NBCUniversal

Q1 2023

RISE OF THE FINFLUENCERS

The Pros and Cons Of Social Media Powered Financial Literacy



Today, We Will Review...

What Happened To Traditional Financial Education

Defining the 'Finfluencer'

3 Causes For Concern

Where Brands and Mass Media Can Step In





What Is Traditional Financial Literacy?

Financial Literacy refers to the ability to understand concepts such as financial management, budgeting, and investing. Financial education is integral to setting yourself up for future financial success, and financial brands and educational establishments have traditionally been the main sources of knowledge and information on the topic.





In recent years, consumers have become less trusting of traditional sources...

Instead, Consumers Trust Individuals They Know On A Personal Level

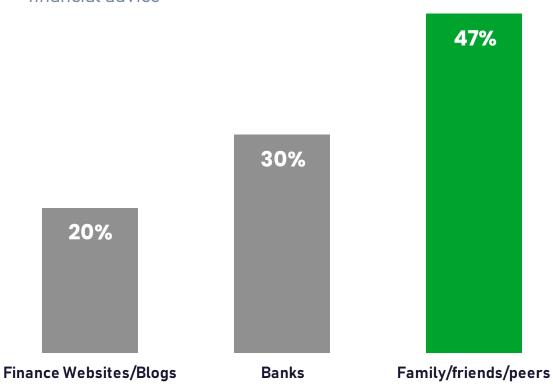


of the 16 industry sectors identified by Edelman,

financial services ranked 15th in trustworthiness

Peers play a key role in financial advice

% of Americans who trust the following when looking for financial advice

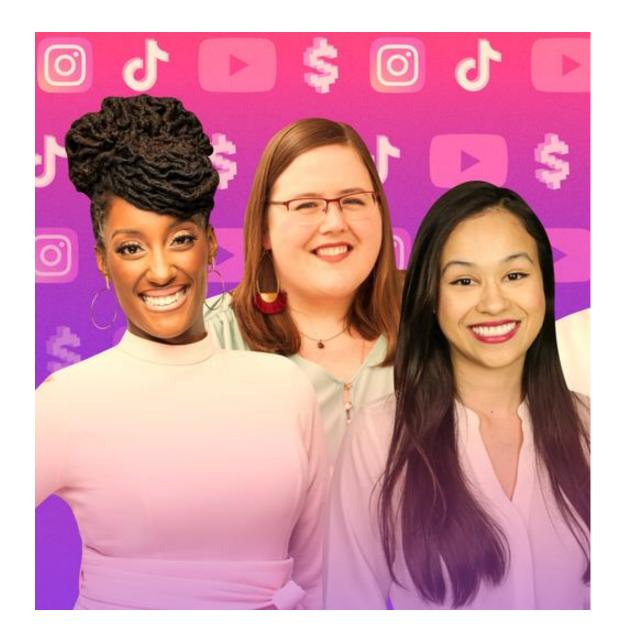




The Rise of The Finfluencer Who are Finfluencers?

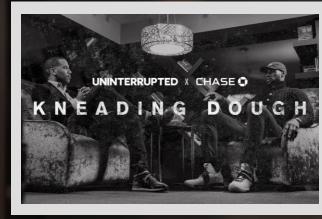
As the name alludes to, a Finfluencer refers to an influencer who primarily uses social media to promote financial advice, popularized on Instagram & TikTok (aka "FinTok")

Mixing charismatic personalities with entertainment and education, they have captured the attention of large audiences; more than 1/3 of Gen Z goes to TikTok and YouTube for financial advice



Celebrities are Not Finfluencers

There Is An Important
Distinction Between
Finfluencers And
Celebrities Who Endorse
Financial Brands







With This In Mind...

Who Are The Top Finfluencers?

Erika Kullberg



An attorney and personal finance expert, Erika reads the fine print of companies to teach viewers practical financial advice and how to save money on purchases

Mark Tilbury

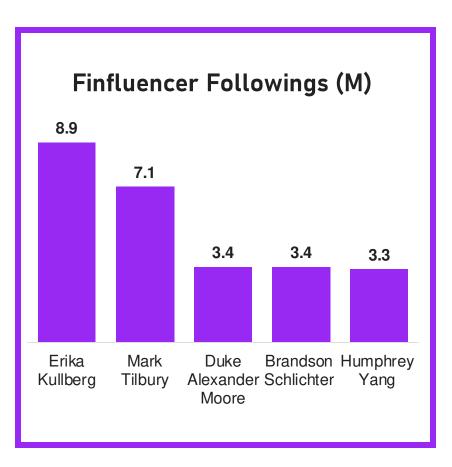


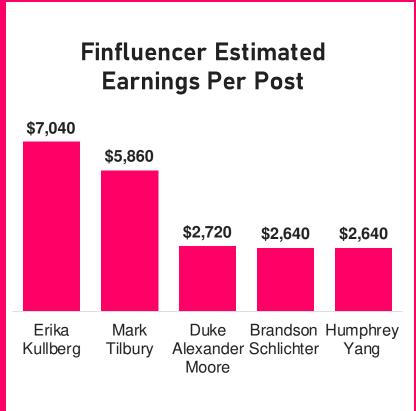
Touted as a self-made millionaire, Mark focuses his videos on teaching business, personal finances, and investing to younger generations in a simple way **Duke Alexander Moore**



Known as the "Tax Pro for Creators," Duke focuses his videos on making complicated legislation and tax information understandable for a large audience

The Finfluencer Audience And Profitability Boomed During The Pandemic But Has Shown No Sign Of Slowing





Top Finfluencers can earn between \$275,000 - \$750,000 per year from just two sponsored posts a week

Finfluencers Meet Gen Z Audiences Where They Are



Finfluencers have an addressable audience

75%

Started investing before the age of 21

Finfluencers establish credibility through relatability

719/0

Appreciate financial information coming from someone like themselves

Finfluencers are easy to access via social networks

460

turn to social networks for information on investments

Finfluencers Operate Under Less Regulation, Creating Cause For Concern

Investors should keep in mind that Finfluencers are not subject to the same regulations as licensed financial professionals and may have undisclosed conflicts of interest"

NASAA

North American Securities Administrators Association

At its worst, however, Finance TikTok perpetuates financial myths, scams, and dangerously misleading information. What users end up seeing often isn't good advice from trusted sources, it's just one random person's experience"

VOX

These Causes For Concern Drive Real Consequences

DECEMBER 14, 2022

Eight Finfluencers Charged With Fraud For A \$114 Million Pump-And-Dump Scheme

- The scheme was executed across a collective 1.5 million followers from Jan. 2020 through at least April 2022
- Finfluencers coordinated to purchase large quantities of a stock, then leveraged social media to promote the stock and make false claims to drive the value up, allowing them to sell for huge profits

While Finfluencers
Have The Capacity
To Help Consumers,
There Are Risks
Consumers Should
Be Wary Of

Exposing Younger Generations



Spotty age regulations and Gen Z's enduring trust of influencers lead a higher percent of young audiences to seek financial advice from TikTok (34%) and YouTube (33%) than a financial advisor (24%).

Lacking Required Experience

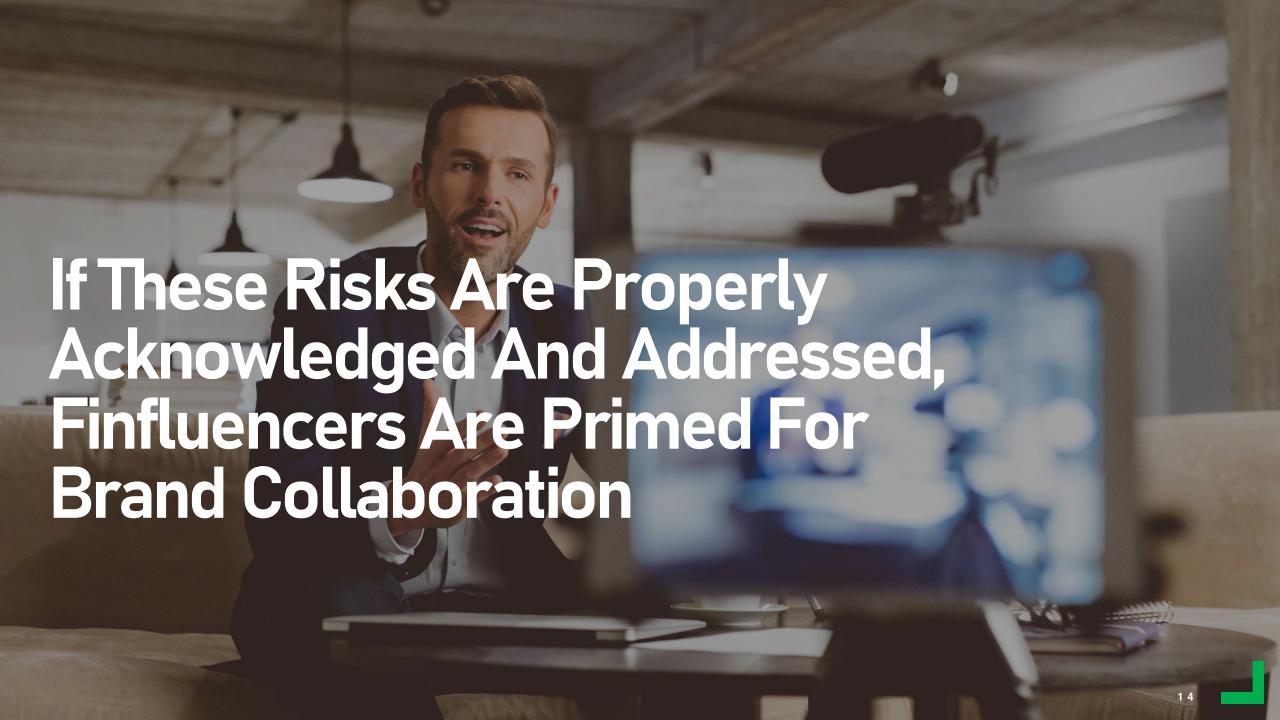


Finfluencers are not subject to the same regulations as licensed financial professionals and aren't required to have the same level of expertise in the field.

Promoting Rewards over Risks



Content that promises immediate wealth gets the most clicks, so unaccredited Finfluencers focus on telling viewers about the benefits of investing without explaining the potential downsides



Finfluencers Unlock Opportunities For Brands to Connect with Younger Generations



Accessibility

As the demand for financial advice grows, social media and Finfluencers allow information to be easily accessible and free for Gen Z and young users.



Trust

Finfluencers tailor their content to Gen Z audiences and focus on making it digestible and relatable for viewers, leading to loyal followers/consumers.



Reach

Finfluencers are able to quickly amass large followings, due to algorithms and "viralability" on social platforms, expanding their reach and awareness to the next generation of wealth.

Brand Opportunity In The Finfluencer Space

1 Establish Credibility Through Mass Media



Leverage mass reach platforms beyond Social to expose your Finfluencer to a larger audience and establish credibility for your brand w/ younger audiences by promoting this partnership 2 Create Authentic Connections & Engagement



Create educational content not always connected to a product or service to financially empower your audience and build brand affinity; leverage Interactive ad units to help deepen consumer engagement

Personalize Your
Approach For Authenticity



Explore partnerships w/ both established Finfluencers who have broad appeal and more niche Finflueners who better connect with target audiences (Hispanics, Female Entrepreneurs, Small Business Owners, etc.); also consider using data to target these niche audiences with Finfluencer content that will resonate most