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Can AI Agents Improve Financial Decisions?

Institute Note

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Large language models (LLMs) and other AI-powered technologies are dramatically changing the way financial professionals deliver their services. Bank of New York, Mellon,[1] Goldman Sachs,[2] Ernst & Young, and Deloitte[3] are just a few of many companies seeking to embed AI deeply into their firms' business activities. Most of the impact now is being felt in operations, investment management, and marketing. Generative AI is already helping to make back-office functions more productive, portfolio management more efficient, and client outreach efforts more effective.[4]

Many tech analysts believe that in the next few years, we will witness an explosion of smart AI agents that perform tasks, offer recommendations, and interact with users in ways that closely mimic human intelligence.[5]

These agents will analyze data, learn from patterns, and respond to specific user questions in real time. Some of them will operate in the background, but others will engage with users directly.

So, what does the rise of AI agents mean for the financial services industry?

One technology worth monitoring is AI-powered capabilities designed to improve the quality of professional and consumer decision-making and the productivity of client and family conversations — in short, AI agents that serve as 24/7/365 behavioral finance coaches.

[1] Source: "Digital Workers Have Arrived in Banking," WSJ, 2025.

[2] Source: "Goldman Sachs is piloting its first autonomous coder in major AI milestone for Wall Street," CNBC, 2025.

[3] Source: "Big Four bet on AI agents that can do all the work and 'liberate' staff," Business Insider, 2025.

[4] Source: *The State Of AI: How Organizations Are Rewiring To Capture Value*, McKinsey & Company, 2025.

[5] Source: "The Transformative Impact of Large Language Models in Financial Services: Market Growth and Strategic Outlook 2025–2034," Medium, 2025.

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Importantly, AI agents hold out the promise of being able to raise self-awareness around counterproductive personality traits, including financially unhealthy behaviors, in a supportive and non-confrontational way. These agents can be programmed to withhold judgment and practice endless degrees of patience. They will have instantaneous access to a virtually infinite reservoir of educational resources, academic research, and best practices. They will be able to tailor their advice to individual users and gradually understand habits and predispositions. In other words, AI agents will become expert and empathetic financial coaches.

Let's envision a hypothetical scenario in the not-too-distant future. "Mary" is in her early 60s and concerned about how she will be able to afford her retirement. She doesn't know much about annuities, but she has read a few articles recently suggesting that they are expensive and complicated. On the other hand, she likes the idea of protected income in retirement, especially for her spouse who has a family history of dementia. Even though she is the primary family income earner and de facto CFO, she is anxious about money in general. She often procrastinates before making important financial decisions, frequently to her detriment.

Mary has a meeting with her financial professional in a few days and wants to talk about retirement plans. She starts preparing by asking an AI agent to explain annuities. The agent teaches her about the different types of annuities and how they are structured. She mentions she has recently read that annuities are expensive, and the agent advises that there are reasonable cases both for and against buying an annuity and warns against confirmation bias. The agent suggests that purchasing an annuity might help simplify her finances and reduce the number of (anxiety-ridden) decisions she needs to make. The agent helps her figure out that regular, automatic payments might compensate for her tendency to postpone important financial decisions. Finally, it points out that if she buys an annuity now, she will not need to sell off as much of her savings in the future to generate income.

But even after a productive session with the AI agent, she has questions about the suitability of an annuity for her. She is still worried that they might be too expensive, and it's unclear how annuities fit with the rest of her retirement portfolio. She wants to hear from her financial professional what type of annuity is best for her. She is also unsure how much retirement income she really needs. And which assets should she sell now if she decides to buy an annuity?

When Mary meets with her financial professional, she now knows what questions to ask. After her conversation with an AI agent, she has learned a little more about herself and how she makes decisions. During the conversation with her financial professional, Mary expresses how much anxiety she has around finances and what it would mean to her to put more decisions on autopilot. She explains how the thought of drawing down her investment principal in the future pains her, even though retirement is exactly what she has been saving for.[6]

Mary continues to share her concerns, and by extension, key personality traits, with her financial professional. She tells a personal family story that reveals the source of some of her anxiety about money. In the end, whether Mary decides to purchase the annuity almost becomes secondary to the personal self-discovery process she is going through and secondary to the door she has opened for her financial professional. This more informed — and intimate — conversation was a great way for the advisor to get to know Mary better. Her financial professional can apply insights into Mary's personality gleaned from this conversation in other planning sessions. The AI-powered behavioral finance coaching not only helps Mary make better financial decisions, but it also strengthens her relationship with her financial professional, enabling more personalized recommendations.

These AI agents can also act as sound boards for professionals seeking to improve the quality of client communications. They will be capable of providing proven conversation tips and scripts, detailed recommendations, and critical feedback in a supportive and non-judgmental environment. Financial professionals will be able to practice conversations on a variety of topics — money anxiety, impulsive decision-making, divorce, health events, and grieving and loss — *before* participating in a client meeting. They could rehearse with the agent on their own or in groups, whatever is most comfortable for them. Just before the meeting begins, they can ask the agent to provide useful ways to start the conversation.

[6] Source: *Retirees Spend Lifetime Income, Not Savings*, LIMRA Retirement Income Institute, 2025.

Using the example of "Mary," an AI agent might recommend that the financial professional spend more time listening to Mary's concerns and less time offering technical advice. It might encourage the financial professional to get Mary to tell a personal story. It might provide guidance that helps the financial professional understand that for Mary, money means anxiety and security. The agent could recommend a conversation starter script designed to lower the psychological defenses that make it hard for Mary to express her feelings about money. After the meeting, the financial professional can feed the transcript to the agent and ask it to make suggestions about how discussions with Mary might be further improved in the future.

In summary, AI agents are likely to be an important part of the future of financial planning. Over time, AI-enabled agents will become just another tool in the financial professional's technology toolkit, like AI-powered marketing content generators, meeting summarizers, or portfolio optimization algorithms. By fully embracing agentic AI, financial professionals will enhance their value, deepen client relationships, and lead the next era of advice.

Author

Chris Heye, Ph.D., is the CEO and founder of Whealthcare Solutions Inc. and Whealthcare Planning LLC. Dr. Heye is a technology entrepreneur, writer, researcher, and speaker in fields residing at the intersection of physical, behavioral, and mental health and financial well-being. After confronting dementia in his own family and witnessing elder financial abuse in friends, he decided not enough was being done to protect older adults. He helped to design and manage a clinical study conducted at the Massachusetts General Hospital that investigated the behavioral and cognitive underpinnings of sound financial decision making. The results of the study serve as the foundation for the first-of-its-kind cloud-based application that enables adults and their families to more effectively identify, manage, and mitigate health- and longevity-related financial risks.

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Additional Information

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