



New FIS Research Shows Consumers Leaning on Social Media for Financial Advice, Giving Banks an Opportunity to Avoid a Generational Trust Cliff

October 16, 2024

Key Facts

- New survey reveals significant shift in relationship between younger generations and traditional financial institutions as trust in financial advice from social media grows.
- According to the survey, social media has become the primary source of financial advice for younger generations, which can promote unrealistic comparisons and financial insecurity.

JACKSONVILLE, Fla.--(BUSINESS WIRE)--Oct. 16, 2024-- [FIS](#)[®] (NYSE: FIS), a global leader in financial technology, today announced the findings of a comprehensive U.S. consumer research study examining the shifting landscape of generational relationships with financial institutions. The study highlights the increasing challenges traditional banks face in competing to be the voice of authority on personal finances amid rapid technological advancements and economic uncertainty.

Hashim Toussaint, GM of Digital and Open Banking at FIS, commented on the findings, stating, "This research highlights a pivotal moment for the financial services industry. As younger generations increasingly turn to digital platforms for financial advice, traditional banks must evolve to meet their changing expectations. By offering personalized, data-driven solutions, we can bridge the trust gap and support consumers in making informed financial decisions, bringing greater harmony to their financial lives."

Social media takes over as the main driver of financial advice for younger generations

The research shows that social media has become the primary source of financial advice for younger generations. For instance, 40% of Gen Z and 36% of Millennials surveyed report that they are learning about finance from social media platforms, whereas less than 25% of this cohort are being educated by their financial institution.

Yet, dependence on social media has its drawbacks. Financial advice on these platforms tends to be fragmented and can result in unrealistic comparisons and disjointed financial decisions, which can heighten financial anxiety among consumers. Just over half of Americans surveyed feel they are not making or saving enough money compared to others they see on social media, with two-thirds of Gen Z feeling this way.

Hashim Toussaint of FIS notes, "As reliance on social media for financial guidance grows, a profound challenge for banks emerges as they compete with the immediate gratification offered by influencers. Banks must lean into their role as trusted financial advisors, unlocking the financial wisdom for customers to put their money to work, so they can take a step back from the daily doomscrolling and have greater confidence in their ability to achieve their future goals."

Rising financial anxiety across generations due to fragmented advice and economic uncertainty

Across all generations, financial anxiety is on the rise, exacerbated by the constant access to fragmented financial advice on social media. The study found that 68% of surveyed Gen Z and Millennials, and 63% of surveyed Gen X, strongly agree that money is a major emotional stressor. Additionally, nearly half (47%) of the Gen Z and Millennials surveyed check their personal checking/savings accounts daily compared to just 30% of Boomers surveyed.

A particularly striking finding from the study is that 41% of surveyed Americans believe they could only invest money if they experienced a financial windfall like winning the lottery, and 55% are worried they will never be able to retire. This pervasive financial anxiety suggests that many US consumers may feel their current financial strategies are insufficient for achieving long-term goals like homeownership or substantial investment.

Two-thirds of Gen Z consumers surveyed do not feel they make enough money compared to their peers, and 59% of Gen Z respondents think about their money on a daily basis compared to only 36% of Boomer respondents. As consumers struggle to keep their finances in harmony, this anxiety may intensify, leading to behaviors such as doomscrolling, which further deepens their financial fears and uncertainties.

Consumers are vaulting their funds at rest instead of putting their money to work

The study reveals that younger generations are primarily keeping their money in checking accounts and digital wallets. Specifically, 33% of Gen Z and 42% of Millennials reporting holding their funds in checking accounts, while digital wallets are reportedly used by 18% of Gen Z and 11% of Millennials. Additionally, many in younger generations are keeping money in accounts that are not FDIC insured, which can pose significant risks to their financial security.

The trend of keeping most funds in checking accounts suggests that younger generations are not maximizing growth and optimization opportunities. However, Gen Z consumers have reported opening more financial accounts in the past year than any other generation surveyed, which suggests that while they are putting their money at work by investing, they are actively engaging with their finances.

Banks can bridge generational trust gap by keeping pace with new entrants and delivering exceptional customer experiences

Amid these challenges lies a significant opportunity for banks to drive exceptional customer experiences and earn the trust of younger, tech-savvy consumers. Over 80% of Americans surveyed remain loyal to their long-time financial institutions, however, just over half would consider switching for a better offer. Notably, Millennials switched banks five times more than Boomers in the past year.

To attract younger customers, banks should create innovative tools and services that empower consumers to stay organized, inform them about their choices, and support them in achieving their financial goals. Offering tailored and easily accessible financial solutions will help attract and retain the next generation of customers.

Methodology

FIS' survey was conducted by Savanta in July 2024. The research explores the attitudes and behaviors of US Consumers across financial wisdom, data privacy and perception and the impact of social media on how different generations view their financial wellbeing, as well as the opportunity for banks to evolve in these areas.

The US data is based on a representative sample of 2,992 adult consumers across the US, spanning Generation Z (18-27), Millennials (28-43), Generation X (44-59) and Baby Boomers (60+).

[About FIS](#)

FIS is a financial technology company providing solutions to financial institutions, businesses, and developers. We unlock financial technology to the world across the money lifecycle underpinning the world's financial system. Our people are dedicated to advancing the way the world pays, banks and invests, by helping our clients to confidently run, grow, and protect their businesses. Our expertise comes from decades of experience helping financial institutions and businesses of all sizes adapt to meet the needs of their customers by harnessing where reliability meets innovation in financial technology. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index. To learn more, visit [FISglobal.com](https://www.fisglobal.com). Follow FIS on [LinkedIn](#), [Facebook](#) and [X](#).

View source version on [businesswire.com](https://www.businesswire.com/news/home/20241016941016/en/): <https://www.businesswire.com/news/home/20241016941016/en/>

Kim Snider, 904.438.6278
Senior Vice President
FIS Global Marketing and Communications
kim.snider@fisglobal.com

Source: Fidelity National Information Services