



Should you trust personal finance advice from a 'finfluencer'?

A) Warm up

1. Where do you think is the best place to look for financial advice?
2. How much do young people learn about personal finance, investing and saving at school in your country, and to what extent do you believe that it is the responsibility of the education system to teach people about this subject?

B) Adapted Text - Should you trust personal finance advice from a 'finfluencer'?

Should you trust personal finance advice from a 'finfluencer'?

Adapted from an article written by Katie Bishop, published in 2023 by BBC Worklife

A growing number of creators are offering tips online for how to spend, save and invest. Is it a modern approach to financial literacy – or a big **red flag**?

When Yasmin Purnell started blogging in 2017, she planned to share her experiences of becoming a **digital nomad**. However, the creative-writing graduate and copywriter soon found visitors to her site were more interested in how she afforded her freelance lifestyle.



Noticing the hunger for personal finance advice, UK-based Purnell rebranded her website. "The Wallet Moth" – a blog offering finance and cheap-living advice – was born.

"I shifted into personal finance articles, as my small-but-growing audience expressed more interest in how I had avoided debt in my 20s, how I'd budgeted to have a financial safety net for freelancing and what **side-hustles** I worked to support being location independent," she says.

It's the human aspect – sharing personal stories and putting a face to the advice – that makes all the difference, she believes. "My content doesn't necessarily offer something that is better than traditional financial advice, but people more and more want to connect with someone they can think of as an online friend, versus a faceless company."

Purnell is certainly not alone in her style of content. The number of financial influencers is **soaring** on social media: creators feeding a seemingly **insatiable desire** for content on spending, saving and investing. Throughout the past few years, the popularity of these 'finfluencers' has exploded, with many **amassing** followings into the millions, constituting a growing part of the global influencer industry with an estimated market size of \$104bn (£83bn) as of 2022.

Their posts can provide welcome insight into the often mysterious world of personal finance – a world young people specifically are finding harder and harder to see into.

Experts or regular people?

Although creators say audiences have been highly receptive to their tips, experts caution that some finfluencers may also **be leading followers astray** – and even, in some cases, taking advantage of them.

"Some of these influencers are just regular people with no background in finance," says Connor Campbell, a leading business finance expert. "Social media can cause people make **rash** decisions due to **FOMO** - a fear of missing out on something that a lot of other people are participating in – and when these trends involve real money, this can sometimes become an issue."

Experts have recently warned of surges in self-directed investing based on questionable guidance from financial influencers, arguing that some of these social media stars are offering poor advice, either because of their own lack of financial knowledge, or because it is in their interest to post increasingly **outlandish and audacious** content in order to gain followers.

In some cases, organisations have accused personal finance content creators of **tapping into** and exploiting the vulnerabilities of a debt-ridden generation to boost their own follower counts. There is also the added complication of how influencers make their money – social media stars often endorse products for payment, meaning their advice may not be objective.

In particular, the rise in cryptocurrency adverts has raised **red flags**, after high-profile cases of influencers endorsing new crypto products have become more common. Last year, Kim Kardashian found herself **in hot water** when she posted about cryptocurrency Ethereum Max. Although Ethereum saw a rapid rise in 2021, it quickly crashed, losing 97% of its value by January 2022. Investors who had suffered huge losses brought a lawsuit against Kardashian and other celebrities who promoted the product, claiming that they had conspired to inflate the value of the tokens.

'Boring but highly effective'

James Beckett, 33, launched a content **side-hustle** after noticing how much bad investment advice was circulating online. The former social media marketer, whose YouTube channel has a small but growing following of several thousand subscribers, believes he and many finfluencers like him also provide what he describes as "boring but highly effective" financial advice. He says these tips are not only lower risk but also more

reliable – especially for young people without a strong financial-education background or lots of money to burn.

Beckett argues social media finance content can offer an accessible way into managing money, without having to pay the high fees of financial advisors or organisations.

"Financial influencers can be problematic, because some of them **tap into** people's naivety," he says. "But **on the flip side**, there are a lot of people doing good out there, and they are filling a huge gap left by our education system."

Proceeding with caution

Without a regulatory body, the world of finfluencing remains somewhat murky.

Although finfluencers might have a bad reputation, they can also offer a route into the confusing, and sometimes intentionally inaccessible, world of finance and investing. "Like everything in the world, there are good finfluencers and bad ones," Beckett says. "While the most annoying and **audacious** creators have a larger tendency to go viral, you can still find fantastic personal finance content on social media platforms from people who genuinely want to help. You shouldn't **steer clear of** finfluencers entirely."

The original article can be found in the link below:

<https://www.bbc.com/worklife/article/20230915-should-you-trust-personal-finance-advice-from-a-finfluencer>

C) Key Words from Context

Based on the context of the article, can you match the words in the box to the definitions listed below? Then add the word into the example sentence. You may need to change the form of the word to fit the meaning of the sentence.

digital nomad	a red flag	a side-hustle	to soar
insatiable desire	to amass	to lead someone astray	rash
FOMO	outlandish	audacious	to be in hot water
to tap into	on the flip side	to steer clear of	

- Someone who earns their living through working remotely online, and chooses to travel and work in different locations rather than one fixed location: _____

"Many people say that the lifestyle of a _____ offers a lot of freedom, which makes this very appealing to a lot of young people."

- So crazy and bizarre, as if from another land or another world: _____

"The marketing team proposed an _____ idea for our next ad campaign, featuring animated talking animals in space suits."

"Initially, we were a little bit demotivated by the _____ goals set by management. However, with a lot of hard work and dedication, we managed to achieve them."

3. To accumulate a large amount of things over a period of time:

"The entrepreneur managed to _____ a huge amount of wealth in a short period of time."

4. To take care to avoid something: _____

"I always aim to _____ toxic colleagues."

5. To be in trouble for something: _____

"The CEO was _____ due to some of the comments he made during the presentation. "

6. Fear of missing out: _____

"If we include a limited-time offer on the sales page, it will create a sense of _____ among potential buyers, and should increase our conversion rate."

7. A warning sign to indicate that something should be avoided or that something bad could happen: _____

"If a candidate arrives late to an interview, it is a real _____."

8. Work which is done to earn extra income which is unrelated to their main job or career:

"John makes arts and crafts in his spare time. He has turned it into a _____ to bring in some extra income from his job as an accountant."

9. Acting without careful consideration of the consequences: _____

"When the company started losing money, management started to panic and made a _____ decision to lay off over 50% of the workforce. The company is now desperately short of staff."

10. On the other hand: _____

"Travelling to the office every day can take up to 1 hour there and back. _____, I am able to listen to some podcasts and make some important calls."

11. To cause someone to act or think foolishly: _____

"The poor investment advice really _____ him _____."

12. A desire which will never be satisfied: _____

"Tiktok users have an _____ for fresh content."

13. To establish an understanding and connection with a group or a resource in order to gain some benefit: _____

"We conducted customer surveys in order to _____ the mindset of our target audience."

14. Showing a willingness to take extreme risks or to offend people: _____

"The _____ business plan certainly caught the imagination of potential investors, but in the end the risks were too high for them."

15. To increase rapidly: _____

"Inflation is _____ at the moment, causing households across the country to cut back on their spending."

D) Comprehension

Can you answer the questions below about the text?

1. Why did Jasmine Purnell change the theme of her blog?

2. Based on context, as well as the second image, what do you think the phrase "The Wallet Moth" is referring to?

3. According to Jasmine Purnell, what are the main differences between her blog and traditional financial advice?

4. Which psychological phenomenon can cause someone to make a poor investment decision?

5. Which 3 reasons does the article give for why some finfluencers' advice may not be in the best interests of their followers?

6. What was influencer Kim Kardashian accused of in 2022?

7. What are the 2 characteristics of James Beckett's audience?

8. What conclusion does the article draw about finfluencers? To what extent do you agree with the article's conclusion?

E) Key Words in a New Context

Below you can find a paragraph. Can you fill in the gaps in the paragraph with the words from the box below? You will need to change the form of some of the verbs in order for them to fit into the sentence. You may also need to change some nouns to the plural form if necessary

a red flag	a side-hustle	to soar (x2)	to steer clear of
insatiable	to amass	to lead someone astray	rash
FOMO	audacious	to be in hot water	

Title: "Crypto Rollercoaster: From Outlandish Dreams to Sinking Realities"

Meet Alex, the adventurous investor with an appetite for risk, who embarked on a journey into the cryptocurrency world with dreams of _____ a fortune through a new form of currency set to take over the world!

It all began innocently enough. Fuelled by an _____ desire for financial success, Alex decided to enter the lucrative world of cryptocurrencies, enticed by the promise of _____ profits and the allure of a decentralized market. The idea of turning a fun _____ into a financial game-changer seemed too good to resist.

Alex first dipped into the world of cryptocurrency when a YouTube video caught his eye. A very young and excitable man was claiming that a new crypto coin was going to increase in value by over 200% within the next 24 hours. This wasn't the only _____ prediction floating around the YouTube algorithm that day. Young, wealthy crypto investors were all over YouTube, flaunting their sports cars and mansions all acquired through cryptocurrency investing. With the value of thousands of coins _____ at an unstoppable rate, it felt as if nothing could go wrong. However, Alex was completely unaware that he was being _____.

Behind the fancy cars and lavish lifestyles lay a huge risk and a bubble waiting to burst at any moment. Nevertheless, the crypto world was igniting a feeling of _____ within him, as he didn't want to be left behind while everyone else was getting rich! One evening, after a bad day at work, in a _____ move, he finally succumbed to the hype and invested heavily in a coin that promised astronomical returns, gambling more than 60% of his savings on a highly volatile market. Aside from a few YouTube videos, he had little understanding of the technology behind cryptocurrency, or its potential uses.

Nevertheless, all was going well until around 3 weeks later when the unthinkable happened.

The market, once a playground for potential gains, took an unexpected turn. The value of the biggest cryptocurrency, bitcoin, suddenly halved within the space of 24 hours, taking all other coins with it. Prices plummeted, and the once thrilling predictions turned into nightmares. Alex found himself _____ with his family, who were absolutely furious, as some of their savings had seemingly evaporated into thin air. The dream of financial freedom had suddenly turned into a harsh reality check.

He had overlooked all the _____ hiding behind the videos he had been watching, such as the lack of regulation and the fact that seasoned investors were warning of a bubble.

As the market crashed, leaving many investors in a state of financial dismay, Alex learned a valuable lesson: the importance of _____ hype and approaching all investments with a level-headed and well-researched perspective.