

Lincoln County Homemakers News and Clues

May ~ 2008

Jane Newton

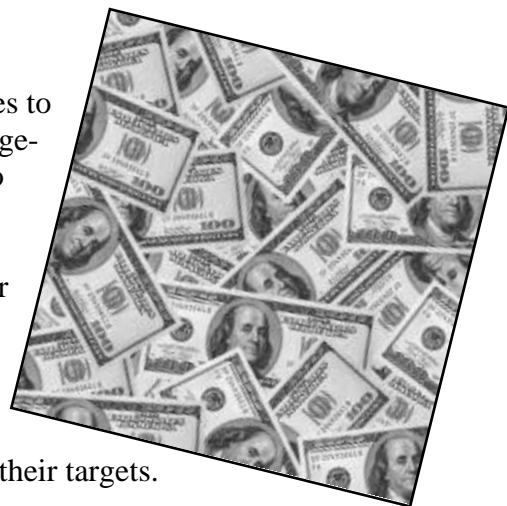
County Extension Agent-Family and Consumer Sciences

Investment Fraud ~ Protecting Yourself!

Do you know anyone who is optimistic, self-reliant when it comes to making decisions, above average income and financial knowledge, college-educated, experienced a recent health or financial setback, and is open to listening to new ideas?

If so, you know someone who fits the profile of a prime target for investment fraud!

Investment fraudsters make their living by making sure the deals they tout appear both good and true. They are masters of persuasion, tailoring their pitches to match the psychological profiles of their targets.



Investment fraudsters tend to ‘go where the money is’—and that means targeting older Americans—the millions of Baby Boomers, who have been accumulating sizeable retirement nest eggs through company 401(k) plans and personal accounts.

Investment fraudsters look for your Achilles’ heel by asking seemingly benign questions—about your health, family, political views, hobbies, or prior employers. Once they know which buttons to push, they will bombard you with a flurry of influence tactics.

Some of the most common influence tactics include:

- *The “Phantom Riches”* during which they dangle the prospect of wealth, enticing you with something you want but can’t have, such as “These gas wells are guaranteed to produce X amount of income each month!”
- *The “Source Credibility”* by claiming to be with a reputable firm or to have a special credential or experience, such as “Believe me, as a senior vice president of XYZ Firm, I would never sell an investment that doesn’t produce!”
- *The “Social Consensus”* by leading you to believe that other savvy investors have already invested, such as “This is how XX got his start. I know it’s a lot of money, but I’m in, and so is my mom and half of her church, and it’s worth every dime!”
- *The “Reciprocity”* by offering to do a small favor for you in return for a big favor, such as “I’ll give you a break on my commission if you buy now!”
- *The “Scarcity”* by creating a false sense of urgency claiming limited supply, such as, “There are only two units left, so I’d sign today if I were you!”

If these tactics look and sound familiar that is because legitimate marketers use them, too. The one key difference is that real deals will still be there tomorrow!

(Investment Fraud ~ Protecting Yourself! Continued)

Three strategies to protect yourself from investment fraud are:

1. *End the conversation.* Practice saying “No.” or “I’m not interested.” or “I never make investment decisions without first consulting _____.”
2. *Turn the tables and ask questions.* A legitimate investment professional must be properly licensed, and their firm must be registered with the Financial Industry Regulatory Authority, the Securities and Exchange Commission, or a state securities regulator depending on the type of business the firm conducts. Before giving out any of your information, ask, “Are you and your firm registered with FINRA? The SEC? The state securities regulator? Is this investment registered with the SEC or with my state securities regulator?” And then always verify and confirm before committing any money!
3. *Talk to someone first.* Even if the seller and the investment are registered, it’s always a good idea to discuss financial investment decisions with trusted family members and/or a trusted financial professional.

One easy step to reducing the number of telemarketing and junk mail sales pitches is to have your name removed from the lists. To cut the clutter:

- for Telemarketing calls, go to www.donotcall.gov or call toll-free 888-382-1222
- for Direct Mail and E-mail offers, go to www.dmaconsumers.org
- for Credit Card offers, go to www.optoutprescreen.com or call toll-free 888-567-8688
- for Online Cookie collecting, go to www.networkadvertising.org

Most legitimate businesses will honor your request, so if you receive a solicitation after taking the above steps, you should be all the more skeptical of the offer.

Always take the time to stop and think before making any financial decision. It’s your hard-earned money!

Arthritis Foundation Exercise Program

Beginning **Wednesday, May 14**, the Lincoln County Cooperative Extension Service in cooperation with the Star City Civic Center will begin an 8-week **Arthritis Foundation Exercise Program**. The 45–50 minute classes will meet every Wednesday and Friday morning at 9:00 a.m. at the Civic Center. There is no charge for participating.

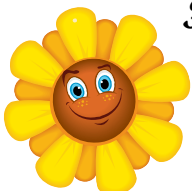
Doctors and therapists know that moderate physical activity can improve your health without hurting your joints. The **Arthritis Foundation Exercise Program** is designed specifically to help increase joint flexibility, range of motion, and help maintain muscle strength.

This Arkansas Cooperative Extension Service program is offered to all eligible persons regardless of race, color, national origin, religion, gender, age, disability, marital or veteran status, or any other legally protected status.



Sincerely,

Happy Mother’s Day!!
Sunday, May 11



Jane Newton
County Extension Agent-Family and Consumer Sciences