



PLANNING ON AI

HOW TO INTEGRATE GENERATIVE
ARTIFICIAL INTELLIGENCE INTO
ESTATE & FINANCIAL PLANNING PRACTICES

ROSS BRUCH
BROWN BROTHERS HARRIMAN

Audience Questions

Question 1 – In my personal life I use AI:

- a) Several times a week
- b) Once a week
- c) Occasionally
- d) Never

Audience Questions

Question 2 – I have used AI in my profession to:

- a) Write a review
- b) Draft an email to a client or colleague
- c) Summarize documents
- d) Help me brainstorm
- e) Find an answer
- f) Write an article
- g) Run client cash-flow projections
- h) Analyze portfolios or markets
- i) Analyze tax returns
- j) Other?

Audience Questions

Question 3

At my office/firm:

- a) ChatGPT and all generative AI platforms are banned, and my employer is NOT actively studying its uses
- b) ChatGPT and all generative AI platforms are banned, but my employer is actively studying its uses (e.g., through an AI task force)
- c) ChatGPT is not banned by my employer, but I'm not encouraged to use it in my daily tasks
- d) Exploring or using ChatGPT is encouraged by my employer
- e) My employer has created its own LLM for employees to use

Audience Questions

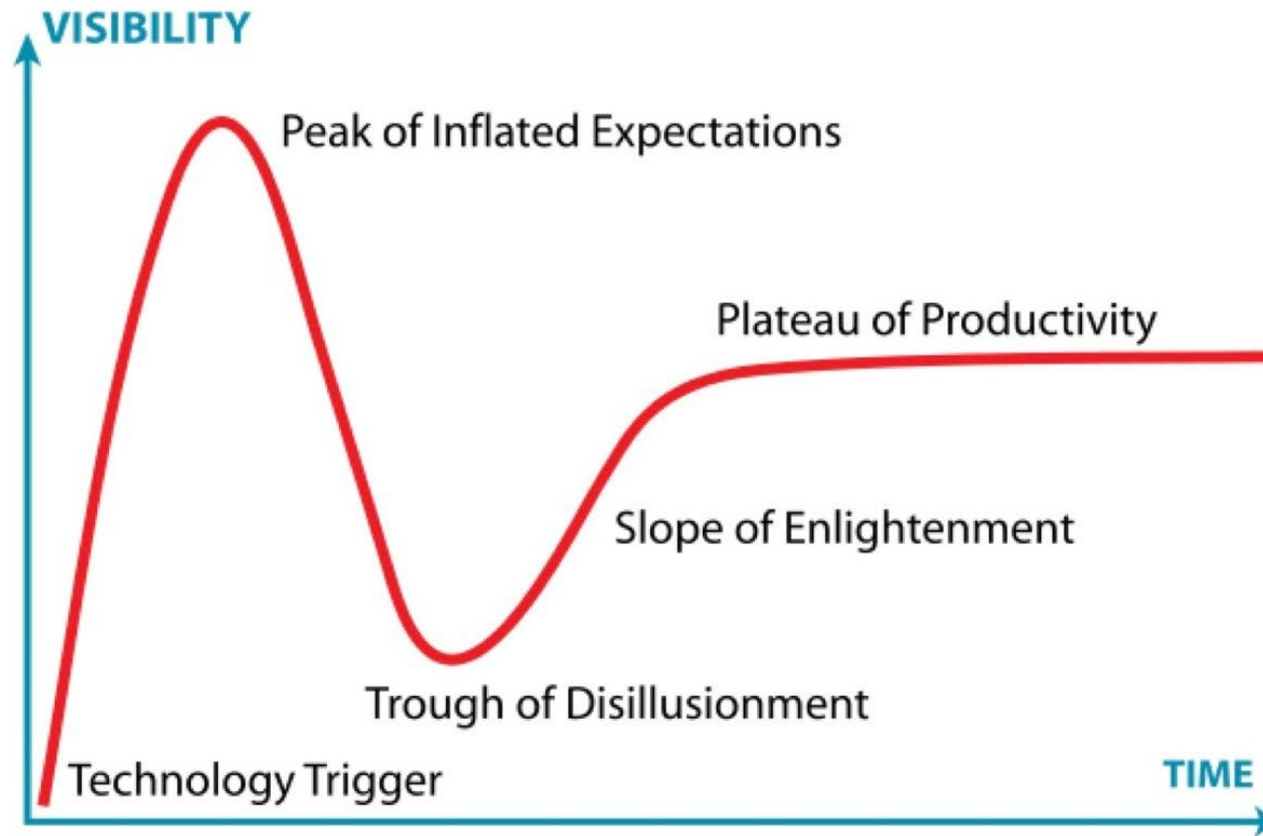
Question 4 – Reasons I don't (or won't) use AI more in my practice include:

- a) It hurts my billable hours
- b) I don't know how to prompt
- c) I don't think it will help
- d) It gets stuff wrong (hallucinations)/it's not good at what I do
- e) Clients will find it off-putting
- f) Privacy concerns

Over the Next Decade Generative Artificial Intelligence Will Become as Fundamental to Estate and Financial Planning Practices as Email and the Internet Have Been Over the Last Twenty-Five Years

And yet . . .

Gartner Hype Cycle



Slope of Enlightenment

- ◎ **Meta's Louisiana AI Supercluster**

- A single facility projected at **\$50 billion**—funded through partners like PIMCO and Blue Owl Capital—underscores the scale of corporate AI infrastructure buildout.

- ◎ **Morgan Stanley's Projection**

- AI could generate \$920 billion in annual net benefits for S&P 500 companies, boosting operating margins by six percentage points and net income by ~40%. AI-driven capital expenditures from leading tech firms could reach \$340 billion in 2025, with a market cap lift of \$13–16 trillion.

- ◎ **Morgan Stanley's Projection**

- AI could generate \$920 billion in annual net benefits for S&P 500 companies, boosting operating margins by six percentage points and net income by ~40%. AI-driven capital expenditures from leading tech firms could reach \$340 billion in 2025, with a market cap lift of \$13–16 trillion.

Trough of Disillusionment

- **Sam Altman warns investors: “Are we in a bubble? – Yes.”** Similar to dot-com bubble, “when bubbles happen, smart people get overexcited about a kernel of truth.”
- **MIT study: 95% of pilots deliver zero ROI** – Nearly all enterprise AI pilot projects produced no measurable financial return, despite significant spending.
- **Leading AI models still don’t work reliably** – Outputs are often wrong, making users spend more time verifying results than they’d save, wiping out productivity gains.
- **Commonwealth Bank Bot Failure**
 - CBA replaced 45 call center staff with AI-powered voice bots-but volume increases and bot underperformance forced a public reversal and rehiring. Efficiency turned into inefficiency. [ti](#)
- **ChatGPT-5 Flop** – Far from AGI & only incremental gains over previous models
- **AI is a sycophant** – “A person who attempts to gain advantage by flattering influential people or behaving in a servile manner”
- **Trouble with dates, reading docs, etc.**

AI Terms You Need To Know

- ◉ Chatbot – e.g., ChatGPT
- ◉ Co-Pilot – AI tool integrated into software
- ◉ Agents – autonomous AI systems that will work on their own, including set up their own goals
- ◉ Large Language Model (LLM) - a computer algorithm that processes natural language inputs and predicts the next word based on what it's already seen; then it predicts the next word, and the next word, and so on until its answer is complete
- ◉ Retrieval-Augmented Generation (RAG) – a method of combining an LLM with a document retrieval system so the AI can answer questions based on trusted, external sources rather than its own data.

What is ChatGPT?

- ⦿ GPT stands for Generative Pre-trained Transformer
- ⦿ Generative: Creates language
- ⦿ Pre-trained: Has been trained on huge amounts of text data to predict the next word in a given sequence
- ⦿ Transformer: A neural network architecture that learns context and understanding through sequential data analysis; originally designed by Google in 2017 for language translation
- ⦿ Older LLMs could not interpret large amounts of data at once, but with the right prompt ChatGPT can ...





Food - Option 1



Food - Option 2



People - Option 1



People - Option 2



OpenAI Timeline

- 2015 – OpenAI founded with the mission to ensure that Artificial General Intelligence benefits all of humanity
- 2018 – OpenAI releases GPT-1 with 117 million parameters
- 2019 – GPT-2 with 1.5 billion parameters
- 2020 – GPT 3 with 175 billion parameters – largest LLM ever created
- November 2022 – ChatGPT (GPT-3.5) designed to interact conversationally and performing tasks in a dialogue format
- March 2023 – GPT-4 with 1.76 trillion parameters

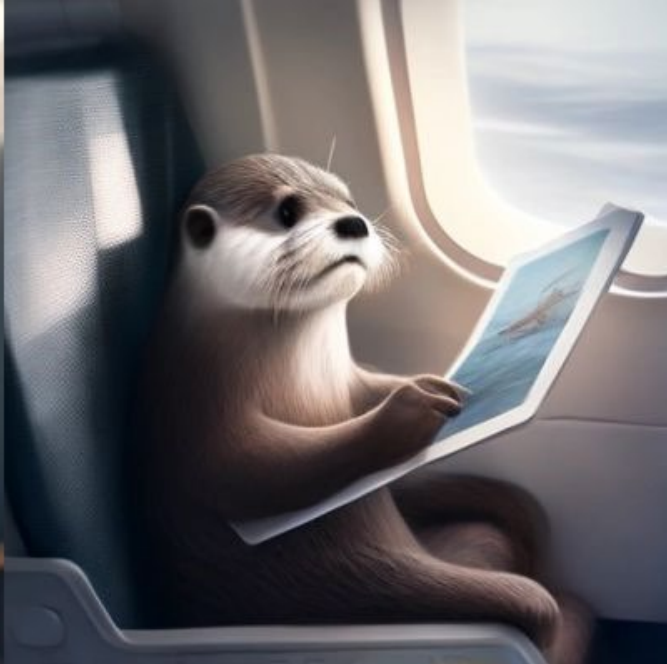
OpenAI Timeline

- ⦿ May 2024 – GPT-4O – (natively multimodal)
- ⦿ April 2025 – GPT-o3 – offers a private chain of thought reasoning
- ⦿ June 2025 – Geoffrey Hinton the “godfather of AI estimates a 10-20% likelihood that advanced AI systems will wipe out humanity
- ⦿ August 2025 – GPT-5 – dynamic routing and superior reasoning
- ⦿ There is still no Artificial General Intelligence (AGI), which would be able to understand, learn, and apply knowledge across a wide range of tasks at or beyond human capability

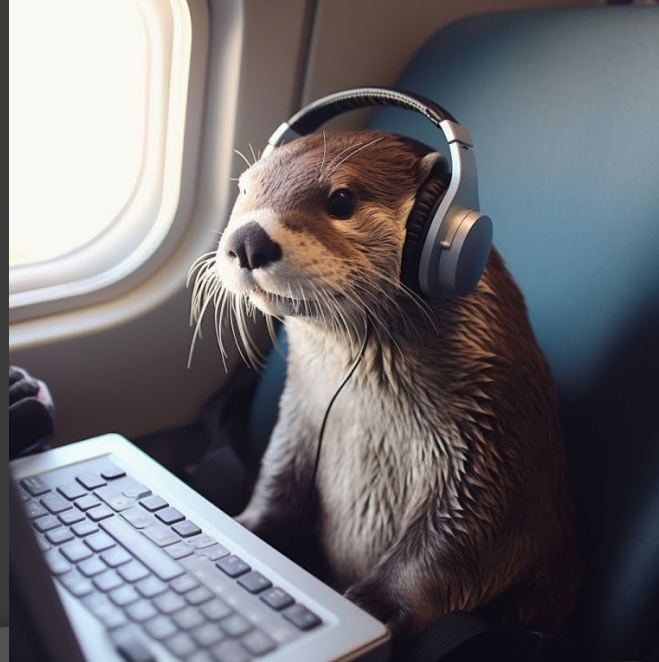
Otter Using WIFI on an Airplane – October '22



Otter Using WIFI on an Airplane – November '22

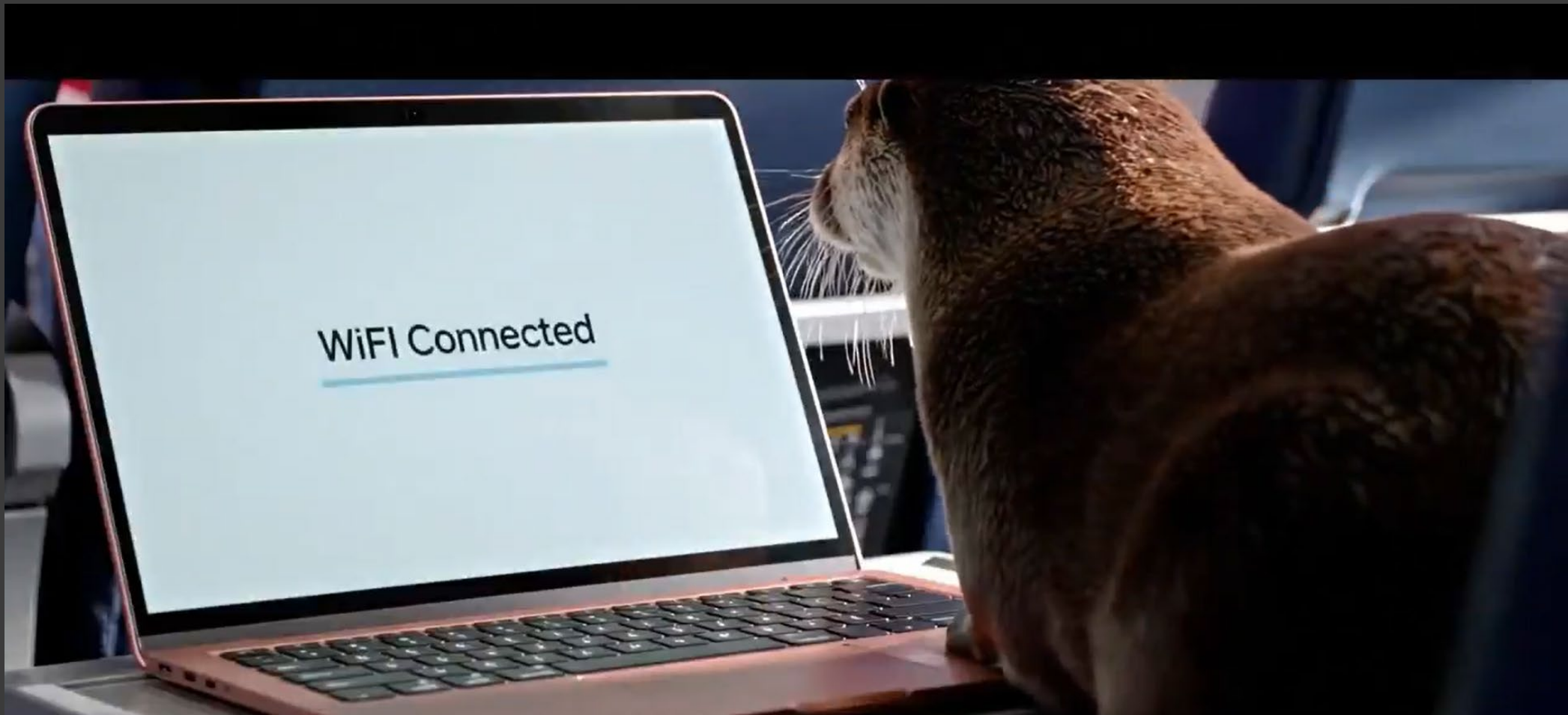


Otter Using WIFI on an Airplane – March '23



Otter Using WIFI on an Airplane – Jan '25

Prophecies of the Flood – by Ethan Mollick



AI in 2025

- ⦿ Like having ~~100 mediocre interns working for you~~ a personal assistant AND advisor in your pocket - one that can learn, never forgets, never sleeps, eats, or quits
- ⦿ Reading documents, automated data gathering, tax return screening, instant “what-if reports”
- ⦿ Fewer accuracy problems, and continuously improving; answers *usually* make sense
- ⦿ People mistake GPT for “better Google”
- ⦿ Still a very “jagged frontier”
- ⦿ Mollick’s *Wait Calculation*

ABA Formal Opinion 512: Use of Generative AI by Lawyers

- ◉ July 2024
- ◉ Permissible with Care
- ◉ Duties Implicated
 - Competence: Must understand AI's capabilities and limitations
 - Confidentiality – must ensure no client information is exposed to systems
 - Supervision – lawyers must supervise staff and vendors
 - Communication – must inform clients about material use of AI
 - Fees – cannot bill for time “saved” by AI
- ◉ Verification Required

Compliance for Financial Advisors

◎ **SEC's Predictive Analytics Rule (June 2025)**

- Firms must identify, eliminate, or neutralize conflicts if AI tools could steer outcomes in ways that favor the firm over the client – expect regulators to test whether you can explain why the AI suggested what it did.

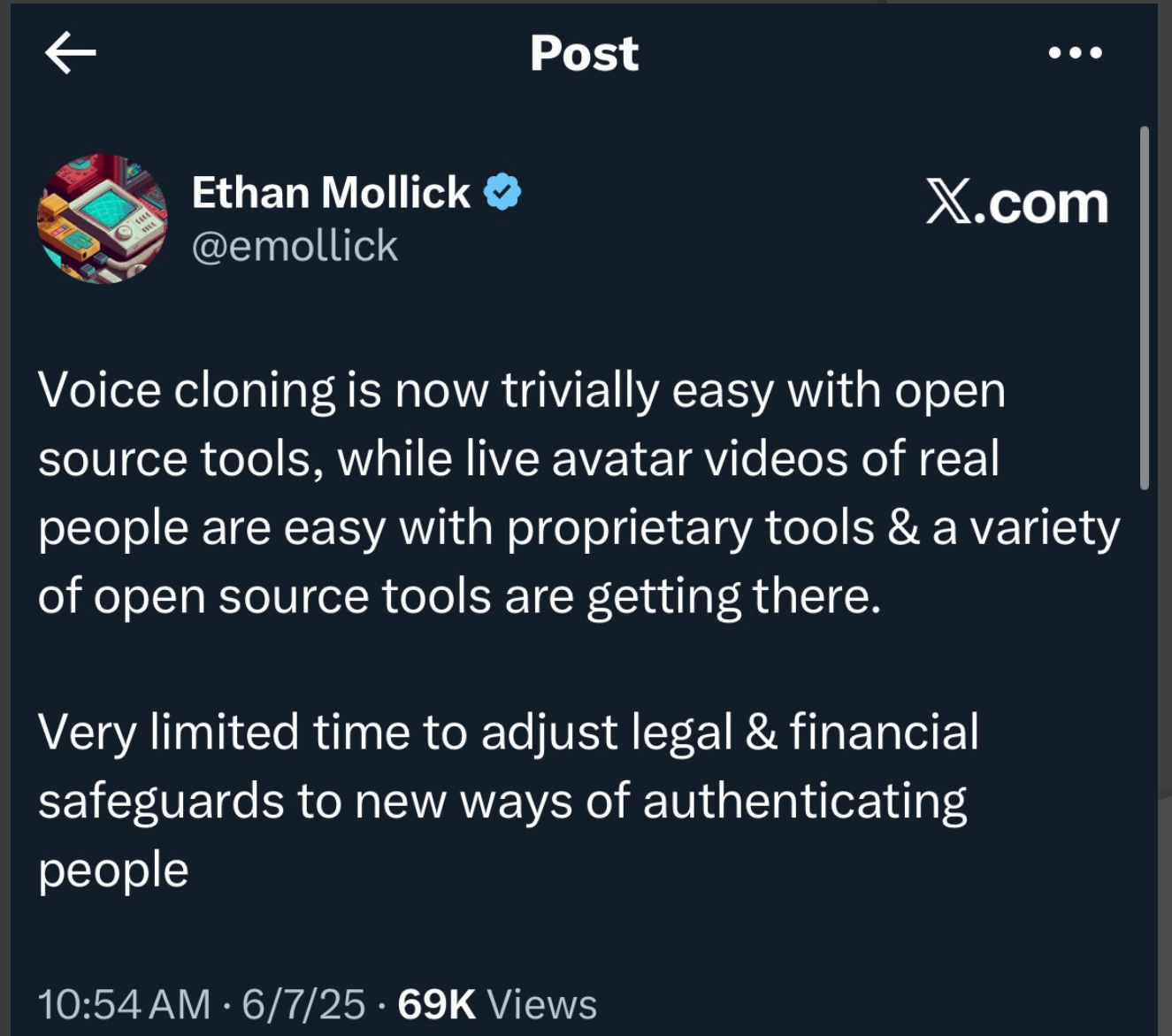
◎ **FINRA Oversight**

- The same books-and-records, suitability, and supervisory obligations apply – firms must show that AI-generated plans and recommendations were reviewed, approved, and archived like any other communications.

◎ **CFP Board Guidance (2025)**

- Advisors remain responsible for all advice, regardless of whether AI tools were used – the ethical standard requires that client data remain confidential and that AI outputs are validated before becoming client recommendations.

We All Need Greater Vigilance in the Age of AI



Your Clients Can Use AI For “Free” Legal Work ...



Post



Ethan Mollick 

@emollick




One helpful high-value uses of AI is to get a first pass at legal documents and form adhesive agreements that you never would have paid a lawyer to help you with. I wouldn't trust it with anything too serious, but it does a good first pass/second look. Claude 3 Opus does well.

5:33 PM · 5/8/24 From Earth · **26K** Views

... And Financial Modeling

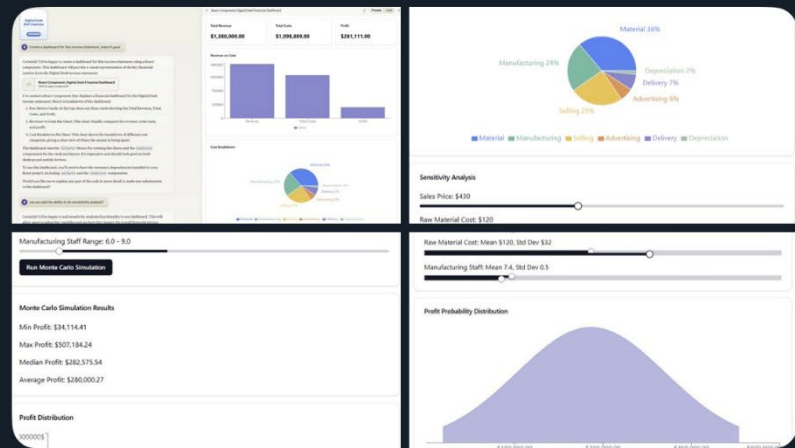
← Post ...

 **Ethan Mollick** ✓
@emollick X.com

This isn't reliable enough yet, but it is a sign of what is coming:

Claude 3.5 here's excel of my startup's finances, make a dashboard
Add sensitivity analysis of key assumptions
Run it as a Monte Carlo simulation
Assuming a normal distribution, what are outcomes?

All first try



The screenshot shows a financial dashboard with several components:

- Summary Metrics:** A table showing values for 'Net Revenue', 'Net Income', and 'Profit'.
- Bar Chart:** A bar chart with three bars of varying heights.
- Pie Chart:** A pie chart showing the breakdown of costs: Manufacturing (28%), Material (26%), Advertising (6%), Delivery (7%), and Depreciation (31%).
- Sensitivity Analysis:** A section with sliders for 'Sales Price' (set at \$430) and 'Raw Material Cost' (set at \$120).
- Monte Carlo Simulation Results:** A section with a 'Run Monte Carlo Simulation' button and the following statistics:
 - Min Profit: \$24,114.41
 - Max Profit: \$507,194.24
 - Median Profit: \$282,575.54
 - Average Profit: \$280,000.27
- Profit Distribution:** A bell-shaped curve representing the probability distribution of profit.

9:40 AM · 6/27/24 · 205K Views

Your Associates Are Already Using AI To Draft



But Remember, It's An Ally, Not An Enemy



Post

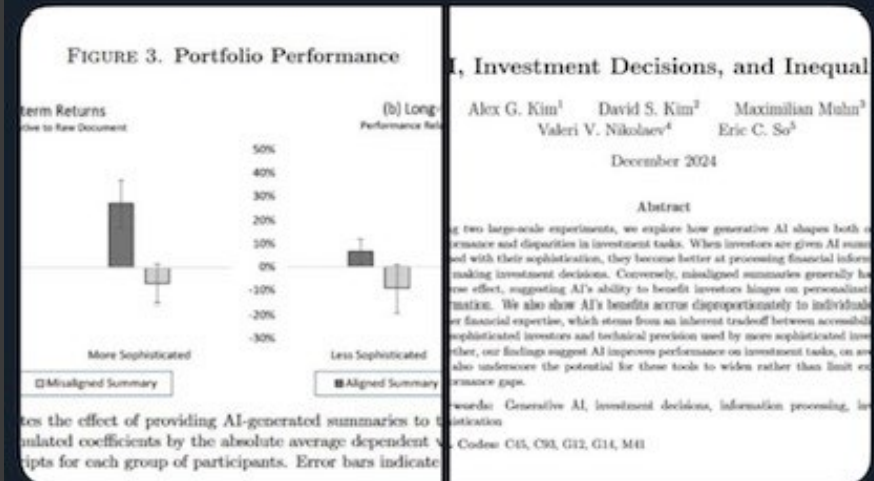


Ethan Mollick
@emollick

X.com

New study on AI & investing: When GPT-4o summarizes earnings calls to match investor expertise level (simpler for novices, technical for experts):

Sophisticated investors get +9.6% improvements in 1-year returns, novices: +1.7%
AI helps everyone, but expertise amplifies benefits!



9:29 PM · 1/2/25 · 92K Views

We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten. Don't let yourself be lulled into inaction.

- Bill Gates

€ 5 More Predictions for How AI MAY Change Estate & Financial Planning Over the Next 10 Years

- ~~⦿ AI will improve existing employee education models~~
- ⦿ Recent grads will have the upper hand in implementing AI
- ⦿ AI will offer a faster and cheaper method of reading and analyzing documents, reviewing portfolios, performing tax analyses, taking notes, recording conversations
- ⦿ Co-Pilots will become standard inside core tools
- ⦿ Relying upon AI-integrated legal research and financial modeling platforms will become the industry standard
- ⦿ Personal relationships between client service workers and clients remain irreplaceable – but the commoditization of the practice will transform the industry as we know it

Are Private LLMs Essential to the Future of the Client Service Industry?

- Full Data Sovereignty – maintain complete control over client data (necessary to maximize AI answers)
- Meets Legal & Ethical Standards: complies with attorney-client privilege, GDPR, CCPA, etc.
- Firm-Specific Training & Custom Legal Reasoning
- Internal Knowledge Retention – uses a Retrieval-Augmented Generation (RAG)
- Minimizes Loss of Intellectual Property “Evaporation”
- Minimizes Brain-Drain Depletions
- Increases Net Value of Firms

The Great Legacy Extinction: AI's \$20T Takeover of Professional Services

- By Ethan Batraski
- Legacy Professional Services vs. Elite AI-Driven Professional Services
- Most Vulnerable Service Verticals
 - Tax Advisory: Complex tax code interpretation, multi-jurisdiction scenario modeling, compliance verification
 - Property & Casualty Insurance: Automated underwriting algorithms, real-time risk assessment, predictive claims processing
 - Legal Services: Precedent analysis, automated contract review, litigation outcome prediction
 - Accounting & Audit: Automated reconciliation, anomaly detection, regulation-compliant reporting
 - Wealth Advisors: Algorithmic portfolio optimization, personalized risk-adjusted strategies, tax-efficient investment selection

The Great Legacy Extinction: AI's \$20T Takeover of Professional Services

Five Core Principles of an Elite AI-Powered Services Firm

- **Human-AI Partnership Architecture:** Superintelligence in the ear
- **Comprehensive Domain Mastery** – complete comprehension of all regulations, precedents, and domain knowledge
- **Institutional Memory & Continuous Learning** – persistent memory retains and learns from every client engagement
- **Workflow Integration & Automation** – end-to-end automation of routine tasks and documentation
- **Transparent, Auditable Intelligence** – complete documentation of reasoning chains behind every recommendation

The Great Legacy Extinction: AI's \$20T Takeover of Professional Services

Why Clients Will Embrace AI-Native Professional Services

- Democratized Access to Expertise
- Transparent, Fixed Pricing
- Objectively Superior Results
- Instant, 24/7 Responsiveness
- Institutional Knowledge Continuity

The most interesting part of new technology is realizing that no one has any idea what happens next.

- Morgan Housel

How Should We Use AI?

- Many use AI as an assistant to summarize documents or contracts, transcribe conversations, write first drafts, etc.
- But few have discovered AI's best use: as a thought partner
- Use it to think *with* you as a trusted advisor to:
 - Gut check decisions
 - Preempt feedback and questions
 - Outline options
 - Generate ideas
 - Check for blind spots in your thinking
 - But remember it's a sycophant

Building Better Prompts

- ⦿ Ask AI for help with prompts
- ⦿ Tell GPT: “I’m [this], you’re [this] and here’s what you need to know”
- ⦿ Providing more context and data is always better
- ⦿ Ask for ideas not answers
- ⦿ Try to maintain an open-ended conversation and take it in different directions; do not rush to a final result
- ⦿ Ask for pros and cons of a situation or a summary of options
- ⦿ Make AI explain and defend its answers

Building Better Prompts with GPT-5

- ⦿ More steerable and extremely good at instruction following
- ⦿ Be explicit
- ⦿ Telling it to “think harder”- triggers higher reasoning
- ⦿ Tell GPT: “I’m [this], you’re [this] and here’s what you need to know”
- ⦿ Providing more context and data is always better
- ⦿ Ask for ideas not answers
- ⦿ Try to maintain an open-ended conversation and take it in different directions; do not rush to a final result
- ⦿ Ask for pros and cons of a situation or a summary of options
- ⦿ Make AI explain and defend its answers

Building Better Prompts with GPT-5

Ultra-deep-thinking mode. Greater rigor, attention to detail, and multi-angle verification. Start by outlining the task and breaking down the problem into subtasks. For each subtask, explore multiple perspectives, even those that seem initially irrelevant or improbably. Purposefully attempt to disprove or challenge your own assumptions at every step. Triple-verify everything. Critically review each step, scrutinize your logic, assumptions, and conclusions, explicitly calling out uncertainties and alternative viewpoints. Independently verify your reasoning using alternative methodologies or tools, cross-checking every fact, inference, and conclusion against external data, calculation, or authoritative sources. Deliberately seek out and employ at least twice as many verification tools or methods as you typically would. Use mathematical validations, web searches, logic evaluation frameworks, and additional resources explicitly and liberally to cross-verify your claims. Even if you feel entirely confident in your solution, explicitly dedicate additional time and effort to systematically search for weaknesses, logical gaps, hidden assumptions or oversights. Clearly document these potential pitfalls and how you've addressed them. Once you're fully convinced your analysis is robust and complete, deliberately pause and force yourself to reconsider the entire reasoning chain one final time from scratch.

Rethinking AI...

- ⦿ Your clients crave access to experts – i.e., YOU
- ⦿ Many experts think they're smarter and better than AI
- ⦿ Crystallized vs Fluid Intelligence: AI will surpass your crystallized knowledge, but enhance your fluid intelligence
- ⦿ Reserve your time for the most interesting and complex scenarios & let AI help you
- ⦿ Now is the time to experiment and explore!



ross.bruch@bbh.com

planningonai.substack.com/