Half of Us Now Ask AI for Money Advice. Here's What to Know Before You Trust It.

Two studies reveal the pros and cons. Here's what you should know before relying on a "financial planning bot."

There's good news and bad news about people using AI for financial advice. Good: they're looking into it. Bad: too many aren't double-checking what it tells them.

MIT's business school released research revealing more than half of U.S. adults have now asked an AI tool for financial advice – likely more people than have ever sat down with a human financial advisor. A second study, published in the Journal of Financial Planning, found that different AI tools gave totally different answers to the exact same question.

"GenAI-driven responses may sound confident but can still be incomplete, misleading, or incorrect," the Journal of Financial Planning paper says. "Without proper knowledge, poorly constructed prompts or misinterpretation of output could inadvertently lead clients toward financial strategies that are inconsistent with sound planning practice."

If you're one of the many people turning to AI for financial guidance, here's how to use it wisely.

1. Treat AI as a starting point, not a final answer

It's a reasonable place to build general financial understanding, but retirement withdrawals, investment allocations, and debt payoff strategies depend on details specific to you that a chatbot may not fully account for.

2. Be specific in what you ask

The MIT researchers found that richer, more detailed prompts led to noticeably better advice. Vague questions tend to get vague, or even skewed, answers.

3. Ask more than once, and compare

If you run the same question through two different tools and get two different answers, that's your cue to dig deeper rather than just picking the one you like best.

4. Know that your details can quietly change the advice you get

The Journal of Financial Planning researchers found that some tools recommended larger emergency funds for a white woman or a Black man than for a white man in the exact same financial situation, with no clear explanation given in the study for the gap.

5. Use it to get educated, not to make final decisions

AI can help you understand the basics of a topic like emergency funds or portfolio diversification. But before acting on anything with real financial consequences, it's worth talking it through with a person who knows your full financial picture.

None of this means you have to swear off AI for money questions. It's a solid place to start. Just remember a chatbot doesn't know your full story, and the people who do – a partner, an advisor, even a good friend who's been through it – are still worth the conversation.