

Welcome to #FinTok: The Viral Space That's Bridging the Gap with Young Investors



2020 was a smorgasbord of momentous events and experiences, from nationwide shutdowns and market volatility to virtual hang outs and toilet paper shortages. Amidst the uncertainty and unpredictability of the COVID-19 pandemic, many households across the nation turned to TikTok, a video-sharing social platform, as a therapeutic outlet, means for entertainment, news source, and even go-to resource for financial advice.

TikTok, released in 2016 under a different title, started off as a space for users to show off self-produced, 15 to 60-second videos through choreographed dance challenges, lip syncs, comedic skits, and memes. It has since developed into a lifestyle guidebook where people look to influencers for tutorials on almost every genre, including beauty, health, fitness, travel, and food.

The social media giant, which has amassed close to 700 million users and over 2 billion app downloads, grew in popularity in 2018 and continued to gain traction during the global pandemic. So much so, it outperformed established competitors like YouTube, Facebook, and Instagram. As users found respite in TikTok, the social network evolved into a worldwide phenomenon.

While people took to the app to post fun dance videos and mouth-watering recipes, finance also joined the ranks. The viral niche, known as FinTok, offers free self-help content on personal finances and investing for young investors; however, it has also attracted criticism with its unrealistic and impulsive suggestions that leave uninformed investors vulnerable to the dangers of misinformation.

On the other hand, industry experts can use this as an opportunity to clear the noise, and in turn, find new means to target potential clientele. For financial veterans, FinTok just might be the answer.

What is FinTok?

FinTok, also referred to as Financial TikTok or StockTok, is a subcommunity of TikTok users who provide advice, education, and discussions on personal finance in short clips. Videos are created by influencers and self-proclaimed experts, and span a variety of topics. “How to organize your money.” “Do these things to grow your money.” “Should you take out a loan to invest?” “What’s a Roth IRA?” “7 stocks to buy and hold FOREVER.”

The use of emojis, energetic and captivating content creators, and get-rich-quick messaging easily draws in users. At the time the article was written, #FinTok has been viewed 274.3M times, while the related #StockTok has reached 966.6M views. Stocks, at 2.9B views, and Investing, at 2.2B views, are also extremely popular hashtags. It’s not stopping either, as numbers continue to grow with each hour.

This past year’s market volatility and economic uncertainty further increased user interest in the world of investing, and younger generations, who saw the pandemic’s direct effect on their household, also want to guarantee themselves future financial security. Currently, 62 percent of active users on TikTok are aged 10 to 29 and spend an average of 42 minutes on the social platform. The ability to watch numerous videos in a short timeframe and consume information at a fast pace makes the app become even more influential.

Some are even acting on dangerous advice, despite not verifying the information, and are swept up in the possibility of gaining quick returns. This can place young investors at risk and put them on the path to a volatile financial future.

Dangers of Viral FinTokers

On the surface, FinTok is promoting financial literacy amongst younger generations and introducing them to education they may not have received in school. According to the National Financial Educators Council’s 2017 study, more than half of young adults surveyed agreed that a money management course

would benefit their lives more than other high school courses.

The fear of not having financial security and the lack of education is real, and the desire for knowledge exists. But like all things on the Internet, not everything can be trusted. As FinTokers continue to upload free content hourly, new investors are faced with the challenges of distinguishing credibility and navigating the traps of misinformation, myths, and scams.

And there's a lot of it out there. Paxful, a global cryptocurrency trading platform based in New York City, analyzed thousands of videos from popular FinTokers and found one in seven videos were misleading and didn't include a disclaimer. People were either encouraged to invest in specific stocks or shares, make an investment based on the idea that they would make more money in the end, or invest a specific amount of their savings or income.

Millions of followers—about 9.46M to be exact—who've been exposed to misleading information leaves additional room for concern and many to question if debacles such as GameStop (GME) and AMC Theatres can strike once again.

A Doorway for Finance Veterans

The influence, reach, and potential on FinTok is endless, creating an inviting space for seasoned advisors to enter the platform. They have the chance to properly educate the next generation of investors and simultaneously get in front of them in a way they haven't been able to.

We've listed five ways advisors can seize the FinTok opportunity.

1. Create an account and start making content

First and foremost, you must be on TikTok to reach young investors. Sign up, create your account, and get started making videos. Even if they are not the flashiest in the beginning and don't incorporate the use of transitions, filters, effects, and music, the content will speak for itself. In due time, you will learn TikTok's creative tricks and feel confident making entertaining posts, but you won't get there until you start. Create an introductory post explaining who you are, your background, and your experience to establish validity. Users who know a little about you can quickly trust you and turn to you over those who haven't mentioned their history in the field.

2. Develop a content calendar

After you've published your first video introducing yourself in 60 seconds or less (talk about speed interviewing), take the time to develop a content calendar for yourself with topics and themes that you plan to post throughout the week. If you would like to focus on myth-busters, dedicate each video to a common financial myth that inexperienced investors may fall for. If you would like to increase financial literacy, break down each month into mini-lesson plans on financial planning, investing, and so forth. You won't find yourself scrambling each week for content and will have a queue of ideas that can be recorded. Posting videos often creates consistency, which is key for garnering a devoted audience.

3. Utilize the power of trends and headlines

It seems like anyone and everyone was talking GME this past February, and if you weren't discussing it, you must have been living under a rock. With breaking headlines generating a lot of buzz, what better time to join in on the discussions? These industry-related trends can provide more materials for FinTok videos, but also allow you to reach even more investors who care about the topics. The International Monetary Fund's latest global economic outlook is another example that could portray nicely through video and provide talking points. Keep your eyes peeled and use important headlines to help your voice stand out.

4. Implement relevant hashtags

If there's one focal takeaway from this article it's the impact of the FinTok and StockTok hashtags. This will help you organically reach app users who are looking for this specific type of content. Are you talking about Roth IRAs or thematic investing? Add those hashtags in your post description. Do you want to target people interested in stocks? Use #stocks and see your video views gain attraction.

5. Take advantage of TikTok advertising

While organic videos can start getting your name out there, promoted pieces will expand your reach. TikTok Ads platform allows you to select up to 20 keywords to describe your website to best match you with the appropriate audience and select targeting options for your ad (location, age, gender, languages, interests, and more). You'll be able to set your budget and start reaching the right folks.

If you're looking for modern strategies to connect with a new generation of investors, TikTok and the FinTok niche may be just what you've been looking for. Use these five tips to get started and set yourself apart from competitors.

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