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# Next Investor



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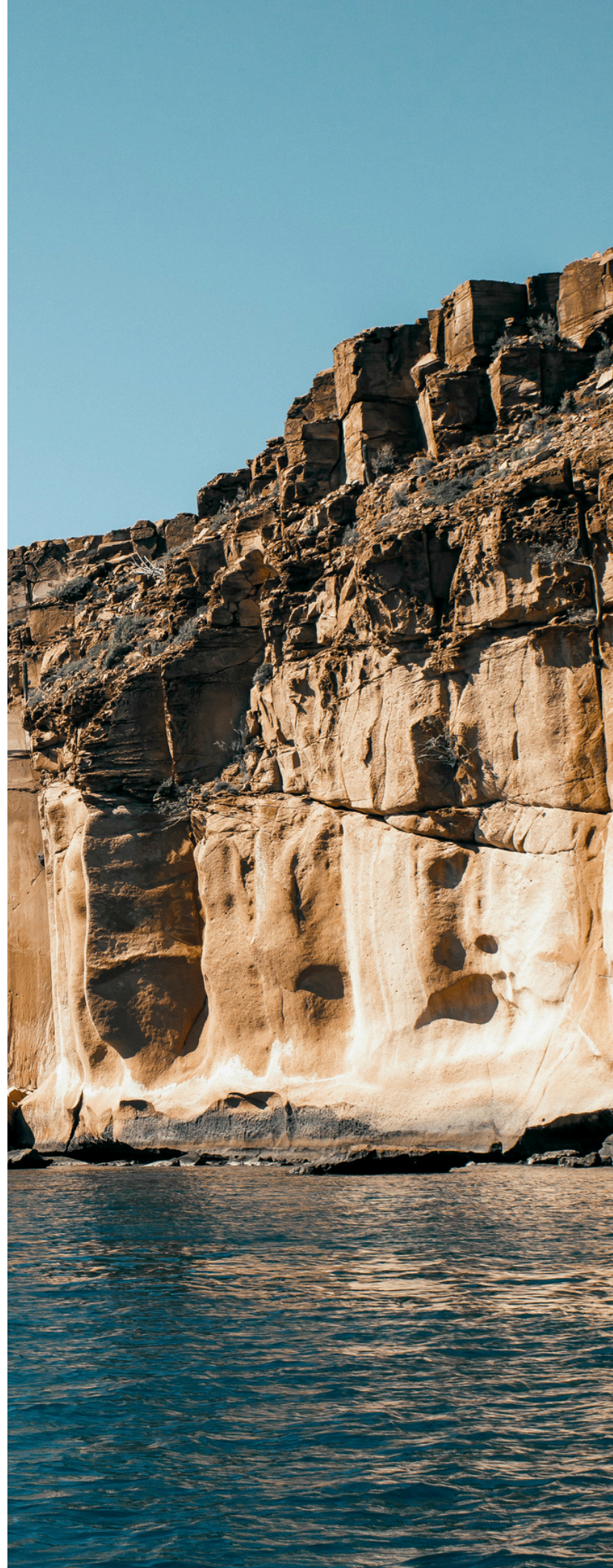
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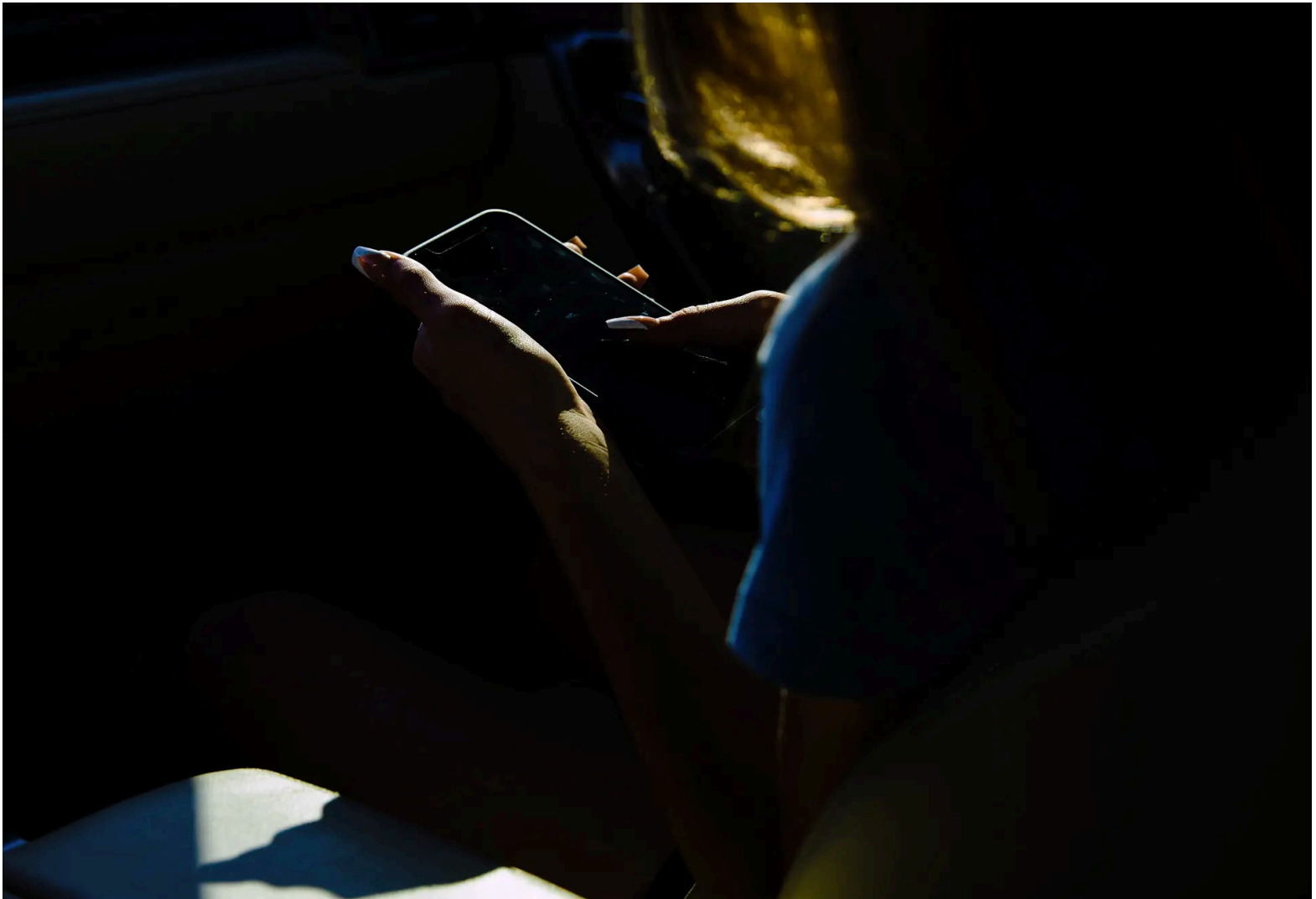


# From Tiktok to Wall Street: How Social Media Shapes Financial Decisions

BY GAARGI BORA

*Explore the influence of influencers, "finfluencers," and viral trends on stock picks, spending habits, and financial literacy.*

*The New York Times*



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In 60 seconds or less, a stranger on TikTok can convince you to buy a stock, start investing in crypto, or open a high-yield savings account. But should they?

In the age of digital influence, financial advice no longer comes solely from certified professionals or Wall Street veterans. Instead, it's coming from 22-year-olds with ring lights and a passion for "finfluencing." Platforms like TikTok, Instagram, and YouTube have become the new trading floors—informal, fast-paced, and wildly popular, especially among Gen Z.

### **The Rise of the Finfluencer**

According to a 2023 joint study by FINRA and the CFA Institute, 37% of Gen Z investors said social media influencers were a major reason they began investing. This shift reflects a broader trend: young people increasingly prefer financial advice that's relatable, visual, and easily digestible.

The term “influencer” describes content creators who give advice on budgeting, investing, credit, and more—often with little to no formal financial training. Videos tagged with #StockTok and #PersonalFinance have garnered billions of views, transforming creators into trusted voices in a space once dominated by institutions.

### **Fast Facts, Real Risks**

But with this democratization of financial knowledge comes a darker side. The Ontario Securities Commission found that people who acted on influencer advice were 12 times more likely to be scammed. Many finfluencers promote risky investments or paid partnerships without disclosing conflicts of interest, blurring the line between genuine advice and marketing.

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Regulators are taking notice. In the UK, the Financial Conduct Authority has issued multiple warnings about unqualified individuals promoting speculative investments on TikTok. Meanwhile, in the U.S., platforms are under pressure to monitor content that crosses into legally regulated financial territory.

### **When Investing Becomes a Trend**

Social media doesn't just inform—it influences behavior. The “bougie broke” trend, for example, glamorizes spending money for the appearance of wealth, while encouraging risky financial habits. Viral trends like "Buy This Stock Now!" or "How I Made \$1,000 in a Day with Crypto" can create a false sense of urgency and overconfidence among new investors.

At its best, social media introduces young people to financial concepts that schools often overlook. At its worst, it spreads misinformation at lightning speed.

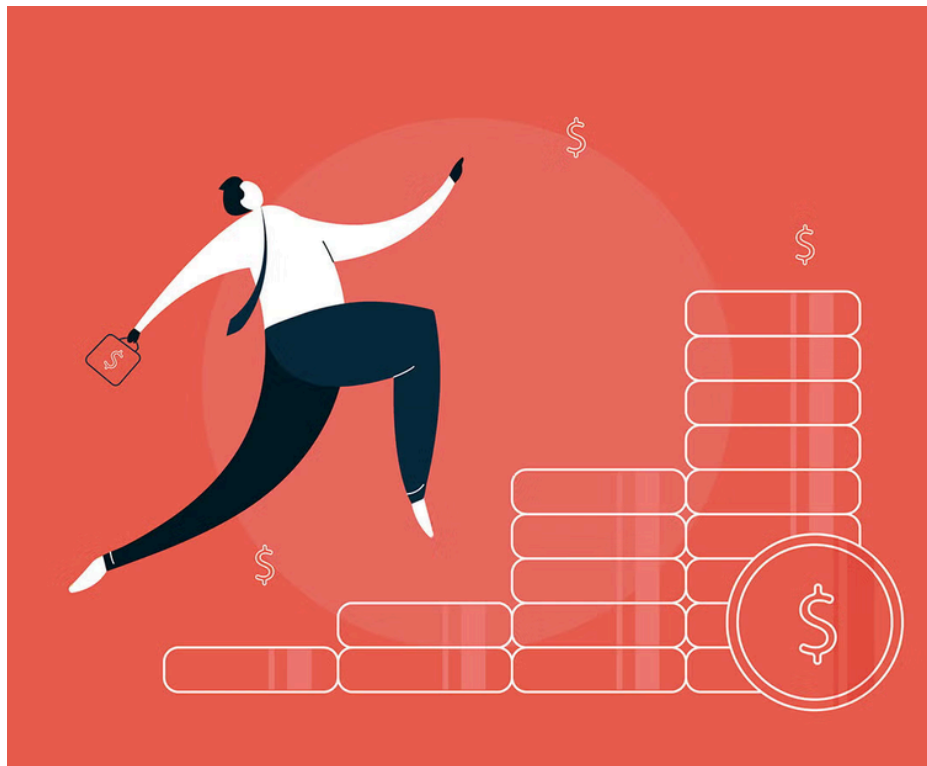
### **Finding the Balance**

So what's the takeaway? Social media can be a powerful entry point into the world of finance—but it shouldn't be your final destination. Vet the information you receive. Cross-check sources. And when in doubt, consult a professional.

# Can Money Buy Happiness? The Psychology of Spending

BY ALEXANDER CARTER

We've all heard the phrase, "money can't buy happiness." But is that really true? In a world dominated by consumer culture, rising living costs, and increasing financial stress, the relationship between money and happiness is far more complex than a simple yes or no.



*Knowledge at Wharton*

## The Science Behind the Spending

According to a landmark 2010 study by Nobel laureates Daniel Kahneman and Angus Deaton, happiness increases with income—but only up to about \$75,000 a year. Beyond that threshold, emotional well-being plateaus. The logic? Once your basic needs and modest comforts are covered, extra money doesn't necessarily make life better—it just changes what you spend it on.

However, a more recent 2021 study from the University of Pennsylvania challenged this finding, suggesting that higher income can continue to improve happiness—but it depends on how the money is used and the person's mindset. So, the real question becomes not if money buys happiness, but how we spend it to maximize emotional well-being.

**BECAUSE IN THE END,  
HAPPINESS ISN'T ABOUT  
WEALTH. IT'S ABOUT  
WELL-BEING.**

## **Buying Experiences, Not Stuff**

Research consistently shows that experiential purchases—like concerts, vacations, or dinner with friends—bring more lasting joy than material items. The memories, social connections, and personal growth attached to experiences tend to outlast the thrill of buying something new.

Think about it: A new phone might make you happy for a week, but a road trip with your closest friends? That's the kind of happiness that lingers.

## **The Psychology of Giving**

Want to feel even better about your money? Spend it on someone else.

Harvard Business School found that people who spend money on others report greater happiness than those who spend it on themselves—regardless of income. Whether it's donating to a cause, buying a gift, or treating a friend to coffee, giving taps into our need for connection and purpose.

## **Lifestyle Creep & The Trap of Comparison**

Of course, more money can also mean more problems. As income increases, many people fall into “lifestyle inflation”—spending more just because they earn more. This often leads to stress, debt, and a never-ending desire for more, not because we need it, but because someone else has it.

Social media only intensifies this pressure. When everyone seems to be living their best (and most expensive) life online, it's easy to feel like you're falling behind—even if you're doing just fine.

## **So, Can Money Buy Happiness?**

Yes—and no.

Money can absolutely improve your quality of life. It can reduce stress, provide freedom, and allow you to invest in the things and people you love. But beyond a certain point, it's less about how much you have and more about how intentionally you spend it.

If you're using money to connect, grow, give, and create meaningful experiences, then yes—money can buy a kind of happiness. But if you're chasing it for status, comparison, or out of fear, it'll likely leave you emptier than before.

# History: The Globalization of Capitalism

*From Wall Street boardrooms to rural factories in Southeast Asia, capitalism has become the dominant economic system across the globe. But how did a system that began with small-scale trade and private ownership evolve into a global force shaping the destinies of nations? The answer lies in centuries of history, innovation, and transformation.*

## **What Is Capitalism?**

At its core, capitalism is an economic system where private individuals or businesses own and control the means of production—like factories, land, and capital—with the goal of making a profit. It is typically characterized by free markets, competition, and limited government intervention in economic activities. Unlike systems that centralize control, capitalism thrives on supply and demand, consumer choice, and private enterprise.

## **A Brief History: From Feudalism to Free Markets**

Capitalism didn't appear overnight. It emerged gradually from the decline of feudalism and mercantilism in Europe. Several major shifts paved the way:

BY LIVIA BENNET



**AS THE WORLD CONTINUES  
TO INTEGRATE, THE FUTURE  
OF CAPITALISM WILL  
DEPEND ON WHETHER  
GLOBAL INSTITUTIONS AND  
SOCIETIES CAN MAKE THE  
SYSTEM NOT ONLY MORE  
PROFITABLE—BUT MORE  
EQUITABLE, SUSTAINABLE,  
AND JUST.**

- Technological advances during the late Middle Ages and early modern period boosted productivity and created a surplus of goods available for trade.
- The Protestant Reformation instilled values of hard work, thrift, and individual responsibility—ideals that aligned with capitalist thinking.
- Colonialism and the gold and silver influx from the Americas reshaped global trade networks, shifting economic power from the Mediterranean to Atlantic nations.
- The rise of banking and credit systems enabled large-scale trade, investments, and early financial markets.
- The Industrial Revolution supercharged capitalism, as machines enabled mass production and created new labor markets.
- Finally, Adam Smith's influential book, *The Wealth of Nations* (1776), provided a philosophical foundation for capitalism, advocating for free markets and minimal government interference.

### **Enter Globalization**

Globalization refers to the growing interconnectedness of the world's economies, cultures, and societies, driven by rapid advancements in technology, transportation, and communication. Capitalism, already dominant in many industrialized countries, began to transcend borders.

Globalized capitalism is the system in which markets, labor, and capital operate across national boundaries. Goods are manufactured in one country, financed in another, and sold around the globe. This transformation gave rise to multinational corporations, whose economic power often rivals that of nations.

### **How Capitalism Went Global**

Several historical and political developments helped accelerate the globalization of capitalism:

- 19th-Century Imperialism: European powers extended their influence globally through colonization and trade, integrating new regions into a capitalist world system.
- Industrialization: As nations industrialized, they required raw materials and markets, encouraging international trade and expansion.
- The End of the Cold War: With the collapse of the Soviet Union in 1991, capitalist democracy became the dominant model. Formerly socialist nations like Russia and China began integrating capitalist policies.

## The Impacts of Globalized Capitalism

### 1. Economic Growth and Efficiency

Countries now specialize in producing goods and services they can offer most efficiently. This comparative advantage leads to increased productivity, innovation, and economic expansion.

### 2. Spread of Technology

Technological innovation spreads rapidly across borders, allowing even developing countries to leapfrog older systems and integrate into the global economy.

### 3. Cultural Exchange—and Erosion

Global trade promotes the sharing of cultural ideas and practices. But it can also homogenize cultures, erasing local identities in favor of global consumer culture.

### 4. Environmental Strain

The quest for cheap labor and raw materials often leads to pollution, deforestation, and resource depletion. The carbon footprint of global supply chains contributes to climate change, and environmental costs are often externalized.

### 5. Rising Inequality

While globalization increases wealth, it doesn't distribute it equally. Multinational corporations benefit enormously, while workers in wealthier nations may lose jobs to outsourcing, and laborers in poorer countries often face low wages and poor working conditions.

### 6. Social and Political Tensions

Exploitation, economic displacement, and environmental degradation often lead to worker protests, political unrest, and conflict over resources and rights.

### 7. Economic Instability

Global interdependence means a crisis in one part of the world—like the 2008 financial meltdown—can ripple across the globe, affecting markets everywhere.

## One System, Many Outcomes

Global capitalism has connected humanity more closely than ever before. Goods are cheaper, markets are more efficient, and innovation is faster. But the system also presents enormous challenges—from rising inequality to environmental degradation and cultural loss.



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