

Are YouTube and TikTok the New Financial Advisors? Social Media's Role in Personal Finance



About this study



The study examines attitudes and behaviors around social media as a source of financial information among social media users and seeks to understand how pervasive and influential social media as a financial education tool currently is.

Methodology

- Online Qualtrics survey with 18 – 57 year-olds across the U.S.
- Sample Source: Sago’s national database
- Sample was complemented with outreach on social media

Sample n=750 total surveys



Gen Z 250



Millennial 250



Gen X 250

Fielding

The study was fielded between February-March 2024.

It is no secret that consumers, especially millennials and Gen Zs, turn to social media to learn about just about everything including financial topics...












Social media is a widely used resource for learning about financial topics.



Sources of Information USED To Learn About Financial Topics

% selected across all consumers

	Internet Searches/websites	58%
	Social Media	42%
	Friends	42%
	Parents/family	41%
	Financial Services Companies	33%
	Financial apps	30%
	Television	25%
	Podcasts/blogs	24%
	Employer	21%

Who is more likely to be using social media to learn about financial topics?

- More likely to be **Gen Z** (54%) or **millennial** (48%) vs. Gen X (24%)
- Already **feel knowledgeable about financial topics** (48%) vs. not (40%)
- Consider learning about **financial topics a personal interest**, 54% vs. 41%
- More likely to **consider learning about financial topics as fun and engaging** (60%) vs. not (44%)
- Take on **above average risk** (39%) vs. not (29%)

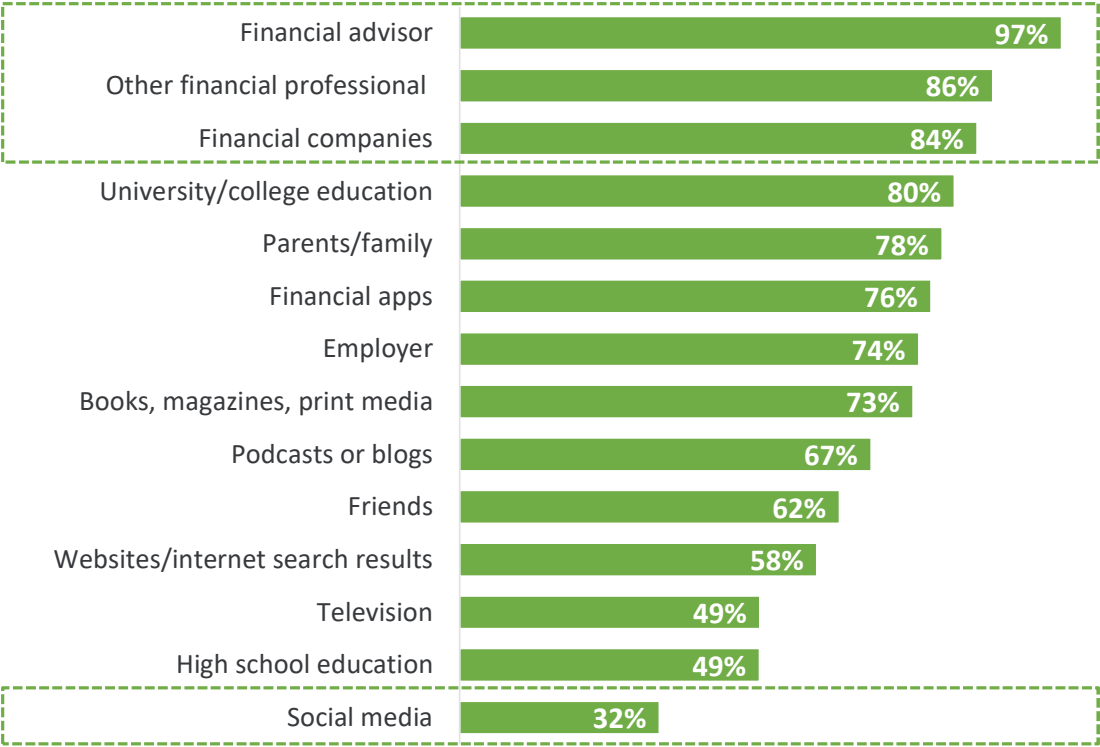
5.3 The number of resources **used to learn about financial topics** vs. 3 resources among those who do not use social media for financial topics.

However, there is a lack of trust in using social media for financial topics; more formal resources are trusted much more.



Most Highly TRUSTED Sources of Information To Learn About Financial Topics

% rated 4-7 on a 7-pt scale among those who use the source



This lack of trust is consistent across generations.

Generation	Percentage
Gen Z	34%
Millennial	32%
Gen X	30%

While social media offers a range of information and perspectives, it feels like the Wild West, which diminishes trust.



Among the **32%** who trust[†] social media for financial topics, what builds trust?

Volume of information (12%)

Different perspectives (11%)

Control over what to follow (11%)

Experts post on social media (11%)

Among the **68%** who DO NOT trust^{††} social media for financial topics, what diminishes trust?

Misinformation (25%)

No regulation (20%)

Hard to verify credibility (17%)

People can try to scam you (16%)

[†] Those who use social media for financial topics and rated trust of social media 4-7 on a 7-pt scale

^{††} Those who use social media for financial topics and rated trust of social media 1-3 on a 7-pt scale

Similarly, among those who do not use social media to learn about financial topics, a lack of trust is the key barrier.



Reasons For **NOT** Using Social Media to Learn About Financial Topics

% selected among consumers who do not use social media for financial topics

I don't find it trustworthy or credible	47%
I prefer other sources for learning about financial topics	32%
Social media is not for serious topics like finances	29%
It is unregulated	22%
I don't know how to evaluate the sources or content	16%
I'm rarely on social media/ it's not where I spend my time	15%
I can't find the kind of content I want to learn about on social media	10%
I just rely on my financial advisor to learn about financial topics	5%

Those who do not use social media for financial topics are most likely to use :

- Web searches
- Friends and Family
- Financial Services Company

People are using social media to learn about financial topics, but most have a healthy dose of skepticism about the credibility of the content.

So why do they use this resource in the first place?



Reasons to use social media for financial topics are consistent across generations; simplicity/ease of understanding is key.



Top 4 Reasons for Using Social Media to Learn about Financial Topics

% selected among consumers who use social media for financial topics

Gen Z	Millennials	Gen X
It's simple/easy to understand 57%	I'm already on social media/ it's where I spend my time 60%	It's simple/easy to understand 52%
It is engaging/interesting/fun 51%	It's simple/easy to understand 54%	It is engaging/interesting/fun 50%
I'm already on social media/ it's where I spend my time 50%	It is relatable /I can see what other like me are doing 50%	I'm already on social media/ it's where I spend my time 50%
It is relatable /I can see what other like me are doing 40%	It is engaging/interesting/fun 45%	It is relatable /I can see what other like me are doing 38%

While top reasons for using social media are consistent across generations, some other interesting motivations emerge.



43%

Influencers

Those with a **financial advisor** are significantly more likely vs. those without to leverage social media to **follow a specific influencers or expert on social media**, 43% vs, 26%.

32%

FOMO

Gen X is significantly more likely to be motivated to use social media for financial topics due to a **fear of missing out on financial advice and information (FOMO)** vs. 18% among Gen Z and 19% among millennials.

31%

Intimidated by FAs

Those who are **less knowledgeable about financial topics** are significantly more likely to use social media for financial topics because **they find it intimidating to talk to a financial advisor**, 31% vs. 9%

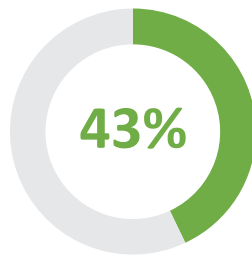
Is social media the future of financial education? Younger generations seem to think so.



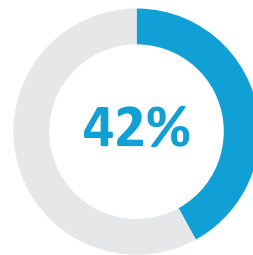
More than **four in ten Gen Zs and millennials** consider social media the future of financial education; Gen X is less convinced.

Social Media Is The Future Of Financial Education

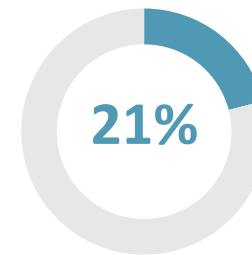
% selected 4-7 on a 7pt scale across all consumers



Gen Z



Millennials



Gen X

And among those who already use social media for financial topics these numbers are even more robust...

51%

61%

27%

Those using social media for finances are using it for a range of topics; some topics are reflective of life stage.



Financial Topics Social Media is Utilized to Learn About

% selected among consumer who use social media for financial topics

	General saving	53%
	Investing/investment recommendations	53%
	Budgeting	50%
	Credit card recommendations	45%
	Banking	42%
	Taxes	37%
	Managing credit card debt	35%
	Buying a property	30%
	Retirement topics	27%
	Crypto	26%

	Gen Z	Millennial	Gen X
General saving	55%	56%	43%
Investing/investment recommendations	51%	52%	57%*
Budgeting	47%	59%*	40%
Credit card recommendations	40%	54%*	42%
Banking	39%	47%	38%
Taxes	34%	40%	37%
Managing credit card debt	30%	42%*	30%
Buying a property	25%	40%*	25%
Retirement topics	16%	35%*	38%*
Crypto	26%	24%	32%

** Indicates significant difference vs. corresponding subgroup, 95% conf. interval*

Since saving is a key interest, it makes sense that most have leveraged social media for savings strategies.



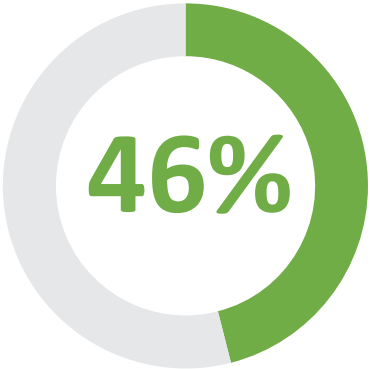
Specific Financial Advice Taken From Social Media

% selected among consumers who use social media for financial topics

A strategy for saving	56%
Strategies for using credit cards	36%
To compare product options and pricing	33%
A strategy for managing debt	32%
A strategy for increasing or optimizing income	32%
A recommendation to make a specific investment	25%
A broader investment strategy	24%
A recommendation for a financial product to buy	23%
A recommendation for a financial services company	19%

Social Media a Motivation to Start Investing

% selected among consumers who use social media for financial topics











Not all social media platforms are created equal.



Social media usage for finance mirrors its usage overall; YouTube is the top destination for financial topics across generations.











Social Media Sites Used to Learn About Financial Topics
% selected among consumers who use social media for financial topics

	Total	Gen Z	Millennials	Gen X
	55%	57%	51%	57%
	42%	48%	43%	28%
	39%	52%	34%	18%
	36%	22%	44%	50%
	22%	18%	26%	23%
	19%	17%	17%	28%
	16%	6%	22%	27%
	9%	10%	8%	8%

YouTube also ranks highly as a trusted social media site for financial topics; other commonly used sites drop when it comes to trust.



Social Media Sites Trusted As A Source of Financial Information
% selected among consumers who use social media for financial topics







	Total	Gen Z	Millennials	Gen X	
	47%	59%	44%	37%	
	42%	44%	46%	37%	↑
	31%	36%	36%	21%	↑
	30%	31%	35%	23%	
	28%	35%	32%	18%	↓
	26%	35%	28%	14%	↓
	24%	27%	28%	17%	↓
	22%	25%	24%	17%	

YouTube leads other sites on relevance, format, and content.



Perceptions of Top Social Media Sites

% selected among consumers who use social media for financial topics

						
Has relevant content	49%	34%	26%	30%	27%	23%
Has content in a format I like	43%	34%	27%	26%	22%	19%
Helps educate me	41%	14%	19%	13%	22%	15%
Has information I can trust	40%	20%	15%	15%	22%	15%
Is consistent	32%	23%	17%	20%	19%	13%
Has a good reputation	30%	18%	12%	13%	16%	11%
Has influencers/groups I follow	27%	25%	19%	17%	10%	14%
Is too commercial	15%	19%	19%	22%	6%	16%
Is cluttered with useless info	14%	19%	26%	33%	18%	27%
Is not for serious topics	7%	24%	32%	27%	11%	21%
Is not for my demographic	3%	8%	15%	16%	9%	12%

As we have learned, there is an inherent trust issue with learning about financial topics on social media.

How do consumers decide who to trust and not to trust on social media?

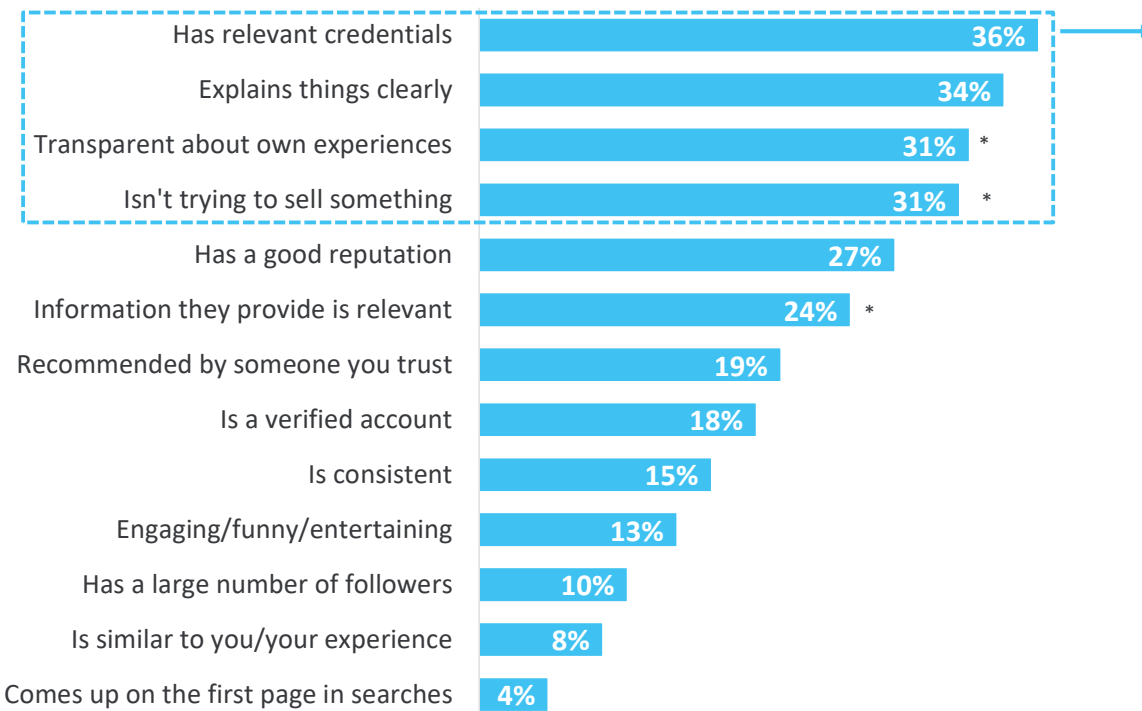


Credentials are important when deciding who to trust on social media for financial topics; clarity, transparency, and non-salesy are also key.



Factors Used Determine Who Is Trustworthy on Social Media

% selected among consumers who use social media for financial topics



When it comes to credentials there are generational and gender differences:

- **Gen X** is significantly more likely to indicate credentials as something they use to determine what is trustworthy on social media (41% vs 34% among millennials and 31% Gen Z)
- And **women** across generations are directionally more likely to leverage credentials when determining what is and is not trustworthy.

* Indicates significant difference vs. corresponding subgroup, 95% conf. interval

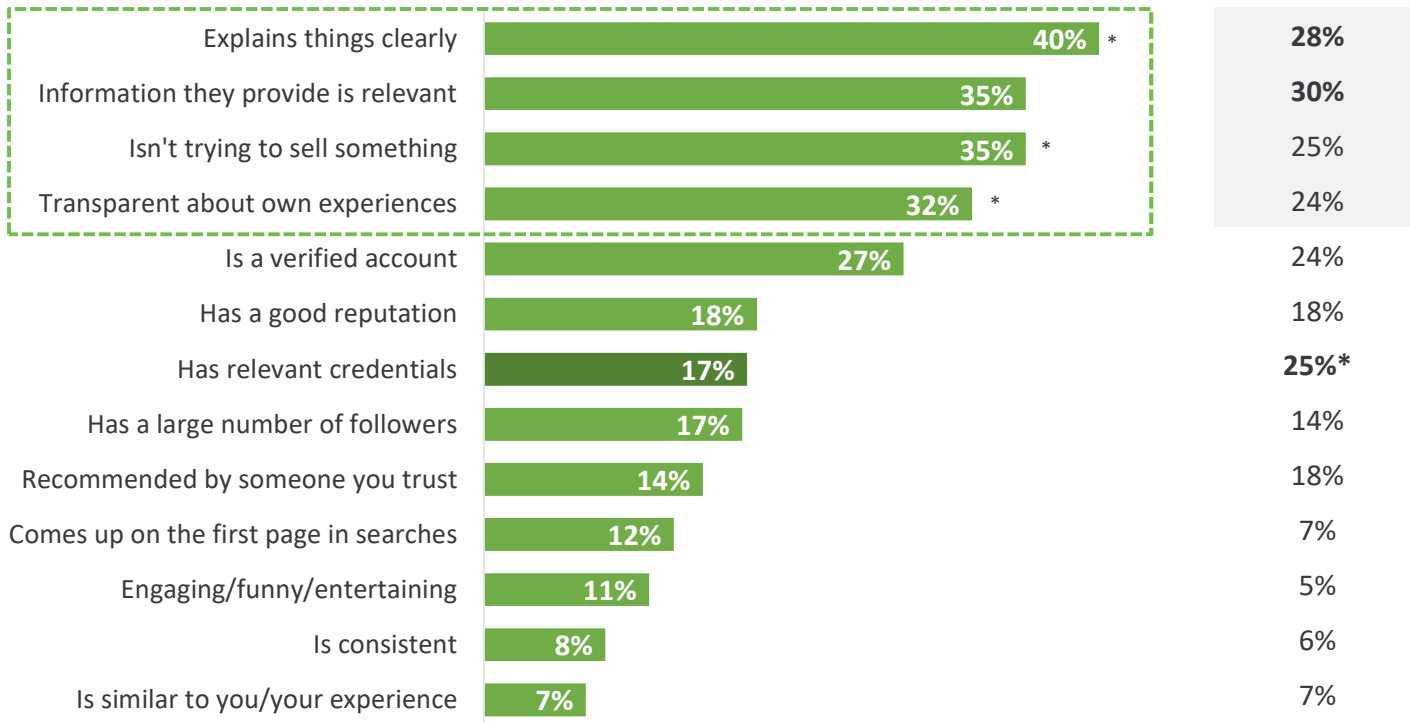
Interestingly, credentials are less important when deciding who to follow for financial topics.



Factors that Influence Decisions on Who To Follow

% selected among consumers who use social media for financial topics

Among those who currently do not use social media for financial topics...



* Indicates significant difference vs. corresponding subgroup, 95% conf. interval

What about following financial services companies?



About one-third of consumers who currently use social media to learn about financial topics follow a financial services company.



Among consumers who currently use social media to learn about financial topics...

34%

Currently follow a financial services company on social media themselves

26%

Are very likely to start following a financial services company

What would motivate them to start following a financial services company on Social Media?

Even among those who currently do not use social media for financial topics...

If they provided content that was relevant	49%	35%
If their content was focused on education vs. selling products or getting business	42%	32%
If I did business with them already	41%	30%
If they offer promotions/incentives/offers	39%	25%
If a friend or family member recommended them	29%	22%
If they had information on new products and services, they offer	28%	17%
If they partnered with an influencer, site, or group I like	19%	10%
If my financial advisor or professional recommended them	10%	9%

Targeted advice and explanations on financial products and concepts are most likely to elicit social media engagement across consumers.

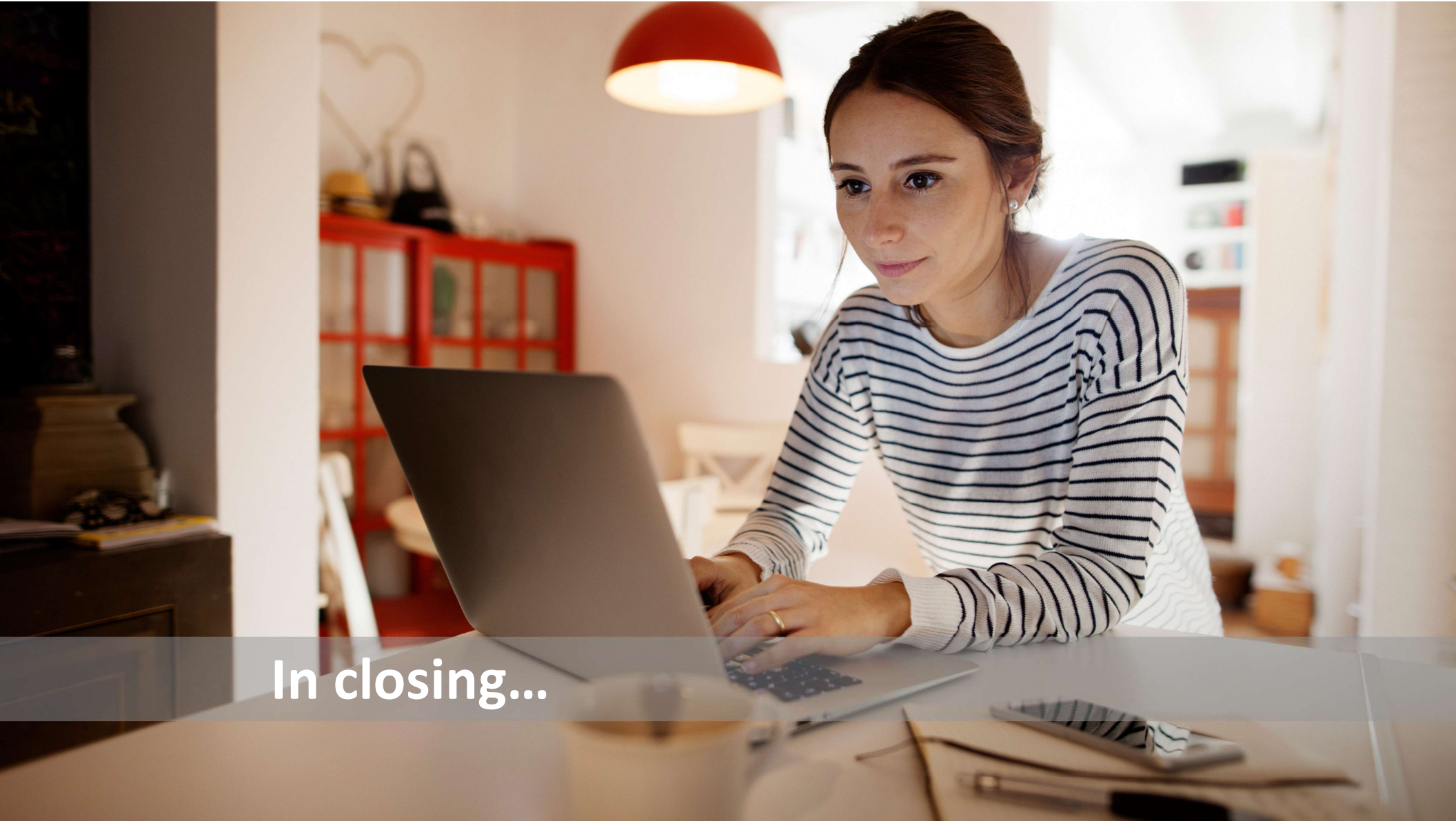


What Would Be The Most Valuable **Type of Post** A Financial Services Company Could Make?

Among those who <u>currently use</u> social media for financial topics		Among those who <u>currently do not use</u> social media for financial topics
63%*	Advice that targeted different goals (e.g., buying a house, paying off debt, etc.)	49%
57%	Explanations of financial products or concepts	57%
50%	Advice that targeted different life stages	36%
45%	Engage directly with somebody who can answer questions	37%
35%	Individual stories/case studies	22%



* Indicates significant difference vs. corresponding subgroup, 95% conf. interval



In closing...



Social media is a growing tool in the financial education space, as younger generations continue to become a larger percentage of the financial market.



Social media's function in financial education will only continue to grow

Consumers' use of social media as a resource for learning about financial topics is already **prevalent**, especially with younger generations. Social media is seen as the **future of financial education** cementing its role as a resource for financial topics.

Financial content on social media is easy to understand, meets consumers where they spend time, and is relatable - **making financial content more accessible.**



While social media is widely used for financial topics, there is a trust issue

Even among those who currently use social media for financial topics **there is a lack of trust** in this content. It feels like the wild west with a lot of potential misinformation, limited regulation, and no issue way to determine credibility of the source.

Credentials are key to building trust of a social media resource, as are clarity/transparency of information, and an educational vs. salesy approach.



Social media represents an opportunity for financial services companies

Financial services companies **already do business with consumers**, which means they have a head start with trust and credibility.

It is critical that these financial services companies focus on **educational and relatable social media content** that is easy to understand, and that they avoid trying to promote/sell specific products and services.



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Thank You. Any Questions?

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