

How Americans Use Social Media for Financial Advice

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Social media has become a popular source for financial advice. Surveys indicate that people, especially those in younger generations, are increasingly turning to social media platforms for advice on various financial topics, including budgeting, saving, and investing.¹ For example, TikTok has been rapidly growing as young adults' go-to source for financial information, with content tagged with the hashtag #FinTok reaching more than 1.4 billion views.² This has led to the rise of so-called "finfluencers" — social media influencers who post on topics related to personal finance. With its free and easy access, combined with the engaging nature of user-created content, social media may serve as a new venue to foster public financial education, allowing individuals without access to professional advisers to become engaged and knowledgeable about personal finances.

However, there is a growing concern about the quality of financial information being provided on social media platforms: Some creators of financial content, even those with a large following, may lack professional training or expertise in household finance and are often unqualified to give accurate and reliable financial advice. Moreover, finfluencers are increasingly paid by financial firms to promote certain products and services, which potentially leads them to be more focused on a marketing task rather than offering their followers valid advice.³ For individuals consuming financial content on social media, it is not always easy to verify a content creator's qualifications or the accuracy of the creator's advice. This increases risks such as exposure to misinformation,

¹ A 2023 Bankrate survey found that 30 percent of Americans used social media for financial advice, making it the third most popular source after friends and family (47 percent) and financial advisors and professionals (35 percent). Social media is especially popular among younger generations, with a majority of Gen Z (76 percent) and millennials (65 percent) seeking financial advice through social media. Another survey reported that nearly 80 percent of young adults obtain financial advice from social media.

² Ellie House, "FinTok: How TikTok Is Helping Young People Use Cash Wisely," *The Guardian*, July 10, 2021, www.theguardian.com/money/2021/jul/10/fintok-how-tiktok-is-helping-young-people-use-cash-wisely.

³ Serena Espeute and Rhodri Preece, *The Finfluencer Appeal: Investing in the Age of Social Media*, Charlottesville, VA: CFA Institute, January 2024, rpc.cfainstitute.org/-/media/documents/article/industry-research/finfluencer-report.pdf.

poor-quality advice, scams, and ultimately financial losses. Moreover, some observers point out that social media has a special appeal in drawing young adults into investing, as highlighted by the GameStop meme-stock event in late 2021. In fact, the Federal Reserve acknowledged the potential risks associated with social media in increasing market volatility and exposing young investors to financial losses.⁴ Additionally, financial content on social media often promotes investing in high-risk products, such as cryptocurrencies.⁵

In light of the growing popularity of financial content on social media and increasing concerns surrounding social media's influence, the Consumer Finance Institute (CFI) at the Federal Reserve Bank of Philadelphia conducted a national survey to better understand how the public uses and engages with financial advice on social media platforms. As part of the quarterly CFI Labor, Income, Finances, and Expectations (LIFE) Survey,⁶ we asked more than 5,000 U.S. adults in April 2024 about their experiences with accessing financial advice. In this report, we present the survey results, focusing on seekers of financial advice on social media. We examine how they use the advice, including the types of advice they look for and the actions they take based on it. To understand the appeal of social media as a source of financial information, we also explore individuals' perceptions of finfluencers, including credibility.

Our main findings include:

- Social media is a popular source of financial advice, particularly among younger adults.
- Among social media platforms, YouTube is most commonly used for financial advice, followed by Facebook, Instagram, TikTok, and Reddit.
- Compared with other sources of financial advice, social media is widely perceived as an untrustworthy source by most respondents. However, respondents who seek financial advice on social media express relatively higher levels of trust in it, with more trusting than distrusting it. They are also more likely to consider the perceived wealth of the advice provider as an important factor when seeking advice than nonusers of social media.
- Respondents who use social media for financial advice report budgeting and adopting strategies for improving their credit scores as the top actions they have taken based on that advice. At the same time, they are more likely to engage in investing in higher-risk products: They are more likely to have

⁴ Board of Governors of the Federal Reserve System, *Financial Stability Report*, Washington, D.C.: Board of Governors of the Federal Reserve System, November 2021, www.federalreserve.gov/publications/files/financial-stability-report-20211108.pdf.

⁵ Espeute and Preece, *The Finfluencer Appeal*.

⁶ Background on the LIFE Survey and a description of the collection methodology can be found at www.philadelphiafed.org/LifeSurvey.

purchased or sold cryptocurrency compared with those who rely on more traditional sources, such as family or friends, or financial advisers.

- Observed differences across sociodemographic groups in the use of social media for financial advice may not be statistically significant (Table 1). After controlling for correlations using a statistical model, factors such as gender, age, race/ethnicity, and employment status were statistically significantly associated with social media use, while a variety of others — including education, income, marital status, and homeownership — were not (Table 4).
- Overall, most respondents do not consider the perceived knowledge or appearance of financial success of a finfluencer to be a strong substitute for professional qualifications. However, respondents who use social media for financial advice are more likely to view finfluencers without professional qualifications as credible, as long as they demonstrate knowledge or appear financially successful.

Who Turns to Social Media for Financial Advice?

In the survey, respondents were shown a list of various sources and asked whether they had ever used any of them for financial advice. The sources included interpersonal connections (e.g., family and friends, community organizations or clubs), media platforms (e.g., traditional media, digital media, and social media), and professional financial services (e.g., a financial adviser, financial planning services).

More than two-thirds of respondents (68.2 percent) reported seeking financial advice.⁷ Among these individuals, interpersonal connections such as friends and family were the most popular source, followed by financial websites and financial advisers.

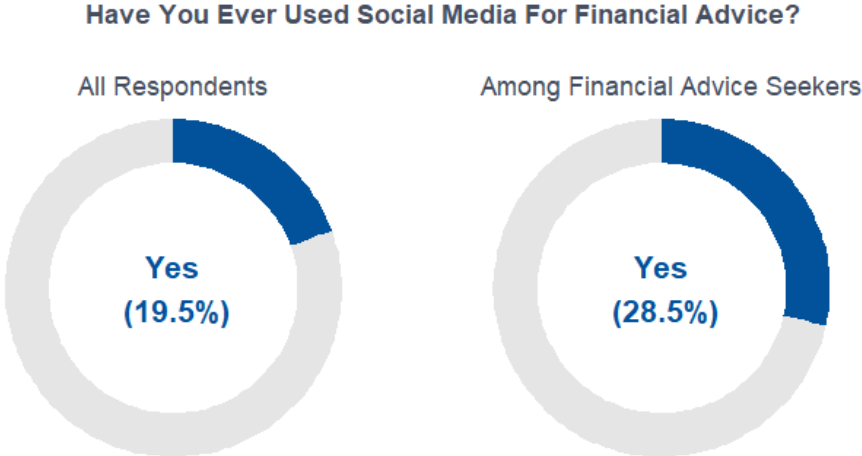
Social media trailed as the next preferred source of financial advice: 28.5 percent of respondents who sought financial advice (19.5 percent of the full sample) reported using social media for financial advice (see Figure 1). This is a higher share than those using employer-provided services, individual channels of traditional media (e.g., television/radio, newspapers/magazines/books), or podcasts.

Details on the ranking of sources are provided in Table A1 in the Appendix. Henceforth, this report focuses on the population that has used social media for financial advice. As a point of reference, we also compare this group

⁷ About 31.8 percent of respondents indicated that they had never sought financial advice. The groups most likely to fall into this category included women, individuals age 56 or older, Hispanic respondents, those without a college education, those currently unemployed or not in the labor force, and those with lower incomes.

with the full sample to highlight similarities and differences with the general public. All analyses in this paper incorporate sampling weights to ensure representativeness.

Figure 1. Percentage of Respondents Seeking Financial Advice on Social Media



To understand which sociodemographic groups are turning to social media for financial advice, we examined the share of such respondents within each demographic category, such as gender, age, race, education, income, and employment status. As shown in Table 1, not surprisingly, young adults age 18–35 are more frequent users of social media’s financial content compared with older adults. Men are more likely than women, and Black respondents are more likely than non-Black respondents, to use financial advice from social media. Additionally, respondents with a college degree, those earning \$100,000 or more, and those currently employed (including full-time and part-time workers and self-employed individuals) are more likely to seek financial advice on social media than their respective counterparts.

Table 1. Share of Group Using Social Media for Financial Advice

Demographic Group	Percentage of Respondents
Total	19.5%
Gender	
Men	22.7%
Women	16.4%
Age	
18–35	38.0%
36–55	18.1%
56+	4.5%
Race / Ethnicity	
White	16.6%
Black	29.8%
Hispanic	22.5%
Other	19.8%
Education	
High school or less	17.9%
Some college	19.4%
BA or higher	21.6%
Income	
Less than \$40,000	18.2%
\$40,000–\$69,000	18.0%
\$70,000–\$99,000	21.2%
\$100,000 or more	25.0%
Employment Status	
Working full time	26.0%
Working part time	29.6%
Self employed	23.7%
Unemployed, looking for work	20.4%
Not in labor force*	8.7%

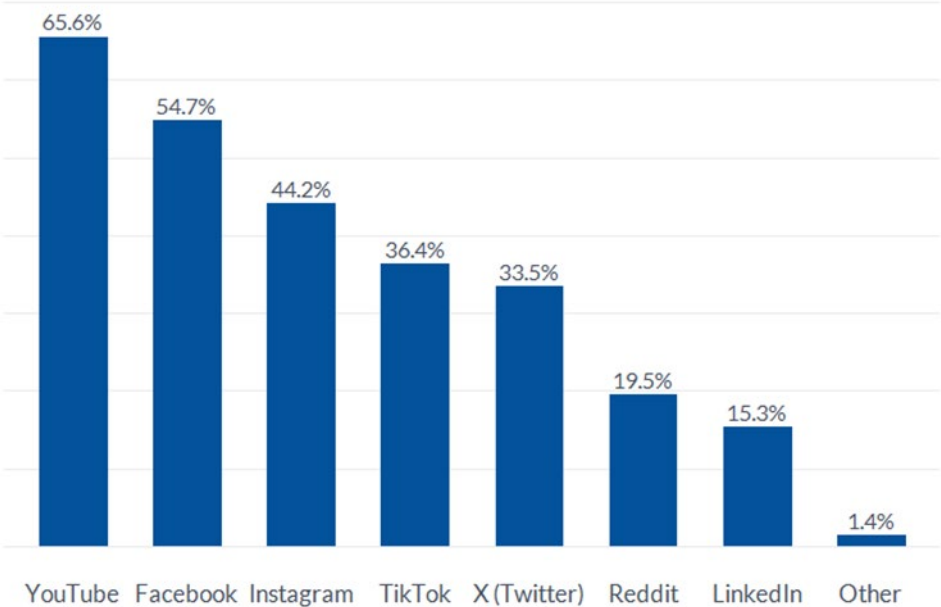
Note: Full sample. *Respondents were classified as not being in the labor force if they were retired, students, or not working and not seeking employment.

Social Media Platforms

Respondents who reported using social media as a source of financial advice were then asked about the specific platforms they used. As shown in Figure 2, YouTube was the top social media platform for financial advice, used

by 65.6 percent of respondents, followed by Facebook, Instagram, TikTok, X (formerly Twitter), Reddit, and LinkedIn.

Figure 2. Preference for Social Media Platforms for Financial Advice



Note: Subset of respondents who reported using social media for financial advice.

We observe some differences in social media platform preferences across demographic groups (see Appendix Table A2). For example, YouTube and X (Twitter) are more popular among men, whereas TikTok and Instagram are relatively more favored by women. Older respondents tend to favor YouTube and Facebook for financial advice but show noticeably decreased interest in other platforms. Significant age gaps in platform preferences emerged for TikTok, Instagram, Reddit, and X (Twitter); individuals age 18–39 are 14 to 29 percentage points more likely to prefer these platforms for financial advice compared with those age 56 or older. Additionally, Black respondents were more likely to prefer Facebook, X (Twitter), and LinkedIn compared with other racial/ethnic groups, whereas Hispanic/Latino respondents were more likely to prefer Instagram, TikTok, and Reddit than non-Hispanic respondents.

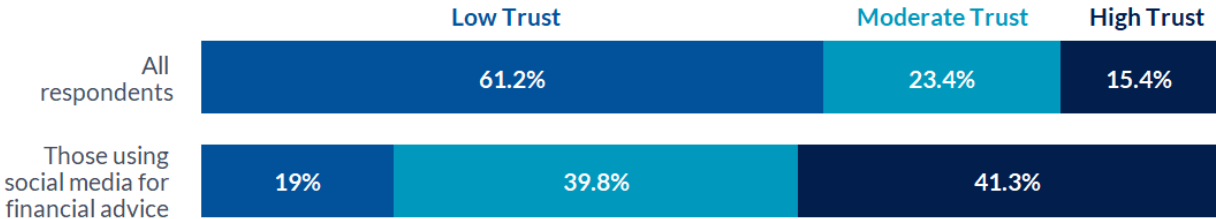
Why Do People Turn to Social Media for Financial Advice: Levels of Trust and Key Features

What draws people seeking financial advice to social media? To explore this, we analyzed respondents' attitudes toward social media as a source of financial advice, focusing on two key aspects: their level of trust and whether social media offers features they find important when seeking advice.

First, for the list of sources mentioned previously, respondents were asked to rate their trust in each one on a five-point scale, with 1 being "don't trust at all" and 5 being "trust completely." Notably, only 15.4 percent of our respondents in the full sample indicated high trust levels in social media (i.e., giving ratings of 4 or 5), while more than six-in-ten respondents (61.2 percent) expressed low trust (i.e., ratings of 1 or 2).⁸

However, as shown in Figure 3, this distrust was not shared by individuals who actually use social media for financial advice. Among this group of social media users, a greater share (41.3 percent) expressed high trust, while only 19.0 percent reported low trust in social media as a source of financial advice.

Figure 3. How Much Do You Trust Social Media for Advice on Financial Decisions?



Note: Full sample (upper) and subset of respondents who use social media for financial advice (lower). On a five-point scale, scores of 1 and 2 were defined as "low trust," a score of 3 was "moderate trust," and scores of 4 and 5 were "high trust."

Second, we explored whether people value certain features of financial advice and if these preferences match the characteristics of financial content offered on social media. Respondents were asked to rate the importance of various features of advice — including ease of access, cost of advice, professional qualifications, or perceived wealth of advice providers — on a five-point scale, where 1 indicated "not important at all" and 5 indicated "very

⁸ Compared with other sources in the list, social media ranked second to last. See Appendix Figure A1 for the trust ratings given to all sources. Trust is discussed in more detail in the companion piece to this report, Tom Akana and Lary Santucci, *Trust and Credibility: Comparing Sources of Financial Advice*, Philadelphia: Federal Reserve Bank of Philadelphia, January 2025.

important.” For analysis, we combined the top two scores (4 and 5) as indicating that a feature is considered important.

Overall, respondents in the full sample expressed a strong preference for financial advice that is straightforward (79.0 percent), specific (72.4 percent), affordable (70.5 percent), and professional (70.3 percent). However, two features stood out for their relatively lower importance ratings: Fewer than half of respondents rated the perceived wealth of the advice provider (49.5 percent) or the speed of promised results in wealth generation (47.4 percent) as important when seeking advice.

When examining the responses of those who use social media for financial advice versus those who do not (Table 2), both groups’ preferences were similar in appreciating reliable and accessible advice. Nevertheless, users of financial advice on social media were significantly more *positive* toward the two features least valued by other respondents, namely the perceived wealth of the advice provider — which was 11.0 percentage points higher — and how quickly the advice promised to generate wealth, which was 5.7 percentage points higher than the rest of the sample. To the extent that such features are more reflective of influencers who are compensated on the basis of the popularity of their social media posts than more traditional financial advisers, there appears to be a correlation between individuals who use social media for financial advice and the allure of the influencer.

Table 2. Share of Respondents Rating Each Feature as Important When Seeking Financial Advice

	Respondents Using Social Media for Financial Advice	All Other Respondents	
Easy to understand	79.7%	78.8%	
Specificity of advice	73.2%	72.2%	
Cost of advice	72.4%	70.1%	
Professional qualifications of advice provider	69.5%	70.5%	
Ease of access/convenience	72.1%	68.8%	
Reputation/likability/relatability of advice provider	69.9%	69.1%	
Perceived wealth/financial success of advice provider	58.4%	47.4%	***
How quickly the advice promises to generate wealth	52.0%	46.3%	**

Note: The cells display the percentage of respondents who rated each feature as either 4 or 5 on a five-point scale of importance. The highlighted rows indicate features where the two groups differ significantly in their ratings, with asterisks denoting levels of statistical significance (** $p < .01$, *** $p < .001$).

How People Use Financial Advice from Social Media

Next, we examined the experiences people have with financial advice from social media, focusing on the actions they have taken based on the advice. As shown in the first column of Table 3, the most common action taken as a result of advice from social media was budgeting (43 percent), followed by adopting strategies to improve credit score (33 percent), purchasing or selling stocks or other investment products (28.1 percent), purchasing or selling cryptocurrency (27.3 percent), and saving for retirement (26.1 percent).

To provide context, we compared these actions with those taken based on advice obtained through more “traditional” sources, such as interpersonal connections and professional financial advisers. As shown in the second column of Table 3, budgeting, adopting strategies to improve credit score, and saving for retirement were popular actions based on advice from family and friends. In contrast, actions taken based on advice from financial advisers (column 3) tended to focus more on future-oriented goals, such as retirement savings and investing in securities.

In particular, purchasing or selling cryptocurrency was more common among respondents who obtain financial advice from social media (27.3 percent).⁹ This was the *least* common action taken based on advice from friends or family (12.8 percent) or conversations with a financial adviser (9.6 percent). To the extent that cryptocurrency investing involves idiosyncratic risks, the relationship between social media advice and cryptocurrency may warrant further exploration.

⁹ Although it is not the focus of this paper, respondents who seek advice from social groups (e.g., investment clubs or community organizations) or podcasts are also more likely to have purchased/sold cryptocurrency compared to those relying on other sources of financial advice. See Appendix Figure A2 for details.

Table 3. Actions Taken on the Basis of Advice from Social Media Compared with Other Sources

	Advice from Social Media	Advice from Family and Friends	Advice from Financial Advisers
Budgeting	43.0%	42.6%	25.9%
Strategies for improving your credit score	33.0%	22.6%	17.4%
Purchasing or selling stocks, bonds, or other investments	28.1%	20.8%	44.6%
Purchasing or selling cryptocurrency	27.3%	12.8%	9.6%
Saving for retirement	26.1%	28.3%	52.4%
Managing debt repayment	18.9%	19.0%	17.1%
Finding a new loan or credit card	17.7%	14.8%	10.4%
Saving or paying for college	17.3%	16.2%	11.6%
None of these	11.5%	18.1%	11.7%

Note: The cells show the percentage of respondents who indicated that they took each action based on advice received from their sources.

What Makes Finfluencers Credible?

A potential risk associated with the use of social media for financial advice is that those providing the advice may lack professional qualifications and instead project a sense of credibility through their words, actions, videos, or material possessions.

To understand how consumers perceive the credibility of individuals providing financial advice on social media, we asked respondents to rate their level of agreement with the following statements on a scale from 1 (completely disagree) to 5 (completely agree): “A financial adviser on social media who lacks professional qualifications is credible...”

If they demonstrate knowledge of a particular topic in their videos

If they are financially successful

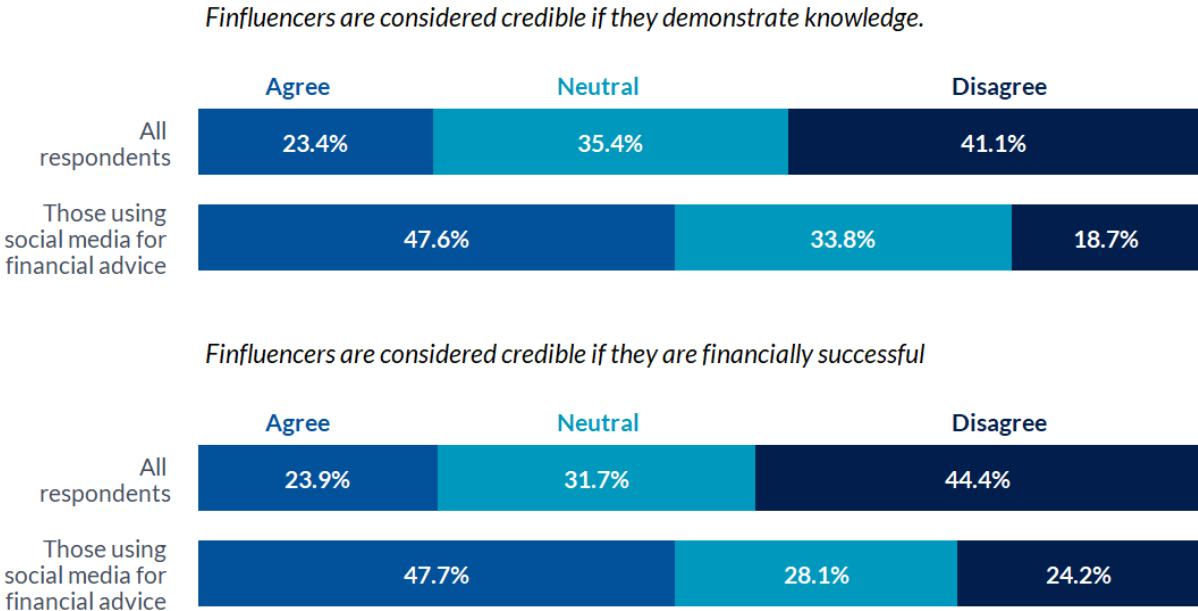
The first statement (*knowledge*) asks whether having extensive knowledge can serve as an adequate substitute for professional qualifications. Since professional training is not a prerequisite for having a deep understanding of a particular financial topic, such as budgeting, some people might perceive individuals who can explain concepts in a straightforward and logical manner as credible. The second statement (*success*) presents a potentially riskier proposition, asking if the appearance of financial success or accumulated wealth can be a substitute for professional qualifications.

A majority of the full sample seems to either disagree (four in 10) or remain neutral (three in 10) on whether informal knowledge or the appearance of financial success lends credibility in the absence of professional

qualifications. Specifically, as shown in Figure 4, 41 percent of all respondents disagreed with the *knowledge* statement and 44 percent disagreed with the *success* statement, while 23–24 percent agreed with either statement.

However, when we examine the responses of those who consume financial content on social media, they are more likely to agree (48 percent) than disagree (24 percent) with both statements. Compared with the total sample, they expressed more *positive* perceptions of individuals who lack professional qualifications but convey expertise through demonstrating knowledge on financial topics or presenting an appearance of financial success.

Figure 4. Percentage of Respondents Agreeing or Disagreeing with Each Statement



Note: Full sample (upper) and subset who use social media for financial advice (lower). Respondents were asked about their level of agreement on a five-point scale. Responses of 1 and 2 were coded as “disagree,” 3 was “neutral,” and 4 and 5 were “agree.”

Regression Analysis of Social Media Use for Financial Advice

In this section, we report the results of a series of regressions that estimate how social media use for financial advice is associated with individual characteristics. As seen in Table 1, there are differences in social media use across various demographic groups. However, demographic characteristics are often correlated (e.g., education,

employment status, and income), so conducting a regression analysis is useful to estimate how each characteristic is related to seeking financial advice on social media, with all other characteristics held constant.

To analyze the correlates of social media use for financial advice, we included various sociodemographic characteristics, including age, gender, race/ethnicity, educational attainment, personal income, employment status, marital status, and homeownership. We also include variables related to personal finance, such as ownership of a bank account, having credit card accounts, owning assets such as stocks or cryptocurrency, and having debts such as a mortgage, a car loan, or a student loan.¹⁰ The dependent variables are binary indicators that take a value of either zero or one, depending on whether the respondent has turned to social media for financial advice (Column 1, Table 4) and whether the respondent has taken specific actions based on the advice from social media (Columns 2–6, Table 4).¹¹

The regression results are presented in Table 4. It should be noted that some of the variables included as independent variables may be endogenous (i.e., correlated with unobserved variables such as risk preferences or influenced by reverse causality), such that the results should be interpreted strictly as conditional correlations between each independent variable and the dependent variables, and not as a causal analysis.

Use of Social Media for Financial Advice

The first column of Table 4 shows that among the sociodemographic factors, gender, age, race/ethnicity, and employment status each have statistically significant relationships with whether an individual uses social media for financial advice, controlling for other variables in the model. Age has the strongest association: Relative to the reference group age 18–35, respondents age 36–55 and respondents age 56 and older are 19.0 percentage points and 29.3 percentage points, respectively, less likely to turn to social media for financial advice, all else equal. Additionally, men are 2.5 percentage points more likely than women to get financial advice from social

¹⁰ For explanatory purposes, we also conducted a LASSO (least absolute shrinkage and selection operator) model using a broader set of survey responses, including information on respondents' financial conditions, economic outlook, and use of financial products and services. A cross-validated LASSO regression identified 23 variables with nonzero coefficients out of the 86 available variables. The results of a regression using these selected variables can be found in Appendix Table A4. Age, gender, and race were statistically significant demographic correlates of social media use for financial advice. Additionally, several variables reflecting personal financial conditions were found to be significantly correlated with the use of social media for financial advice. Variables related to financial behaviors, such as bank account ownership, the use of certain payment instruments, and ownership of stocks and cryptocurrency, were also significantly correlated with social media use for financial advice. However, such variables may be endogenously related to the dependent variable. For information on the LASSO technique, see Robert Tibshirani, "Regression Shrinkage and Selection via the Lasso," *Journal of the Royal Statistical Society Series B* 58:1 (1996), pp. 267–288.

¹¹ Ordinary least squares regression with a binary dependent variable is a type of linear probability model. Thus, coefficient estimates can be interpreted as marginal change in the probability that $Y_i=1$.

media, and Black respondents are 6.8 percentage points more likely than White respondents. In terms of employment status, full-time and part-time workers are 4.2 and 5.0 percentage points more likely, respectively, to use social media for financial advice compared with those not in the labor force. Other demographic factors, including education, income, marital status, and homeownership, are not statistically significant variables in this model.

When it comes to variables related to personal finance, respondents who own a bank account (7.4 percentage points higher) are more likely to turn to social media for financial advice compared with those who are unbanked. Investors in stocks and cryptocurrency are also more likely to consume financial advice through social media, with stock owners being 4.4 percentage points more likely and cryptocurrency owners being 10.8 percentage points more likely, respectively, than respondents who do not invest in these assets.

Top Five Actions Based on Advice from Social Media

The second to sixth columns of Table 4 present the regression results for the subset of respondents who have sought financial advice on social media, focusing on the top five actions they reported taking based on that advice. The results indicate variation in how sociodemographic characteristics are associated with these actions.

For gender, men are significantly less likely than women to use advice from social media for budgeting but are more likely to invest in cryptocurrency. Compared with respondents age 18–35, those age 36–55 are significantly more likely to adopt strategies to improve their credit scores based on advice from social media. Respondents who reported race/ethnicity other than White, Black, or Hispanic (Other Race/Ethnicity) are more likely to invest in stocks following advice from social media than White respondents. For income, respondents earning \$100,000 or more are significantly more likely than those earning less than \$40,000 to take actions to improve their credit scores and build retirement savings with the advice received from social media. Owners of stocks are also more likely than nonowners to buy and sell stocks and to take actions related to retirement savings based on financial advice from social media. Similarly, owners of cryptocurrency are more likely to invest in both stocks and cryptocurrency following advice from social media, compared to those who currently do not own cryptocurrency.

Finally, taking these actions does not significantly vary by education, employment status, marital status, homeownership status, the ownership of a bank account and credit card, or the presence of debt.¹²

¹² See Appendix Table A.3 for the results of F-tests assessing the significance of each categorical variable while accounting for all other factors in the model.

Table 4. Regression Predicting Social Media Use for Financial Advice

	All respondents	Respondents using social media for financial advice					
		Use social media for financial advice	Top five actions based on advice from social media				
			Budgeting	Improving credit score	Investing in stocks	Investing in crypto-currency	Saving for retirement
Male (vs. Female)	0.025* (0.012)	-0.093* (0.037)	-0.048 (0.035)	0.037 (0.033)	0.065* (0.030)	0.032 (0.032)	
Age (<i>ref</i> =18–35)							
Age 36–55	-0.190*** (0.018)	-0.006 (0.039)	0.124*** (0.039)	-0.023 (0.035)	0.003 (0.033)	0.054 (0.035)	
Age 56+	-0.293*** (0.018)	-0.095 (0.069)	-0.059 (0.060)	-0.039 (0.057)	-0.093 (0.050)	0.105 (0.061)	
Race/Ethnicity (<i>ref</i> =White)							
Black	0.068*** (0.019)	0.027 (0.047)	-0.063 (0.044)	0.078 (0.043)	0.021 (0.040)	0.024 (0.042)	
Hispanic	0.020 (0.020)	0.074 (0.053)	0.060 (0.051)	0.005 (0.045)	0.005 (0.045)	0.021 (0.045)	
Other	-0.024 (0.020)	0.018 (0.059)	-0.038 (0.056)	0.110* (0.055)	0.040 (0.049)	0.090 (0.054)	
Education (<i>ref</i> =HS or less)							
Some college	-0.014 (0.014)	-0.018 (0.046)	0.019 (0.044)	-0.017 (0.041)	-0.016 (0.037)	0.024 (0.040)	
BA or higher	0.003 (0.016)	-0.059 (0.046)	-0.083 (0.043)	-0.033 (0.042)	0.014 (0.041)	-0.004 (0.041)	
Personal Income (<i>ref</i> =Less than \$40K)							
\$40,000-\$69,999	-0.019 (0.016)	-0.032 (0.050)	0.088 (0.048)	0.012 (0.044)	0.038 (0.043)	0.048 (0.043)	
\$70,000-\$99,999	-0.011 (0.021)	0.049 (0.063)	0.044 (0.058)	-0.011 (0.056)	0.005 (0.053)	0.017 (0.055)	
\$100,000 or more	-0.017 (0.021)	-0.022 (0.056)	0.200*** (0.053)	0.034 (0.053)	0.061 (0.050)	0.138** (0.052)	
Employment (<i>ref</i> =Not in labor force)							
Working full time	0.042* (0.016)	0.043 (0.061)	0.005 (0.057)	0.011 (0.052)	-0.029 (0.047)	0.082 (0.049)	
Working part time	0.050* (0.020)	0.035 (0.065)	0.028 (0.060)	-0.022 (0.055)	0.036 (0.052)	0.072 (0.054)	
Self-employed	0.030 (0.023)	-0.012 (0.073)	-0.092 (0.067)	-0.034 (0.067)	0.023 (0.061)	0.076 (0.061)	
Looking for work	0.017 (0.027)	-0.068 (0.085)	-0.073 (0.077)	-0.081 (0.064)	0.073 (0.067)	-0.094 (0.055)	
Married (vs. Not married)	-0.004 (0.013)	-0.044 (0.039)	-0.044 (0.038)	0.025 (0.035)	0.003 (0.033)	-0.043 (0.035)	

Homeowner (vs. Not homeowner)	-0.024 (0.014)	-0.016 (0.042)	-0.062 (0.040)	-0.041 (0.038)	0.014 (0.036)	0.069 (0.038)
Owns bank account(s) (vs. No)	0.074** (0.023)	0.134 (0.085)	0.100 (0.080)	0.028 (0.074)	0.064 (0.060)	0.018 (0.074)
Owns credit card(s) (vs. No)	0.027 (0.015)	0.019 (0.042)	0.010 (0.039)	0.007 (0.036)	0.015 (0.035)	-0.037 (0.037)
Has home/car/student loan(s) (vs. No)	0.001 (0.013)	-0.064 (0.038)	0.025 (0.036)	-0.0004 (0.034)	-0.041 (0.031)	-0.027 (0.033)
Owns stocks (vs. No)	0.044** (0.014)	0.007 (0.040)	-0.032 (0.038)	0.174*** (0.036)	-0.032 (0.034)	0.080* (0.035)
Owns cryptocurrency (vs. No)	0.108*** (0.021)	-0.102* (0.040)	0.081* (0.039)	0.111** (0.038)	0.350*** (0.038)	-0.001 (0.036)
N	4,482	833	833	833	833	833

Note: Standard errors in parentheses. Respondents with missing income information are excluded from the analysis. Data are weighted to be nationally representative. *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$.

Conclusion

Social media platforms are increasingly being used as sources of financial advice. However, there are growing concerns about the quality and reliability of the information provided on those platforms, in part because of the prevalence of “finfluencers,” an informal designation applied to online personalities that does not require licensing or certification. Finfluencers often lack professional qualifications and may be motivated by marketing compensation rather than a desire to provide sound financial guidance. The trend is particularly concerning, given social media’s appeal to young adults with limited experience with financial products and services. Young adults who act upon poor or inappropriate financial advice may find it more difficult to save for important purchases such as homes and automobiles.

Our recent survey results suggest that, while social media financial advice is available across a variety of social media platforms and accessed by many types of people, most people are using the advice for low-risk advice, and with a healthy amount of skepticism. U.S. consumers’ interest in social media financial advice is predominantly for the purpose of budgeting and improving credit scores, although respondents who use social media for financial advice are also more likely to have bought or sold cryptocurrency. Compared with other sources of financial advice, social media is generally perceived as untrustworthy, although those who seek financial advice on social media express higher levels of trust and are more likely to value the perceived wealth of the advice provider when seeking advice.

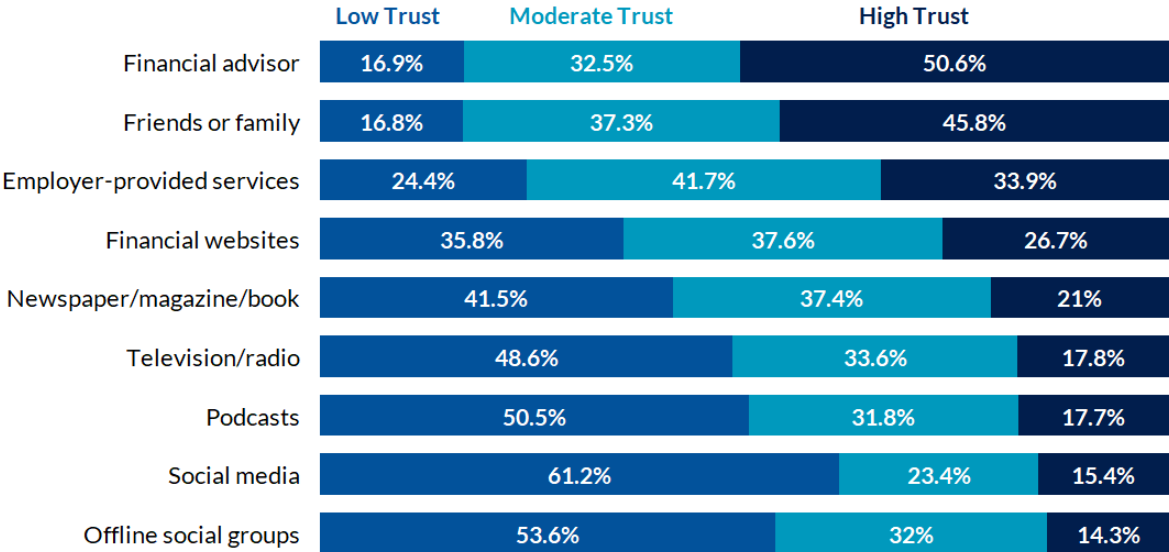
Overall, the perceived knowledge or appearance of financial success of a social media influencer does not appear to be a strong substitute for professional qualifications. However, those who use social media for financial advice are more likely to view influencers without professional qualifications as credible, as long as they demonstrate knowledge or appear financially successful. It remains an open question whether influencers on

social media attract people who already value traits like informal knowledge or financial success for an adviser, or whether these individuals develop such views after positive experiences with advice received from social media.

Appendix

Figure A1. Trust in Sources of Financial Advice

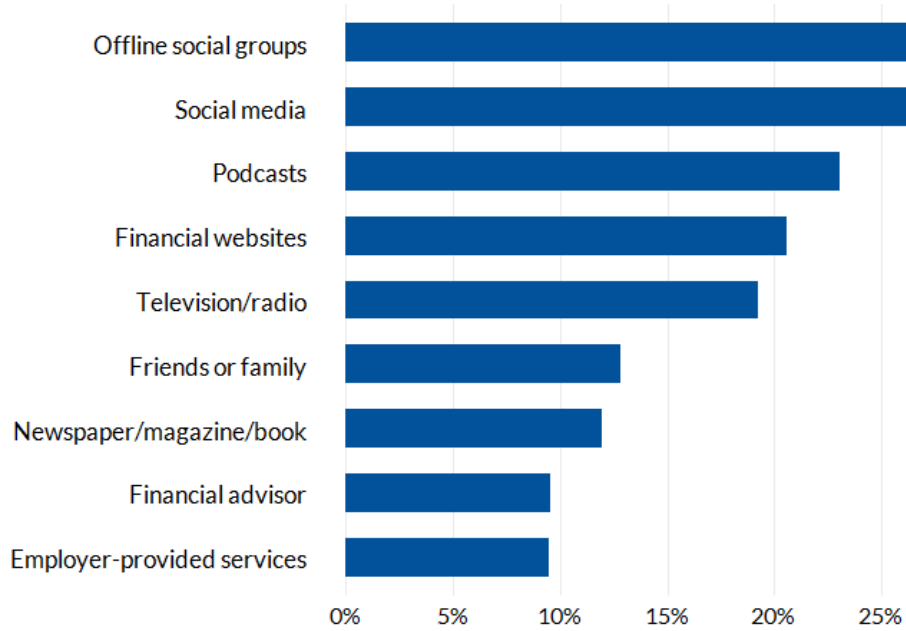
How much do you trust the following groups of people or institutions to offer advice about financial decisions from a scale of 1 (don't trust at all) to 5 (trust completely)?



Note: Full sample. On a five-point scale, scores of 1 and 2 were defined as “low trust,” 3 was “moderate trust,” and 4 and 5 were “high trust.”

Figure A2. Share of Respondents Indicating They Purchased or Sold Cryptocurrency After Receiving Advice from Each Source

Which of the following financial actions, if any, have you taken based on information you got from your sources?...
Purchasing or selling cryptocurrency



Note: Full sample.

Table A1. Sources of Financial Advice

Which of the following sources, if any, have you ever used for financial advice? Select up to five.

Sources	All Respondents	Among Financial Advice Seekers
Friends or family	42.0%	61.6%
Financial websites	23.7%	34.8%
Financial advisor	22.8%	33.4%
Social media	19.5%	28.5%
Employer-provided services	12.3%	18.0%
Newspaper/magazine/book	11.8%	17.3%
Television/radio	11.1%	16.3%
Podcasts	9.7%	14.2%
Offline social groups	8.1%	11.9%
Other source	1.4%	2.1%
None	31.8%	-

Table A2. Social Media Platforms for Financial Advice by Gender, Age, and Race/Ethnicity

Which social media platforms have you used for financial advice? Select all that apply.

	YouTube	Facebook	Instagram	TikTok	X (Twitter)	Reddit	LinkedIn
Total	65.6%	54.7%	44.2%	36.4%	33.5%	19.5%	15.3%
Gender							
Men	71.7%	56.7%	41.8%	32.2%	42.8%	21.7%	15.4%
Women	57.5%	52.1%	47.2%	41.9%	21.2%	16.6%	15.2%
Age							
Age 18–35	64.1%	53.5%	46.9%	39.7%	37.4%	20.7%	16.5%
Age 36–55	69.4%	57.4%	45.9%	34.0%	29.6%	20.7%	15.6%
Age 56+	62.8%	54.3%	17.6%	21.2%	18.1%	6.5%	5.5%
Race/Ethnicity							
White	66.6%	56.3%	40.7%	33.5%	31.7%	18.4%	15.7%
Black	64.0%	64.3%	48.2%	36.7%	47.7%	13.9%	21.4%
Hispanic	65.1%	47.9%	50.9%	45.9%	26.3%	25.0%	9.9%
Other	64.2%	40.2%	42.3%	33.7%	29.7%	26.1%	12.2%

Note: Subset of respondents who reported using social media for financial advice. The cells show the percentage selecting each platform.

Table A3. Survey Design Based F-Tests

Full Sample.

DV = Use social media for financial advice

Variable	<i>df</i>	<i>F</i>	<i>p</i>	
Gender	1	4.777	0.029	*
Age	2	162.970	0.000	***
Race/ethnicity	3	6.205	0.000	***
Education	2	0.836	0.434	
Personal income	3	0.578	0.629	
Employment status	4	2.355	0.052	
Marital status	1	0.117	0.733	
Homeownership	1	3.156	0.076	
Bank account holder	1	10.185	0.001	**
Credit card holder	1	4.274	0.039	*
Debtor	1	0.015	0.901	
Stock owner	1	11.496	0.001	***
Cryptocurrency owner	1	44.943	0.000	***

Subset of Respondents Using Social Media for Financial Advice

DV = Top five actions based on advice from social media

Budgeting

Variable	<i>df</i>	<i>F</i>	<i>p</i>	
Gender	1	6.506	0.011	*
Age	2	0.911	0.403	
Race/ethnicity	3	0.861	0.461	
Education	2	0.871	0.419	
Personal income	3	0.655	0.580	
Employment status	4	0.739	0.566	
Marital status	1	1.269	0.260	
Homeownership	1	0.141	0.707	
Bank account holder	1	2.419	0.120	
Credit card holder	1	0.222	0.638	
Debtor	1	3.021	0.083	
Stock owner	1	0.033	0.856	
Cryptocurrency owner	1	6.620	0.010	*

Improving credit score

Variable	<i>df</i>	<i>F</i>	<i>p</i>	
Gender	1	1.960	0.162	
Age	2	7.115	0.001	***
Race/ethnicity	3	1.783	0.149	
Education	2	2.950	0.053	

Personal income	3	5.371	0.001	**
Employment status	4	1.230	0.297	
Marital status	1	1.429	0.232	
Homeownership	1	2.449	0.118	
Bank account holder	1	1.509	0.220	
Credit card holder	1	0.071	0.791	
Debtor	1	0.518	0.472	
Stock owner	1	0.728	0.394	
Cryptocurrency owner	1	4.662	0.031	*

Investing in stocks

Variable	<i>df</i>	<i>F</i>	<i>p</i>	
Gender	1	1.287	0.257	
Age	2	0.320	0.726	
Race/ethnicity	3	2.049	0.106	
Education	2	0.336	0.715	
Personal income	3	0.273	0.845	
Employment status	4	0.624	0.646	
Marital status	1	0.527	0.468	
Homeownership	1	1.168	0.280	
Bank account holder	1	0.130	0.719	
Credit card holder	1	0.038	0.846	
Debtor	1	0.000	0.989	
Stock owner	1	24.550	0.000	***
Cryptocurrency owner	1	9.729	0.002	**

Investing in cryptocurrency

Variable	<i>df</i>	<i>F</i>	<i>p</i>	
Gender	1	4.609	0.032	*
Age	2	1.352	0.259	
Race/ethnicity	3	0.244	0.866	
Education	2	0.299	0.741	
Personal income	3	0.796	0.496	
Employment status	4	1.129	0.342	
Marital status	1	0.011	0.918	
Homeownership	1	0.159	0.690	
Bank account holder	1	0.790	0.374	
Credit card holder	1	0.192	0.661	
Debtor	1	1.768	0.184	
Stock owner	1	0.982	0.322	
Cryptocurrency owner	1	112.169	0.000	***

Saving for retirement

Variable	<i>df</i>	<i>F</i>	<i>p</i>	
Gender	1	0.968	0.325	

Age	2	2.098	0.123	
Race/ethnicity	3	0.878	0.452	
Education	2	0.272	0.762	
Personal income	3	3.040	0.028	*
Employment status	4	2.413	0.048	*
Marital status	1	1.576	0.210	
Homeownership	1	3.444	0.064	
Bank account holder	1	0.059	0.808	
Credit card holder	1	1.053	0.305	
Debtor	1	0.683	0.409	
Stock owner	1	5.328	0.021	*
Cryptocurrency owner	1	0.001	0.978	

Table A4. Regression Predicting Social Media Use for Financial Advice: OLS Regression Using Variables Identified Through LASSO

Variable	Estimate	Std. Err
(Intercept)	0.106 ***	0.029
Demographics		
Male (vs. female)	0.029 *	0.012
Age 36–55 (vs. 18–35)	-0.164 ***	0.018
Age 56+ (vs. 18–35)	-0.243 ***	0.018
Black (vs. White)	0.052 **	0.018
Financial Service Usage		
Used prepaid or gift card in past 3 mos.	0.071 ***	0.012
Used P2P app in past 3 mos.	0.028 *	0.013
Used a pay-in-four service in past 3 mos.	0.032	0.018
Has a bank account	0.069 **	0.022
Owns stocks	0.044 ***	0.012
Owns cryptocurrency	0.070 ***	0.021
Personal Financial Concerns and Financial Health		
Concerned about finding or keeping childcare	0.050 *	0.023
Concerned about finding or keeping elder/senior care	0.036 *	0.018
Concerned about access to reliable transportation	0.013	0.017
Experienced loss due to natural disaster or weather in past 12 mos.	0.096 **	0.033
Took an additional job to pay bills in past 12 mos.	0.020	0.021
Borrowed more from a lender to pay bills in past 12 mos.	0.053 **	0.018
Borrowed from friends or family to pay bills in past 12 mos.	0.035	0.019
Paid less or skipped other debts or monthly bills in past 12 mos.	0.036 *	0.018
Did not use any of the listed strategies to pay bills in past 12 mos.	-0.014	0.013
Expect higher unemployment rate in next 6 mos.	0.026 *	0.013
Expect higher mortgage rates in next 12 mos.	0.027 *	0.012
Feeling more financially secure compared to 12 mos. ago	0.021	0.012

Note: Coefficient estimates may be interpreted as the percentage point change in the probability that $Y_i=1$. Stars equate to different levels of statistical significance (*** $p<0.001$, ** $p<0.01$, * $p<0.05$).