

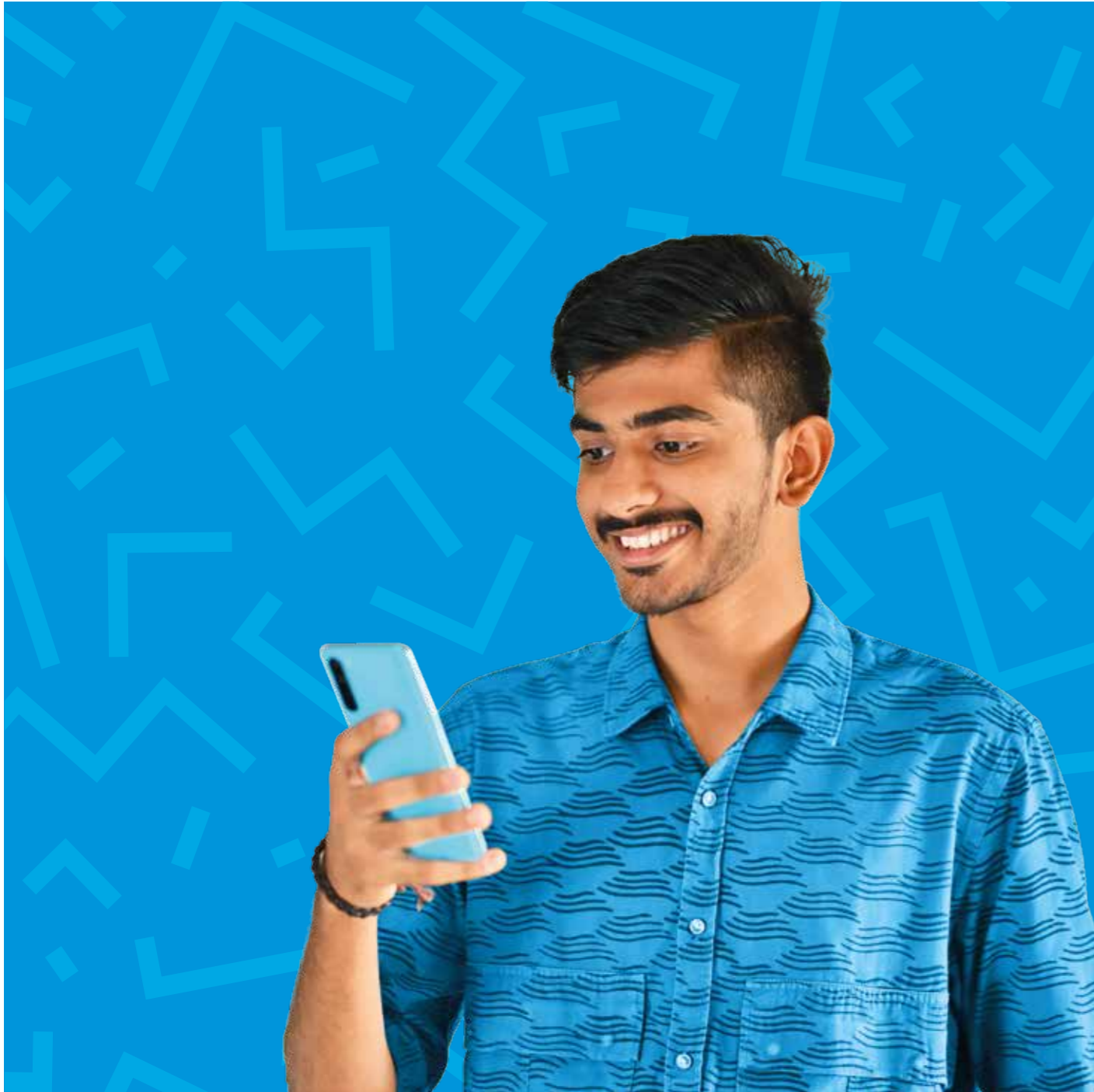


Teamspirit

The New Adviser

How the TikTok generation is changing the rule book





Intro

The times they are a-changin'. According to a survey commissioned by Forbes Advisor and conducted by market research company Prolific, 79% of millennial or Gen Z Americans have received financial advice from social media.¹ Seriously. At the same time, Financial Industry Regulatory Authority (FINRA) data shows a steady decline in the number of Registered Representatives and Member Firms over the last decade²

Mmm. What to do?

This report is for those interested in, and responsible for, communicating about investments. In it we explore what's going on in the advice marketplace, and the worrying phenomenon of the younger generations' faith in often unregulated, socially-led financial advice.

Then we turn the tables, to look at some great examples of how to reach this audience well on social platforms, in particular TikTok, YouTube and Instagram. Creating hypothetical and deliberately cutting-edge personas of both the new adviser and the young investor, we go on to define the secret sauce of success, by defining the Top Ten Tactics for the New Adviser.

We take the responsibility of transforming the world of finance, including the adviser and investor, for the better.

Here's our latest thinking on the New Adviser.

1 Current context

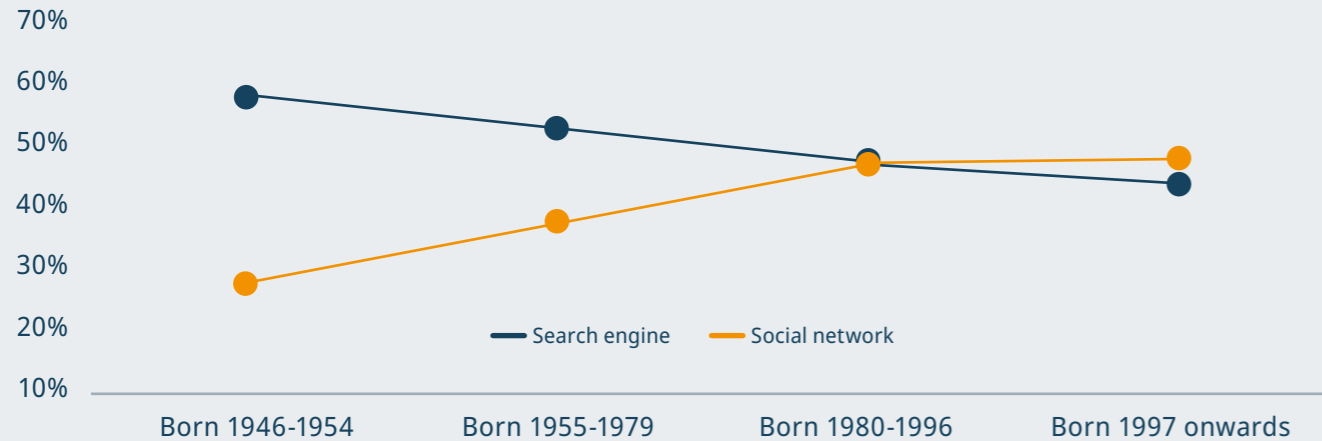
The changing of the guard

Despite 66% of Americans believing that their financial planning needs improvement, only 35% of adults actively receive financial advice from an adviser.³

For a younger generation, Social networks are already replacing Search as their main sources of information for buying decisions.

Instead, they turn to other sources.

Where do you go for information about what to buy?



Source: WARC Consumer Trends 2023

Nearly
80%
of Millennials and Gen Z
get their financial advice
from social media.⁹

And Social is playing a crucial role in financial advice, as well.

Forbes reports that 79% of Americans representing the millennial or Gen Z age groups have gotten financial advice from social media, and 62% feel empowered by their access to financial advice on social media.⁴

And it's not all Reddit threads and #FinTok hype.

While trends like Loud Budgeting are grabbing headlines, in the past year alone, there has been almost a 50% increase in engagement in finance, investment and retirement topics on LinkedIn.⁶

But, without considered professional advice, this information explosion puts people at risk.

In 2021, more than 95,000 people reported about \$770 million in losses to fraud initiated on social media platforms, according to the FTC. Those losses accounted for about one-fourth of all reported fraud losses in 2021.⁷

There's clearly an appetite and a need for advice and guidance among this younger audience, who are set to be on the receiving end of the Great Wealth Transfer.

Of the \$84 trillion projected to be passed down from older Americans to millennial and Gen X heirs between now and 2045, \$16 trillion will be transferred within the next decade.⁸

But, in order to attract that business, advisers need to compete with a lot of noise to stand out and prove their value.

62%
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2 Social exemplars worth following

In among a lot of dross, are some terrific examples of how to use the social media platforms at their best. In this section we look at some brands that are using clever targeting, simple language, personality, humor and gamification to reach the younger audience on their terms.

We have also looked at some of the most successful influencers who show how purpose, down-to-earth language and simple messaging have won them hundreds and thousands, if not millions, of followers. Making them hugely successful and influential.



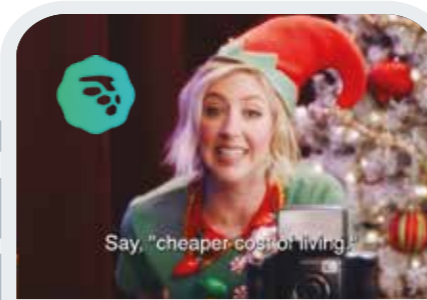
Relatability Scottish Widows engages influencers

Exploring engagement on TikTok, Scottish Widows has engaged various young social media posters (influencers) in order to reach their peers. And earlier this year, some of their user-generated content received an impressive 175,000 link clicks, 52,000 likes and over 1,000 shares. Hearing financial advice from people their own age, with similar experiences, can help strengthen connections and get useful information across in a way that's understandable and relatable.



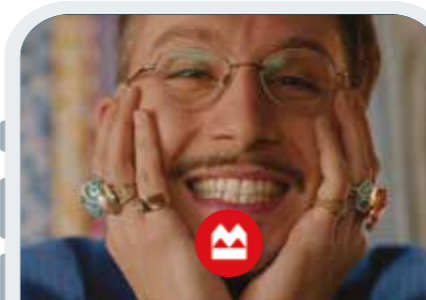
Personality Quirk breathes life into boring money

'Come for the rants on capitalism, stay for the expert money tips.' From the outset it's clear that Quirk, the personality-based money management app, is speaking the language of a generation. In fact, it explicitly calls out on its site that, 'we want to help our generation take control of our money'. Simple in design, and in how it speaks, content encourages you to discover your true money self through a quiz, and educates from basics to beyond. Showing how to sprinkle in a bit of pizzazz and relatability in a way that captures the right audience at the right time.



Humour MoneyLion and SNL break barriers

The number one fintech on TikTok is MoneyLion who use humor and real-life feelings to be relatable. For example, it partnered with Saturday Night Live's Heidi Gardner to create a wonderful ad that features Heidi as a fast food worker, schoolteacher, barista and more. With a funny script that hits close to the bone, it highlights the app's services and conveys that the company completely understands what it's like to be a young person today. It's been named Ad of the Day by The Drum and generated 63 million impressions on social media.¹¹



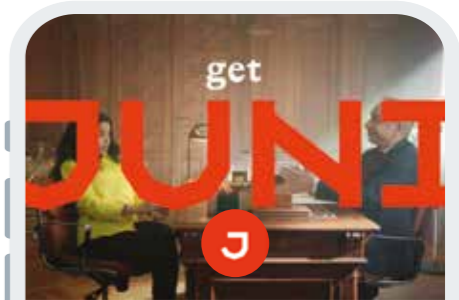
Effective earworm Rapper reaches out to Gen Z

Canadian bank, BMO, not only has a money management app, but also has launched a credit card for young people, that rewards you with points for things like paying your bills in full and on time. To get the word out there, it partnered with a young rapper, bbno\$ (baby no money), to create a song called BPOT (Bills Paid On Time). Viewed more than 7.2 million times, it's very clearly aimed at Gen Z and delivers a memorable earworm that's catchy, yet reinforces good habits. Unexpected, yet effective, it'll certainly get stuck in your head.¹²



Simple Stories Moneybox

Moneybox wanted to connect with its audience, especially those who needed a bit of confidence and encouragement to get started with their pensions and savings. Of course, this means a younger audience overall. To do that, it created a series of videos that laid out the information simply. But as well as having a financial expert explain things plainly, inviting its customers to tell their stories helped too. This variety of voices can be both relatable and it mixes things up a bit, so it's not just the face of a business talking all the time.



Clever targeting Juni

There's plenty of research out there that suggests younger generations have shorter attention spans. Juni took this as a challenge, and created a series of short videos in an effort to reach its audience and take on traditional banks at the same time.¹³ The financial platform for ecommerce businesses created the campaign, 'If banks don't get you, get Juni' for those frustrated by traditional banking. In the space of four months it amassed over 295,000 views on YouTube and over 1.3 million views on Instagram. Emotional targeting at its best.

Notable Finfluencers

Brands aren't the only ones trying to reach an audience to help them get savvier with their finances. Cleverly dubbed 'finfluencers' (financial influencers) of all ages and backgrounds are using the power of their personalities and shareable content to provide information to the masses. Whether they're off-the-cuff recordings on a phone or a well-crafted podcast episode, their voices are increasingly powerful. With reach and engagement figures worth coveting. Let's get to know a few.



MrsDowJones

With over 1 million followers, MrsDowJones, aka Haley Sacks, is based in New York, and has been dubbed a 'financial pop star'. With a mission to make financial knowledge available to all and keep you wealthy, she combines pop culture with financial smarts to make money more accessible and appealing for her followers.



The Budgetnista

Tiffany Aliche is The Budgetnista, one of America's favorite financial educators and a best-selling author of The One Week Budget, as well as the Live Richer Challenge series. A former teacher, she created online financial education classes, and now runs a \$10 billion dollar business. Her real-life experience and honesty around falling into debt and having to dig her way out are key to her appeal. Notably, she advocates that wealth and financial security is all about slow and steady wins the race.



Claer Barrett

Claer Barrett is an award-winning journalist, who presents the FT's Money Clinic podcast and Business Clinic video series, and writes the weekly Serious Money column. Helping listeners resolve their real-life financial dilemmas, she is a money agony aunt for Millennials. Her book, What They Don't Teach You About Money, debunks the myths that keep us stuck in financial paralysis, and was an instant Top Ten Bestseller, Sunday Times, 2023.



Sahireny Pierce

Sahireny Pierce creates Poised content to help Millennial women balance their finances and lifestyle. As a Dominican-American of immigrant parents, her real-life financial ups and downs have shaped her desire to create a lifestyle that isn't run by finances. With a background in finance with Merrill Lynch, MetLife and Ameriprise, she is driven to make sure women have the financial tools and resources necessary to succeed with poise. Writing across financial services and lifestyle, Sahireny mixes up blogs, shorts, videos and recipes to serve her 800,000 followers.



Spencer Hawk

US-based TikToker Spencer Hawk is a personal finance expert who has amassed a following of nearly 500,000 on TikTok. Sharing short videos on single topics, he uses pop culture reference points, from music to teenspeak, to talk about teen finance topics, including how to make money as a teenager, tips for saving money, and how to start building credit as a teen.



Rachel Cruze

Rachel Cruze is an American author and social giant, with over 142,000 followers on Twitter, 330,000+ followers on Facebook, 326,000 followers on Instagram and 199,000 YouTube subscribers. Dedicated to helping people become better money managers, she combines personality, humour and straight talking to make finance more engaging.

3 Looking ahead

Demographic shifts

Globally, according to the latest Bank of America Global Research report, women's wealth was expected to reach \$93 trillion by end 2023 – up \$16 trillion since 2020.¹⁴

And the majority of women are turning to social media for guidance in the search for financial advice and to improve their financial confidence.

Over three quarters (77%) said YouTube videos are an effective form of education, followed by Instagram (64%) and TikTok (62%).

According to a report from Fidelity about 80% of Gen Z and 72% of millennials have made moves to help other women with their finances or career, whether that's entailed recommending them for a job, sharing advice or talking pay.¹⁵

With greater support (ie quality content) from the industry, this use of social media could also help to close the gender investment gap. If women invested at the same rate as men, there would be at least an additional \$3.22 trillion in assets under management from private individuals.¹⁶

Regulating transparency

The SEC updated its marketing rule under the Investment Advisers Act, aiming to better regulate endorsements and testimonials. The marketing rule now requires the disclosure of the material risks associated with potential benefits to investors when investing in the promoted financial products. The Federal Trade Commission (FTC) has also released updated Endorsement Guidelines to address the growing trend of influencer marketing covering disclosures and liabilities.¹⁷

Notable cases include reality TV star Kim Kardashian, who was fined \$1.26 million for promoting EMAX tokens without properly disclosing her payment from EthereumMax.

So advisers will need to tread carefully and ensure total transparency with their audience.

Technology/AI enablement

The other looming threat to advisers is everyone's favorite buzzword: AI.

One of the main appeals of influencers, is that they're able to transform what is perceived to be complex financial information into accessible social media content.

AI will be able to do that on steroids.

While advisers have the edge over influencers – because the information they provide can be tailored, and comes with assurances of quality, professional competency and duty of care – an AI trained on the right data sources will also be able to personalize recommendations within clear frameworks.

And people are open to it. 59% of investors trust services that use AI to invest their money¹⁸, and 31% would be comfortable implementing financial advice from a generative AI program without first verifying those recommendations with another source.¹⁹

Even 19% of advisers say AI will replace much of the work done by human advisers.²⁰

Which makes that ability to engage and connect with your audience even more important.

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A day in the life of the New Adviser

While no two days are the same, an adviser's day is typically split between five kinds of activity:

Here's how each of those will evolve:

Prospecting for new clients

Advisers will need to produce/publish engaging snippets of relevant and timely content. Audience segmentation and being across the trending money topics will be key skills.

Existing client management

eg planning, behavioural coaching, analysis, report writing, structuring advice to achieve goals

Advisers can engage their clients and provide regular ongoing value through either personalised individual or targeted group content (produced with AI), engaging clients through their preferred network of communities and channels.

Development

eg education, seminars, exams

Advisers can participate in a lively community of fellow practitioners who share their 'always learning' mindset, and cement their understanding of their training and development by using it as a source of inspiration for new client-facing posts. AI summaries will introduce and translate complex topics to clients, while advisers can focus on getting into the technical details and considering the specific applications.

Technical work

eg formulating and checking advice, investment and tax strategies

General administration

eg compliance, admin, chasing providers

The burden should continue to be greatly reduced by technology, reducing laborious hours to oversight of their AI co-pilot.

The New Adviser will need to be:



Socially minded

engaging in dialogue and discussion with prospective and existing clients on their preferred platform, in their preferred language



A trend scanner

across the trends and topics that matter to their clients, and the language of their clients



An engaging conversationalist

breaking down the complex into pithy sound bites, and backing it up with the full picture as it applies to their clients



An empathy engine

making complex financial subjects emotionally resonant and directly relevant for their audiences



Artificially enhanced

proficient in using AI tools to both ease their administrative burden and produce personalised and tailored content at speed and volume



Top Ten Tactics of the New Adviser

If you would like to create thumb-stopping social communication, here are our Top Ten Tactics that are as close as it gets to the secret sauce for securing followers on the more engaging social platforms.



1 The power of a story

Whatever you do, it's the power of stories and real-life purpose that resonates. Give the people a reason to believe in what you are communicating.



2 Add a touch of personality

It doesn't have to be down-right wacky, but leaning into a more down-to-earth tone of voice is highly effective. Avoid being too perfect tbh.



3 Make things relatable

From pop culture references to hot topics to recognising current situations – look to help your audience feel understood.



4 Use humor

Whether it's dry wit, clever puns or quirky quips, humor can elevate a message and make it feel more relatable.



5 Simplify your language

Removing jargon may not always be enough – instead make sure everything is simple at all stages. One message or one topic at a time.



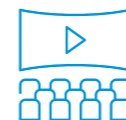
6 Be clever with your targeting

Short videos and smart channel use can help you connect in new places and new ways. You can't be all things to all people. Stop trying.



7 Employ earworms

While an entire rap would be amazing, implementing sonics and jingles can help with recognition and remembrance.



8 Entertain to educate

Education has to be interesting – and discovering new ways to package important information can be fun for you, too.



9 Try some gamification

Not always possible, but always fun – it could be badges for logging in or a full-on app; either way it's one to explore.



10 Look to the soft sell

It can be tempting to go hard or go home, but simply and slowly building relationships with your audience can help nurture an ongoing connection.



Conclusion

There's a change of guard happening in the adviser space.

Tried and tested practices for providing advice are increasingly unable to compete with the more snackable, and frankly often more enjoyable, techniques that the social platforms are based on.

Informed, regulated and clear advice remains the enduring objective. But the channels and techniques that can be used to achieve them have expanded.

As with all new trends, some of the best bits will be embraced and become the new norm.

The Top Ten Tactics outline the highly effective and engaging techniques that the social platforms offer and any adviser with their finger on the pulse will be churlish to ignore.

If this report has sparked your interest to start slaying it with investors of tomorrow – or to put it differently, to better communicate with those that are due to inherit the greatest generational wealth transfer (just saying) – do get in touch when you'd like to get started. Contact hello@teamspirit.co.uk.

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