

**A  
Research Project  
On**

**“AN ANALYSIS OF IMPACT OF AI IN PERSONALIZED FINANCIAL  
PLANNING”**

Submitted to

**G.S. COLLEGE OF COMMERCE & ECONOMICS (AUTONOMOUS)  
NAGPUR**

Affiliated to

**RASHTRASANT TUKADOJI MAHARAJ NAGPUR UNIVERSITY, NAGPUR**

In partial fulfillment for the award of degree of

**Bachelor of Business Administration**

Submitted by

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Under the guidance of

**DR. MAHESH CHOPDE**

**G.S. COLLEGE OF COMMERCE & ECONOMICS**

**ACADEMIC YEAR 2023-2024**



**G.S. COLLEGE OF COMMERCE & ECONOMICS**  
**ACADEMIC YEAR 2023-2024**



**CERTIFICATE**

This is to certify that “Vinaykumar M Dwivedi” has submitted the project report titled “**An analysis of impact of AI in personalized financial planning**”, towards partial fulfilment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he has ingeniously completed his project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

**DR. MAHESH CHOPDE**

**(Project Guide)**

**DR. AFSAR SHEIKH**

**(Co-Ordinator)**

**Place:**

**Date:**

**G.S. COLLEGE OF COMMERCE & ECONOMICS**  
**ACADEMIC YEAR 2023-2024**



**DECLARATION**

I here-by declare that the project with title “**An analysis of impact of AI in personalized financial planning**”, has been completed by me in partial fulfilment of ‘**BACHELOR OF BUSINESS ADMINISTRATION**’ degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

**Place: Nagpur**

**VINAYKUMAR M DWIVEDI**

**Date:**

**G.S. COLLEGE OF COMMERCE & ECONOMICS**  
**ACADEMIC YEAR 2023-2024**



**ACKNOWLEDGEMENT**

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr. Praveen Mustoor , Principal , G.S. College of Commerce & Economics, Nagpur.

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I will fail in my duty if I do not thank the Non- Teaching staff of the college of the college for their co-operation

I would like to thank all those who helped me in making this project report complete and successful.

**Place: Nagpur**

**VINAYKUMAR M DWIVEDI**

**Date:**

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CHAPTER – 1  
INTRODUCTION

## **ABOUT THE TOPIC**

Imagine a friendly robot that examines your finances, providing intelligent advice on saving and creating a customized plan just for you. This is how AI revolutionizes personalized financial planning! Here's how it simplifies the journey:

### **1. Financial Genius:**

**Comprehensive Financial Analysis:** Through advanced algorithms and data-driven analysis, AI thoroughly examines your income, expenses, and long-term financial goals. By gaining a deep understanding of your unique financial situation, AI can offer personalized recommendations and strategies to optimize your financial health.

**Expense Detective:** With its meticulous categorization capabilities, AI scrutinizes every transaction in your financial records, highlighting areas where you can potentially save or allocate your funds more wisely. By identifying unnecessary expenses or potential cost-saving opportunities, it empowers you to make informed decisions and maximize your savings.

**Future Predictor:** Leveraging powerful predictive models, AI forecasts future financial scenarios based on your financial behaviour and market trends. This valuable insight assists you in budgeting effectively, understanding the potential impact of life events (such as purchasing a home or starting a family), and preparing for any financial challenges that may lie ahead.

### **2. Personalized Mentor:**

**Goal Expert:** AI functions as a personal financial advisor, tailoring investment strategies and savings plans specifically to your short-term and long-term goals. Whether you dream of taking a luxurious vacation or building a comfortable retirement fund, AI analyses your goals, risk tolerance, and timeline to develop strategies that align with your aspirations.

**Risk Manager:** As a diligent risk manager, AI continuously monitors market trends, evaluates investment options, and assesses your risk tolerance. By striking a balance between

potential gains and your comfort level, AI ensures that your investment portfolio is optimized to align with your financial objectives. Through its sophisticated risk assessment, AI minimizes the potential negative impact of market volatility on your financial well-being.

**Automated Assistance:** Beyond analysis and advice, AI offers practical assistance by automating various financial tasks, such as bill payments and savings transfers. With this efficient automation, you can save time and mental energy, allowing you to focus on more important aspects of your life. AI becomes your reliable partner, ensuring that your financial obligations are fulfilled accurately and promptly.

### **3. Security Guardian:**

**Fraud Detector:** Security is a paramount concern when it comes to personal finances. AI acts as a vigilant fraud detector, continuously scanning your transactions for any signs of suspicious activity. It analyses patterns, detects anomalies, and proactively alerts you if it detects any potential instances of fraud or unauthorized access. By being your trusty financial guardian, AI safeguards the integrity and security of your financial fortress.

**Alert Observer:** With its advanced capacity to analyse data, AI can identify unusual spending patterns that may indicate theft or identity fraud. By monitoring your financial activities closely, it serves as a watchful and alert observer, capable of notifying you promptly when it detects any irregularities. Through its proactive nature, AI provides an additional layer of protection to ensure the confidentiality and safety of your financial information.



## **INTRODUCTION**

In today's complex financial landscape, the importance of personalized financial planning has become increasingly significant. As the intricacies of financial decision-making continue to grow, it is crucial for individuals to have access to tailored financial guidance to navigate this ever-changing environment effectively. Unfortunately, a significant portion of the population remains unaware of the benefits of personalized financial planning or encounters challenges in accessing it due to its often-exorbitant costs.

Therefore, this research project aims to delve into the current levels of awareness and accessibility surrounding personalized financial planning. By examining and analysing the existing landscape, we will gain insights into the extent to which individuals are informed about this approach and are able to utilize it to their advantage. Furthermore, this undertaking also explores the potential of artificial intelligence (AI) and its various applications in order to revolutionize the accessibility and effectiveness of this vital service.

AI has emerged as a powerful tool in numerous industries, and the realm of personal finance is no exception. By leveraging the capabilities of AI, we can potentially bridge the gap between personalized financial planning and its widespread availability. By integrating AI algorithms and machine learning into financial planning processes, we can create intelligent systems that have the capacity to analyse vast amounts of financial data, identify key patterns and trends, and generate tailored recommendations for individuals.

These AI-powered solutions have the potential to democratize financial planning, making it accessible not only to the affluent few but also to the general public. By automating certain tasks and streamlining the financial planning process, AI can eliminate some of the upfront costs associated with human advisors, thus making personalized financial planning more affordable and within reach for a wider population.

- **WHAT IS PERSONALIZED FINANCIAL ADVISORY ?**

Personalized financial advisory is all about receiving expert guidance that is specifically tailored to your unique financial situation and goals. It can be likened to having a financial GPS that not only points you in the right direction but also takes into account every twist and turn on your individual financial journey, Consider it as:

**1. A customized financial plan:** Instead of a one-size-fits-all approach, you receive a roadmap that is designed specifically for your income, expenses, investments, debts, insurance needs, retirement goals, and more.

**2. Expert advice:** Your advisor provides insights and strategies based on your risk tolerance and aspirations, covering everything from managing your day-to-day finances to investing for the future and planning for major life events.

**3. Ongoing support and guidance:** This is not a one-time service. Your advisor remains by your side, monitoring your progress, making necessary adjustments to your plan, and answering any questions you may have along the way.

**4. Access to specialized knowledge:** With your advisor's expertise and network, you gain access to resources and insights that you may not have on your own. This empowers you to make informed decisions about your finances.

**Ultimately, personalized financial advisory helps you:**

- Achieve your financial goals more efficiently and at a faster pace.
- Reduce stress and uncertainty by providing you with a clear path forward.
- Make informed financial decisions with confidence.
- Improve your financial literacy and gain independence in managing your money

- **WHO CAN BENEFIT FROM PERSONALIZED ADVISORY ?**

Anyone who wants to take control of their finances and achieve their goals can benefit, regardless of their income or current financial situation. It is particularly helpful for:

- Young adults who are starting their careers and building their financial foundation.
- Individuals who are saving for major life events such as weddings, houses, or education.
- People who are approaching retirement and want to ensure their financial security.
- Anyone who is facing complex financial decisions or experiencing significant life changes.

- **WHAT IS AI ?**

Artificial intelligence (AI) mimics human cognitive functions like learning and problem-solving. It was coined in 1955 and is based on machine learning. AI impacts industries like healthcare, finance, and manufacturing, and is being used to develop new technologies like self-driving cars and virtual assistants.

- **HOW AI HELPS IN FINANCIAL PLANNING ?**

AI is revolutionizing financial planning by providing data-driven insights, automating tasks, assessing risks, personalizing plans, and improving customer experience.

CHAPTER – 2  
LITREATURE REVIEW

The CNBC article published on 24 August 2023 delves into the fascinating topic of the increasing acceptance of AI-powered financial advisors in the world of finance. While shedding light on the positive aspects, the article also sheds light on potential drawbacks and concerns that arise from this emerging trend. According to a survey, it was found that an impressive 31% of investors are open to trusting AI when it comes to financial advice, even without independent verification. This highlights the growing faith in the capabilities of AI technology within the investment community.

However, it is important to approach this newfound acceptance with caution, as the article points out. It warns that the outputs generated by AI are not infallible. There is a possibility that financial recommendations made by AI-powered advisors may not always be fool proof. This is an issue of great concern, especially considering that many investors may not possess the necessary skills and expertise to effectively question or scrutinize AI's recommendations thoroughly. The lack of familiarity with AI and its inner workings may lead to blind faith in the technology, potentially resulting in flawed financial advice being followed.

While it is undeniable that AI holds immense promise in the financial advisory space, it is crucial that users approach this technology with a sense of mindfulness. The potential for errors or incomplete understanding, particularly from the user's end, cannot be ignored. This brings us face to face with the need for a careful and informed use of AI-powered financial advisors. Investors should strive to educate themselves about the intricacies of AI algorithms and be prepared to question the recommendations provided, even if they come from an AI system. A critical and wary approach can help mitigate risks associated with relying exclusively on AI's advice.

In conclusion, the acceptance of AI-powered financial advisors is a trend that cannot be ignored. It is encouraging to see that a significant portion of investors are open to leveraging AI's capabilities for financial guidance. However, the potential pitfalls and limitations must be acknowledged and addressed. By combining the benefits of AI technology with human expertise and intuition, investors can make the most informed decisions. It is essential for both the investment community and AI developers to work hand in hand, ensuring that the integration of AI-powered financial advisors is done judiciously and responsibly. Only then can we fully harness the potential of this exciting technology in the world of finance.

CHAPTER – 3  
RESEARCH STUDY

**PROBLEM DEFINITION :**

- Despite the numerous advantages it offers, personalized financial planning remains a mystery to many individuals. One of the main reasons for this prevalent lack of understanding is a general lack of public knowledge about financial planning and its intricacies. Many people simply do not know where to start or what steps to take in order to create a solid financial plan.
- Another contributing factor to this mystery is the presence of misconceptions regarding the worth of personalized financial planning. Some individuals believe that they can handle their finances on their own or that they cannot afford the services of a professional financial planner. These misconceptions often lead to suboptimal decision-making and missed opportunities to maximize one's financial potential.
- Additionally, the excessively high expenses associated with traditional financial planning services pose another significant obstacle for a considerable portion of society. The cost of hiring a financial planner or using specialized financial software can deter many individuals from seeking the professional help they need.
- This financial barrier often perpetuates a state of financial anxiety, as individuals struggle to navigate their own finances without the appropriate guidance. Without proper financial awareness and education, individuals may find themselves making inefficient financial decisions and missing out on opportunities for growth and financial security.
- Therefore, it is essential that efforts are made to increase public knowledge and debunk misconceptions surrounding personalized financial planning. By providing accessible financial education and affordable alternatives to traditional financial planning services, more individuals can benefit from the numerous advantages that personalized financial planning has to offer.



## **NEED OF STUDY**

In light of the numerous challenges presented by the current state of personalized financial planning, it is of utmost importance to conduct a comprehensive evaluation of the existing comprehension of this field. Furthermore, it is essential to explore and implement innovative approaches that will not only improve its accessibility but also enhance its affordability. Through this crucial undertaking, our goal is to address the pressing need for advancement by meticulously examining several key aspects.

1. Public Perception
2. Cost Barriers
3. AI as a Disruptor
4. Awareness level

## **OBJECTIVE OF STUDY**

The primary goals of this project are as follows:

1. To Measure public awareness regarding personalized Financial Planning.
2. To Examine cost obstacles of personalized Financial Planning.
3. To Assess the potential of AI with reference to Financial Planning.

## **HYPOTHESIS**

H0 – There is no significant impact of artificial intelligence in personalized financial planning

H1 – Artificial intelligence has significant impact on personalized financial planning

CHAPTER – 4

RESEARCH METHODOLOGY

## **RESEARCH TYPE**

### **DESCRIPTIVE RESEARCH –**

In a descriptive design, a researcher is solely interested in describing the situation or case under their research study. It is a theory-based design method which is created by gathering, analysing, and presenting collected data

### **SAMPLE DESIGN -**

- Non-Probability :- In non-probability sampling, the researcher chooses members for research at random. This sampling method is not a fixed or predefined selection process.

### **NON- PROBABILITY -**

- CONVINENCE SAMPLING :- This method is dependent on the ease of access to subjects such as surveying customers at a mall or passers-by on a busy street.

## **DATA COLLECTION**

### **1. PRIMARY DATA -**

Define the variables needed for analysis.

Decide on data collection methods, e.g., surveys, interviews, or observations.

If applicable, consider conducting interviews with financial experts or professionals.

- QUESTIONNAIRE SURVEY



A questionnaire is a research tool featuring a series of questions used to collect useful information

from respondents. I can use Google forms for questionnaire.

- INTERVIEW



Conduct interviews with financial professionals, about their experiences and perspectives on AI-powered financial planning.

## 2. SECONDARY DATA

Explore existing literature and research studies on AI in financial planning.

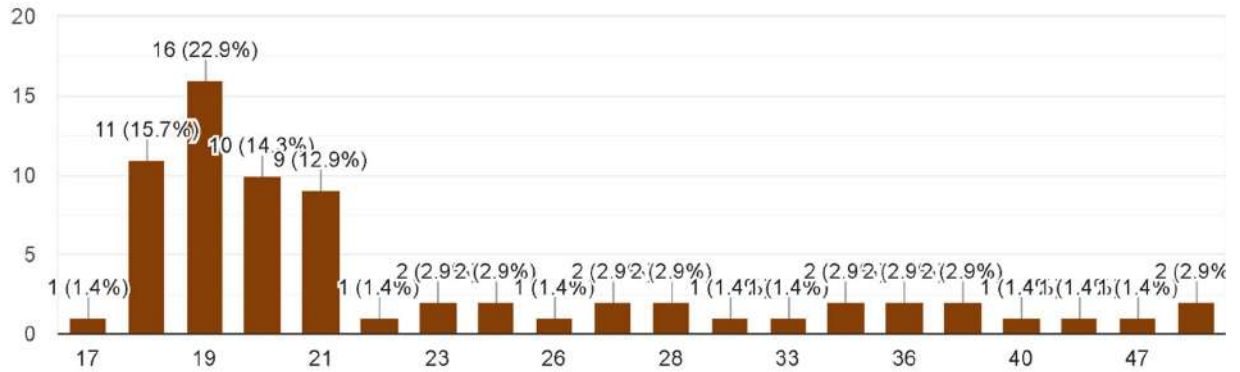
- I will Collect data from articles .
  1. I will collect a data from some websites and already available research project in internet.
  2. Analyse relevant news articles, industry reports, and research papers to understand the current state and future projections of AI in financial markets.

CHAPTER – 5

DATA ANALYSIS AND  
INTERPRETAION

**SURVEY ANALYSIS -****AGE**

70 responses

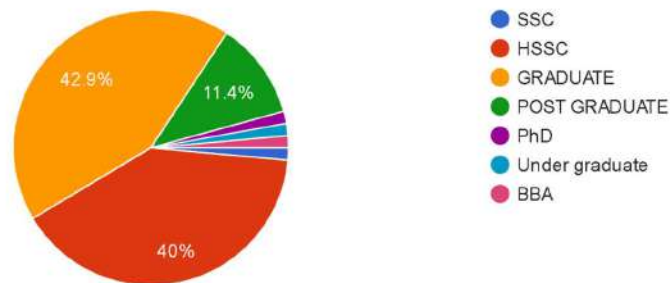
**INTERPRETATION-**

From the above graph ,it is found that the age group of responses obtained during the research study is between 17 to 52 , where the major age group is teenagers.

| EDUCATIONAL QUALIFICATIONS | Count | Ratio percentage |
|----------------------------|-------|------------------|
| GRADUATE                   | 32    | 45.8%            |
| HSSC                       | 28    | 40%              |
| POST GRADUATE              | 8     | 11.4%            |
| PhD                        | 1     | 1.4%             |
| SSC                        | 1     | 1.4%             |
| Total                      | 70    | 100%             |

#### EDUCATIONAL QUALIFICATIONS

70 responses



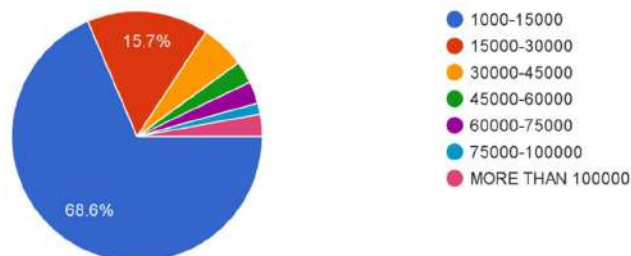
#### INTERPRETATION-

From the above graph it is found that the majority of respondent have completed their higher education and done their graduation and post-graduation.

| INCOME           | Count of income | Ratio percentage |
|------------------|-----------------|------------------|
| 1000-15000       | 48              | 68.6%            |
| 15000-30000      | 11              | 15.7%            |
| 30000-45000      | 4               | 5.7%             |
| 45000-60000      | 2               | 2.9%             |
| 60000-75000      | 2               | 2.9%             |
| 75000-100000     | 1               | 1.3%             |
| MORE THAN 100000 | 2               | 2.9%             |
| Total            | 70              | 100%             |

#### INCOME PER MONTH

70 responses



#### INTERPRETATION-

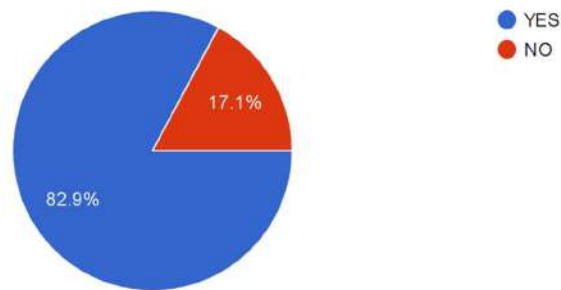
From the above graph it is found that the majority of respondent have the income between 1000-15000 that is 68.6% ,15.7% have an income between 15000-30000 , 5.7% respondent have income between 30000-45000, 2.9% respondent have income between 45000-60000, 2.9% respondent have income between 60000-75000,1.3% have income between 75000-100000, and 2.9% have income more than 100000.



| HAVE YOU HEARD OF FINANCIAL PLANNING . | Count of responses | Ratio percentage |
|--|--------------------|------------------|
| NO                                     | 12                 | 17.1%            |
| YES                                    | 58                 | 82.9%            |
| <b>TOTAL</b>                           | <b>70</b>          | <b>100%</b>      |

HAVE YOU HEARD OF FINANCIAL PLANNING , WHERE SOMEONE HELPS YOU MANAGE YOUR PORTFOLIO FOR FUTURE GOALS.

70 responses



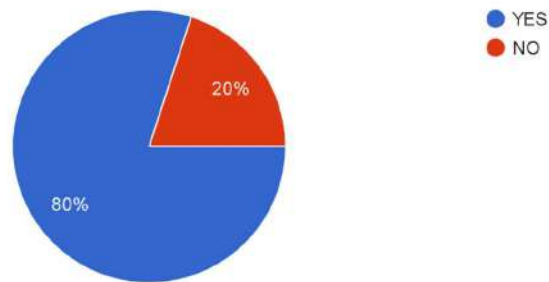
### **INTERPRETATION-**

Based on the data collected it can be observed that 82.9% respondent are aware about the financial planning , where someone helps to manage their portfolio for future goals. And on other hand 17.1% are still unaware about it.

| <b>NEED A PLAN TO MANAGE YOUR MONEY NOW OR LATER ?</b> | <b>Count of responses</b> | <b>Ratio percentage</b> |
|--|---------------------------|-------------------------|
| NO   | 14                        | 20%                     |
| YES  | 56                        | 80%                     |
| <b>Total</b>   | <b>70</b>                 | <b>100%</b>             |

DO YOU FEEL LIKE YOU NEED A PLAN TO MANAGE YOUR MONEY NOW OR LATER ?

70 responses



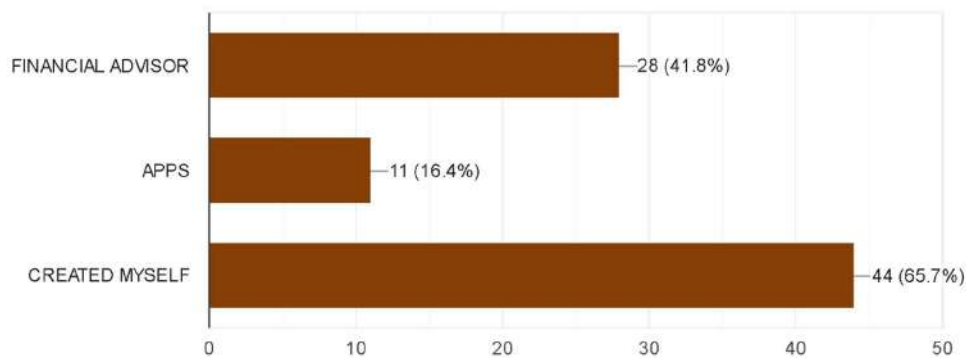
### **INTERPRETATION-**

From the above pie chart it is found that 80% of respondent feels like they need a plan to manage their money , alternatively 20% don't feel like they need any plan to manage their fund

| <b>HOW DID YOU CREATE YOUR FINANCIAL PLAN ?</b> | <b>Count of responses</b> | <b>Ratio percentage</b> |
|---|---------------------------|-------------------------|
| FINANCIAL ADVISOR                               | 28                        | 41.8%                   |
| APPS  | 11                        | 16.4%                   |
| CREATED MYSELF                                  | 44                        | 65.7%                   |
| <b>Total</b>                                    | <b>67</b>                 | <b>100%</b>             |

IF YES, HOW DID YOU CREATE YOUR FINANCIAL PLAN ?

67 responses



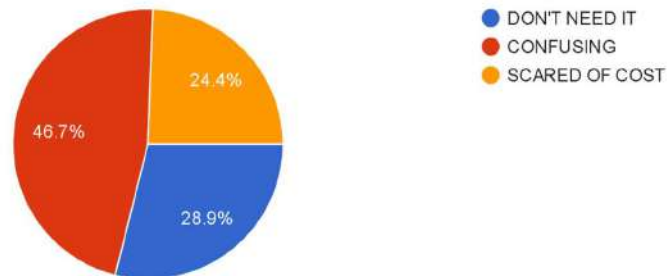
### **INTERPRETATION-**

From the above graph it is found that 65.7% respondent create financial plan from themselves only and this is followed by 41.8% respondent take advice from financial advisors to make a plan , and 16.4% respondent create it using application.

| WHATS HOLDING YOU BACK FROM THINKING ABOUT INVESTMENT PLANNING? | Count of responses | Ratio percentage |
|---|--------------------|------------------|
| DON'T NEED IT   | 13                 | 28.9%            |
| CONFUSING   | 21                 | 46.7%            |
| SCARED OF COST  | 11                 | 24.4%            |
| <b>Total</b>  | <b>45</b>          | <b>100%</b>      |

IF NO, WHAT IS HOLDING YOU BACK FROM THINKING ABOUT INVESTMENT PLANNING ?

45 responses



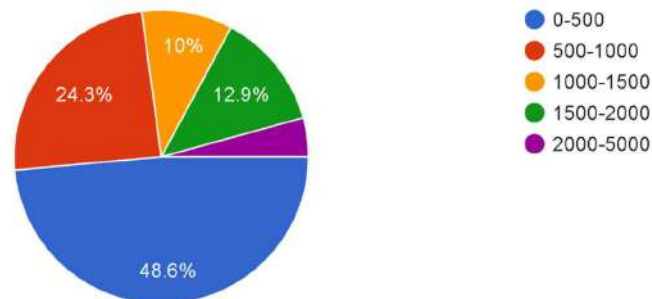
### INTERPRETATION-

From the above pie chart it is found that 46.7% respondent found that financial planning is confusing, 28.9% respondent feel like they don't need any kind of money planning, and 24.4% respondent are scared of cost for financial planning.

| HOW MUCH PER MONTH WOULD YOU BE COMFORTABLE TO PAY A PERSONALIZED FINANCIAL PLANNING | Count of responses | Ratio percentage |
|--|--------------------|------------------|
| 0-500  | 34                 | 48.6%            |
| 500-1000   | 17                 | 24.3%            |
| 1000-1500  | 9                  | 10%              |
| 1500-2000  | 7                  | 12.9%            |
| 2000-5000  | 3                  | 4.2%             |
| Total  | 70                 | 100%             |

#### HOW MUCH PER MONTH WOULD YOU BE COMFORTABLE TO PAY A PERSONALIZED FINANCIAL PLANNING

70 responses



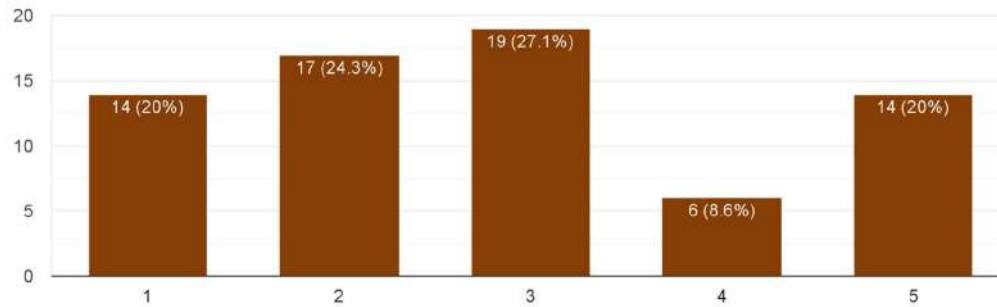
#### **INTERPRETATION-**

Based on the data collected it is found that 48.6% respondent are comfortable to pay from RS. 0-500, 24.3% respondent are comfortable to pay RS. 500-1000, 10% respondent are comfortable to pay RS.1000-1500, 12.9% respondent are comfortable to pay RS. 1500-2000, and 4.3% respondent are comfortable to pay RS. 2000-5000 for a personalized financial planning.

| HOW COMFORTABLE ARE YOU USING APPS(ON THE SCALE OF 1 TO 5) | Count of responses | Ratio percentage |
|--|--------------------|------------------|
| 1  | 14                 | 20%              |
| 2  | 17                 | 24.3%            |
| 3  | 19                 | 27.1%            |
| 4  | 6                  | 8.6%             |
| 5  | 14                 | 20%              |
| <b>Total</b>   | <b>70</b>          | <b>100%</b>      |

HOW COMFTABLE ARE YOU USING APPS AND WEBSITES TO MANAGE YOUR DAILY LIFE

70 responses



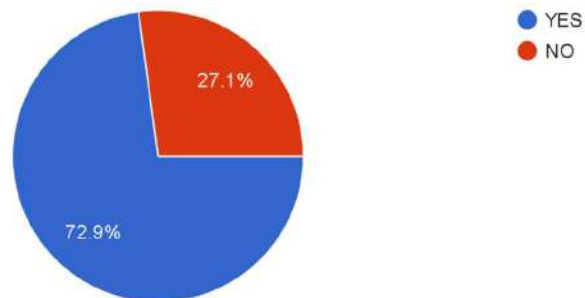
### **INTERPRETATION-**

Based on the data collected it is found the repondent respond on the scale of 1 to 5 where 20% respondent are not at all comfortable , 24.3% respondent are little bit comfortable , 27.1% respondent are somewhat comfartable , 8.6% respondent are comfortable and 20% respondent found it very comfortable.

| WOULD YOU BE MORE LIKELY TO USE A INVESTMENT PLANNING APP IF IT WAS FREE OR REALLY CHEAP? | Count of responses | Ratio percentage |
|---|--------------------|------------------|
| YES   | 51                 | 72.1%            |
| NO  | 19                 | 27.9%            |
| <b>Total</b>  | <b>70</b>          | <b>100%</b>      |

WOULD YOU BE MORE LIKELY TO USE A INVESTMENT PLANNING APP IF IT WAS FREE OR REALLY CHEAP ?

70 responses



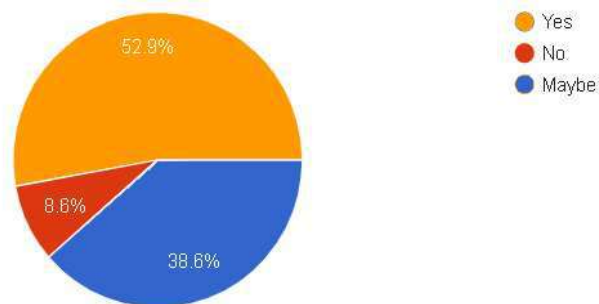
### INTERPRETATION-

From the above Pie chart it is found that 72.9% respondent likely to use a money planning app if it was free or really cheap and 27.1% respondent are not interested to use any money planning app to manage their fund.

| <b>DO YOU BELIVE AI COULD BE A VALUABLE TOOL FOR INDIVIDUAL TO ACHIEVE THEIR FINANCIAL GOALS</b> | <b>Count of responses</b> | <b>Ratio percentage</b> |
|--|---------------------------|-------------------------|
| YES  | 37                        | 52.9%                   |
| NO   | 6                         | 8.6%                    |
| MAYBE  | 27                        | 38.6%                   |
| Total  | 70                        | 100%                    |

DO YOU BELIVE THAT AI COULD BE A VALUABLE TOOL FOR INDIVIDUAL TO ACHIEVE THEIR FINANCIAL GOALS.

70 responses



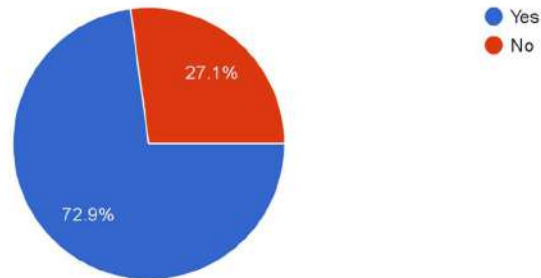
### **INTERPRETATION-**

Based on the above data it is found that 52.9 % respondent belive that AI could be a valuable tool for individual to achieve their financial goals , 38.6% respondent thinks that AI might help individual to achieve their financial goals.and 8.6% respondent belive that it was not a usefull tool for financial planning.



| <b>WOULD YOU BE WILLING TO USE AI POWERED FINANCIAL SERVICES IF THEY ARE AVAILABLE</b> | <b>Count of responses</b> | <b>Ratio percentage</b> |
|--|---------------------------|-------------------------|
| YES  | 51                        | 72.9%                   |
| NO   | 19                        | 27.1%                   |
| <b>Total</b>   | <b>70</b>                 | <b>100%</b>             |

WOULD YOU BE WILLING TO USE AI POWERED FINANCIAL SERVICES IF THEY ARE AVAILABLE ?  
70 responses



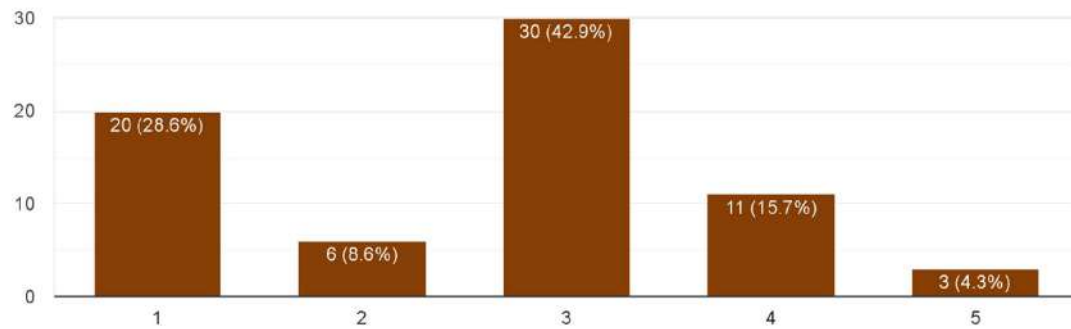
### **INTERPRETATION-**

From the above data it is found that 72.9% respondent are willing to use AI powered financial services if they are available and 27.1% respondent and not interested to use any AI powered financial services.

| <b>TRUST ON AI GENERATED FINANCIAL ADVICE (ON THE SCALE OF 1 TO 5)</b> | <b>Count of responses</b> | <b>Ratio percentage</b> |
|--|---------------------------|-------------------------|
| 1  | 20                        | 28.6%                   |
| 2  | 6                         | 8.6%                    |
| 3  | 30                        | 42.9%                   |
| 4  | 11                        | 15.7%                   |
| 5  | 3                         | 4.3%                    |
| <b>Total</b>   | <b>70</b>                 | <b>100%</b>             |

IF YES, WOULD YOU TRUST AI GENERATED FINANCIAL ADVICE AS MUCH AS ADVICE FROM HUMAN ADVISOR ?

70 responses



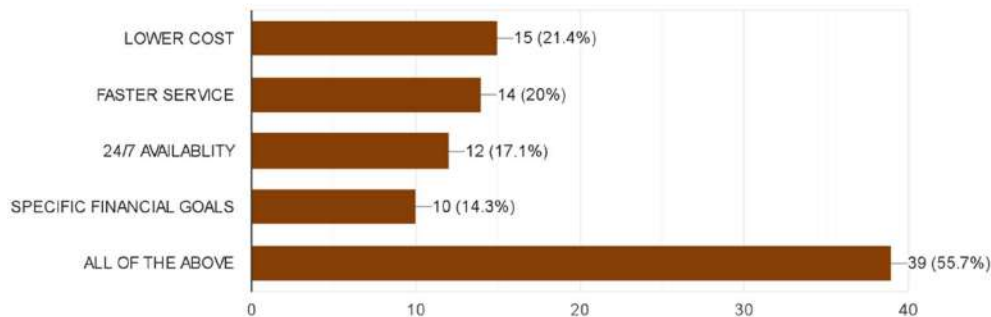
### **INTERPRETATION-**

The above data shows that the 37.2% respondents who rated on the scale of '1' to '2' are not trusting the AI generated financial advice , 42.9% are still unaware about it and 20% respondent would trust AI generated financial advice

| UNDER WHAT CIRCUMSTANCES WOULD YOU PREFER AI – POWERED FINANCIAL PLANNING ? | Count of responses |
|---|--------------------|
| LOWER COST  | 15                 |
| FASTER SERVICE  | 14                 |
| 24/7 AVAILABILITY   | 12                 |
| SPECIFIC FINANCIAL GOALS  | 10                 |
| ALL OF THE ABOVE  | 39                 |

IF AGREE, UNDER WHAT CIRCUMSTANCES WOULD YOU PREFER AI- POWERED FINANCIAL PLANNING ?

70 responses



### **INTERPRETATION-**

Based on the above data 21.4% respondents prefer AI powered financial planning if it has lower cost , 20% respondent prefer AI powered financial planning it because it provides faster service , 17.1% respondents prefer it because it has 24/7 availability, 14.3% respondents will prefer it because it focuses on specific financial goals and 55.7% of respondents will prefer AI powered financial planning if AI tool will fullfill all the above circumstances.

## **INSIGHTS FROM EXPERT INTERVIEW**

### **INTRODUCTION**

"In the context of our project, 'An Analysis of the Impact of AI in Personalized Financial Planning,' we conducted an interview with a seasoned Chartered Accountant to delve deeper into several critical aspects of financial planning in today's AI-driven environment. The primary objectives of this interview were to gauge the current level of awareness among individuals regarding personalized financial planning services, to uncover the typical charges associated with these services, and to explore our interviewee's understanding and insights on the integration of Artificial Intelligence in financial planning. This conversation not only seeks to shed light on the practical implications of AI in the financial sector but also aims to understand the perception and readiness of professionals and consumers towards embracing these technological advancements for personal financial management."

## INTRODUCTION TO INTERVIEWEE



### Cs. Rohan Mehra

Cs. Rohan Mehra is a highly respected personality in Nagpur's corporate and financial landscape, he holds the professional degrees of Company Secretary (CS) from the Institute of Company Secretaries of India (ICSI) and Chartered Accountant (CA) from the Institute of Chartered Accountants of India (ICAI).

He currently serves as the chairman of the Nagpur chapter of ICSI for 2022, demonstrating his dedication to the profession and commitment to fostering the development of future company secretaries.

Beyond his leadership role at ICSI, Cs. Rohan Mehra is also the founder of Cs. Rohan Mehra and Associates, showcasing his entrepreneurial spirit and commitment to providing clients expert advice and services.

Prior to pursuing his professional degree, Cs. Mehra completed a Bachelor of Commerce (BCOM) degree, laying a strong foundation for his understanding of financial and business principles. He received his early education at Dhyanmata High School in Amravati.

## INTERVIEW QUESTIONS AND RESPONSES

### **1. In your experience, how aware are the general public about personalized financial planning ?**

- According to Cs.Rohan Mehra , majority of people are not aware about personalized financial planning , he said that on the scale of 1 to 100 only 10-15% people are aware about personalized financial planning . he further stated that ‘ individual who does not do financial planning is not forecasting life, he is playing in safe mode’

### **2. What are the biggest challenges you face in educating the public about benefits of personalized financial planning ?**

- Cs. Rohan Mehra explained that , pepole have made an mindset that financial planning means only investing in Fixed Deposits as it a safest mode of investment , to make them belive that other options for investment are also good for the wealth generation , pepole find it very confusing to manage and invest because it requires lots of patience , pepole think that if they hire a professional expert they have to pay them a good amount of money to manage their funds .

### **3. What is the main reason why some people find personalized financial planning unaffordable ?**

- According to Rohan Sir, some people find personalized financial planning too expensive for a few main reasons. First, they think it costs a lot. They might not know about cheaper options or how much help they can really get from a financial planner. Some people prefer to handle their money on their own or think they can't afford the help even if they see the value in it. Others might have had a bad experience with a financial planner before, which makes them hesitant to try again. Lastly, some people just don't realize how much personalized financial planning can help them in the long run.

**4. What are the typical costs associated with personalized financial planning , how does this cost vary depending on the complexity of the clients financial situation ?**

- Answering to this question , Cs. Rohan Mehra said that the cost may vary person to persons , based on their portfolio and needs, he further added the charges can start from INR 5000 and go up , depending on the scope of services.

**5. What is your current understanding of Artificial intelligence and its role of financial planning?**

- According to the Rohan Sir, Artificial intelligence is a very great innovation for the future , and in context to financial planning they stated that , it's a useful tool for the analysis of recent trends of market , getting knowledge about the investment options.

**6. Do you think that AI could be used to provide personalized financial planning advice to a wider audience ?**

- According to Cs. Rohan Mehra, AI will provide you knowledge about the investment options but not experience ,and for financial planning individual needs knowledge plus experience , and the experienced is received by expert only . further he stated, ‘ AI provides you a roadmap , but guide help you with difficulties in route’ .

**7. What are the potential benefits and drawbacks of using AI in financial planning ?**

- Answering to this question , Rohan Sir , stated that AI can make financial planning better by giving advice that really fits what you need and doing tasks quickly. But, using AI too much might make things feel less friendly and make some people worried about how safe their information is, or if AI makes mistakes.

**8. What role do you see AI playing in the future of financial planning ?**

- According to Cs. Rohan Mehra , AI will play a major role in the future of financial planning , because you can do any planning and make decisions in one click , but it is not 100 accurate because there is no practical understanding , further he added AI will provide you knowledge based on individual financial background , It will depend on individual that the knowledge given by AI is right or wrong .

**9. Are there any ethical concerns you have about the use of AI in financial planning ?**

- According to Rohan Sir, there are a few important worries about using AI for financial planning. First, we need to make sure everyone's personal and financial information is kept safe. It's also important for people to understand how AI is used to help them and know its limits. We must be careful that AI doesn't unfairly favour or disadvantage anyone because of biases in the data it learns from. And if something goes wrong, it should be clear who is responsible. So, while AI can be helpful, we need to use it carefully and always think about these ethical concerns.



## PRACTICAL ANALYSIS -

ChatGPT 3.5

You  
HEY AI, ACT AS AN FINANCIAL PLANNER AND MAKE A DETAILED PERSONALIZED FINANCIAL PLAN FOR ME . IF MY MONTHLY INCOME IS INR 100000 AND MY EXPENSES ARE INR 40000

ChatGPT  
Creating a personalized financial plan involves understanding your income, expenses, financial goals, risk tolerance, and investment preferences. Based on the information you've provided, with a monthly income of INR 100,000 and expenses of INR 40,000, you have a monthly surplus of INR 60,000. Here's a detailed plan to consider:

**1. Emergency Fund:**

- Objective: Save 3-6 months' worth of living expenses.
- Action Plan: With monthly expenses of INR 40,000, aim for an emergency fund of INR 1,20,000 to INR 2,40,000. Allocate INR 20,000 from your monthly surplus to a high-yield savings account until this goal is met.

**2. Debt Repayment:**

- Objective: Pay off high-interest debt.
- Action Plan: If you have any debt, particularly with high interest rates (e.g., credit card debt), allocate a portion of the surplus towards paying it off more quickly. Let's allocate INR 10,000 for this purpose if applicable.

Message ChatGPT...

ChatGPT can make mistakes. Consider checking important information.

ChatGPT 3.5

...

**3. Investments:**

- Objective: Grow wealth over the long term.
- Action Plan:
  - Equity Investments: Consider investing INR 15,000 in a diversified portfolio of stocks or equity mutual funds. This is suitable for long-term growth.
  - Debt Investments: Allocate INR 5,000 towards debt instruments like bonds or debt mutual funds for stability.
  - Retirement Savings: If not already covered in equity/debt investments, consider a retirement account like the Public Provident Fund (PPF) or National Pension System (NPS), allocating INR 5,000 monthly.

**4. Insurance:**

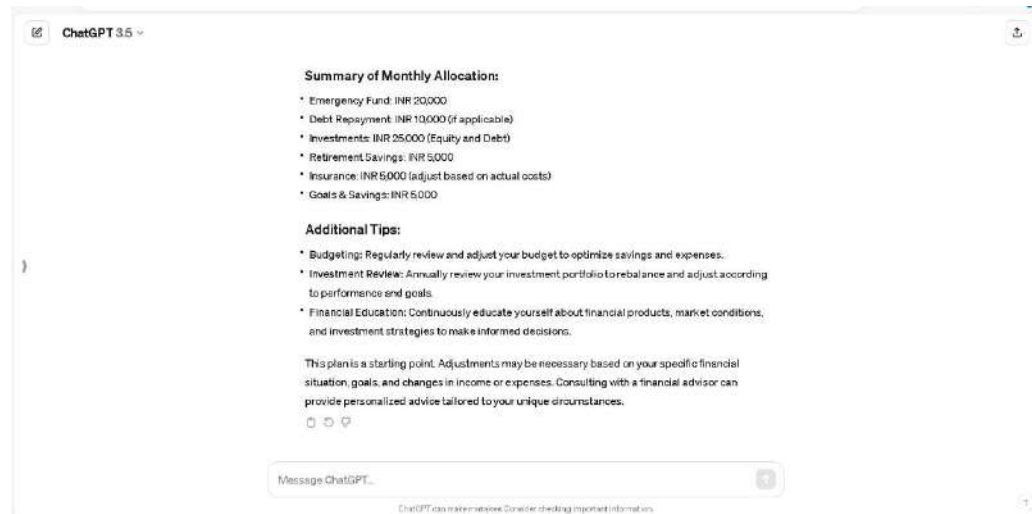
- Objective: Protect against unforeseen events.
- Action Plan: Ensure you have adequate health insurance and consider a term life insurance policy. The premium will depend on various factors but aim to allocate INR 5,000 towards this. Adjust according to actual premium costs.

**5. Goals & Savings:**

- Objective: Save for short-term and long-term goals.
- Action Plan: If you have specific goals (e.g., buying a home, education), allocate the remaining surplus towards these. In this plan, INR 5,000 can be directed to a goal-specific savings account or investment.

Message ChatGPT...

ChatGPT can make mistakes. Consider checking important information.



The image depicts the practical example that shows the potential of Artificial Intelligence in personalized financial planning.

There are several AI tools and chatbots available for personalized financial planning like-

1. Wally
2. You need a budget
3. Acrons
4. Stash
5. Cleo
6. Olivia
7. Albert
8. Open AI
9. Gemini

We are using , Open AI here which is popularly known as chatgpt , the reason behind using chatgpt is it's a popular and trending Ai tool in current time. Chat gpt is easy to use.

**Explanation –****Prompt given to chatgpt –**

Hey AI, act as an financial planner and make personalized financial plan for me , if my monthly income is INR.1,00,000 and my monthly expenses are INR. 40,000

**Response –**

AI started with explaining what is meant by financial planning and what circumstances are involved in financial planning

*'Creating a personalized financial plan involves understanding your income, expenses, financial goals, risk tolerance, and investment preferences. Based on the information you've provided, with a monthly income of INR 100,000 and expenses of INR 40,000, you have a monthly surplus of INR 60,000.'*

After that it has given me action plan for financial planning , it has divided my remaining money into 5 circumstances –

## 1. Contingency fund

It describes that I have to save contingency funds for 3 to 6 months , with monthly expenses of INR 40,000, aim for an emergency fund of INR 120,000 to INR 240,000. Allocate INR 20,000 from your monthly surplus to a high-yield savings account until this goal is met.

## 2. Debt repayment

It describes that pay off high interest debts particularly with high interest rates (e.g., credit card debt), allocate a portion of the surplus towards paying it off more quickly. Let's allocate INR 10,000 for this purpose if applicable.

### 3. Investment

It promotes to invest for wealth generation over long term , it suggested three plans –

Equity Investments: Consider investing INR 15,000 in a diversified portfolio of stocks or equity mutual funds. This is suitable for long-term growth.

Debt Investments: Allocate INR 5,000 towards debt instruments like bonds or debt mutual funds for stability.

Retirement Savings: If not already covered in equity/debt investments, consider a retirement account like the Public Provident Fund (PPF) or National Pension System (NPS), allocating INR 5,000 monthly

### 4. Insurance

It suggests to by insurance plan to protect against unforeseen event, ensure you have adequate health insurance and consider a term life insurance policy. The premium will depend on various factors but aim to allocate INR 5,000 towards this. Adjust according to actual premium costs

### 5. Goals and savings

It describes to save some money for short term and long-term goals , if we have specific goals (e.g., buying a home, education), allocate the remaining surplus towards these. In this plan, INR 5,000 can be directed to a goal-specific savings account or investment.

**Summary of action plan-**

- Contingency Fund: INR 20,000
- Debt Repayment: INR 10,000 (if applicable)
- Investments: INR 25,000 (Equity and Debt)
- Retirement Savings: INR 5,000
- Insurance: INR 5,000 (adjust based on actual costs)
- Goals & Savings: INR 5,000

**Additional tips given by AI-**

- **Budgeting:** Regularly review and adjust your budget to optimize savings and expenses.
- **Investment Review:** Annually review your investment portfolio to rebalance and adjust according to performance and goals.
- **Financial Education:** Continuously educate yourself about financial products, market conditions, and investment strategies to make informed decision

**Opinion given by AI –**

*This plan is a starting point. Adjustments may be necessary based on your specific financial situation, goals, and changes in income or expenses. Consulting with a financial advisor can provide personalized advice tailored to your unique circumstances.*

## HYPOTHESIS TESTING

H0 – There is no significant impact of artificial intelligence in personalized financial planning

H1 – Artificial intelligence has significant impact on personalized financial planning.

According to the above study and analysis done , it is found that hypothesis H1 ‘Artificial intelligence has significant impact on personalized financial planning.’ is found to be true hence its accepted where as hypothesis H0 ‘There is no significant impact of artificial intelligence in personalized financial planning’ is rejected.

CHAPTER – 6

FINDINGS

**Finding based on survey -**

1. The study focused on individuals aged 17 to 52, with a significant portion being teenagers.
2. Awareness of financial planning services stands at 82.9%, indicating a high level of familiarity among respondents.
3. A majority, 80%, acknowledge the need for financial planning, while 20% do not see its importance.
4. Self-planning is the preferred method for 65.7% of respondents, followed by consulting financial advisors (41.8%) and using applications (16.4%).
5. Perceived barriers include confusion about financial planning (46.7%), a belief in its unnecessaryness (28.9%), and concerns over costs (24.4%).
6. Payment willingness for personalized financial planning varies, with 48.6% comfortable paying up to RS. 500, and smaller proportions willing to pay more, up to RS. 5000.
7. Comfort with financial planning shows a wide spectrum, from not at all comfortable (20%) to very comfortable (20%), with the majority falling in between.
8. Interest in using a money planning app is high if it is free or low-cost, with 72.9% expressing likelihood to use one; 27.1% express no interest.
9. Opinions on AI in financial planning are generally positive, with 52.9% seeing its value; however, 8.6% doubt its usefulness.
10. A significant 72.9% show willingness to engage with AI-powered financial services, in contrast to 27.1% who are not.
11. Trust in AI-generated financial advice is mixed, with a noteworthy 20% ready to trust it, despite 37.2% expressing distrust.
12. Key preferences for AI-powered financial planning include its lower cost (21.4%), faster service (20%), 24/7 availability (17.1%), and focus on specific goals (14.3%), with a majority valuing a comprehensive approach (55.7%).



**Finding based on interview –**

1. Public awareness of personalized financial planning is low, with only 10-15% understanding its benefits, showing a wide gap in knowledge about financial planning..
2. The primary educational challenge is changing the entrenched belief that financial planning is limited to traditional, perceived safe investments like Fixed Deposits. There's also a reluctance to explore other investments due to perceived complexity and the assumption that professional advice is costly.
3. The costs associated with personalized financial planning vary significantly, starting at INR 5000, influenced by individual needs and the scope of services required. This variability contributes to misconceptions about affordability.
4. Perceptions of unaffordability stem from misunderstandings about costs, lack of awareness of budget-friendly options, previous negative experiences, and undervaluing the benefits of financial planning.
5. AI enhances market analysis and investment insights but cannot match the detailed judgment and personalized advice of human financial experts
6. AI broadens access to investment information but lacks the personalized guidance and expert advice of financial professionals essential for effective planning.
7. AI offers potential benefits in tailoring financial advice and enhancing task efficiency. Nonetheless, concerns about the loss of personal interaction, data security, and possible inaccuracies due to a lack of practical understanding persist.
8. AI is poised to significantly influence the future of financial planning by facilitating quick access to information and decision-making. However, the effectiveness of AI-generated advice depends on individuals' ability to assess its accuracy and relevance.
9. Ethical AI in financial planning necessitates data privacy, transparency, bias mitigation, and accountability to ensure its responsible and cautious application

CHAPTER – 7

SUGGESTIONS AND  
RECOMMENDATION

**Suggestions:**

1. **Enhance Awareness Through Digital Campaigns:** Given the higher awareness among teenagers, leverage social media and online platforms to run educational campaigns about the importance and benefits of personalized financial planning.
2. **Subsidize Financial Planning Services for Awareness:** To address cost barriers, suggest that financial institutions or governments could offer subsidized or free initial financial planning sessions to increase public engagement and awareness.
3. **Implement AI Demos:** To demonstrate AI's potential in financial planning, financial service providers could offer free demos of AI-driven financial planning tools, allowing potential clients to experience the service before committing financially.

**Recommendations:**

1. **Expand Research Demographics:** Future studies should aim to include a more diverse demographic spread, ensuring a wider representation across different ages, socio-economic statuses, and geographic locations.
2. **Develop AI Literacy Programs:** Given the mixed perceptions of AI's accuracy, recommend the development of programs aimed at increasing AI literacy among the public. This could help in setting realistic expectations and increasing trust in AI-driven financial planning services.
3. **Cost Analysis of AI Implementation:** Recommend a thorough cost analysis of implementing AI in financial planning services. This analysis should compare the operational costs against traditional methods, considering both the potential reduction in service costs and the improvements in service scalability and customization.
4. **Regularly Update AI Algorithms:** To address concerns about AI accuracy, suggest that financial planning firms regularly update their AI algorithms with the latest market data and financial planning strategies. This will help in maintaining the reliability and effectiveness of AI-driven advice.

CHAPTER – 8

CONCLUSION AND LIMITATION

## CONCLUSION –

This research was conducted with the objectives of measuring public awareness regarding personalized financial planning, examining the cost obstacles of personalized financial planning, and assessing the potential of AI with reference to financial planning. The findings indicate that:

1. **Public Awareness:** There is a noticeable difference in awareness levels, with teenagers showing greater awareness about financial planning and Artificial Intelligence compared to adults. This directly addresses our first objective, highlighting a demographic disparity in financial literacy and technology adoption.
2. **Cost Obstacles:** The research reveals a significant gap between the willingness to pay for personalized financial plans, with individuals willing to spend up to INR 1,000, and the actual starting costs of such plans from professional planners, which begin at INR 5,000. This finding underlines the cost barriers that exist in accessing personalized financial planning services, aligning with our second objective.
3. **Potential of AI:** Lastly, our study suggests that while there is optimism about the role of AI in making personalized financial planning more accessible and potentially overcoming cost barriers, there are concerns about its accuracy and reliability. This mixed perception directly relates to our third objective of assessing AI's potential in this field. Although AI shows promise in developing financial plans, the caution around its current limitations indicates the need for further development and trust-building in AI-driven financial services.

In conclusion, our research offers valuable insights into the public's perception and the practical challenges of personalized financial planning. It underscores the need for affordable, accessible financial planning services and highlights the emerging role of AI as a potential solution, although with acknowledged limitations that need addressing. Future efforts should focus on enhancing AI's accuracy and reliability in financial planning to fully leverage its capabilities in democratizing financial planning services.

## **Limitations –**

1. **Sample Size and Geographic Limitation:** The study was conducted with a small group of 70 participants, all from Nagpur city. This limitation means the results may not accurately represent broader or different demographic groups' views and experiences outside this region.
2. **Demographic Diversity:** The research might not fully capture the diversity of perspectives on personalized financial planning due to its limited geographic scope. Varied insights from wider demographic segments could enhance the understanding of public awareness and acceptance.
3. **Perceptions of AI's Role:** Our findings on AI's potential in financial planning are based on participant perceptions, which might not fully reflect the actual capabilities and limitations of AI technologies in this field.
4. **Evolving Technologies and Industry Practices:** The rapidly changing nature of both financial planning and AI technology suggests that our conclusions might become less relevant as new advancements and industry practices emerge

CHAPTER – 9  
BIBLIOGRAPHY

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- **Editors:** Christian L. Dunis, Peter W. Middleton, Andreas Karathanasopolous, Konstantinos Theofilatos
- **Publisher:** Risk Books

2. **Artificial intelligence in banking and financial services**

- **Author:** Raj Singh
- **Publisher:** Adhyyan Books

**Websites -**

- [ChatGPT \(openai.com\)](https://openai.com)



CHAPTER – 10  
QUESTIONARIEE

**SURVEY QUESTIONS –**

**1. HAVE YOU HEARD OF FINANCIAL PLANNING , WHERE SOMEONE HELPS YOU MANAGE YOUR PORTFOLIO FOR FUTURE GOALS**

- YES
- NO

**2. DO YOU FEEL LIKE YOU NEED A PLAN TO MANAGE YOUR MONEY NOW OR LATER ?**

- YES
- NO

**3. IF YES , HOW DID YOU CREATE YOUR FIANCIAL PLAN**

- FINANCIAL ADVISOR
- APPS
- CREATED MYSELF

**4. IF NO , WHAT IS HOLDING YOU BACK FROM THINKING ABOUT INVESTMENT PLANNING ?**

- DON'T NEED IT
- CONFUSING
- SCARED OF COST

**5. HOW MUCH PER MONTH WOULD YOU BE COMFORTABLE TO PAY A PERSONALIZED FINANCIAL PLANNING**

- 0-500
- 500-1000
- 1000-1500
- 1500-2000
- 2000-5000

**6. HOW COMFORTABLE ARE YOU USING APPS AND WEBSITES TO MANAGE YOUR DAILY LIFE (ON SCALE OF 1 TO 5)**

- 1-NOT COMFORTABLE  5-COMFORTABLE

**7. WOULD YOU BE MORE LIKELY TO USE A INVESTMENT PLANNING APP IF IT WAS FREE OR REALLY CHEAP ?**

- YES  
 NO

**8. DO YOU BELIVE THAT AI COULD BE A VALUABLE TOOL FOR INDIVIDUAL TO ACHEIVE THEIR FINANCIAL GOALS.**

- YES  
 NO  
 MAYBE

**9. WOULD YOU BE WILLING TO USE AI POWERED FINANCIAL SERVICES IF THEY ARE AVAILABLE ?**

- YES  
 NO

**10. IF YES, WOULD YOU TRUST AI GENERATED FINANCIAL ADVICE AS MUCH AS ADVICE FROM HUMAN ADVISOR ? (ON SCALE OF 1 TO 5)**

- 1-DISAGREE STRONGLY  2-AGREE STRONGLY

**11. IF AGREE, UNDER WHAT CIRCUMSTANCES WOULD YOU PREFER AI-POWERED FINANCIAL PLANNING ?**

- LOWER COST  
 FASTER SERVICE  
 24/7 AVAILABLITY  
 SPECIFIC FINANCIAL GOALS  
 ALL OF THE ABOVE

**INTERVIEW QUESTIONS-**

- 1. In your experience, how aware are the general public about personalized financial planning ?**
- 2. What are the biggest challenges you face in educating the public about benefits of personalized financial planning ?**
- 3. What are the typical costs associated with personalized financial planning , how does this cost vary depending on the complexity of the clients financial situation ?**
- 4. What is the main reason why some people find personalized financial planning unaffordable ?**
- 5. What is your current understanding of Artificial intelligence and its role of financial planning?**
- 6. Do you think that AI could be used to provide personalized financial planning advice to a wider audience ?**
- 7. What are the potential benefits and drawbacks of using AI in financial planning ?**
- 8. What role do you see AI playing in the future of financial planning ?**
- 9. Are there any ethical concerns you have about the use of AI in financial planning ?**