



## Fordham University - Gabelli School of Business

---

### **Michelle (Yewon) Do**

Major: Global Business & Economics  
Year: Sophomore

### **Thomas Beres**

Major: Global Business & Economics  
Year: Junior

### **Arul Mollin**

Major: Global Business & Economics  
Year: Sophomore

### **Rachel Walmet**

Major: Global Business & Economics  
Year: Sophomore

---

**Division:** Undergraduate

**Topic:** Robinhood – Trading in the Age of Digital Misinformation

**Advisor:** Dr. Miguel Alzola & Dean Robert Daly

**Audience:** Robinhood Executive Suite

### **Executive Summary**

In recent years, the use of trading platforms has grown exponentially. Specifically, mobile applications, such as Robinhood, have witnessed a drastic increase in users. Additionally, throughout the pandemic, many individuals seek accessible ways to grow their wealth and bolster their current financial standing. Thus, COVID-19 has served to further augment the number of individuals using these platforms. Despite the popularity of Robinhood and its competitors, the recent market growth has given rise to an ethical dilemma regarding the spread of misinformation. Financial management/investment applications provide beginners with a convenient way to start investing but often lack ample information and educational tools necessary to trade and manage a portfolio successfully. This makes users more susceptible to the mass amount of false information in online forum pages and social media sites. Hence, new investors often do not fully understand the risk associated with utilizing the various financial instruments available on Robinhood and similar programs.

While the ability to place a trade or buy an option with a single button may seem appealing at first glance, this accessibility comes with a price. Some amateur investors have lost thousands of dollars from misguidance online and lack knowledge on risk and proper strategy. Consequently, Robinhood is presented with the decision as to what degree it should provide users with information regarding trading basics and the risk of various investment options.

Upon evaluation, our consulting team believes that providing Robinhood users with a moderate amount of information would be advantageous for both the firm and the customer base. Additionally, supplemental changes to the application that aim to reduce other systemic factors leading to misinformation (i.e. app gamification) will allow Robinhood to maintain current engagement levels while minimizing the loss to accessibility.