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SOCIAL MEDIA-INFLUENCED INVESTING[1]

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INTRODUCTION

Within the securities industry, social media plays a prominent role in influencing investor behavior while providing opportunities for new forms of customer engagement and additional sources of data. The FINRA Investor Education Foundation's 2025 study on how investors evaluate information indicates that 45 percent of investors receive financial advice from the internet and 24 percent reported getting their information from social media.[2] In addition, 35 percent of survey respondents under the age of 30 reported relying on social media vs. 13 percent of those 65 and older.[3] As more investors rely on social media for financial information, content creation related to investing has proliferated. In addition, market participants are increasingly seeking to harness social media data for market analyses and product development.

In light of these developments, FINRA staff launched a research initiative to assess the impact of social media on investing. As part of this research, we engaged with more than two dozen parties, including financial institutions, software service providers, academics, industry observers and government entities. This report summarizes the main findings of our research and is structured, as follows:

▶ **SECTION I** provides a brief overview of social media's impact on investing.

▶ **SECTION II** identifies and analyzes techniques for leveraging social media used within the securities industry.

▶ **SECTION III** addresses potential benefits and risks associated with social media-influenced investing.

▶ **SECTION IV** outlines potential regulatory considerations.

FINRA's research on this topic is intended to raise awareness among FINRA member firms and the broader securities industry by providing an overview of how developments related to social media-influenced investing may impact investors and member firms as well as the broader securities market. This report is also intended to facilitate continuing dialogue regarding developments in this space and to foster innovation in a manner that promotes investor protection and market integrity. Accordingly, FINRA requests comments on all areas of this report in Section V below.[4]

SECTION I: Overview

An increasing portion of investors report that social media content directly impacts their investing decisions, and social media is particularly popular among younger generations of investors.[5] Social media platforms may provide a faster and more efficient way to disseminate financial information that is in line with the preferences of younger generations. Social media also has the potential to drive collective action in a broad and impactful manner.[6] This was demonstrated in part by the influence of social media on "meme stock" trading activity.[7]

Some financial institutions use social media to help provide general investment information and to market their firm's services.[8] In addition, some market participants—including FINRA member firms, exchanges, hedge funds and other financial institutions—view social media as a source of valuable and actionable data that allows them to improve their understanding of the markets.[9] For instance, techniques such as social media data aggregation are used to gather and consolidate social media posts into a single, centralized hub, and then process the data to help identify and analyze social sentiment. This social sentiment is frequently used as an alternative form of data to inform market research and, ultimately, investing strategies. For example, market participants may rely on these types of social media tools to measure public perception, both for brand management of their own institution and to gauge market trends.[10]

SECTION II: Social Media Tools Used in the Securities Industry

FINRA's research highlighted various social media tools that market participants use to influence investment decisions. As discussed in greater detail below, these techniques involve social media communication platforms, sentiment analysis tools and financial product innovations.

Social Media Communication Platforms

Some investors rely on various online and app-based platforms to communicate with other individuals or groups about investing. These social media communication platforms may include investing chat groups and forums that: (i) exist on traditional social media channels (*e.g.*, Instagram, Facebook, TikTok, X, Reddit, YouTube); (ii) are featured as part of social media channels focused specifically on investing (*e.g.*, Stocktwits, the Commonstock platform on Medium, Seeking Alpha, Estimize, Yahoo! Finance); or (iii) are hosted directly on a member firm's platform.[11]

These communication platforms allow investors to share ideas on investment strategies and opportunities, discuss market trends and their impact on various holdings, post articles, ask questions, and create polls. Using investing chat groups and forums is frequently linked to the development of various trading strategies, including copy trading (involving imitating the trading activity of other traders) and meme stock trading strategies. These social media-based communication channels were noted as having a significant impact on market activity.[12]

Proponents of investing chat groups or forums frequently state that they serve to create a community of like-minded investors who are able to share viewpoints and learn from each other. However, there is also the risk that these communication platforms contain inaccurate, misleading, harmful or intentionally false information. FINRA has previously cautioned investors about the risks of relying solely on social sentiment investing tools when making investment decisions and noted it is beneficial to "[c]arefully review publicly disclosed company information, and consider reviewing other types of investment analysis, including fundamental value metrics."[13]

In addition to chat rooms and forums, investors are also turning to individuals on social media (typically on traditional social media channels such as Instagram, Facebook, TikTok, X, Reddit and YouTube) with large followings, who provide information and advice on financial matters including investing, oftentimes for compensation.[14] These social media influencers who focus on financial matters are generally referred to as "finfluencers." While finfluencers may provide useful insights and expand access to information, they may also present certain potential risks, including due to potential lack of qualifications, or conflicts of interest.[15] FINRA has previously provided information to broker-dealers regarding regulatory risks and other considerations when engaging with social media influencers.[16]

Sentiment Analysis Tools

Many financial institutions have begun leveraging social media data to gain valuable market insights and intelligence using various types of sentiment analysis tools that extract insights and deliver measures of public perception. Sentiment tools may use artificial intelligence (AI) techniques—including natural language processing, machine learning and other advanced analytics techniques—to parse through millions of social media posts, comments and discussions to identify potentially meaningful signals and patterns.[17] Financial institutions use these sentiment analysis tools in part to gain an informational edge by detecting shifts in investor sentiment or identifying potential catalysts for market movements before they are widely recognized and reflected in prices.[18]

Research in the field of psychology and behavioral finance indicates that emotions play a significant role in human decision-making and, as a result, public mood and sentiment derived from social media may drive stock prices as much as sentiment derived from news reports.[19] In addition, some firms have also noted that public and social sentiment drive stock market value as much as news and company performance reports.[20] Accordingly, market participants are seeking to combine news and financial data with social media activity, including investor mood or sentiment, as a way to potentially improve predictive capabilities.[21] Investors can analyze news, social media and financial reports, using sentiment analysis to process thousands of tweets and news articles to gauge sentiment on the market, particular stocks or sectors.[22] Market participants may also benefit from certain sentiment analysis tools designed to learn from the "wisdom of the crowd" by seeking information from a curated group to help filter out relevant information and separate signal from noise.[23] Market participants may use this crowdsourcing technique to distill usable information and insight from a broader set of social media sources.[24] With these use cases in mind, financial institutions are seeking the ability to monitor and analyze the vast amount of information shared on social media to potentially uncover emerging trends, gauge investor sentiment and identify potential trading opportunities.[25]

Some financial institutions, particularly hedge funds and other sophisticated market participants, have developed proprietary sentiment analysis tools to extract and analyze social media data, which they can then use to inform trading and investing decisions as well as gain broader insights into markets.[26] For example, S&P Dow Jones Indices launched the S&P 500 Twitter Sentiment Index Series to measure bullish and bearish tweets to both assess individual stocks as well as the broader index.[27] In addition, companies widely use sentiment analysis, across various sectors, for brand management—more specifically to improve awareness of what consumers are saying, on social media, about a company's services.[28]

Recognizing the potential value of sentiment analysis tools, certain financial institutions have partnered with specialized vendors and service providers to incorporate social media-powered insights into their investment research and decision-making processes. For example, service providers like Bloomberg, Brandwatch, Stockpulse and Context Analytics offer products and services that aggregate and analyze social media data, providing clients with sentiment scores, trend analysis and other market intelligence.[29] A range of market participants, from broker-dealers to hedge funds to asset managers, use these sentiment analysis tools to supplement their traditional research workflows.

In some cases, financial institutions may provide information regarding sentiment analysis tools to investors, which may include access to real-time social sentiment data and indicators.[30] Some service providers also make their sentiment analysis tools available directly to the public for a fee or, in some cases, for free.[31]

Exchanges also use sentiment analysis tools to assist with market surveillance.[32] For example, exchanges may use sentiment analysis tools to collect and analyze social media data and provide a risk score to help uncover broader, telling trends in social media activity as it relates to market trading and price activity.[33] Surveillance and market intelligence teams at financial regulators may also use social media sentiment analysis and data aggregation tools to aid in investigations—for example, leveraging insights from social media chatter may uncover insights related to specific stocks that pertain to insider trading or other market manipulation.[34]

The heightened demand for sentiment analysis tools may reflect the growing desire for social media-derived insights among a broader range of market participants. However, as discussed in greater detail in Section III of this report, using social media data for investment purposes carries risks, including concerns around data quality and potential manipulation.[35] Accordingly, market participants noted that they generally seek to access the vast amounts of data generated on social media platforms to uncover signals that can complement traditional financial analysis while being cognizant of and taking measures to limit potential risks.[36]

Financial Product Innovations

In addition to leveraging social media data and sentiment analysis for investment research and decision-making, market participants, including member firms, may offer financial products designed to capitalize on social media-driven investment trends or to provide indices that track popular holdings.[37]

For example, one financial product structured as an exchange traded fund (ETF) invests in an index of stocks selected by a rule-based quantitative methodology that is designed to identify U.S. common stocks with the most "positive insights" collected from online sources, including social media, news articles, blog posts and other alternative data sets.[38] The fund indicates that this underlying index uses AI tools, such as natural language processing, to analyze social media posts and other online content to identify stocks that are generating significant positive sentiment among investors.[39] Similarly, another ETF product is designed to reflect the 50 most widely held equities among a firm's customer base.[40] In other cases, firms have made available a fund that reflects the most popular stocks their customers hold.[41] While these products offer new opportunities, investors should carefully consider their own investment circumstances, including their age, other investments, financial situation and needs, risk tolerance and other factors.

SECTION III: Potential Benefits and Risks

The growing influence of social media on investing behavior and decision-making can offer, in relevant circumstances, potential benefits for investors, but it also may carry potential risks that should be carefully considered. Certain potential benefits and risks are noted below.

Potential Benefits

▶ *Increased access and wider ranges of investment information*: Social media platforms may facilitate investor access to investment-related content, advice and ideas shared by a wide range of sources, including *finfluencers* and online communities. This may help expand access to financial information.[42] In addition, access to social media sentiment data may serve as a new source of information for investors that may provide useful insight.

▶ *Potential to improve engagement and understanding of financial services*: Increased access to information on social media holds the potential to improve overall financial literacy, if investors discover accurate content that engages them. The interactive and accessible nature of social media-based investment content may provide investors with helpful financial information that they may not otherwise have and engage investors who may have previously felt intimidated by traditional financial services.[43]

▸ *Identifying emerging trends*: Monitoring social media activity may allow investors to identify emerging investment trends or themes before they are widely recognized by the broader market including by engaging with various groups on social media platforms.[44] In addition, market participants may now be able to harness the information content from social media sentiment data, a different type of information than has traditionally been available for security markets analysis, to identify trends.

Potential Risks

▸ *Misinformation and lack of transparency*: Social media investment content may contain inaccurate, misleading, biased information or improper disclosures (*e.g.*, failing to disclose a conflict of interest). In addition, persons who provide investment information on social media may lack any formal financial training or education, which can be particularly problematic if social media functions as the primary source of information for an investor. These factors could potentially lead investors to make decisions based on incomplete or unreliable information.[45]

▸ *Fraud and market manipulation*: Bad actors can exploit the anonymity, reach and rapid information dissemination capabilities of social media platforms to target vulnerable investors or manipulate markets before the platforms or regulators can intervene.[46] As a result, investors may become susceptible to various forms of investment fraud including pump-and-dump schemes, impersonation of financial experts and coordinated misinformation campaigns designed to artificially influence security prices.[47] There has been a recent rise of so-called "pig butchering" and investment club schemes that are generally advertised on social media platforms (including dedicated investment pages or communities) and carried out on private messaging apps.[48] In addition, bad actors may use social media for impostor-driven or relationship-based schemes, as well similar scams to defraud investors.[49]

▸ *Overreliance on social media*: Investors who rely too heavily on social media-based investment insights may neglect other sources of information related to a company's fundamentals or the broader market conditions, potentially leading to investment decisions based on incomplete information.[50] Moreover, as detailed by a recent FINRA Foundation study, investors who rely on social media for financial advice exhibited a far greater likelihood (72 percent) of taking on risky investments.[51]

▸ *Additional considerations for sentiment analysis tools:* Certain risks may be particularly important in the context of using social media sentiment analysis tools including:

  ▪ *Accuracy limitations*: During discussion with FINRA staff, some market participants indicated that sentiment analysis tools (similar to other tools that are designed to extract information from unstructured data) may struggle with sarcasm, idioms, misleading information and contextual language. This is particularly true when considering information across multiple languages, potentially leading to inaccurate classifications related to sentiment. Moreover, many sentiment analysis tools classify text into broad categories such as positive, negative or neutral, and may fail to capture more nuanced sentiments.

▪ *Data quality issues:* Similar to other data analysis tools, the quality of the output from sentiment analysis tools is highly dependent on the quality and relevance of the input data. As previously noted, social media may frequently contain inaccurate, misleading or biased information which may make the usefulness of sentiment analysis tools dependent on their ability to weed out data that may comprise its output.[52]

Overall, while social media-influenced investing may offer potential benefits to both member firms and investors, it may also carry risks. Accordingly, market participants seeking to leverage social media for investment decisions to take advantage of the benefits social media may provide may also desire to carefully consider what, if any, processes they can use to limit or contain these risks.

SECTION IV: Regulatory Considerations

In addition to the potential benefits and risks and related factors noted above, member firms should also be mindful of the potential implications to their regulatory obligations as they consider whether to use the various social media techniques described in this report. In 2023, FINRA provided an update to its targeted exam of firms' social media activities, which included various considerations for firms potentially related to regulatory, compliance and reputational risk.[53] To the extent that member firms offer or use social media techniques, such as sentiment analysis tools, including those that employ AI, FINRA reminds its member firms that FINRA's rules are intended to be technology neutral[54]—and the securities laws, more generally, continue to apply, just as they apply when member firms use any other technology or tool. The specific rules applicable to member firms' use of social media will vary—and could implicate many areas of member firms' regulatory obligations—but will ultimately depend on how member firms deploy its use.[55]

This report is not intended to provide an exhaustive or cumulative list of all factors or regulatory issues associated with the use of social media and related technologies. Moreover, this report does not create any new legal or regulatory requirements or new interpretations of existing requirements, nor does it relieve firms of any existing obligations under federal securities laws and regulations. Member firms may consider the information in this report when developing new, or modifying existing, practices that are reasonably designed to achieve compliance with relevant regulatory obligations based on the member firm's size and business model. Member firms should conduct their own risk assessments regarding the potential regulatory implications of their social media activities that pertain to their unique use cases and business models.

FINRA welcomes the opportunity to engage with member firms regarding social media-influenced investing. To the extent member firms find ambiguity in the application of FINRA rules based on their specific use of social media, they may seek interpretive guidance from FINRA by following [FINRA's process for interpretive](#) [requests](#).[56]

SECTION V: Request for Comments

FINRA welcomes comments on this paper, including input from financial industry market participants that are currently exploring social media influenced investing or have identified other use cases in the securities industry.

Comments are requested by **May 13, 2026**. Member firms and other interested parties may submit their comments using the following methods:

- online using FINRA's comment form for this paper;
- emailing comments to pubcom@finra.org; or
- mailing comments in hard copy to:

  Jennifer Piorko Mitchell
  Office of the Corporate Secretary
  FINRA 1700 K Street, NW
  Washington, DC 20006

To help FINRA process comments more efficiently, persons should use only one method to comment on the report.

Important Notes: All comments received in response to this paper will be made available to the public on the FINRA website. In general, FINRA will post comments as they are received.[57]

Direct inquiries regarding this paper to:

- Haimera Workie, Vice President, Office of Financial Innovation, at (202) 728-8128 or Haimera.Workie@finra.org;
- Jasmine Shergill, Director, Regulatory Economics and Market Analysis, at (212) 858-4376 or Jasmine.Shergill@finra.org; or
- Alex Khachaturian, Director, Office of Financial Innovation, at (202) 728-8275 or Alex.Khachaturian@finra.org.

ENDNOTES

1   The views and opinions made in this report are those of the authors, and do not represent official views or policies of FINRA. This report does not express any official FINRA legal position and does not create any new regulatory requirements or suggest any change in any existing regulatory obligations, nor does it provide relief from any existing regulatory obligations. This report summarizes key findings from FINRA's outreach and research on the potential impact of social media influenced investing, in the financial services industry, and does not endorse or validate the use or effectiveness of any of these applications. While this report highlights certain regulatory areas that FINRA members may wish to consider, it does not cover all applicable regulatory requirements or considerations. FINRA encourages all member firms to conduct a comprehensive review of all applicable securities laws, rules and regulations to determine potential implications including any regulatory implications of the metaverse.

2   FINRA Investor Education Foundation, *What Matters to Consumers When Assessing Information for Financial Decision-Making?* (Sept. 2025).

3   *Id.* The Federal Reserve Bank of Philadelphia found that 38 percent of 18 – 35-year-olds rely on social media for financial news (compared to only 4.5 percent of those 56 and older) on platforms including YouTube, Facebook, Instagram, TikTok and X (formerly Twitter). Tom Akana, Amber Lee and Larry Santucci, *How Americans Use Social Media for Financial Advice*, Federal Reserve Bank of Philadelphia (Mar. 2025).

4   *See* Request for Comments section of this paper.

5   *See, e.g.*, Ontario Securities Commission, *Social Media and Retail Investing: The Rise of Finfluencers* (2025); Elana Duré, *Social Media's Influence on the Investing Community*, JP Morgan Wealth Management (Jan. 7, 2025); FINRA Investor Education Foundation, *Investors in the United States: The Changing Landscape: A Report of the FINRA Foundation National Financial Capability Study* (Dec. 2022); FINRA Investor Education Foundation, *What Matters to Consumers When Assessing Information for Financial Decision-Making?* (Sept. 2025); Aru Bhat, Sofia Eckrich, *Are 'Finfluencers' the Future of Financial Advice?* (July 17, 2024); Tom Akana et al. *How Americans Use Social Media for Financial Advice*, Federal Reserve Bank of Philadelphia (Mar. 25, 2025).

6   Antonio Desiderio et al., *The Dynamics of the Reddit Collective Action Leading to the Gamestop Short Squeeze*, Nature (Feb. 3, 2025).

7   Meme stocks is a term that is generally used to refer to stocks that gain popularity primarily based on social media sentiment. See also, J. Anthony Cookson et al., *The Social Signal*, Journal of Financial Economics (Oct. 21, 2022).

8   FINRA, Podcast, *Finfluencers: New Marketing Strategies Meet Existing Compliance Obligations* (June 25, 2024); CFA Institute Research & Policy Center, *The Finfluencer Appeal: Investing in the Age of Social Media* (2024); International Organization of Securities Commissions (IOSCO), *Finfluencers: Consultation Report* (Nov. 2024).

9   FINRA Social Media Summit, Nov. 14, 2024; Rongjuan Chen et al., *The Relationship Between Twitter Sentiment and Stock Performance: A Decision Tree Approach*, Proceedings of the 56th Hawaii International Conference on System Sciences (2023).

10 Daniel Liberto, *Social Sentiment Indicator: What It Is, How It Works*, Investopedia (Nov. 1, 2022).

11 Some broker-dealers have developed opportunities for investors to communicate with each other about investment ideas within their own platforms. *See, e.g.*, Interactive Brokers, *IBKR Forum: Join the Conversation*; Webull, *Join Webull In-App Community!*.

12 The Board of the International Organization of Securities Commissions (IOSCO), *Online Imitative Trading Practices: Copy Trading, Mirror Trading, Social Trading*, IOSCO Consultation Report (Nov. 2024). Copy trading can take different forms and may involve the payment of fees for access to strategies and automation of trades in more structured forms. The SEC has stated that "[c]opy trading in securities may raise regulatory concerns under the U.S. federal securities laws, including potential broker-dealer and investment adviser status issues." See *Request for Information and Comments on Broker-Dealer and Investment Adviser Digital Engagement Practices, Related Tools and Methods, and Regulatory Considerations and Potential Approaches; Information and Comments on Investment Adviser Use of Technology To Develop and Provide Investment Advice*, Federal Register Release Nos. 34-92766 (2021); Dhruv Aggarwal et al., *The Meme Stock Frenzy: Origins and Implications*, Southern California Law Review (April 2024).

13 FINRA, *Investor Bulletin: Social Sentiment Investing Tools – Think Twice Before Trading Based on Social Media* (Apr. 23, 2019).

14 CFA Institute Research & Policy Center, *The Finfluencer Appeal: Investing in the Age of Social Media* (2024) ("Influencers may be sponsored by firms or brands to create content or paid by companies to promote certain products and services. In this sense, influencers can serve two purposes: first, to share information on topics they are perceived to be an expert on, and second, to influence the purchasing decisions of their audience through their expertise and personal branding.")

15 CFA Institute Research & Policy Center, *The Finfluencer Appeal: Investing in the Age of Social Media* (2024); International Organization of Securities Commissions (IOSCO), *Finfluencers: Consultation Report* (Nov. 2024); FINRA, *Following the Crowd: Investing and Social Media* (Mar. 13, 2023).

16 FINRA, Targeted Exam Letter, *FINRA Provides Update on Sweep: Social Media Influencers, Customer Acquisition and Related Information Protection* (Feb. 2023); FINRA, Unscripted Podcast Transcript, *Finfluencers: New Marketing Strategies Meet Existing Compliance Obligations* (June 25, 2024).

17 Mezzi, *Event-Driven Sentiment: AI Insights* (May 27, 2025).

18 *Id.*

19 Johan Bollen et al., *Twitter Mood Predicts the Stock Market*, Journal of Computational Science (Mar. 2011) ("Although news most certainly influences stock market prices, public mood states or sentiment may play an equally important role."). Haohan Wang, *Sentiment Analysis and Algorithm Trading*, Medium (Jan. 15, 2016) ("In order to take advantage of sentiment analysis for us to predict stock market movements, we can utilize the sentiment information as a directional signal to figure out whether to long or short certain stock within a portfolio. Many quantitative hedge funds have been incorporating the element of sentiment analysis in their trading strategies.").

20 E*Trade, *Social Media Analytical Tools* (Mar. 2, 2022).

21 Talita Greyling and Stephanié Rossouw, *Twitter Sentiment and Stock Market Movements: The Predictive Power of Social Media*, Center for Economic Policy Research (Mar. 26, 2025); Mohammad Al Ridhawi, *Stock Market Prediction Through Sentiment Analysis of Social-Media and Financial Stock Data Using Machine Learning*, University of Ottawa, School of Electrical Engineering and Computer Science

(2021) (noting the results of an experiment showing that combining sentiment with financial information can improve prediction performance by over 74 percent).

22 John P. Reese, *Gaining An Edge: 5 AI-Powered Strategies For Stock Market Success*, Forbes (Mar. 22, 2024).

23 Seeking Alpha*, How Does Seeking Alpha's Crowdsourcing Model Work?*; Estimize (Describing the value of their tool that can "leverage the collective wisdom of crowds and receive highly accurate earnings predictions for U.S. equities).

24 *See, e.g.*, Media Watcher, *Decode the Crowd's Voice With Social Media Sentiment Analysis* (July 3, 2025).

25 Rongjuan Chen et al., *The Relationship Between Twitter Sentiment and Stock Performance: A Decision Tree Approach*, Proceedings of the 56th Hawaii International Conference on System Sciences (2023).

26 *See, e.g.*, Talita Greyling and Stephanié Rossouw, *Twitter Sentiment and Stock Market Movements: The Predictive Power of Social Media*, Center for Economic Policy Research (Mar. 26, 2025); Kumesh Aroomoogan, *How Quant Traders Use Sentiment To Get An Edge On The Market*, Forbes (Aug. 6, 2015); Haohan Wang, *Sentiment Analysis and Algorithm Trading*, Medium (Jan. 15, 2016).

27 S&P Global, *What Does "Everyone" Think? S&P Dow Jones Indices Introduces S&P 500 Twitter Sentiment Index* (Nov. 18, 2021).

28 Global Market Insights, *AI In Social Media Market Size - By Technology, By Component, By Application, By Organization Size, By End Use, Growth Forecast* (July 2025).

29 *See, e.g.*, Bloomberg, *Bloomberg Professional Services: News*; Stockpulse, *Real-Time Social Sentiment for Smarter Financial Decisions*; Context Analytics (f/k/a Social Market Analytics), *The Leader in Unstructured Financial Data*.

30 *See, e.g.*, E*Trade, *Social Media Analytics Tools* (Mar. 2, 2022); Interactive Brokers, *See How the Market Feels*.

31 *See, e.g.*, Social Searcher; Swaggy Stocks; Stocktwits.

32 *See, e.g.*, Tony Sio, *Social Media Monitoring with Market Surveillance Tools*, Nasdaq.

33 Tony Sio, *Social Media Monitoring with Market Surveillance Tools*, Nasdaq ("[M]etrics such as the number of tweets or posts, retweets and followers can be leveraged to identify who has the most impact when they talk about a company.").

34 *See, e.g.*, International Organization of Securities Commissions (IOSCO), *Finfluencers: Consultation Report* (Nov. 2024) (noting that regulators can "enhance[e] monitoring and enforcement capabilities through data analytics and social media surveillance tools"); see also European Securities and Markets Authority (ESMA), *Social Media Sentiment: Influence on EU Equity Prices*, ESMA TRV Risk Analysis: Consumer Protection (Apr. 3, 2024), (describing the use of sentiment and attention indicators measured against stock price movements).

35 *See, e.g.*, FINRA Investor Alert: *Social Media 'Investment Group' Impostor Scams on the Rise* (Jan. 11, 2024).

36 As part of FINRA's research, we engaged with more than two dozen stakeholders, including financial institutions, software service providers, academics, industry observers and government entities.

37 *See, e.g.*, VettaFi, *Social Media ETF List*.

38 VanEck, *BUZZ VanEck Social Sentiment ETF*.

39 *Id.*

40 SoFi, Press Release, SoFi Debuts its First Crowdsourced ETF Based on SoFi Social 50 Index (July 1, 2020).

41 *See, e.g.*, Robinhood, Robinhood Investor Index.

42 CFA Institute Research & Policy Center, *The Finfluencer Appeal: Investing in the Age of Social Media* (2024).

43 *Id.*

44 Talita Greyling and Stephanié Rossouw, *Twitter Sentiment and Stock Market Movements: The Predictive Power of Social Media*, Center for Economic Policy Research (Mar. 26, 2025).

45 *See, e.g.*, CFA Institute Research & Policy Center, *The Finfluencer Appeal: Investing in the Age of Social Media* (2024); Isabella Kwai, *Financial Advice on Social Media Is Growing. And Risky*, The New York Times (Jan. 25, 2025),.

46 Mohar Chatterjee and Maggie Miller, *A New Look at How Bots Shape Social Media*, Politico (Sept. 10, 2025).

47 Sue S. Guan, *Fraud on the Social Media Market*, 119 Northwestern University Law Review Colloquy 206 (2024).

48 FINRA, Investor Alert: Social Media 'Investment Group' Imposter Scams on the Rise (Jan. 11, 2024); Meta, *Avoiding Investment and Payment Scams Online* (May 7, 2025); Meta, *New WhatsApp Tools and Tips to Beat Messaging Scams* (Aug. 5, 2025); Federal Bureau of Investigation, Public Service Announcement, Alert Number: I-070325-PSA, *Fraudsters Target US Stock Investors through Investment Clubs Accessed on Social Media and Messaging Applications* (July 3, 2025).

49 FINRA, Investor Alert: *Relationship Investment Scams* (Sept. 10, 2024); FINRA, Investor Alert: *Social Media 'Investment Group' Imposter Scams on the Rise* (Jan. 11, 2024).

50 *See, e.g.*, Sonja Warkulat and Matthias Pelster, *Social Media Attention and Retail Investor Behavior: Evidence from R/wallstreetbets*, International Review of Financial Analysis (Nov. 4, 2024).

51 FINRA, press release, *FINRA Foundation Releases Findings on Fraud Awareness Among Investors* (Oct. 7, 2025); *72% of Social Media Followers and Half of US Retail Investors Open to Risky Offers: FINRA Foundation*, Finance Magnates (Oct. 7, 2025).

52 Qing Liu and Hosung Son, *Methods for Aggregating Investor Sentiment from Social Media*, Nature (July 17, 2024).

53 FINRA, *FINRA Provides Update on Sweep: Social Media Influencers, Customer Acquisition and Related Information Protection* (Feb. 2023).

54 In this context, technology neutral means that policies and regulations focus on activities and outcomes rather than on particular technologies.

55 *See, e.g.*, FINRA Rule 2210 (Communications with the Public); FINRA Rule 3110 (Supervision); FINRA Rule 3120 (Supervisory Control System); FINRA Rule 4511 (General Requirements); FINRA Rule 4530 (Reporting Requirements); Securities Exchange Act (SEA) Rule 17a-4(b) (detailing firm obligation to retain records of digital communications that relate to their "business as such"); SEA Regulation Best Interest. For additional information, you may refer to FINRA Key Topics Page on Social Media. *See also*, FINRA Regulatory Notices 24-09; 19-31; 17-18; 11-39; 10-06. There have also been disciplinary actions taken against firms relating to their social media activity. See FINRA press release, FINRA Provides Update on Sweep: Social Media Influencers, Customer Acquisition and Related Information Protection (Feb. 2023); Bruce Kelly, *FINRA Penalizes Another Broker Dealer for Social Media Miscues*, Investment News (May 28, 2025); FINRA Letter of Acceptance, Waiver, and Consent No. 2021072581101, Re: M1 Finance LLC (Feb. 12, 2024), FINRA Letter of Acceptance, Waiver, and Consent No. 2021072501001, Re: Cobra Trading, Inc. (Mar. 25, 2024).

56 *See* FINRA Interpretive Questions page.

57   Parties should submit in their comments only personally identifiable information, such as phone numbers and addresses, that they wish to make available publicly. FINRA, however, reserves the right to redact or edit personally identifiable information from comment submissions. FINRA also reserves the right to redact, remove or decline to post comments that are inappropriate for publication, such as vulgar, abusive or potentially fraudulent comment letters.

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