

## Beware of Social Media ‘Fin-Fluencers’:

### *How to navigate the world of financial influencers*

With the rise of social media, many online personalities are now offering financial advice. These financial influencers—also known as “fin-fluencers”—are changing the way people, especially Millennials and Gen Z, receive financial guidance. Many are turning to social media for investment advice instead of consulting licensed professionals like financial advisors or brokerages.

#### *The Pros and Cons of Fin-Fluencers*

- **Lack of Expertise:** Many fin-fluencers lack the financial credentials or industry experience required to provide sound advice.
- **Conflicts of Interest:** Some may promote specific investments because they are paid to do so by companies, compromising their objectivity.
- **Lack of Regulation:** Fin-fluencers are not bound by the same regulations as licensed professionals, so they can give advice without accountability.
- **Popularity Over Quality:** Many prioritize gaining followers and "likes" over providing high-quality financial information.

#### *Steps to Protect Yourself from Misleading Financial Advice*

##### **1. Check Their Credentials**

Always verify whether a fin-fluencer has relevant qualifications. While even experts can make mistakes, a solid foundation in finance reduces the likelihood of bad advice.

##### **2. Look for Red Flags**

Be skeptical of anyone claiming “guaranteed” returns, “can’t-miss” opportunities, or urging you to act immediately. Such tactics often signal unreliable advice.

##### **3. Investigate Their Track Record**

If a fin-fluencer boasts of past successes, research their history. Have they made bad predictions they don’t talk about? Were their big returns short-lived?



##### **4. Know What’s Being Pitched**

Some fin-fluencers focus on general financial literacy, while others push specific products. Be cautious if the goal seems to be selling you something.

##### **5. Focus on Information, Not Personality**

It’s easy to connect with a fin-fluencer on a personal level, but remember: you’re there for the information. Don’t let their charisma overshadow the quality of their advice.

#### **Important Consideration**

The best financial advice is tailored to your unique needs and goals. While fin-fluencers can introduce you to interesting ideas, their one-size-fits-all approach may not be right for you. Always do your own research and approach their advice with caution.