

STOP Taking Finance Advice From BROKE “INFLUENCERS”

Nowadays, it's impossible to avoid influencers. You'll find them on TikTok, YouTube, and even your own inbox. There's no shortage of advice they'd be happy to give you on everything from fashion to fitness to finance. In fact, nearly 80% of American adults aged 18 to 41 have sought financial advice from social media, according to a Forbes Advisor and Prolific survey.

However, should you rely on influencers for financial advice?

In short, no.

Although some of these influencers may be qualified to provide financial advice, many aren't. Simply because they have a following does not mean that they know anything about money.

Furthermore, many influencers are themselves broke. The problem is that they live paycheck to paycheck or live above their means. And, sometimes, this has resulted in bankruptcy.

As an example, despite filing for bankruptcy in 2022, influencer Christie Swadling shared 'money-saving tips' online. Despite projecting a lavish lifestyle on social media, the YouTuber is struggling financially, according to documents that leaked online in February 2023.

There is no doubt that you shouldn't follow financial advice from "influencers." But, if you're still unsure, here are the reasons.

They aren't qualified.

The size of someone's social media following doesn't mean they know anything about finances. In fact, there are many influencers without finance training.

Sure. Maybe they made a lot of money via sponsorships or affiliate marketing. However, that doesn't mean they know how to handle money. Generally, it's common for influencers to actually be in debt.

Further, in many countries, giving financial advice without a license is illegal. The Australian government, for example, is cracking down on creators offering financial advice without a federal license. In 2022, the Australian Securities and Investments Commission (ASIC) released an information sheet warning that unregistered financial influencers could face hefty fines and up to five years in jail for offering unlicensed financial services.

However, even if it were legal, influencers lack the training and experience necessary to provide sound financial advice.

Money motivates them.

Money is often a motivator for influencers. The truth doesn't matter to them; they will say anything to get views and clicks. Often, influencers make money through brand deals and affiliate marketing. In fact, one influencer told *Insider* that in 6 months, they had earned \$700,000 in brand deals alone.

The result? They may promote risky investments or get-rich-quick schemes. Additionally, they may push their own products or services – even if they are not right for you.

In reality, there is no get-rich-quick scheme. Building wealth requires patience and discipline. As such, it is also important to seek financial advice from professionals rather

than influencers who are broke.

It is possible that their advice is biased.

From the previous point, influencers are often paid by companies or products to promote their products or services. As a result, it is possible that they will be biased in favor of the companies or brands they represent.

Even if what they're promoting is legit, it may not be the best option for you financially.

They aren't always transparent.

It is common for broke influencers to hide their financial situation from the public. To disguise their financial hardships, an individual may pretend to be richer than they really are. They might give the impression that they live a luxurious life in order to hide their debt, for instance.

Because of this, you don't know whether they're giving you sound advice or just making money off of you.

Their advice may be outdated or inaccurate.

In the financial industry, trends are constantly changing. Influencers may not be keeping up with them. For financial advisors to give their clients actionable, trustworthy advice, they must stay informed about current trends in the global and domestic markets.

Additionally, influencers probably won't take the time to:

- Follow the day's headlines to stay informed.
- Keep an eye on interest rates and commodity prices.

- Use software or a web-based tracking tool.
- Listen to podcasts about financial investments.
- Interact with forecasting tools.

A financial advisor takes these steps to ensure that they have the most current and accurate information.

There's no accountability for them.

Influencers who are broke are unlikely to help you if you lose money following their financial advice.

Unlike financial professionals, they are not held accountable for the advice they give.

You may not be able to get specific answers from them.

Lastly, Influencers may not be able to give financial advice that is tailored to your individual circumstances. As a result, they may not be able to answer any specific questions regarding your financial situation if you ask them.

There are not only these dangers. But there is also the risk that if you follow the advice of a broke influencer, you will end up losing money as a result of their advice. When someone is unable to manage their own finances successfully, it's hard to imagine how they will be able to help you manage your own finances if they are not able to handle their own.

It is important to get financial advice from a credible and qualified source if you are looking for financial advice. You might want to consider getting advice from a financial advisor, a certified financial planner, or a trusted family or friend. In addition to doing your own research and understanding the risks involved in making any financial decision, it is also important that you do your own due

diligence.

The dangers of taking financial advice from broke influencers.

When you take financial advice from broke influencers, you face a number of dangers. Some of the most common ones are listed below:

- **There is a possibility that you will make poor financial decisions.** There is a tendency for broke influencers to give poor financial advice. For example, they might recommend risky investments or tell you to spend money you don't have. This could result in you losing a lot of money if you follow their advice.
- **Scammers may target you.** In some cases, broke influencers turn out to be scammers in reality. If they offer you fake investment opportunities, they might be trying to trick you into investing in them, or they might ask you for money in exchange for their advice. Any money that you give them is very likely to be lost if you do decide to give it to them.
- **You could damage your credit.** Influencers who are broke may suggest that you take out a loan or get a new credit card that you cannot afford in order to make ends meet. As a result of following their advice, you could end up damaging your credit score.

How to avoid taking financial advice from broke influencers.

What can you do to avoid taking financial advice from influencers who are broke? The following tips will help you make the right choice:

- **Be sure to do your research.** You should always do your

homework before taking any financial advice from anyone else. In order to ensure that they have a legitimate background in finance, you should check their credentials.

- **Do not be fooled by influencers who make unrealistic claims.** It is important to beware of influencers who promise you to make money quickly or who guarantee you returns. In the world of finance, there is no such thing as a sure thing.
- **Find influencers who are transparent about their finances.** It's a good sign that an influencer is credible if they share their own money journey. If they are unwilling to discuss their own finances, this is a red flag.
- **Take into account the influencer's background.** What financial education did they receive? Do they have any financial industry experience? Having a qualified influencer will make their advice more valuable.
- **Choose influencers with a successful track record.** The person does not have to be a millionaire to be qualified to give advice. Nevertheless, they must be able to demonstrate expertise in personal finance.
- **Trust your gut.** Generally, if something doesn't sound right, it isn't. In most cases, influencers who promise to get you rich quickly, or who ask you for money, are scammers.
- **Get professional advice.** To improve your financial situation, consult a professional financial advisor. Their help can help you create a plan that suits your needs.

Conclusion

Influencers who are broke are not the best people to get financial advice from. In the world of money, it's important to keep in mind that anyone with a large following doesn't necessarily know what they're talking about.

If you need financial advice, you should seek it out from a qualified professional. You can work with them to create a plan that meets your goals and needs.

FAQs

What is a broke influencer?

An influencer who promotes financial products or services but lacks a strong financial foundation is called a broke influencer. Whether they owe money, mismanage their finances, or simply don't have much money, they may struggle.

Why is it risky to take financial advice from broke influencers?

Taking financial advice from broke influencers is risky for several reasons.

In the first place, these influencers might not have the necessary financial knowledge to provide competent advice. It is possible that they have earned their money from other sources, such as social media or entrepreneurship, without a solid understanding of personal finance.

Secondly, broke influencers may not be motivated by your interests, but rather by their own financial interests. Even if the products or services they promote are not in your best interests, they may earn money from them.

A third problem is that broke influencers may not be able to follow their own guidance. What are the chances of them helping you manage your finances effectively if they can't manage their own?

What should you do instead of taking financial advice from broke influencers?

For financial advice, you should turn to someone other than broke influencers. Listed below are a few suggestions:

- Consult a financial advisor. You can develop a financial plan tailored to your needs and goals with the help of a financial advisor.
- Learn about personal finance by reading books and articles. Financial topics such as investing, budgeting, and debt management are covered in many resources like books, podcasts, and blog posts.
- Become a member of a financial forum or community. For those interested in personal finance, there are many online forums and communities.

What are some red flags to look out for when considering financial advice from an influencer?

When considering financial advice from an influencer, you should look out for the following red flags:

- A get-rich-quick scheme is being promoted by the influencer.
- There is no transparency regarding the influencer's financial situation.
- Unrealistic promises are made by the influencer.
- To sell their advice, the influencer uses emotional appeals.

In short, you should avoid financial advice from any influencer who displays any of these red flags.

What are some tips for getting sound financial advice?

For helpful financial advice, here are some suggestions:

- **Be sure to do your research.** It is important to understand the risks associated with any financial advice before you take it.
- **Seek out multiple opinions.** Don't depend on a single advisor or influencer for advice. If you are making a financial decision, it is important to get multiple opinions from different sources.
- **Don't doubt your instincts.** The best rule of thumb is if something doesn't feel right, then it probably isn't. Whenever you feel uncomfortable with financial advice, don't hesitate to walk away.

It can be risky to take financial advice from broke influencers. You can protect yourself from fraud and losing money by following the above tips.

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