

Reddit's \$10B is thanks to record user inflow brought by meme stock headlines

Article

The news: Reddit raised \$700M, led by Fidelity, lifting its valuation by 67% since its last round in February, [per](#) the Wall Street Journal.

By the numbers: Reddit has lagged [behind](#) its social-media peers like **Twitter** and **Facebook** in generating revenue from users. But its value has jumped as its **advertising revenue reached \$100 million for the first time** in Q2, a **192%** rise YoY.

The meme stock boost: The massive inflow of Reddit users didn't just boost specific stocks' valuations—it also raised the value of Reddit itself by adding more users, and in turn, more ad revenue.

Retail investors flocked to Reddit forums like [r/Cryptocurrency](#) and [r/WallStreetBets](#) to inform their investing strategies. The latter forum now has over **10.7 million members**, up from around **4 million** at the start of the year. The growing number of platform users has provided a crucial tailwind to its ad revenue.

In addition, Fidelity's leadership of the round is further evidence that the meme stock boom played a big part in the increase in Reddit's valuation, as the leading broker is very familiar with its benefits: Fidelity added **1.6 million retail investors 35 years old and younger** in Q1, a **222%** increase YoY.

Retail traders don't tell the whole story: Meme stock stories helped spread brand awareness beyond the day trader community.

Membership ballooned across all forums on the social media platform, not just investment-related. In the US, among all major social networks, Reddit's 2021 percentage of growth only [lagged](#) behind **TikTok**. The company's age makes this all the more impressive: It was founded in June 2005.

Looking ahead: Future steps for the company include **international expansion** and moving the platform further from its text and links origin and **more toward video**. The ability to create video content should further encourage engagement among retail investors using the platform as it offers another medium to more easily discuss and exchange investing ideas.

For more information on what's next for Reddit, read this article from our eMarketer Briefing.