Talk About Investments to Help Parents Avoid Fraud

BY GERRI WALSH, FINRA INVESTOR EDUCATION FOUNDATION

Most children turn to their parents for financial guidance. But sometimes it's the parent who needs help.

Older people are regularly targeted by fraud criminals because they have money, whether it's retirement savings, home equity or steady forms of income. Experienced investors may also believe they're too smart to be scammed. But research funded by the FINRA Investor Education Foundation shows that financially savvy, self-reliant investors are more likely to be victims of fraud than those who are less knowledgeable.

Investors who are overconfident about

their ability to spot a "great oppor-

tunity" are less likely to ask for help

and advice from others. And that's exactly what fraud criminals want.

Adult children should talk to their parents about investment fraud and be sure they are familiar with the tricks fraud criminals use.

It may be hard for some people to talk about money, but getting your parents to come to you or someone else they trust for a second opinion before making an investment decision is a good way to avoid trouble.

They should also prepare a "refusal script," a rehearsed exit strategy to sales pitches. Simply telling a high-pressure caller that "I never make an investment

decision before consulting my son or daughter first," is a good first step.

Ask & Check

Before making any investment, investors should check with the U.S. Securities and Exchange Commission or state securities regulators to make sure an investment is registered. Also ask if the person selling the investment is registered with FINRA, the SEC or your state's securities regulator. Unregistered sellers are not qualified to sell you anything. If they say they are registered, verify the information with the authorities.

Visit SaveAndInvest.org/55Plus for more information.

Learn to spot and avoid investment fraud. Order your free copy of *Trick\$ of the Trade: Outsmarting Investment Fraud*, a documentary produced by the FINRA Foundation, at **SaveAndInvest.org**.

SaveAndInvest.org is a project of the FINRA Investor Education Foundation in collaboration with the U.S. Securities and Exchange Commission, AARP Vermont, the Vermont Department of Banking Insurance Securities and Health Care Administration, Vermont Public Television and the Community of Vermont Elders.

Investment fraud can happen to anybody. Learn to ask and check.

My father was befriended by a local financial advisor. The two became fast friends and even went to local high school sporting events together. But the friendship was a ruse to steal \$100,000 in an investment scheme. I felt rotten. I was supposed to protect everybody, but I did not see this coming. If we had checked the advisor's registration to sell securities, we would have known he was no longer licensed. No matter what, investment fraud can happen to anybody. You have to check before you invest your money; ask questions, ask the experts. Do your research. If it could happen to our family, it could happen to you.

- Retired Vermont State Police Lt. Robert Kalinowski



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