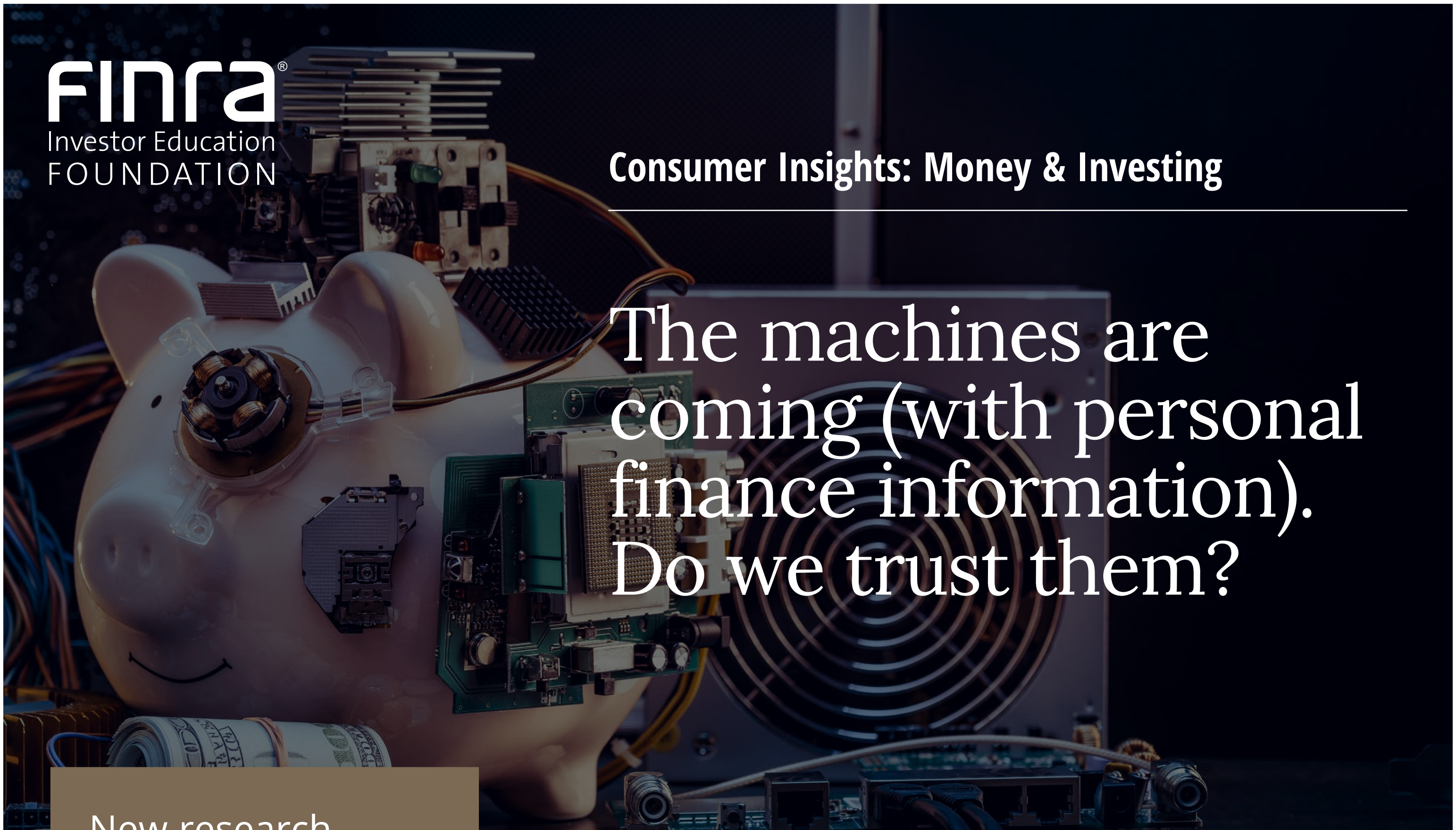
FINRA Investor Education FOUNDATION



Consumer Insights: Money & Investing

# The machines are coming (with personal finance information). Do we trust them?

**New research from the FINRA Investor Education Foundation suggests consumers trust financial professionals more than AI when it comes to financial information.**

## Background

The use of artificial intelligence (AI) appears to be growing, and most days bring news about the latest AI-powered tool. Consumers indicate some willingness to use AI to help manage their finances.[1] But while some are excited by the possibilities AI presents, many remain concerned about AI-generated misinformation.[2,3] In a recent study, five times as many consumers indicated they were more concerned than excited about AI than indicated they were more excited than concerned.[4] Specifically, research indicates that consumers are concerned about keeping their personal information secure—a major consideration in the use of AI for information on personal finances, because financial information is best when customized to the specific individual. Given this backdrop, we sought to examine consumers' perceptions of financial information generated from AI compared to the same information from a financial professional.

## The Experiment

To better understand consumer trust in AI-generated financial information, we conducted an experiment presenting four different pieces of hypothetical financial information to a probability-based, nationally representative sample of 1,033 consumers. By design, each of the four hypothetical statements was plausible but not necessarily accurate. For each question, half of the study participants were told the information was provided by artificial intelligence, and the other half were told the information was provided by a financial professional. Respondents were then asked to what extent they trusted—or distrusted—the information. They were also asked to identify the financial information sources they used and to self-assess their knowledge about personal finance.

## Results

Despite its growing popularity, very few consumers knowingly turn to AI for information on personal finances. Over half of study participants indicated they used financial professionals (63 percent) and friends and family (56 percent) for such information when making financial decisions, while only 5 percent indicated they used AI. That said, when it comes to financial apps, which may well incorporate some form of AI, a quarter of respondents (25 percent) reported using apps for financial information. *See Figure 1.*

**In general, more consumers indicated trusting individual financial professionals than AI when it comes to financial information.** For three of the four hypothetical statements presented in the experiment, respondents' trust levels differed depending on who they were told had provided the content: a financial professional or AI. For two pieces of information, a larger proportion of respondents trusted the information when it came from financial professionals, and, in three of the four instances, a larger proportion of consumers *distrusted* the information more frequently when it came from AI.

### Homeownership information

To understand whether trust in AI and financial professionals varied by the content of the information, we presented respondents with four different pieces of information. Respondents broadly trusted a hypothetical statement about homeownership regardless of the source cited. However, a larger proportion of respondents trusted the information on homeownership when they were told a financial professional had provided it, and more *distrusted* it when we cited AI as the source. One notable difference was found among Black/African American consumers, where a larger proportion trusted the homeownership information when it came from AI (71 percent) rather than from a financial professional (49 percent). *See Figure 2.*

### Projected stock and bond performance information

The second piece of information was related to investing and featured a specific, numeric prediction about the market. Overall, roughly one-third of consumers trusted this hypothetical statement, whether they were told it was provided by AI (34 percent) or a financial professional (33 percent). *See Figure 3.*

Figure 1. Percent of consumers reporting use of financial information sources

Which of the following information sources do you use when making financial decisions? N=1,033

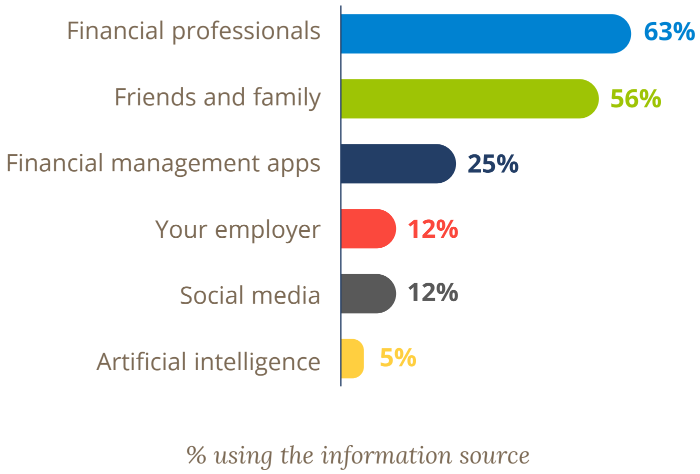
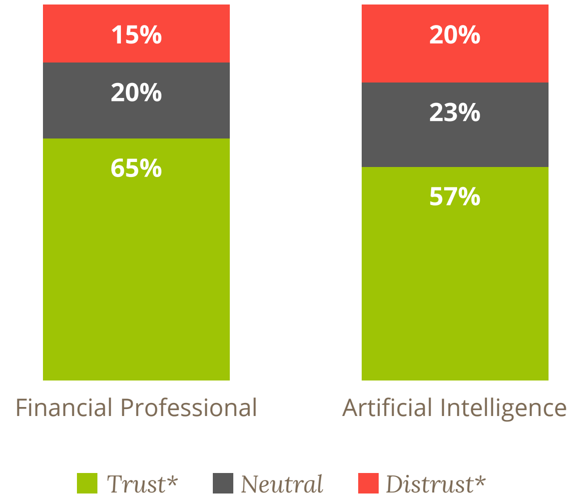



Figure 2. Trust in hypothetical statement on homeownership from AI and financial professionals

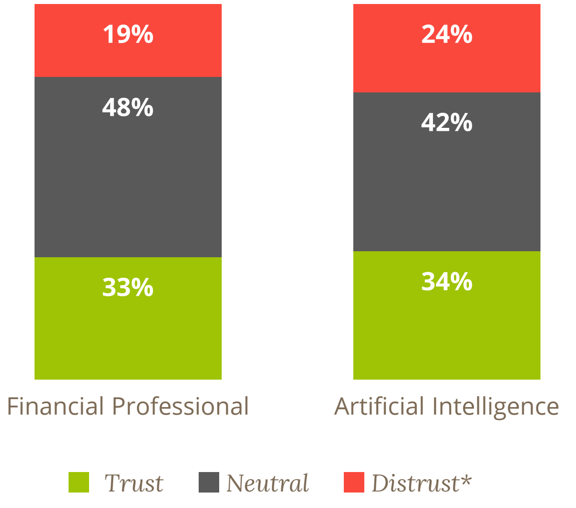
Buying a single-family home is a good investment, even at current prices and mortgage rates, provided the buyer plans to live in that home for at least six years.




$x^2$ p=0.03 * $p < 0.05$

## Figure 3. Trust in hypothetical statement on stock and bond performance in 2024

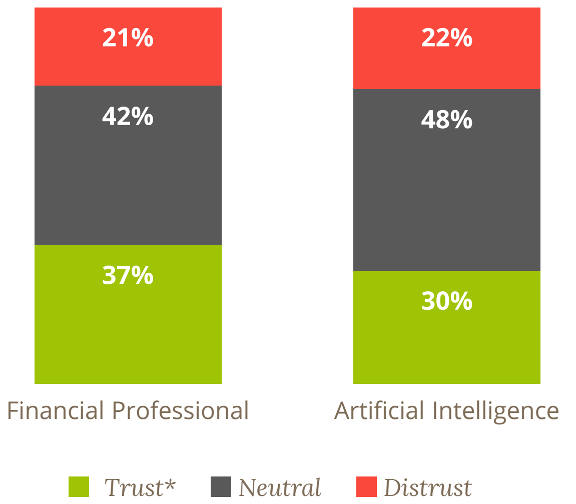
Stocks will outperform bonds by 18 – 23% during the second half of 2024.




$x^2$ p=0.06 * $p < 0.05$

## Figure 4. Trust in hypothetical statement on optimal portfolio allocation for women

Women should hold a higher percentage of stocks in their investment portfolios compared to men, because women live longer than men on average.




$x^2$ p=0.05 * $p < 0.05$

There were, however, certain groups that trusted it more often when it came from AI. A greater proportion of men trusted the investing information when they were told it came from AI (37 percent) rather than from a financial professional (27 percent). Similarly, a larger proportion of white respondents trusted the information when AI was cited as the source (34 percent) compared to a financial professional (30 percent). There were no other differences for respondents in other race or ethnicity groups.

Interestingly, self-assessed financial knowledge factored into trust in this piece of information. Whereas a greater share of respondents with lower levels of self-assessed financial knowledge trusted the information when it came from a financial professional rather than from AI (32 percent compared to 25 percent, respectively), a larger proportion of respondents with higher levels of knowledge more frequently trusted the information when it came from AI rather than from a financial professional (48 percent compared to 34 percent, respectively).

When comparing levels of *distrust* among those who were told the source of the information on relative stock and bond performance was AI versus those who were told the source was a financial professional, a greater proportion of respondents indicated they distrust AI (23 percent, compared to 19 percent of respondents in the financial professional condition).

### Portfolio allocation information

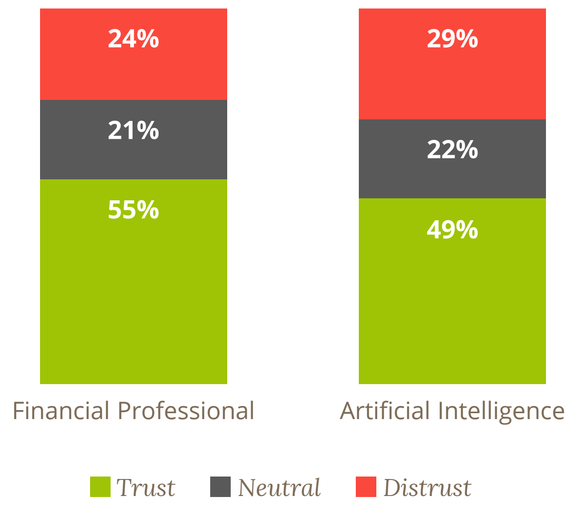
Next, a hypothetical statement related to the relative portfolio allocations for men and women was presented. This piece of information had overall levels of trust comparable to the information on stock and bond performance—roughly 34 percent overall. However, a greater proportion of respondents who were told a financial professional had provided the information trusted this information compared to those for whom AI was named as the source (37 percent compared to 30 percent, respectively). This pattern of greater trust in financial professionals was relatively consistent for all age, income, knowledge, and race/ethnicity groups. There was no statistically significant difference between the financial professional group and the AI group among women, but there was a statistically significant difference among men (37 percent compared to 26 percent, respectively). ***See Figure 4.***

### Savings and debt information

The final hypothetical statement focused on whether young adults should prioritize emergency savings over paying down credit card debt. This piece of information was, in general, similarly well trusted by respondents whether the source cited was AI or a financial professional. However, a greater proportion of Black respondents more frequently trusted the information when it came from a financial professional (69 percent) compared to AI (48 percent), as did those earning incomes under $75k annually (63 percent, compared to 54 percent of those earning $75k or more annually). *See Figure 5.*

## Figure 5. Trust in hypothetical statement on saving vs. debt paydown for young adults

Young adults should prioritize building an emergency savings fund before paying off all their credit card debt.




$x^2$ p=0.14

## Summary

While the use of AI appears to be growing, few appear to be knowingly using it to seek information on personal finances. Results of this experiment support other research indicating that consumers may not trust AI when it comes to information about personal finances.[5] It remains to be seen whether these perceptions change as technology evolves in the coming years.

### Methodology

We conducted the poll of 1,033 adults February 16 – 19, 2024, using a sample drawn from the SSRS Opinion Panel, a mixed-mode probability-based panel designed to be representative of the U.S. adult population (18+). Interviews were conducted in English and Spanish. The AAPOR3 response rate is 2.4 percent, and the margin of sampling error for all respondents is plus or minus 3.6 percentage points. For analysis, we weighted the data to be representative of the U.S. population eighteen and older using 2023 Current Population Survey benchmarks. The poll and analyses were funded by the FINRA Investor Education Foundation.

### About FINRA and the FINRA Foundation

The Financial Industry Regulatory Authority (FINRA) is a not-for-profit organization dedicated to investor protection and market integrity. It regulates one critical part of the securities industry—brokerage firms doing business with the public in the United States. FINRA, overseen by the Securities and Exchange Commission, writes rules, examines for and enforces compliance with FINRA rules and federal securities laws, registers broker-dealer personnel and offers them education and training, and informs the investing public. In addition, FINRA provides surveillance and other regulatory services for equities and options markets, as well as trade reporting and other industry utilities. FINRA also administers a dispute resolution forum for investors and brokerage firms and their registered employees. For more information, visit www.FINRA.org.

The FINRA Investor Education Foundation supports innovative research and educational projects that give underserved Americans the knowledge, skills, and tools to make sound financial decisions throughout life. For more information about FINRA Foundation initiatives, visit www.FINRAFoundation.org.

Notes

1 Americans want GenAI to help them manage their money – above all else.

2 Over 75% Of Consumers Are Concerned About Misinformation From Artificial Intelligence.

3 AI chatbots in public services.

4 Growing public concern about the role of artificial intelligence in daily life.

5 AI chatbots in public services.

## Appendix: Survey Questions

**Q1. The following information was provided by an individual financial professional/artificial intelligence: Buying a single-family home is a good investment, even at current prices and mortgage rates, provided the buyer plans to live in that home for at least six years.**

**Please indicate how much you trust or distrust this information.**

- ☐ Strongly trust
- ☐ Somewhat trust
- ☐ Neither trust nor distrust
- ☐ Somewhat distrust
- ☐ Strongly distrust

**Q2. The following information was provided by an individual financial professional/artificial intelligence: Stocks will outperform bonds by 18–23% during the second half of 2024.**

**Please indicate how much you trust or distrust this information.**

- ☐ Strongly trust
- ☐ Somewhat trust
- ☐ Neither trust nor distrust
- ☐ Somewhat distrust
- ☐ Strongly distrust

**Q3. The following information was provided by an individual financial professional/artificial intelligence: Women should hold a higher percentage of stocks in their investment portfolios compared to men, because women live longer than men on average.**

**Please indicate how much you trust or distrust this information.**

- ☐ Strongly trust
- ☐ Somewhat trust
- ☐ Neither trust nor distrust
- ☐ Somewhat distrust
- ☐ Strongly distrust

**Q4. The following information was provided by an individual financial professional/artificial intelligence: Young adults should prioritize building an emergency savings fund before paying off all their credit card debt.**

**Please indicate how much you trust or distrust this information.**

- ☐ Strongly trust
- ☐ Somewhat trust
- ☐ Neither trust nor distrust
- ☐ Somewhat distrust
- ☐ Strongly distrust

**Q5. Which of the following information sources do you use when making financial decisions?**

**Please select all that apply.**

- ☐ Financial professionals
- ☐ Friends or family members
- ☐ Financial management apps
- ☐ Your employer
- ☐ Social media
- ☐ Artificial intelligence (such as ChatGPT)

**Q6. On a scale from 1 to 5 where 1 is very low and 5 is very high, how would you rate your overall knowledge about personal finance?**

- ☐ 1 – Very low
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5 – Very high