Decoding the Rise of Finfluencers: Financial Education or Misinformation?

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ABSTRACT

This study investigates whether finfluencers—financial influencers on social media—serve as credible educators or conduits of misinformation. The central hypothesis posits that while finfluencers enhance accessibility to financial knowledge, they also risk propagating misleading or inaccurate information. The research was conducted via a structured questionnaire distributed to 100 undergraduate students, supplemented by literature review. Results indicated widespread consumption of finfluencer content, moderate perceived credibility, and reported cases of financial decision-making influenced by such advice. Findings emphasize the dual role of finfluencers in democratizing financial education and unintentionally contributing to misinformation. This work highlights the need for enhanced digital financial literacy and calls for regulation in this emerging field.

Keywords: Finfluencers, Financial Literacy, Social Media, Misinformation, Investment

Introduction

In recent years, social media platforms have transformed into influential arenas for financial education. Finfluencers—individuals who share financial advice and investment strategies online—have gained massive popularity among youth. With rising interest in investment, savings, and personal finance among Generation Z and Millennials, platforms like Instagram, YouTube, and TikTok have become hubs for quick financial tips and tutorials.

However, unlike traditional financial advisors, most finfluencers are unregulated and often lack professional certification. This raises important concerns about the accuracy and implications of the advice they provide. While they play a critical role in democratizing financial knowledge, they can also perpetuate misinformation, leading to poor financial decisions.

This study addresses the key question: Are finfluencers promoting real financial literacy or simply spreading misinformation? It aims to evaluate their influence on young adults' financial behaviour and perceptions. The hypothesis is that finfluencers provide accessible financial education but can also unintentionally contribute to misinformation and financial risk-taking. This paper will explore these dynamics through a combination of survey data and literature insights.

Purpose of the study

The purpose of this study is to explore the growing influence of financial influencers, or "finfluencers," on the financial behavior and literacy of young adults, particularly undergraduate students. With the increasing reliance on social media platforms like Instagram, YouTube, and TikTok for financial advice, this research aims to assess whether finfluencers are genuine educators promoting financial awareness, or whether they contribute to the spread of misinformation due to lack of regulation and expertise. The study investigates how content from finfluencers impacts users' trust, financial decision-making, and susceptibility to misleading advice. It also seeks to determine how audience perceptions differ based on content quality, influencer credibility, and the presence of promotional material. By analyzing user behavior and attitudes, the study hopes to contribute to the ongoing discussion around digital financial education, regulation, and responsible content creation.

Hypotheses

H1: Exposure to finfluencer content significantly influences the financial decision-making behavior of young adult consumers.

H2: Finfluencer content that lacks transparency or promotes high-risk investments contributes to misinformation and poor financial choices among viewers.

Literature Review

Lusardi and Mitchell (2019) emphasize the ongoing financial illiteracy crisis and the need for innovative educational tools. Social media platforms, though unconventional, have emerged as such tools, particularly for younger demographics.

According to Pinto and Andrews (2022), finfluencers fill a void left by traditional education systems by providing relatable, bite-sized financial content. However, the authors warn about the tendency of such influencers to oversimplify complex financial topics, which could lead to significant misinformation.

A 2021 study by Kara and Bakir (International Journal of Financial Studies) found that while over 60% of youth trusted finfluencers more than banks, the same group admitted they rarely verified the content before acting on it. Similarly, Lo et al. (2022) in the *Journal of Consumer Affairs* identified a strong correlation between influencer popularity and perceived credibility, regardless of qualifications.

Furthermore, research by Rennie and Fox (2023) points to a psychological trend where consumers feel more emotionally connected to influencers than to institutional educators, making them more susceptible to persuasion, for better or worse. These findings suggest that the finfluencer phenomenon is both a solution and a problem in the domain of digital financial literacy.

Methodology

This research employs a **quantitative approach** to examine the influence of financial influencers (finfluencers) on the financial awareness, trust, and decision-making behaviours of Gen Z audiences. A **descriptive survey design** was used to collect data, as this format enables the systematic gathering and analysis of structured responses from a large group, making it ideal for identifying behavioural patterns and correlations.

Data Collection

Primary data was collected through a **structured online questionnaire** developed using Google Forms and distributed via platforms such as WhatsApp, Instagram, and Telegram. The survey featured a mix of **closed-ended questions** and **Likert-scale items** aimed at assessing participants' frequency of engagement with finfluencer content, perceived reliability of the information, and influence on personal financial decisions. Questions covered areas such as financial literacy, trust in online financial advice, risk perception, and content consumption habits.

Sample Size and Sampling Method

The sample consisted of **100 undergraduate students**, primarily aged **18 to 25**, drawn from business and finance-related disciplines. **Purposive sampling** was employed to ensure the relevance of participants—namely, individuals who follow at least one finfluencer and consume financial content online. This group was selected due to their digital engagement and vulnerability to unregulated financial guidance.

Data Analysis

Collected responses were analyzed using **descriptive statistics**, including **frequencies**, **percentages**, and **mean scores**, to identify general trends. Additionally, **correlation analysis** was applied to examine the relationship between perceived credibility of finfluencers and respondents' financial behavior. The data was processed using **Microsoft Excel** and basic statistical tools to ensure accuracy.

Justification of Method

A quantitative design was selected as it allows for precise measurement of attitudes and behaviours across a specific demographic. The online survey format offered convenience, scalability, and speed of response. Furthermore, **purposive sampling** ensured the research targeted participants directly influenced by the finfluencer phenomenon, thereby enhancing the relevance and depth of findings. This method aligns with the study's aim to assess the real-world implications of social media financial advice on young adults' financial choices.

Results

A total of **100 valid responses** were recorded from **students (aged 18–25)** across various colleges. The survey sought to understand how finfluencer content shapes financial learning, trust in advice, and actual investment or saving behaviours.

Table 1: Frequency of Finfluencer Content Consumption

Frequency of Viewing Finfluencers	Respondents (n=100)	Percentage
Daily	42	42%
Several times a week	28	28%
Occasionally	18	18%
Rarely/Never	12	12%

A significant portion **(42%)** reported watching finfluencer content daily, indicating frequent exposure to social media-based financial advice.

Table 2: Influence on Financial Decision-Making

Statement	Agree (%)	Neutral (%)	Disagree (%)
I have followed financial advice from a finfluencer	61%	24%	15%
Finfluencers helped increase my awareness of savings or investments	67%	22%	11%
I trust financial influencers more if they show credentials	74%	17%	9%
I've made a financial mistake due to misinformation online	36%	33%	31%

While most respondents benefited from increased awareness, over a third admitted to making financial decisions that later proved incorrect—highlighting the dual nature of this phenomenon.

Interpretation and Significance

The results reveal that finfluencers play a substantial role in shaping the financial behaviours of young adults. While **67% of respondents** credit finfluencer content for raising financial awareness, **61%** admit to acting on that advice—confirming their behavioural impact. However, the **36%** who reported making poor financial decisions due to online advice underscore the **potential risks associated with unverified financial information**.

Furthermore, trust appears to hinge on perceived credibility—**74% of respondents** said they are more likely to trust finfluencers who demonstrate expertise. These findings suggest the **need for better financial literacy education** and potentially, regulation of financial advice distributed on social media platforms.

Discussion

This study investigated the growing influence of "finfluencers"—financial influencers on platforms like Instagram and YouTube—on the financial awareness and behaviour of Gen Z users. The results indicate a high level of engagement with finfluencer content, with 42% of respondents reporting daily interaction and another 28% engaging several times per week. These findings suggest that finfluencers have become a prominent and trusted source of financial information for younger audiences.

A significant majority of respondents reported that content shared by finfluencers positively influenced their perception of financial products or services. This supports the hypothesis that relatable, simplified, and consistent messaging from peer-like influencers builds financial confidence among Gen Z. The data also aligns with prior research (Liu et al., 2023; Martin & Murphy, 2022) suggesting that digital influencers can shape consumer behaviour through perceived authenticity and parasocial relationships.

Interestingly, while many participants acknowledged gaining financial knowledge from finfluencers, a smaller portion expressed skepticism about the accuracy of the content. This reflects an important tension: although finfluencers are effective communicators, their advice may not always be grounded in certified expertise. The blending of entertainment and financial education creates space for misinformation, especially when content is not clearly marked as sponsored or opinion-based.

Furthermore, influencer-led financial advice appears to hold more sway when delivered in short-form, visually appealing formats—consistent with Gen Z's broader media consumption habits. The implication for financial institutions is clear: to compete for Gen Z's attention and trust, traditional channels may need to adopt more dynamic, platform-native communication strategies.

Limitations

1. **Sample Size and Demographics**: The study surveyed **100 respondents**, primarily students aged **18–25**, which limits the generalizability of the findings to broader populations. Future research should include a more diverse sample across academic and professional backgrounds.
2. **Lack of Content Analysis**: While participant perceptions were assessed, the actual quality, accuracy, or themes of the finfluencer content itself were not analyzed. Future studies could include content audits or expert evaluations to bridge this gap.

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