Who Wants Financial Advice From AI? Financial Outcomes and Financial Education

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Executive Summary

Many people in the US are turning to Large Language Models (LLMs) for financial advice. This brief explores what this means for consumer wellbeing. We look first at the financial attitudes and outcomes for those who are open to using AI for financial advice compared to those who are not. Second, we examine the influence financial education has on AI usage. We find that:

- Consumers interested in using AI (Pro-AI consumers) are more likely to engage in a range of beneficial financial behaviors such as having a savings account.
- Pro-AI consumers are also more likely to engage in potentially harmful behavior such as taking out a payday loan, and making risky investments such as purchasing cryptocurrency.
- Taking a course in financial education appears to exacerbate rather than mitigate those patterns. Pro-AI consumers who have taken a course in financial education are more likely to engage in harmful behavior and make risky investments than Pro-AI consumers who have not taken such a course.

The results are concerning. They show that Pro-AI consumers display the overconfidence and misguided beliefs that LLM advice can reinforce. Further, one would hope that financial education would provide potential AI users with the skills to approach these products more critically; however, Pro-AI consumers who have taken a course in financial education appear to be an especially vulnerable group. A pressing concern for the financial education community is implementing measures that prepare students to interact with AI with appropriate caution and not allow overconfidence and a lack of risk awareness to propel them into costly financial decisions.

Introduction

Many people in the US are turning to Large Language Models (LLMs) for financial advice (Choukhmane et al., 2026). This development presents both promise and risk. On the one hand, LLMs are a powerful tool for presenting and synthesizing complex financial information efficiently (Galadima et al., 2025). On the other, they have been found to confidently assert misleading claims as well as reinforcing misguided attitudes of consumers (Chen et al., 2025).

A key question is how these theoretical risks and benefits are playing out for current consumers in the US. A second question is the impact of financial education on this issue. Financial education programs are expanding rapidly, and are one of the most influential methods of attempting to improve financial outcomes for US consumers (Council for Economic Education, 2026; Lusardi & Mitchell, 2014). One would hope that a well-crafted course in financial education would provide consumers with the understanding to engage with LLM financial advice with an appropriately critical eye, and with the background knowledge required to not get caught out by erroneous or overconfident claims. It is important to assess whether this is the case.

This study addresses these questions using the 2024 wave of the National Financial Capability Study (NFCS), both the State-by-State and Investor Survey data sets (FINRA Investor Education Foundation, 2025b, 2025a). Using this data, we are able to look at the difference in financial knowledge, confidence level, and behavior based on whether a respondent is open to using AI for financial advice. We were also able to compare the Pro-AI consumers who had taken a course in financial education with those who did not, to see if that led to a different pattern of results.[1]

We looked in particular at the following outcomes:

(i) Financial knowledge, measured by a respondent's score on a series of multiple-choice questions on fundamental financial topics.

(ii) Confidence in financial knowledge and *need* to take risks when investing, based on respondents' self-assessment.

[1] In the main study, we report descriptive averages. In the appendix, we include the results from regression models, which control for key demographic factors, including gender, race/ethnicity, education and income. The patterns shown with raw means are also present and statistically significant within the regression models.

(iii) Whether respondents engaged in four positive financial behaviors, such as opening a savings account.

(iv) Whether respondents engaged in four negative financial behaviors, such as taking out a payday loan.

(v) Whether respondents engaged in four risky investment behaviors, such as purchasing cryptocurrency.

Results

Table 1. Mean Values by AI Use

Measure	Not Pro AI	Pro AI
Positive Behavior	1.963	2.211
Negative Behavior	0.886	1.386
Risk Score	0.688	2.059
Correct Answers	2.895	2.975
Knowledge Confidence	4.885	4.926
Need for Risk	3.272	4.790

In Table 1 we can compare outcomes for consumers who are Pro-AI with those who are not so. We see that the Pro-AI are overall a higher risk group, engaging in more negative behaviors and far more risky investments than non-Pro-AI respondents. The groups are comparable in terms of financial knowledge and confidence, but AI users express a greater need to take investment risks.

To investigate the relationship between AI use and financial education, we assigned respondents to four groups:

(i) Those who are not Pro-AI and have not taken a course in financial education (No FE, No AI)

(ii) Those who are not Pro-AI and have taken a course in financial education (FE, No AI)

(iii) Those who are Pro-AI and have not taken a course in financial education (No FE, AI)

(iV) Those who are Pro-AI and have taken a course in financial education (FE, AI)

We compared financial outcomes for members of these groups.

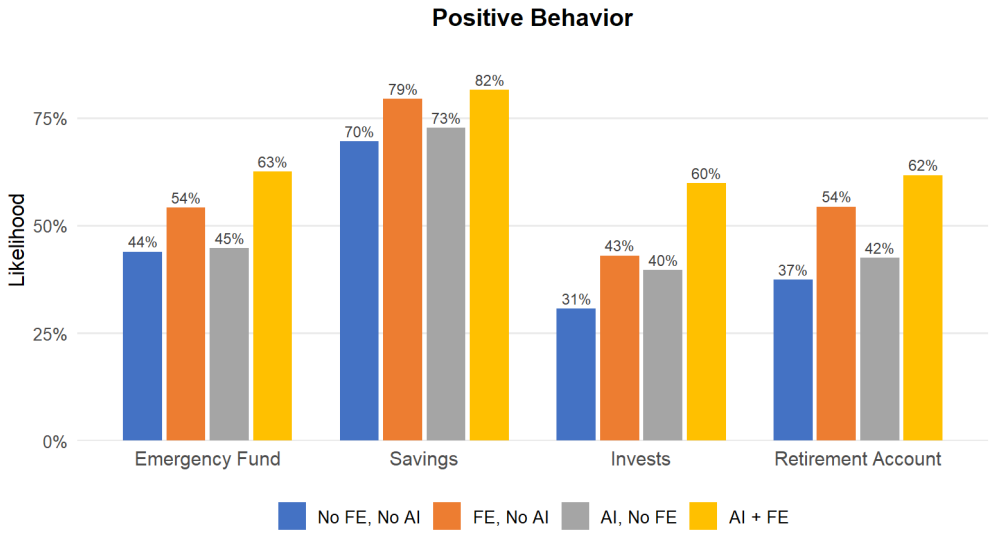

Figure 1. Positive behaviors by AI use and financial education.

Figure 1 shows the likelihood of engaging in various positive behaviors for respondents grouped by both AI use and financial education participation. We see that those who have taken financial education and are Pro-AI are most likely to engage in all of these behaviors, with those who have taken financial education but are not Pro-AI a little less likely to do so. Likelihood is lower for those who have not taken financial education, with Pro-AI respondents doing so a little more frequently in some cases than non-Pro-AI.

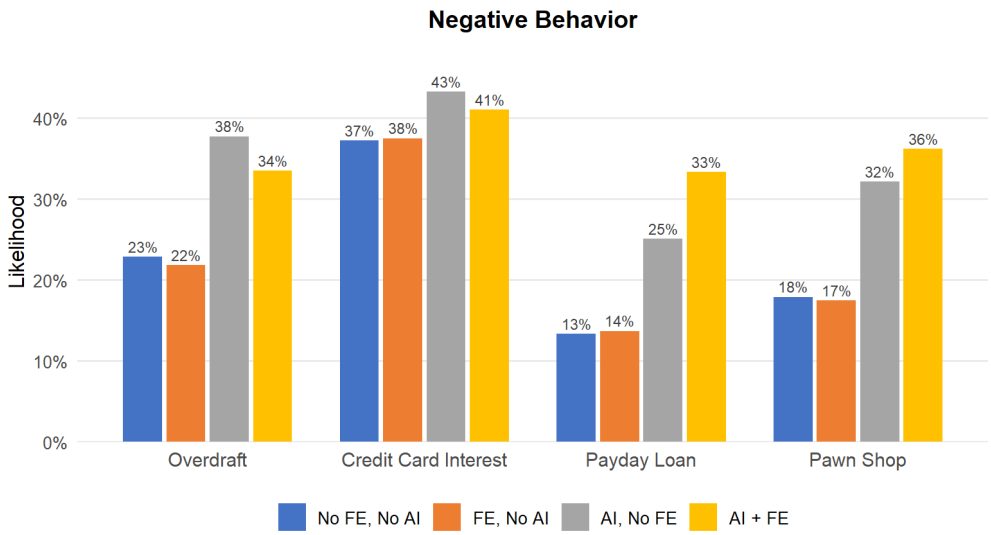

Figure 2. Negative behaviors by AI use and financial education.

In Figure 2, we see results for negative behavior are more mixed. Overall, Pro-AI consumers are generally more likely to engage in such behavior. For credit card interest and accruing overdraft fees, Pro-AI respondents without financial education are more likely to engage in this behavior. However, Pro-AI consumers with financial education are more likely to use payday loans and pawn shops.

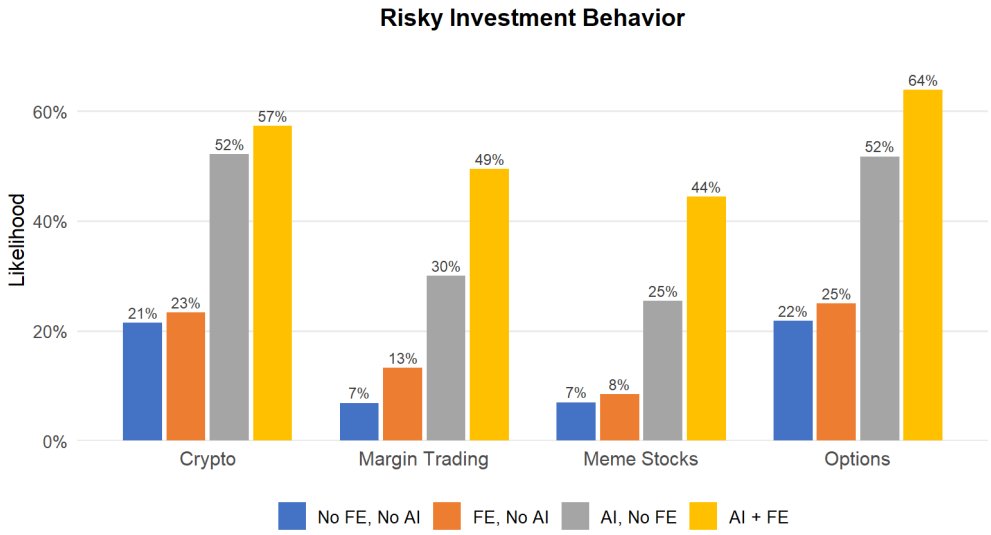

Figure 3. Risky investment behaviors by AI use and financial education (investor survey).

In Figure 3, looking at risky investments, the results are stark. Pro-AI consumers with financial education are much more likely than any other group to engage in all these investment activities. Pro-AI consumers without financial education, meanwhile are a clear second.

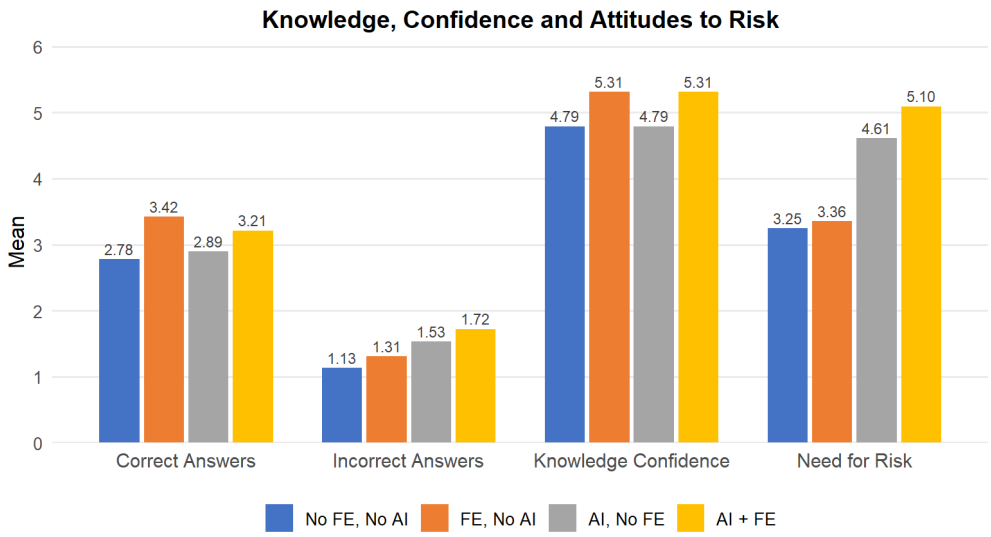

Figure 4. Knowledge, confidence and need for risk by AI use and financial education.

In Figure 4 we see that among respondents with financial education, the Pro-AI have lower knowledge scores than non-Pro-AI, while having the same level of confidence in their knowledge. We see that they answer incorrectly at the highest rate, meaning they are more likely than other groups to hold a false belief rather than to recognize that they do not know the answer. Pro-AI consumers with financial education also have the highest need for risk of any group.

Discussion

These results present a troubling picture. Though we do see a higher level of engagement in positive behaviors among Pro-AI consumers, we also see an increased prevalence of potentially harmful and risky financial behavior. Further cause for concern is that these tendencies are ones that research suggests LLM advice is likely to exacerbate. Contrary to what one might hope, in terms of financial education mitigating some of these issues, Pro-AI consumers who have taken a course in financial education are the highest risk group.

It should be noted that these results are not causal, and may well show the type of people who are inclined to use AI rather than the effects of using it. This is especially so when we note the question asks about attitude towards AI, rather than actual usage. Similarly, it may be that among people who have taken a financial education course, those who nonetheless are interested in AI

may be particularly open to risk due to selection effects. Further, for the vast majority of respondents, the financial education courses undertaken would have occurred before generative AI had emerged and so the curriculum could not have been expected to address it specifically.

Still, the fact that among those taking a financial education course there is such a high risk group—i.e., the Pro-AI consumers with financial education—should be of significant concern to the financial education community. Finding ways to ensure students taking these courses are both made aware of how to handle risky financial products as well as how to engage with AI responsibly is a pressing concern.

References

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Appendix: Regression Results

Note that all regression models controlled for age, gender, race/ethnicity, income and education. Coefficients for control variables are not listed but are available upon request.

Table A1. State Survey: AI Use and Confidence Measures

	Knowledge Score	Knowledge Confidence	Overconfident
Pro AI	0.227***	0.148***	0.193***
	(0.030)	(0.029)	(0.067)
N	25539	25030	25118

Table A2. State Survey: AI Use — Positive Behaviors (Logit Coefficients)

	Emergency Fund	Savings	Invests	Retirement Account
Pro AI	0.381***	0.322***	0.693***	0.483***
	(0.047)	(0.052)	(0.048)	(0.046)
N	25539	25539	24514	25539

Table A3. State Survey: AI Use — Negative Behaviors (Logit Coefficients)

	Overdraft	Credit Card Interest	Payday Loan	Pawn Shop
Pro AI	0.420***	0.232***	0.518***	0.493***
	(0.047)	(0.043)	(0.053)	(0.051)
N	23662	25200	25539	25539

Table A4. Investor Survey: AI Use — Investment Behaviors (Logit Coefficients)

	Crypto	Margin Trading	Meme Stocks	Options
Pro AI	0.742***	1.458***	1.176***	0.995***
	(0.161)	(0.218)	(0.204)	(0.166)
N	2614	1639	2861	1789

Table A5. Investor Survey: AI Use — Risk and Confidence (OLS)

	Risk Tolerance	Need for Risk	Crypto Risk Perception	Investor Confidence
Pro AI	-0.294***	0.763***	-0.200***	0.618***
	(0.051)	(0.114)	(0.070)	(0.092)
N	2816	2831	2493	2843

Table A6. State Survey: AI Use × Financial Education — Positive Behaviors and Overconfidence (Logit Coefficients)

	Emergency Fund	Savings	Invests	Retirement Account
Financial Education	0.293***	0.314***	0.378***	0.617***
	(0.049)	(0.057)	(0.050)	(0.046)
Pro AI	0.292***	0.310***	0.596***	0.436***
	(0.053)	(0.058)	(0.055)	(0.052)
Fin. Ed. × AI	0.889***	0.610***	1.301***	1.132***
	(0.091)	(0.106)	(0.091)	(0.087)
N	25539	25539	24514	25539

Table A7. State Survey: AI Use × Financial Education — Negative Behaviors (Logit Coefficients)

	Overdraft	Credit Card Interest	Payday Loan	Pawn Shop
Financial Education	-0.019	-0.001	0.101	0.110*
	(0.056)	(0.045)	(0.068)	(0.064)
Pro AI	0.436***	0.253***	0.389***	0.410***
	(0.054)	(0.048)	(0.062)	(0.058)
Fin. Ed. × AI	0.355***	0.168**	0.975***	0.838***
	(0.086)	(0.077)	(0.090)	(0.090)
N	23662	25200	25539	25539

Table A8. Investor Survey: AI Use × Financial Education — Investment Behaviors (Logit Coefficients)

	Crypto	Margin Trading	Meme Stocks	Options
Financial Education	-0.092	0.604**	-0.019	-0.000
	(0.192)	(0.298)	(0.290)	(0.195)
Pro AI	0.695***	1.360***	0.879***	0.827***
	(0.186)	(0.268)	(0.245)	(0.206)
Fin. Ed. × AI	0.761***	2.076***	1.589***	1.283***
	(0.255)	(0.305)	(0.289)	(0.250)
N	2614	1639	2861	1789

Table A9. State Survey: AI Use × Financial Education — Knowledge and Confidence

	Knowledge Score	Knowledge Confidence	Overconfident
Financial Education	0.439***	0.460***	0.094
	(0.029)	(0.027)	(0.079)
Pro AI	0.283***	0.128***	0.093
	(0.034)	(0.033)	(0.077)
Fin. Ed. × AI	0.399***	0.566***	0.533***
	(0.053)	(0.048)	(0.112)
N	25539	25030	25118