not?

   Answers will vary, but in general the information in this ad is not particularly trustworthy.

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Maple Wood Farms

Our Organic Roasted Chicken is sure to be a classic. We use only pure, premium cuts of USDA certified organic chicken breast that have been carefully seasoned and roasted to mouth-watering perfection. Because we're committed to the environment, our farms produce 0 greenhouse gas emissions. We're sure you'll agree this is the most delicious deli sliced chicken you'll find anywhere.

4. Which, if any, of the greenwashing techniques are being employed in this add?

   Answer: Words with no clear meaning; Names, pictures, and colors

5. Give an example of each of the techniques identified.

   Answer:

   Words with no clear meaning: 'pure'

   Names, pictures, and colors: The name is in an earthy brown color and there's a picture of happy cows grazing on an open green field.

6. Do you trust the information in this ad? Why or why not?

   Answers will vary, but in general this ad is trustworthy. The certification is USDA sponsored. The claim 'committed to the environment' would be considered green washing if it wasn't immediately backed up by a specific statement supporting the claim: 'our farms produce 0 greenhouse gas emissions.'

Green Kitchen Wipes

Finally, a quick and easy way to wipe away what sticky little hands leave behind. These natural cleaning wipes pack some serious cleaning power and are made with naturally derived ingredients, such as citric acid and wood fibers. As with all our cleaning products, these wipes have earned the Earth-Friendly Certification. That means they won't leave behind harsh chemical residue — and you can throw them in the green bin when you're done!

Certified

1. Which, if any, of the greenwashing techniques are being employed in this add?
   (Hint: what is paper typically made of?)

   Answer: Erroneous claims; Words with no clear meaning; Words pictures and colors; Certifications

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2. Give an example of each of the techniques identified.

   Answer:

   Erroneous claims: All paper is made from wood fibers!

   Words with no clear meaning: 'natural', 'naturally derived', 'green bin'

   Words pictures and colors: The name is in earthy green and there are pictures of forests on both sides. The certification is a picture of earth which furthers the green image.

   Certifications: The 'Earth-Friendly Certification' has no sponsorship. The wording of it being 'earned' is intended to give the impression that it is given by a third-party, but since no outside organization is named, it is likely meaningless.

3. Do you trust the information in this ad? Why or why not?

   Answers will vary, but in general this is not a trustworthy ad. None of the green claims in this advertisement are backed up with evidence or have any clear meaning.

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Handout 3 – Greenwashing in Advertising PPT Key

The information for each slide included below is supplemental to what is already included in the PowerPoint itself. Under each slide heading is a clue (for slides featuring mock advertisements), real world examples, interesting facts, or discussion questions that may be used as you feel appropriate or where time permits.

Slide 1: Intro

- Explain that each mock ad uses one strategy identified by the Federal Trade Commission that advertisers employ to mislead consumers on the green characteristics of a product.
- Challenge the class to identify the technique being used in each ad.
- An explanation of the technique used follows each ad.

Slide 2: Strategy #1

- Hint: *Has anyone eaten a dolphin cookie before*?

Slide 3: Strategy #1 – Erroneous Claims

- May need to define 'erroneous'
- Real world example: Some aerosol sprays will claim 'CFC Free' on their labels. CFC's, or chlorofluorocarbons, are a group of chemicals that destroy the ozone but have been banned from all products for almost 25 years. These companies couldn't put CFC's in their products if they wanted to.

Slide 4: Strategy #2

- Hint: *Say, "My baseball team won* ***basically*** *all our games." How many did we win?*

Slide 5: Strategy #2 – Words with no Clear Meaning

- Ask the class to list some other environmental sounding words they have seen on packaging.
  - Eco-friendly, essentially non-toxic, environmentally responsible, sustainably produced, degradable, pure
- The Federal Trade Commission has issued a Green Guide that defines what criteria a product must meet to be described as 'natural', but advertisers can still be creative in using these terms.

Slide 6: Strategy #3

- Hint: *What color do we associate with the environment?*

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Slide 7: Strategy #3 – Names, Pictures, and Color Schemes

- Another trick is using mat or dull finishes on packaging; this combined with earthy colors furthers the green appearance.
- Real world example: A certain diaper manufacturer was cited by the FTC for completely redesigning their new diapers to be green, when actually the only thing that changed was the wording on the packaging to 'pure and natural'.

Slide 8: Strategy #4

- Hint: *Ask the class why the teacher grades their homework instead of having them grade their own*.

Slide 9: Strategy #4 – Unidentified Certifications

- May need to define 'third party'.
- Ask the class to list any other certifications they have seen.
  - It is likely they will list some that are credible; explain that how to tell the meaningful ones from the meaningless will be discussed shortly.

Slide 10: Strategy #5

- Hint: *Are billboards big or small? Why?*

Slide 11: Strategy #5 – Fine Print

- There are restriction for how far fine print may be located from the information it references on an ad and just how small it can be. But lots of information can still be concealed in fine print.
- Real world example: The ad they just viewed. There is a product that can be found in most grocery stores with this exact claim of donating $1 per package for wildlife. But the fine print stipulates that the donation is only made when the package number is registered online.

Slide 12: Strategy #6

- Hint: *I'm 100% better at flying jets now than I was last year*.

Slide 13: Strategy #6 – Baseless Comparisons

- Another trick is making comparisons with earlier versions of a company's own product.
  - For instance, "Our new packaging uses 50% more recycled material."
  - Ask if anyone can see the trick here.
    - They could have just gone from 2% to 3% recycled material.

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Slide 14: Are all Green Ads Misleading?

- Ask the class if they now feel like they can trust any green claims made on ads.
  - Have a couple students share their opinions.
- Ask if there are any specific products they use or know of that which make green claims that they trust.
  - Have a couple students share their ideas.
- Reassure the class that fortunately, there are many claims that can be trusted.
- Challenge the class to spot what makes these next ads reliable even though they appear very similar to ads in the previous set.

Slide 15: Reliability Sign #1

- Hint: *Have the class once again think about who grades their homework and why.*

Slide 16: Reliability Sign #1 – USDA, EPA, and Third Party Certifications

- Ask why government and third party certifications are more reliable.
  - They are more reliable because these organizations don't stand to gain or lose from the success of the product. They don't have any **incentive** to exaggerate the greenness of a product; whereas a company does have an incentive if it will boost their sales.
- Ask the class to think back to the certifications they listed when discussing strategy #4.
  - Choose one or two and guide a brief debate about whether or not they are reliable certifications.

Slide 17: Reliability Sign #2

- Hint: *How much of Best Brand's electricity comes from solar?*

Slide 18: Reliability Sign #2 – Specific Language

- Ask the students to think of how they might tell their parents they received a bad report card.
  - Have several volunteers share their answers.
- Ask how they might explain it if they get straight A's.
  - Have several volunteers share their answers.
- What did they notice about the wording between the two?
  - Explain that companies, just like all of us, will give specific answers when they have information that they want people to know.

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Evaluating Green Advertising Claims

Pre-assessment

1. The term 'greenwashing' refers to:

    a. Washing one's clothes in a high-efficiency wash machine.
    b. Misleading advertisements about the environmental characteristics of a product.
    c. When companies claim that their products hurt the environment.
    d. Advertising that understates the environmental qualities of a product.

2. Green certifications can be trusted if they come from which of the following organizations, choose one.

    a. Companies certifying their own products.
    b. Large companies.
    c. Small companies.
    d. Third party and government organizations.

3. How does being able to evaluate advertising claims make you more financially responsible?

    a. Because you will know which products are most used by celebrities.
    b. Because ads always tell the truth.
    c. Because understanding the features of a product means you won't overpay for features that may not be as advertised.
    d. By enabling you to understand what the most popular products are.

4. What is the Federal Trade Commission responsible for?

    a. Protecting consumers.
    b. Regulating nonmonetary trades.
    c. Enforcing boundaries between states.
    d. Setting interest rates.

5. Which one of these green marketing terms has a legally defined meaning?

    a. Earth friendly
    b. Eco-safe
    c. USDA Organic
    d. All natural

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Post-assessment

1. What is the Federal Trade Commission responsible for?

    a. Protecting consumers.
    b. Regulating nonmonetary trades.
    c. Enforcing boundaries between states.
    d. Setting interest rates.

2. Green certifications can be trusted if they come from which of the following organizations, choose one.

    a. Companies certifying their own products.
    b. Large companies.
    c. Small companies.
    d. Third party and government organizations.

3. Which one of these green marketing terms has a legally defined meaning?

    a. Earth friendly
    b. Eco-safe
    c. USDA Organic
    d. All natural

4. How does being able to evaluate advertising claims make you more financially responsible?

    a. Because you will know which products are most used by celebrities.
    b. Because ads always tell the truth.
    c. Because understanding the features of a product means you won't overpay for features that may not be as advertised.
    d. By enabling you to understand what the most popular products are.

5. The term 'greenwashing' refers to:

    a. Washing one's clothes in a high-efficiency wash machine.
    b. Misleading advertisements about the environmental characteristics of a product.
    c. When companies claim that their products hurt the environment.
    d. Advertising that understates the environmental qualities of a product.

Pre-assessment answer key

1. b
2. d
3. c
4. a
5. c

Post-assessment answer key

1. a
2. d
3. c
4. c
5. b

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Lesson summary

Activity: Warm-up
Duration: 3-5 minutes
Materials: none
Summary: Introductory group discussion of green terms used in advertising and why advertisers might consider this a beneficial tactic

Activity: Activity 1: Greenwashing in Advertising
Duration: 20 minutes
Materials: Greenwashing in Advertising--Being an Informed Consumer PPT
Greenwashing in Advertising—Being an Informed Consumer PPT **Key**
Summary: Discussion of the term greenwashing using the ppt and corresponding teacher's key to direct the conversation

Activity: Activity2: Green Advertising Detectives
Duration: 15-20 minutes
Materials: Handout 1 – Advertising Detectives
Summary: Students work in pairs to complete the worksheet, and volunteers share their responses.

Activity: Wrap up: Final Thoughts
Duration: 5 mi
Materials: none
Summary: Brief concluding discussion to review the strategies employed in greenwashing and how knowledge of these strategies can improve financial decision making.

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