

A Reddit Hot Take:

Playing with FIRE



Why a generation in search of financial security is turning to Reddit's finance communities to safeguard their futures.

Amid cultural and economic volatility, today's young adults are desperately seeking both security and control.

They're looking to Reddit to transform their anxiety into action that will help them achieve their dreams.

Implications

What financial services brands can take away when considering how to resonate with Gen Z and young Millennials on Reddit:

- 01. Be practical.** This group knows that success doesn't come for free. Resonate by showing them how products can help them – but don't make lofty promises that could be read as unrealistic.
- 02. Help them help themselves.** This group prides themselves on being self-taught, with 75% of Gen Z redditors interested in finance saying learning new skills is important to them. Give them the tools to figure out their financial futures on their terms.
- 03. Give a platform to success stories.** Gen Zers come to Reddit to crowdsource inspiration from others. Use AMAs or Reddit Talks as an opportunity to celebrate others, but also create learning opportunities.
- 04. Emphasise personal preference.** Money is personal, but endless tales of achievement can make it seem otherwise. Destigmatize personal shame or experiences of money by representing stories not just of runaway success, but of realism and modesty, too.
- 05. Focus on the future, but don't lose sight of the now.** This audience is uniquely action-oriented, and focused on their future selves, but they're still young. Help them understand how products and services can help them achieve their long-term goals, but also create opportunities for interim wins.



Originally born in the early '90s, growing economic turbulence has seen the FIRE movement – Financial Independence, Retire Early – rise in popularity...

“The general path to FIRE is to save 50 to 70 percent of your income, invest those savings in low-fee stock index funds, and retire in roughly ten years.”

– **Scott Rieckens**, author of *Playing with FIRE: How Far Would You Go for Financial Freedom?*



Now: What's Happening?

Anxious, but ambitious

Trend Summary: Gen Z are heading to Reddit to transform anxiety around money into motivation that will help them achieve their long-term ambitions.

Gen Z are as anxious as they are ambitious. They're not sure they can achieve their dreams, but they know if they're going to come close, they'll need to work hard now, rather than waiting to see what happens. It's why they're putting 14% of their incomes into 401ks – more than any other generation.

On Reddit, where this group over-indexes on financial savviness, this is an active state. Pseudonymity allows people to be honest about their worries, while communities like r/FIRE or r/entrepreneur offer spaces for them to find motivation through others' wins, and source strategies for hitting long-term savings goals.

Sources: BlackRock, US, 2022; Goldman Sachs, US, 2022; GWI, US, June 2021 - June 2022; Reddit Internal, Global, Aug 1 - Jul 31, 2022

25%

of American
Gen Zers plan
to retire by 55

72%

of American Gen Z
redditors say being
financially secure is
important
to them

r/FIRE

My parents never saved and are now totally F'd, despite both at one point making decent money at higher paying jobs. Seeing what they're going through has been the most incentivizing educational thing for me. No way am I going to end up sweating lack of money when I'm old. I behave VERY differently with my money than they did. And they're proud of me because they recognize their huge mistakes.



110 upvotes



Gen Z are coming to Reddit to find out
how to make their money work for them...

+110%

Gen Z redditors are more
likely than the general
population to visit
business subreddits

+67%

Gen Z redditors are more
likely than the general
population to visit
crypto subreddits

+27%

Gen Z redditors are more
likely than the average Gen
Zer to cite **economy** as a
personal interest



The Origin: What's Driving It?

Economic Unease

This audience has ascended to adulthood during a decade of financial and cultural precarity. In the wake of the 2008 financial crisis, trust in global institutions has declined, economic volatility has heightened and populist politicians have seen rampant success.

Growing interest rates on student debts, rising inflation and a soaring cost of living, renting or buying a home form the backdrop for this group's coming of age – and it's far from rosy.

Today's young adults were already on the back foot, and the future outlook isn't looking good. They fear the current climate could result in a failure to launch, and in response, they're taking pragmatism to the extreme.

Sources: GWI, US, June 2021 - June 2022

74%

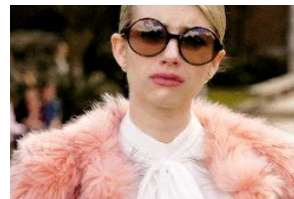
of American Gen Z
redditors say their
cost of living has
increased

37%

of American Gen Z
redditors say inflation
is impacting them
personally

r/ReactionGIFs

I'm 25, have lived through 2 once in a lifetime financial crashes, the first global pandemic in over a century and now as the world is just getting back to normal, Russia start the first large scale invasion seen in Europe since WW2



↑ 57.2k upvotes

Created by Global Insights



The next generation are living
in fear of a failure to launch...



61%

**of American
Millennials and Gen
Zers worry they'll
never be able to
afford the life
they want**



Next: What's Coming

Impending Burnout?

The survival tactics and financial diets that this audience are increasingly interested in are no laughing matter: they're radical methods that are as extreme as the climate they're responding to.

To safeguard their futures, they're getting deep into prepping, and they're coming to Reddit to inform their saving strategies: the original FIRE community r/financialindependence tracks back more than a decade, and is a mecca for trusted wisdom and advice.

But these solutions aren't necessarily sustainable. While tactics around cryptocurrencies are causing controversy among savvy financial circles, such extreme frugality can lead to a lack of presence in the now.

In the short-term, Gen Z are exploring quick wins and catch-all solutions that are more akin to life hacks than long-term strategies.

Sources: GWI, US, June 2021 - June 2022

36%

of American Gen Z
redditors interested in
finance say they're
prone to anxiety

27%

of American Gen Z
redditors interested in
finance have invested
in crypto

r/FIRE

**Leaving this
community for
my mental health**

Just wanted to say I've learned a ton from all of you, and I appreciate all the help. This is a smart, determined group of folks.

But as I scroll through reddit, I get filled with anxiety that I'm not saving enough, or as aggressively, when really, I just need to stay the course...

↑ 755 upvotes

Created by Global Insights



Conversations around mental health are spiking in Reddit's financial communities...

+52%

YoY increase in mentions of **'mental health'** in **crypto** subreddits

**FINANCIAL RISK-TAKING
IS DRIVING A BIGGER
CONVERSATION
AROUND MENTAL
WELLNESS AMONG
FINANCIALLY-SAVVY
REDDITORS**

+30%

YoY increase in mentions of **'mental health'** in **personal finance** subreddits



Sustainable Gains

At its core, FIRE's appeal lies in a desire to this generation's deep pragmatism: be smart now in order to feel fulfilled for longer. But amid conversations around bad investments and unachievable goals, some emergent subreddits point to a desire for less strenuous alternatives.

While r/Bogleheads is a community for building 'lazy' portfolios – a strategy that centers on building portfolios that'll perform well in most market conditions – subreddits like r/fatfire offer a compromise to the painstakingly frugal lifestyle of a typical FIRE fan.

What could a shift towards financial prepping that actually allows for fulfilment look like? And if this generation achieves it, what impact will this future generation of super-rich and well-balanced retirees have on culture and society?

+21%

YoY increase in mentions of 'joy' and 'fulfilment' in personal finance subreddits

Subreddits prioritising sustainable gains...

+164%

r/ChubbyFire

+112%

r/Bogleheads

+38%

r/MoneyDiariesActive

*YoY increase in subscribers

r/Bogleheads

Today is a Great Day to be a Boglehead

Today is one of those great days where the market is down a few percentage points (but up 20% YTD) and people in the r/stocks and r/investing subreddits are losing their minds. They don't know what to do with their PayPal or Gamestop or AMC stocks that are tanking, they are worried about being left holding the bag, they don't know what to invest in next. Some are so worried they want to pull out of the market and go all-cash until...



787 upvotes



There are healthy and sustainable ways to plan for the future, both with FIRE or without it...

“

FI is amazing and we are so fortunate to even have the chance to attain it, but don't lose sight of your life. Make decisions that aren't just financially right, but also emotionally, mentally, and spiritually right for you as well. **Build the life you want, then save for it.**

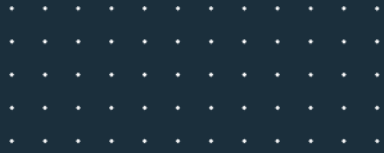
”

– Redditor via **r/FinancialIndependence**





Both in their financial lives and beyond, this audience aren't just seeking security, but control. FIRE and the related alternatives are just one manifestation of this reality.



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