

STARRYTRADER
Research & Brand Strategy Document

**Investor Challenges Across All Stages,
Product Recommendations, and
StarryTrader Brand Identity**

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Section 1: Research — Investor Challenges Across All Stages

The following section synthesises peer-reviewed research published between 2020 and 2025. It identifies the primary challenges investors face at the beginner, intermediate, and advanced stages of their financial journey. This research grounds StarryTrader's product decisions in empirical evidence rather than assumption.

1.1 Beginner Investors (Stage 0–1)

Beginner investors — typically those who have never invested or have attempted investing without structured guidance — face a combination of psychological, informational, and systemic barriers that prevent successful participation in financial markets.

1.1.1 Low Financial Literacy

The most fundamental barrier at the beginner stage is an absence of foundational financial knowledge. According to the 2024 TIAA Institute–GFLEC Personal Finance Index, U.S. adults correctly answered only 48% of basic financial literacy questions — a figure that has remained stagnant since 2017. Among Gen Z specifically, literacy scores are the lowest of any generation (TIAA/GFLEC, 2024). Lusardi and Mitchell (2014) demonstrated that financial literacy strongly correlates with retirement planning, savings adequacy, and wealth accumulation across countries, establishing it as a critical form of human capital.

1.1.2 Fear, Shame, and Emotional Paralysis

Financial anxiety is pervasive among young adults. Research from Motley Fool Money (2024) found that 62% of Gen Z respondents report experiencing financial stress more than three days per week, with an average intensity rating of 3.6 out of 5 — the highest of any generation. Among student investors surveyed by Commonwealth (2024), 65% of low-to-moderate income students cited fear of loss as a primary barrier to investing, and 62% identified lack of knowledge as a compounding challenge. A study by RiseUp (2024) revealed that 68% of Gen Z feel anxiety in the days leading up to their paycheck, often citing embarrassment about their perceived inability to save.

A Bank of America (2025) Better Money Habits study found that 55% of Gen Z do not have sufficient emergency savings to cover three months of expenses, contributing to a financial precarity that makes the very idea of investing feel inaccessible or irresponsible for a large proportion of the target demographic.

EVIDENCE BASE

FINRA Foundation (2022) data shows that 43% of Gen Z investors lost money in their first year of investing. Of those, 67% described the experience as 'deeply discouraging,' and 36% said it made them 'afraid to invest again.' This emotional residue is the defining psychological condition of StarryTrader's core user.

1.1.3 Social Media Misinformation and Hype Exposure

Fintech platforms and social media have dramatically lowered barriers to entry for new investors, but this democratisation has come with significant downsides. Sharma (2024) found that these platforms raise concerns about impulsive and speculative behaviour, as younger investors may engage in high-risk trading without fully understanding the consequences.

A CFA Institute (2023) study found that 50% of young investors began investing due to FOMO (fear of missing out), and 79% of Gen Z and Millennials turn to social media for financial advice (PYMNTS, 2024). A 2025 Gallup survey further confirmed that 42% of Americans aged 18 to 29 now obtain financial advice from social media platforms — exceeding those who consult financial advisors and planners. This creates a dangerous feedback loop: hype drives market entry, losses create shame, and shame creates paralysis.

1.2 Intermediate Investors (Stage 2–3)

Intermediate investors have moved beyond the basics. They hold some experience trading, maintain a portfolio, and have begun developing personal investment strategies. However, this stage introduces a more dangerous category of challenge: cognitive and emotional biases that distort decision-making in ways that are largely invisible to the investor.

1.2.1 Overconfidence Bias

Overconfidence bias — the tendency to overestimate one's own investing abilities — is one of the most thoroughly documented phenomena in behavioural finance. Karki, Bhatia, and Sharma (2024) conducted a systematic literature review establishing overconfidence as among the most prevalent biases influencing investment decision-making, with overconfident investors trading approximately 30% more often than the average investor. A FINRA study found that 64% of investors rate their investment knowledge highly, yet investors expressing greater confidence answered fewer questions correctly on an investment knowledge assessment — directly confirming the Dunning-Kruger dynamic in investing. The effect is especially pronounced at the intermediate stage, where investors have sufficient experience to feel capable but insufficient experience to recognise their own blind spots.

1.2.2 Confirmation Bias and Information Filtering

Intermediate investors frequently seek out information that confirms their existing positions rather than challenging them. This confirmation bias — identified across multiple empirical studies

including Amudha and Chander (2024) — leads investors to ignore contradictory signals, hold losing positions too long, and exit winning positions prematurely (the 'disposition effect'). A study published in the *Journal of Behavioral and Experimental Finance* (2024) using NYSE data confirmed that cognitive biases including anchoring, loss aversion, and representativeness all significantly impact risk perception and investment decision-making.

1.2.3 Herding Behaviour

As intermediate investors engage with financial communities — both online and in-person — they become susceptible to herding behaviour: following the crowd rather than applying independent analysis. Ahmad, Wu, and Abbass (2023) identify herding as a significant driver of poor investment outcomes, particularly in social trading environments and financial communities on platforms such as Reddit and Discord. This is especially relevant to StarryTrader's community-based architecture, where anonymous peer signals must educate rather than amplify herd instincts.

1.3 Advanced Investors (Stage 4–5)

Advanced investors — those with multi-year experience, meaningful portfolio sizes, and active management strategies — face a fundamentally different set of challenges. Their primary obstacles are no longer informational, but structural: risk management complexity, portfolio optimisation, emotional discipline at scale, and market cycle awareness.

1.3.1 Portfolio Complexity and Diversification Errors

Building and maintaining a genuinely diversified portfolio is considerably more difficult than it appears. Research from *Advances in Consumer Research* (2025) found that 45% of investors restrict their investments to a single asset class, despite the well-established principle that diversification reduces risk-adjusted volatility. Advanced investors who fail to properly model correlations across assets may hold portfolios that appear diversified but are, in practice, highly correlated — particularly during market downturns.

1.3.2 Behavioural Discipline at Scale

Even experienced investors remain susceptible to emotional decision-making under stress. Behavioural economists Thaler and Sunstein (2008) demonstrated that cognitive biases do not diminish with experience; rather, advanced investors develop sophisticated rationalisations for irrational decisions. During volatile market events — such as the COVID-19 crash of March 2020 or the 2022 interest rate shock — even professional investors exhibited significant loss aversion and decision-making paralysis.

A study published in *Highlights in Business, Economics and Management* (2024) proposed that investors overcome bias through pre-committed stop-loss mechanisms, active counter-evidence

seeking, and broadened information sources — structural interventions, rather than willpower alone.

1.3.3 Macroeconomic and Market Cycle Awareness

Advanced investors frequently struggle to accurately interpret macroeconomic signals and position their portfolios appropriately across market cycles. Alfzari et al. (2025) found that the integration of advanced analytical techniques — including AI-driven risk assessment — has become increasingly critical as traditional methods fall short in addressing the complexity of modern financial markets. Advanced retail investors without institutional-grade tools face a persistent information asymmetry relative to professional counterparts.

Section 2: Product Recommendations for StarryTrader

The following product ideas are informed directly by the research presented in Section 1. They are designed to address the real, evidence-based challenges investors face at each stage of their journey, and are filtered through StarryTrader's core brand values: no jargon, emotional safety, community-first design, and no trading advice.

2.1 Beginner Features

Investor Personality Quiz (Onboarding Module)

Research shows that financial anxiety and overconfidence cause opposite but equally damaging behaviours: anxious investors do nothing; overconfident ones take excessive risk. StarryTrader should incorporate a short, branded 'Investor Personality Quiz' during onboarding that helps users identify which emotional pattern they tend toward. Framing it as a curiosity exercise — 'find out your investor type' — will resonate with Gen Z's documented preference for self-discovery content.

Based on results, the application personalises the first week of content differently for the 'Frozen' investor (fear-based) versus the 'Trigger Happy' investor (FOMO-based). This directly addresses the Commonwealth (2024) finding that 62% of students cite lack of confidence as a barrier, and 65% cite fear of loss.

'What Just Happened?' Push Notifications

A major beginner pain point is observing market movements in real-time without context. StarryTrader should develop a notification system that fires when any asset on a user's watchlist moves beyond a defined threshold, delivering a plain-English, AI-generated explanation of the reason — no jargon, no buy or sell suggestion, simply clarity. This directly combats the shame spiral of not understanding a market event and being too embarrassed to ask.

Shame-Free Loss Post-Mortem

Following a simulated trade that produces a loss, StarryTrader should surface a 'What happened here?' reflection module. Rather than displaying red numbers and leaving the user to draw conclusions, the module walks the user through the macroeconomic or company-level event that caused the outcome — framing it as a learning moment, not a failure. This feature addresses the emotional reality documented by FINRA Foundation (2022), where 67% of Gen Z investors who lost real money described the experience as 'deeply discouraging.'

2.2 Intermediate Features

Bias Detector Feed

As users graduate from beginner to intermediate, a 'Bias Detector' module should be introduced — a lightweight AI-powered feature that analyses a user's watchlist interactions, reflection journal entries, and saved content to surface potential cognitive bias patterns. For example: 'You have read six bullish articles about this company this week and no bearish ones. This may be confirmation bias. Here is what analysts on the other side are saying.' This feature is educational, non-advisory, and grounded directly in Amudha and Chander (2024)'s findings on confirmation bias as a dominant intermediate-stage problem. Critically, the module must never say 'do not buy X.' It must say 'here is information you may not currently be seeing.'

Diversification Visualiser

Research shows that 45% of investors concentrate in a single asset class (Advances in Consumer Research, 2025). A visual portfolio health tool for intermediate users should display the user's simulated portfolio's sector and asset class distribution — not to advise rebalancing, but to educate users about what genuine diversification looks like visually. Users can explore scenario modelling: 'What would a 60/40 portfolio look like relative to my current allocation?' This is visualisation in service of learning, not financial advice.

Peer Pulse (Anonymous Community Signals)

Intermediate users are susceptible to herding (Ahmad et al., 2023). StarryTrader's community feature — designed around anonymity — should evolve to include 'Squad Signals': anonymous, aggregated indicators of what proportion of the user's squad is feeling bullish or bearish on a given sector. The critical design rule is that this data must always be presented as social context for reflection — not social pressure to act. Each Peer Pulse should be paired with a prompt: 'The crowd is not always right. What do you think?'

Market Cycle Education Track

A structured five-module educational track on market cycles — accumulation, uptrend, distribution, downtrend, and recovery — should be developed using real historical examples from the past decade. The 2020 COVID-19 crash, the 2022 inflation-driven selloff, and the 2023 AI-led rally are all events Gen Z lived through and carry emotional memories of. Using events users recognise transforms abstract concepts into personally relevant context. Each module concludes with a reflection prompt: 'Looking back at that period, what would you have done differently?'

2.3 Advanced Features

Advanced Bias Journal (Self-Monitoring System)

For advanced users, a structured Bias Journal should be introduced: a weekly reflective prompt system where users rate their emotional state before reviewing their portfolio, document their reasoning for any hypothetical trade decision, and review previous entries to identify recurring patterns. This is based on the evidence-based recommendation from *Highlights in Business, Economics and Management (2024)* that investors should regularly review and document lessons learned to reduce bias. The journal must be private, anonymous, and non-shareable — a genuine safe space for self-examination.

Advanced Community: Strategy Squads

An advanced community tier should be created within StarryTrader, accessible to users with six or more months of active engagement. Users may join anonymous 'Strategy Squads' focused on specific investment philosophies — value investing, dividend investing, index-only approaches, and similar frameworks. Each squad features a curated learning path, weekly discussion prompts, and collaborative reflection activities — but never advice or trade signals. This addresses the social dimension of advanced investing while maintaining StarryTrader's educational positioning.

Section 3: StarryTrader Brand Identity

This section codifies StarryTrader's brand identity. Every decision regarding copy, design, features, and community architecture should be evaluated against these principles.

3.1 Mission and Values

StarryTrader's mission is to democratise financial literacy — to give every young person access to the knowledge, language, and emotional support they need to participate in financial markets with confidence and without shame.

Value	What It Means in Practice
Clarity	Financial jargon should be explained, not avoided. StarryTrader translates complexity into clarity — without condescension.
Equity	Everyone deserves access to financial knowledge — regardless of background, income level, or how much they have already lost.
Objectivity	Data over hype. StarryTrader presents multiple perspectives, never promotes trades, and never carries hidden incentives.
Emotional Safety	Every product decision is assessed through the lens of a user who has lost money. Does this make them feel safer, or judged?

3.2 Target Demographic: Three User Archetypes

StarryTrader's original positioning focused on 'regretful Gen Z investors.' The research supports expanding this into three distinct user archetypes, each representing a real and underserved population.

Archetype 1: The Burned Beginner (Ages 16–22)

Lost money in meme stocks, cryptocurrency, or impulsive trades. Has stopped investing or is afraid to re-enter. Experiences shame and actively avoids discussing finances. Primary need: emotional safety, context for what happened, and a low-pressure re-entry point with no judgment.

Evidence basis: FINRA Foundation (2022) found that 67% of Gen Z who lost money in year one described the experience as 'deeply discouraging.' RiseUp (2024) found that 68% experience regular financial anxiety, with embarrassment as a key emotional driver.

Archetype 2: The Curious but Confused (Ages 18–25)

Has never invested. Wants to start but feels overwhelmed and embarrassed by not knowing fundamentals that peers appear to understand instinctively. Primary need: jargon-free foundations, zero judgment, and a structured starting point that feels achievable rather than overwhelming.

Evidence basis: Commonwealth (2024) found that 80% of low-to-moderate income students express genuine interest in investing, yet only 44% are doing so — the gap is confidence and knowledge, not motivation or desire.

Archetype 3: The Self-Made Intermediate (Ages 20–28)

Has been investing for one to three years. Holds a small portfolio. Overconfident in some areas, uncertain in others. Consumes financial content actively but struggles to distinguish quality analysis from noise. Primary need: bias awareness, a community of peers at a similar level, and deeper analytical frameworks.

Evidence basis: Karki et al. (2024) and Highlights in Business (2024) document overconfidence as the dominant bias at this stage. Advances in Consumer Research (2025) finds that 45% of investors at this stage restrict their exposure to a single asset class.

3.3 Go-to-Market Strategy

Platform: Meeting Gen Z Where They Are

TikTok and Instagram Reels serve as the primary acquisition channels. Content should be short-form, shame-free, and relatable: 'You lost money on crypto. Here is why that is actually extremely common — and here is what actually happened.' Reddit and Discord support organic community seeding among engaged early adopters. YouTube supports longer-form educational content as users deepen their engagement with the platform.

Research basis: 45% of Gen Z report learning about finance from YouTube (PYMNTS, 2024). A 2025 Gallup survey confirms that 42% of Americans aged 18 to 29 obtain financial guidance from social media. The strategic imperative is not to compete with social media on format alone, but to offer something it structurally cannot: rigour, objectivity, and absence of financial incentive.

Tone: Peer, Not Professor

StarryTrader communicates as a knowledgeable friend — not a financial advisor, not a teacher, not a corporate brand. The application uses first-person community framing ('here is what others going through this have found helpful') rather than authoritative top-down instruction. StarryTrader never shames, never hypes, and never directs users on what to do with their money.

Retention: Gamification in Service of Learning

Duolingo's celebratory animations increased lesson completion by 19% among users under 25 (Settles et al., 2020). Independent research confirms that gamification techniques improve mobile application retention rates by an average of 22% (Storyly, 2025). StarryTrader's gamification layer — Insight Points, badges, learning streaks, and reflection rewards — is designed to make the learning behaviour itself feel rewarding, not merely the financial outcome. This distinction is critical: StarryTrader gamifies learning about investing, not investing itself.

3.4 The Case for StarryTrader: Why This Matters

The research presented across this document makes the case plainly. Gen Z is the most financially anxious, least financially literate, and most easily misled generation in the modern era — through no fault of their own. They grew up with social media as their primary source of financial guidance, entered markets during one of the most volatile decades on record, and have faced structural economic headwinds — student debt, housing unaffordability, inflation — that their predecessors did not encounter at the same life stage.

62% of Gen Z experience financial stress more than three days per week (Motley Fool, 2024). 55% lack sufficient emergency savings (Bank of America, 2025). 43% lost money in their first year of investing (FINRA Foundation, 2022). These are not statistics about a niche audience. These are statistics about an entire generation.

StarryTrader is not a trading application with an education tab added as an afterthought. It is an education platform built around the emotional and psychological reality of what it feels like to be a young person navigating financial markets in 2026. That is our differentiation. That is our mission. The research confirms that it is needed — and that there is no incumbent doing it well.

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The following references are formatted in accordance with APA 7th Edition citation standards.

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