FINANCE WITH THE FRIDAYS TREASURER

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Finance Fridays
is a publication of the N.C. Department of State Treasurer. Treasurer Brad Briner is focused on preserving, protecting and sustaining the state's pension and health care plans. Briner was most recently the Co-Chief Investment Officer for Willett Advisors and has held positions at Morgan Creek Capital, the UNC Management Company, ArcLight Capital and Goldman Sachs.



Bottom Line With Brad

FINANCIAL FOMO

Like most people, when Angry Birds was everywhere, I had it on my phone. I got stuck on a level, and the game offered a power-up that promised to help me move on. For 99 cents, the Mighty Eagle would help me win the level and get back to whatever I was supposed to be doing.

I bought it, beat the level and promptly got stuck again. Another offer appeared. More expensive of course. Before long, I had spent more than I intended on a game I had downloaded to kill a few minutes. Within a week, I stopped playing.

It was not a major financial mistake. But it was a good lesson in how easy it is to make a purchase when the next step feels urgent and the price seems small.



That feeling is financial FOMO: fear of missing out. It gets especially loud this time of year. Black Friday ads promise the lowest price of the season. A countdown clock says the deal ends in minutes. A social media post shows a product everyone seems to own. Suddenly, the question is not “Do I need this?” but “Will I regret it if I don’t buy it?”

The same pressure that shows up in games, where an extra life or power-up can seem like pocket change, shows up in holiday shopping, where a “limited quantity” label urges us to hurry. In social media, we see a steady stream of people showing off what they bought. These influencers often earn money when followers purchase the products they recommend. That does not make every recommendation bad, but it is a reason to pause and consider whose interests the post serves.

Before you buy, ask yourself:

- Was this already on my list before I saw the ad?
- Would I still want it without the countdown clock or the discount?
- Have I checked the price and the total cost elsewhere?
- Does it fit my budget after the other expenses I have planned?

For an online purchase, try leaving it in your cart overnight. A real need will probably still be there tomorrow. If the deal disappears, you have lost a chance to buy something you may not have needed in the first place.

A sale can be a smart way to buy something you planned for. But a discount does not make an unplanned purchase a bargain. The money you keep can go toward paying down debt, building savings or covering the holiday expenses you already know are coming.

I still remember those Angry Birds power-ups better than I remember the level I was trying to beat. The game moved on and so did I. The lesson stuck: When a purchase feels urgent, a short pause can be worth more than the deal.



Image courtesy
of Rovio Entertainment



FOMO: When Fear of Missing Out Affects Your Money

By North Carolina Investment Authority and NC Department of State Treasurer Staff

The term “FOMO” or the “Fear of Missing Out” is something you may be familiar with. Even if you don’t recognize or use the term, you’ve certainly experienced this in one way or another. A unique, one-time event that you can’t bear to miss. Let’s demystify FOMO.

Psychologists link FOMO to our natural desire to belong and stay connected with others. When we see people sharing exciting purchases, trips or investment wins, we may imagine they’re having a better experience and worry we’re being left out. That worry can make an opportunity feel urgent, even when we haven’t paused to ask whether it fits our needs or budget.



Maybe the more relatable example is that item you’ve had your eye on for a while that suddenly goes on a 24-hour sale and feeling that urge to take advantage of what appears to be a fleetingly exceptional opportunity. This sentiment often tugs at your wallet and can influence your spending and savings decisions on a moment’s notice. In fact, terms have been created to describe these common behaviors.

A relatively new phenomenon — “meme stock” investing — can create a sense of “FOMO” that can alter your long-term saving and investment decisions. It’s a trend we’re seeing today, that could affect many folks for years down the road.

Travel can bring on FOMO, too. You see photos of friends on a dream vacation or



hear about a limited-time travel deal, and suddenly you feel you need to book before the chance disappears. Before you do, look at the full cost, not just the advertised price, including transportation, meals and activities. A spending plan can help you decide whether the trip fits your budget and priorities.

FOMO is a common feeling, but it doesn't have to make your money decisions for you. Pause before you spend or invest, check whether the choice fits your budget and goals, and give yourself time to think. You don't have to take every opportunity that comes along to make progress toward what matters to you.





By Derrick Creighton Jr.
Financial Wellness Coach & Financial Wellness Educator
Gold Ladder Financial Coaching

Have you ever scrolled through your phone and received an alert, "Don't wait — limited quantities available. No code needed. Discount applied automatically at checkout."

Before you realize it, you're on the website adding items to your cart. You type in your credit card information and click the purchase button. For a moment, your heart is racing. Oddly, you feel a weird sense of accomplishment, like you just hit the most amazing buzzer-beater. But why?

Was it the 40% off the designer shoes you've been eyeing for weeks? Or maybe because you scored a new air fryer for $20 less than the original price. In both cases, the perceived bargain is really a reaction to a psychological trigger. Truth be told, a discount isn't truly a deal if you never needed the item.

THE PSYCHOLOGY: WHY OUR BRAINS FALL FOR THE COUNTDOWN

Every year, retailers spend millions studying our emotions and observing our patterns.

With rapid advances in artificial intelligence and neuromarketing, companies can analyze huge amounts of raw data that can accurately predict how we feel and behave. The result: hyperpersonalized campaign ads that can be adjusted in near real-time to influence purchasing decisions.

Generally, to get us to spend impulsively, retailers exploit the natural distortions in the human mind and our unconscious beliefs about products [1]. Below are some of the cognitive and emotional biases companies are most likely to manipulate through evidence-based methods and tools:



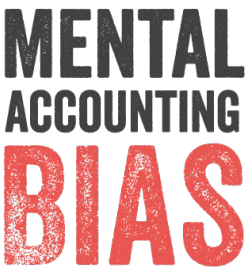
Loss Aversion Bias. ("I can't afford to miss this deal.") We all feel the pain of losing something much more intensely than the pleasure of gaining something of equal value. Consequently, this can result in purchasing items or services that unnecessarily threaten our financial well-being.

So what? Retailers use a concept called framing to get us to focus on the perceived loss of a discount rather than the item's true need, cost, and value. Tools include countdown clocks, low stock warnings and red banners.



Affinity Bias. ("I trust them because they're like me.") Whether we realize it or not, we all use money to satisfy higher psychological needs such as autonomy, competence and relatedness. In essence, we typically support products or services that we believe reflect our values and self-image (e.g., Louis Vuitton, Mercedes, Rolex, etc.).

So what? Retailers exploit this bias by highlighting emotional connections and associations. To do so, retailers leverage key influencers, loyalty programs and lifestyle imagery.



Mental Accounting Bias. ("I saved $30, so I can spend $30.") Although all money is economically fungible or equal despite its source, most of us don't share this view. Instead, we create imaginary buckets that allow us to treat one sum of money differently than another (e.g., retirement vs. leisure).

So what? Retailers encourage us to engage in this behavior by getting us to view customer retention incentives separately from our overall financial positioning. Examples include bundled discounts, "Buy Now, Pay Later" plans and store credit.

EXAMPLE SCENARIO:

We see a pair of chinos advertised by our favorite celebrity (affinity bias). A low-stock message and countdown clock announce that the sale will end in five

minutes (loss aversion). At checkout, the $100 chinos are presented as four payments of $25 (mental accounting).



Before You Click "Buy Now," **P.A.U.S.E.**

Although we can't control retailers' promotional deadlines, we do hold the power of choice. As we near this year's holiday season, I encourage you to P.A.U.S.E. and ask a series of questions before committing your hard-earned money to a Lululemon, Starbucks, or GameStop.

- **P**ause Before Purchasing. Would I still want this product tomorrow if the discount disappeared?
- **A**cknowledge your Emotions. Am I purchasing this item because there is a fear of missing out, or to feel related to the brand?
- **U**nderstand the Urgency. Is this offer creating genuine value, or is the countdown clock simply creating pressure?
- **S**eparate Saving from Spending. Am I truly saving money, or am I spending money I never intended to spend?
- **E**valuate Alignment with Financial Goals. Does this purchase move me closer or further away from my financial goals?

If necessary, consider seeking out a buying buddy. The role of this person is to help us stay committed to our goals and offer physical and emotional support as needed. This can be a friend, colleague, or family member. Importantly, they should be understanding and able to offer recommendations when we deviate from our plan(s).

TAKING BACK CONTROL THIS HOLIDAY SEASON

This holiday season, in addition to stuffing turkeys and Christmas stockings, let's approach saving with the same level of excitement. Naturally, retailers will attempt to get us to make pressure-filled decisions that benefit their bottom line. This year, we're playing our game.

We're going to plan, P.A.U.S.E., and spend with intention. Their financial objectives are not our concern. Remember, a moment of patience can prevent months of payments.

References: Pompian, M. M. (2012). Behavioral finance and investor types: Managing behavior to make better investment decisions. John Wiley & Sons.



When A Stock Goes Viral



By Ben Peterman
Portfolio Manager – Private Equity
North Carolina Investment Authority

I'm scrolling through my feed when I see the same stock everywhere: people celebrating big gains, posting rocket emojis and saying it's the next big thing. For a moment, it's tempting to join in before the opportunity passes. But when a stock goes viral, excitement can spread faster than reliable information, and a popular post doesn't tell me whether the investment fits my goals or what I could lose. But FOMO is hard to resist.



Impulse Investing

Just like other spending decisions, having a plan for how to invest a portion of your savings can make a big impact on your long-term saving objectives. One way this can get off track is getting swept up in the hysteria around meme stocks. Meme stock investing or simply "meme stocks" are individual stocks whose trading activity has been amplified via social media, which can sometimes contribute to sometimes rapid changes to an individual stock price, often within a short period of time.

From Hashtags to Hot Stocks

Promoters of meme stock investing have contributed to this trend by frequently posting about specific companies and publicizing their personal investing activity around those stocks. Some of these instances have gained such a prolific following that the trend has gone viral and has grown large enough to have a significant impact on stock price, both up and down. You might remember recent instances of viral meme

stock activity including GameStop and AMC. Both experienced increased activity due to a short period of heightened attention largely driven by social media. Rapid increases in a stock's price and the growing discussion on social media around a particular stock can create a sense of FOMO and can influence an individual's decision to invest. However, viral buzz driving FOMO should be viewed as a cautionary sign to slow down and ask questions, without emotion. The history of financial markets is littered with booms fueled by FOMO followed by busts that left many investors with losses.





Set Limits and Understand Risk

Before buying a stock that's taking off online, decide how much you can afford to risk and don't invest money you need for bills or near-term goals. Viral attention can push a stock's price up quickly, but it can fall just as fast; you could lose some or all of what you invest. Take time to research the company, be skeptical of promises of easy profits and remember that excitement on social media is not a guarantee of future performance.

Beyond the Buzz

Wise spending and investing decisions both require having a plan. You can avoid spending surprises by building a budget and sticking to it. Likewise, you can avoid an ill-advised investment decision by taking a long-term, consistent approach. The same personal disciplines are important in both areas of financial decision making – calm planning, sticking to that plan and maintaining a long-term view.







By Dr. Srinivasan Krishnamurthy
Associate Professor, Finance, Poole College of Management
North Carolina State University
Founder-CEO, North Carolina Institute for Financial Literacy

How do individuals make financial decisions? What information sources do they rely on? Are their decisions optimal, or do they systematically make mistakes? Do those mistakes reflect poor judgment, or reliance on poor information sources? These questions matter because they affect overall well-being; financial stress is a leading cause of stress in the USA.[1]

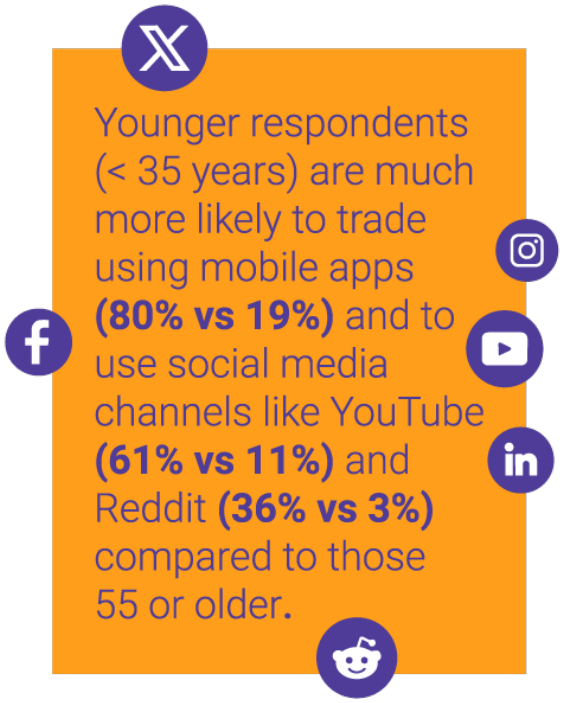
Financial decision making by individuals before social media

People have long relied on others' advice when making financial decisions. This is not surprising, since surveys have consistently shown that financial literacy in the USA is quite low (see, e.g., the 2026 NC Financial Literacy Scorecard at https://www.flc.nc.gov/nc-supporting-financial-literacy/nc-financial-literacy-scorecard-2026). While stock market participation depends on household wealth, education and race, Hong, Kubik, and Stein (2004) show that social interaction also matters.[2] They suggest that this may be due to word of mouth or learning from peers. Similarly, Duflo and Saez (2002) find that peer effects are an important determinant of retirement saving decisions.[3] More recently, Ouimet and Tate (2020) show that coworkers' choices about participating in a firm's employee stock purchase plan significantly influence an employee's decision to participate, and that knowledgeable coworkers amplify peer effects.[4] Overall, this evidence suggests that peer effects on an individual's financial decisions are strong and often positive.



The growth of social media and finfluencers

The explosive growth of social media in recent years has shifted household financial decision making. Younger



respondents (< 35 years) are much more likely to trade using mobile apps (80% vs 19%) and to use social media channels like YouTube (61% vs 11%) and Reddit (36% vs 3%) compared to those 55 or older.[5] However, the profile and experiences of retail investors who use information from social media "finfluencers" are concerning.[6] Nearly half reported that they were not "typical investors" and exhibited lower levels of financial literacy. Although they consulted more information sources and were more likely to say they checked the background of information providers, they were also more likely than non-users to fall victim to fraud and lose money (68% vs 26% for non-users). Concerningly, they were more likely to invest for non-monetary reasons, such as entertainment or social values. Espeute and Preece (2024) find that finfluencer content had high user engagement.[7] While they often discussed investment recommendations for stocks and mutual funds/ETFs, they often did not disclose potential conflicts of interest.

The impact of finfluencers

Why do people consume financial content on social media, and what key areas do they seek information in? Do they benefit from finfluencers? A study by Akana, Lee, and Santucci (2025) finds that the appeal of financial content on social media stems from its ease of understanding, specificity, cost and accessibility.[8] They also find that people use social media for budgeting, expense planning, and strategies to improve their credit scores, relying on it more often than on advice from family and friends or financial advisers. However, social media advice was also associated with a greater propensity to invest in cryptocurrency and to take out new loans or credit cards, which are riskier activities. Relatedly, people who made financial decisions based on influencer advice were also more likely to be scammed on social media ("Social media and retail investing: The rise of influencers", Ontario Securities Commission, 2026). Kakhbod et al. (2025) show that unskilled or antiskilled finfluencers post more often, are more engaging, and attract larger followings than skilled finfluencers.[9] Their advice generates negative risk-adjusted returns, or alpha, harming investors who follow it. However, the authors also show that 28% of finfluencers are skilled and provide valuable investment advice, suggesting the importance of accurately assessing influencer ability.



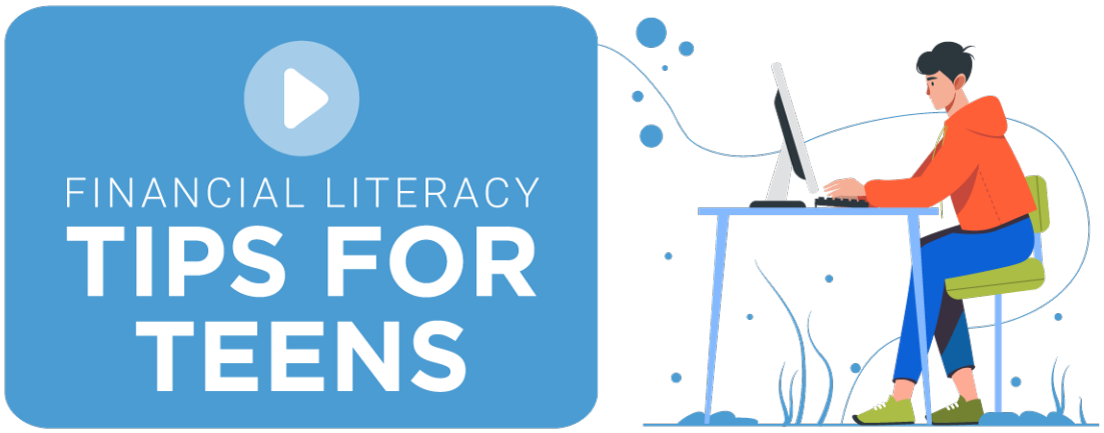
The bottom line

So, faced with this evidence, what is an investor to do?

1. **Using social media and following finfluencers for investment advice is not uniformly good or bad.** Most finfluencers do not provide valuable advice, but a meaningful minority do: one study finds that 28% are skilled (footnote 9). Instead of assuming quality, assess a finfluencer's knowledge and ability, and independently verify whether they clearly disclose any conflicts of interest. Follow them for a few months and track the performance of their recommendations before committing to their advice. Do not assume that a large following implies good advice, since unskilled finfluencers tend to attract larger followings than skilled ones (footnote 9).
2. **Learning to create and stick to a budget, and trying to improve one's credit score, are good examples of how social media can help.** The information is free and readily available, and while there are many ways to create a budget and improve credit scores, the most important step is to start. People can adjust their strategies over time, as needed.
3. **It is particularly important to be aware of the pitfalls of using social media to make investment decisions.** Finfluencer followers are more likely to fall victim to fraud and lose money to scams, and they are more likely to make risky investments they may not fully understand (e.g., cryptocurrencies, footnotes 6, 8). These outcomes appear to reflect both unreliable sources and the characteristics of the investors who follow them, including lower financial literacy and a greater tendency to invest for non-monetary reasons such as entertainment or social values (footnote 6).
4. **Be aware of FOMO and get-rich-quick schemes.** Like the old fable of the tortoise and the hare, time in the market (making sensible investments for the long term) is often a more reliable path to long-term wealth creation than timing the market (e.g., through frequent day trading).

Taken together, the evidence suggests that with the growth of social media, investors' mistakes reflect both poor information sources (unskilled finfluencers and undisclosed conflicts of interest) and individual factors (limited financial literacy and non-financial motives), so better outcomes require both better sources and better-informed investors.

1. The 2015 American Psychological Association (APA) survey concluded that money was the top cause for stress for Americans, and that it had remained so ever since the survey began in 2007. In the 2024 APA survey, analysis by The Harris Poll showed that money was a significant stressor for 64% of the respondents, and ranked among the top three (health and work were the other two).
2. Harrison Hong, Jeffrey D. Kubik, and Jeremy C. Stein, "Social interaction and stock-market participation", The Journal of Finance, 2004.
3. Esther Duflo and Emmanuel Saez, "Participation and investment decisions in a retirement plan: The influence of colleagues' choices", Journal of Public Economics, 2002.
4. Paige Ouimet and Geoffrey Tate, "Learning from coworkers: Peer effects on individual investment decisions", The Journal of Finance, 2020.
5. "Investors in the United States. A report of the National Financial Capability Study", December 2025, FINRA Investor Education Foundation.
6. "Finfluencer followers and social media scrollers", April 2026, FINRA Investor Education Foundation.
7. Serena Espeute and Rhodri Preece, "The influencer appeal: Investing in the age of social media", CFA Institute Research and Policy Center, January 2024.
8. Tom Akana, Amber Lee, and Larry Santucci, "How Americans use social media for financial advice", Federal Reserve Bank of Philadelphia Consumer Finance Institute, March 2025.
9. Ali Kakhbod, Seyed Kazempour, Dmitry Livdan, and Norman Schurhoff, "Finfluencers", Working paper, Swiss Finance Institute, March 2025.





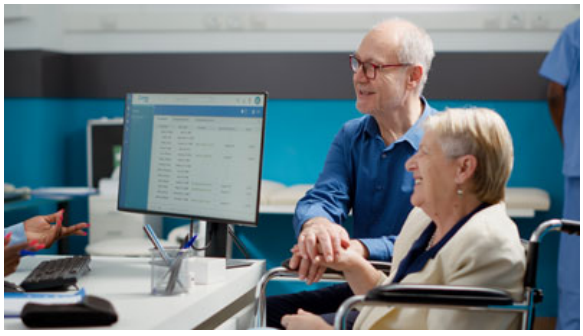
Your Medicare Plan Is Personal
Do Not Switch Just to Keep Up



By Melinda Munden
N.C. Senior Health Insurance Information Program
Director/Deputy Commissioner, N.C. Department of Insurance

Every year during the Medicare Open Enrollment Period, millions of Medicare beneficiaries are encouraged to review their health and prescription drug coverage. It is a valuable opportunity to ensure your Medicare plan continues to meet your health care needs and budget. However, it is also a time when many people are influenced by television commercials, eye-catching headlines and conversations with friends and family who are eager to share their own Medicare experiences.

While advice from people you trust can be helpful, one important fact should guide every Medicare decision. Your Medicare plan is personal. Do not switch just to keep up with what someone else is doing.

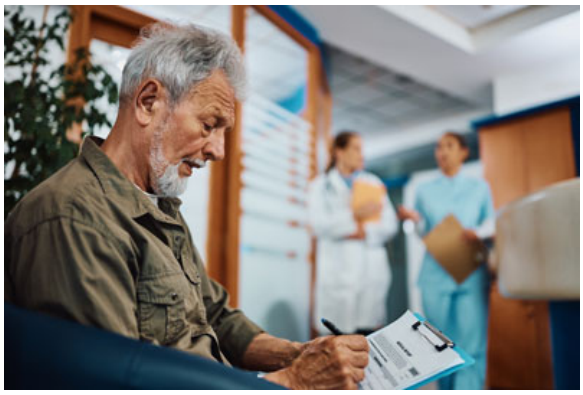


No two Medicare beneficiaries have exactly the same health care needs. You may see different doctors, take different medications, visit different hospitals or have different financial priorities than your friends, neighbors or relatives. A plan that works exceptionally well for one person may not be the best choice for another.

It can be tempting to follow the crowd. When a friend says they switched plans and received extra benefits, or a family member insists that their Medicare Advantage plan is the best option available, it may sound like an easy decision. However, what matters most is whether a plan meets your specific health care needs.

The Medicare Open Enrollment Period exists because Medicare plans can change from year to year. Premiums, deductibles, copayments, provider networks and prescription drug formularies may all be updated. A medication that was affordable this year could

cost more next year. A doctor who participates in your plan today may not be in-network next year. Reviewing your coverage annually helps you identify these changes before they affect your health care or your wallet.



Just as important, your own health care needs may change over time. Perhaps you have been prescribed a new medication, received a new diagnosis, or started seeing a specialist. These personal changes can significantly impact which plan provides the best value and coverage. A plan that was perfect last year may no longer be the best fit for the year ahead.

The best Medicare decision is an informed Medicare decision. Rather than asking, "What plan did everyone else choose?" ask, "What plan works best for me?" Compare costs, review provider networks, examine prescription drug coverage, and consider your anticipated health care needs for the coming year.

Fortunately, help is available. Resources such as Medicare.gov, the Seniors' Health Insurance Information Program (SHIIP) and licensed insurance agents can help beneficiaries compare their options and understand important plan details. These resources focus on objective information rather than opinions or marketing messages.

As Open Enrollment approaches, remember that Medicare is not a popularity contest. The goal is not to have the same plan as your neighbor, your sibling, or your best friend. The goal is to have coverage that protects your health, supports your health care choices and fits your budget.

Your Medicare plan is personal. Do not switch just to keep up. Take the time to review your options carefully, focus on your own needs and choose the coverage that is right for you.



You can be part of the inaugural North Carolina Fiscal Policy Challenge — a new statewide competition giving Cash Club members the chance to shape ideas for North Carolina's financial future. Students ages 14–18 who are members of a Cash Club during the 2026–27 school year can compete in teams of three to eight.

The goal: For students to develop a plan to answer this question:

"How should North Carolina invest in education, workforce training and emerging technologies to prepare workers for technological change while following the state constitutional mandate to govern under a balanced budget?"



Proposals should address education, workforce training and emerging technologies; follow the state's balanced-budget requirements; and show how the plan could strengthen at least one key North Carolina industry, such as agriculture, banking or research.

For the first round, teams will create a 20-minute video presentation. Submissions are due March 5, 2027. Finalists will present and defend their plans before a panel of judges at the N.C. Legislative Building in Raleigh on April 30, 2027. A faculty advisor is welcome but is not required.

Participate in the Challenge

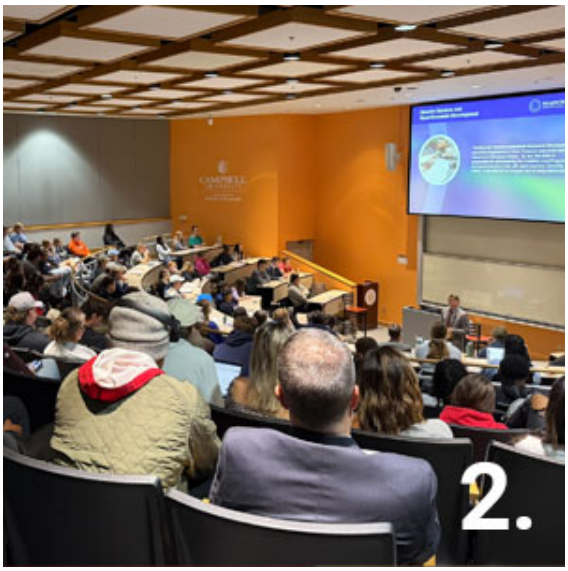
Review the challenge details and register a team at nctreasurer.gov/ncfiscalchallenge. Students who are interested but need help finding teammates can contact Loretta Boniti at Loretta.Boniti@nctreasurer.gov.

We are excited to see how today's teens tackle this public policy fiscal challenge.

Financial Literacy in Action

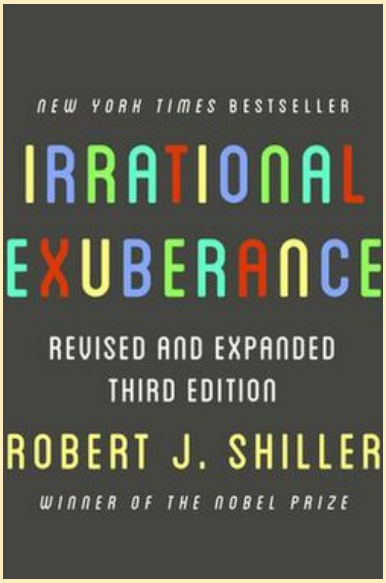
This month, Treasurer Briner visited Gardner-Webb University (1) and Campbell University (2), sharing insights on personal finance, careers in public service, and the principles of government financial management.





Recommended Reading: *Irrational Exuberance*

This month, Brad's recommended reading is *Irrational Exuberance* by Robert J. Shiller. In this book, the Nobel Prize-winning economist talks about how psychologically driven volatility is part of the DNA of all asset markets. Shiller warned of both the housing and tech bubbles. He says risks continue and are on the rise today. [You buy a copy of the book here.] [Or you can borrow it here.]







For Teens:

What is Financial FOMO?

- A. The pressure to keep up with others or chase financial trends for fear of falling behind.
- B. Fear of missing out on a TikTok Shop deal.
- C. The pressure of wanting to make more money because everyone else is.

You receive a $50 Visa gift card and decide to spend it on something you don't need because it feels like "free money." What does this best illustrate?

- A. Affinity bias
- B. Mental accounting bias
- C. Girl math

Which description best matches a meme stock?

- A. A stock in a company that makes social media content.
- B. A stock held only by people who invest for a long time.
- C. An individual stock whose trading activity is amplified through social media.

For Adults:

Tracy buys a discounted kitchen appliance and says, "I saved $40," even though she had no plans to buy it. Which response most directly challenges that reasoning?

- A. "Will the sale still be available next week?"
- B. "Do I really need this, or can this be used as a Christmas gift?"
- C. "Am I truly saving money, or spending money I did not intend to spend?"

Which statement best explains how FOMO can affect an investment decision?

- A. It helps investors identify companies with strong long-term fundamentals.
- B. It can make investors focus on possible gains while overlooking risk and their own financial goals.

- C. It reduces uncertainty by showing how other people are investing.

You have reviewed your expected health care needs but are unsure how to compare plan details. What is the most appropriate next step?

- A. Use resources such as Medicare.gov, SHIIP or a licensed insurance agent to compare options.
- B. Ask a family member or friend to help select a plan based on their experience.
- C. Choose the plan with the most familiar brand.

Click here for the answers.

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