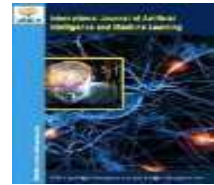




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Generative Artificial Intelligence in Personal Finance: Transforming Financial Decision-Making in the Digital Era

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Generative Artificial Intelligence (GenAI) is transforming how individuals seek and receive financial information, manage personal finances and prepare for financial decisions. This study explores the key applications, opportunities, risks and future directions of GenAI in personal finance using a qualitative thematic analysis of secondary evidence published between 2020 and 2026. Academic and institutional sources were coded and synthesized across four analytical themes: applications; opportunities and benefits; challenges and ethical concerns; and emerging trends and future directions. Secondary empirical evidence is used descriptively rather than statistically pooled. The synthesis shows that GenAI is being used for investment, savings, budgeting, taxation, debt management, financial education and financial information search. The evidence highlights personalization, accessibility, efficiency and decision support as major opportunities, but also points to hallucinations, inaccurate information, privacy risks, cybersecurity threats, bias, limited explainability and over-reliance. A recent empirical study of Korean adults illustrates the emerging use of LLMs by consumers, but its findings are treated as country-specific evidence. The study's key contribution is a Responsible GenAI Adoption Framework that links GenAI capabilities and personal-finance applications with benefits, risks and safeguards. The framework suggests that responsible financial outcomes are achieved not through the use of technology capability alone, but through a combination of user literacy, verification, human oversight, privacy protection and governance.

Keywords: Generative Artificial Intelligence, Personal Finance, Financial Decision-Making, Large Language Models, Financial Literacy, Digital Finance, FinTech, Responsible AI.

1. Introduction

Artificial Intelligence (AI) has become an important component of financial services, supporting activities such as investment management, customer service, risk assessment, fraud detection and financial information processing. Before the emergence of generative models, automated financial advice was increasingly delivered through robo-advisory systems. Evidence from the robo-advisory literature suggests that automated financial advice could influence consumers' reliance on traditional human advisors, particularly where investors valued perceived independence and reduced conflicts of interest (Brenner & Meyll, 2020). Robo-advisory research also demonstrated potential benefits such as improved diversification and changes in investor behaviour (D'Acunto et al., 2019). Qualitative research has likewise examined investor perceptions of robo-advisory as an AI-enabled wealth-management service (Dapp, 2021).

A conceptual distinction is important for the present study. Traditional AI generally refers to systems designed for prediction, classification, optimization or recommendation. Robo-advisory is an application of algorithmic financial advice that typically operates through structured inputs and predefined portfolio or planning processes. Generative AI, by contrast, produces new content such as text, explanations, summaries or recommendations through generative models; large language models (LLMs) are one technological foundation for many conversational GenAI applications. Accordingly, robo-advisors are treated here as a historical or adjacent stage in automated financial decision support rather than automatically as GenAI applications. They are used primarily to establish the evolution from structured automation toward conversational financial assistance.

The development of large language models has introduced a different dimension to this transformation. Rather than interacting with predetermined financial interfaces, users can communicate with AI systems through natural language and request explanations, comparisons, calculations and financial guidance. The emergence of ChatGPT in 2022 accelerated interest in the use of generative models across professional and consumer activities. Research on ChatGPT's capabilities in finance indicates potential for idea generation, information identification and analytical assistance, although the quality of outputs depends on the information supplied and the user's domain expertise (Dowling & Lucey, 2023).

Personal finance involves decisions concerning budgeting, savings, investments, debt, insurance, taxation and retirement. These decisions require not only access to information but also the ability to understand and apply that information to individual circumstances. The development of LLMs is therefore particularly relevant because conversational AI can translate technical financial concepts into comparatively accessible language. Evidence from financial-literacy testing demonstrates the rapid development of these capabilities:

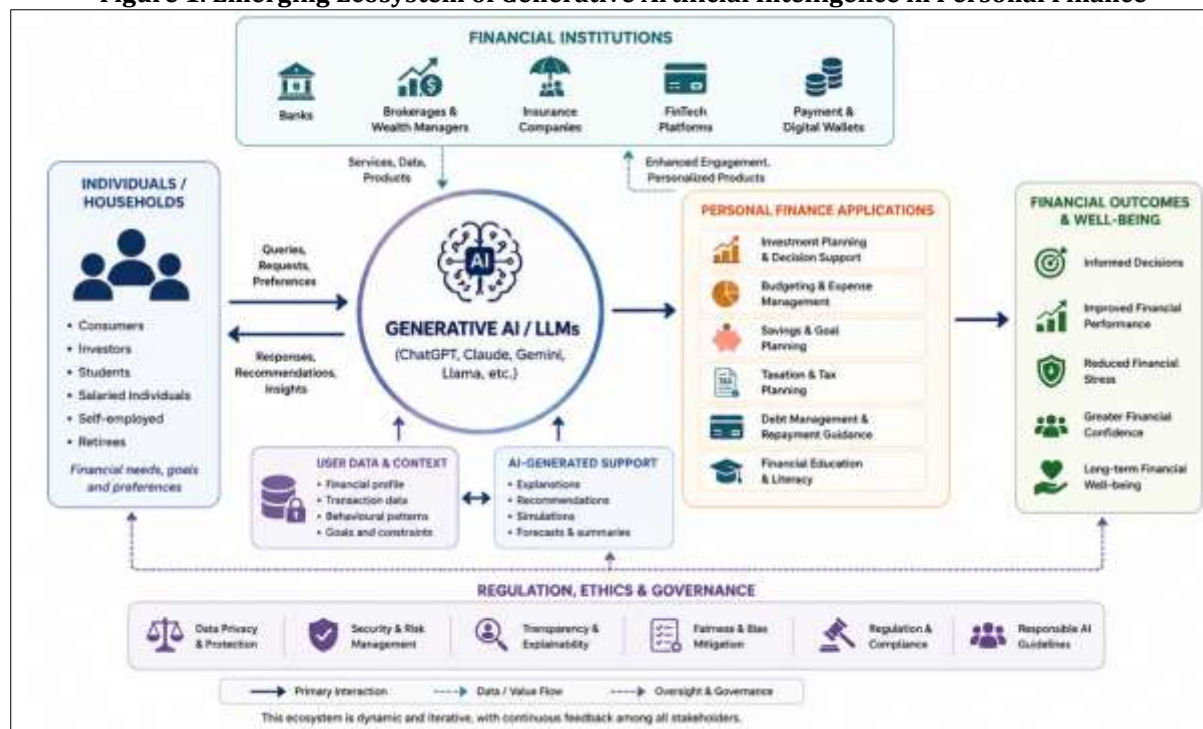
GPT-3.5 achieved scores around 65% in one financial-literacy assessment, while GPT-4 achieved approximately 99% (Niszczoła & Abbas, 2023).

The application of GenAI to investment decisions has also attracted attention. A comparison involving ChatGPT and 17 robo-advisors found that ChatGPT's recommendations were consistent with three investor profiles and an academic investment benchmark, although this evidence concerns a controlled comparison rather than proof that AI can replace professional financial advice (Oehler & Horn, 2024). Related evidence also suggests that ChatGPT can process financial news in ways that may support investment-information analysis, although such evidence does not establish suitability for individual household decisions (Chiu et al., 2025).

The broader financial ecosystem is simultaneously experiencing increased attention to the risks of AI. The Financial Stability Board (2024) identifies model risk, data quality, cybersecurity, third-party dependence and governance as important vulnerabilities associated with AI adoption. The International Monetary Fund (2024) similarly highlights the potential benefits of AI while drawing attention to risks involving financial markets, cybersecurity, concentration and systemic vulnerabilities.

The growing role of GenAI in personal finance can be understood as part of a wider financial ecosystem involving individuals, AI-enabled financial assistants, financial institutions, FinTech platforms, financial information, investment and savings services, and regulatory mechanisms. The interaction among these components determines how GenAI is accessed and incorporated into individual financial decision-making. Figure 1 presents the emerging ecosystem of GenAI in personal finance.

Figure 1. Emerging Ecosystem of Generative Artificial Intelligence in Personal Finance



Source: Developed by the author based on synthesis of secondary evidence, 2020–2026.

2. Research Gap

The existing body of research provides ample evidence of robo-advisors' value in different aspects of finance, from investment management and wealth management to customer service and compliance. The emergence of GenAI has since expanded the scope of research to include the utilization of conversational AI in finance. At the same time, earlier research primarily explored robo-advisors as a distinct category of automated financial service, with a narrower set of applications.

The first conceptual gap concerns the current application landscape, where the majority of research has focused on ChatGPT's financial literacy rather than its utility across different areas of personal finance (Niszczoła & Abbas, 2023; Dowling & Lucey, 2023; Oehler & Horn, 2024). The second conceptual gap concerns the consumer-centric nature of this technology, which has been under-researched relative to the needs of the finance sector, including robo-advisory, investment management, banking operations, and customer service. Finally, the current understanding of the benefits and risks of GenAI in finance is fragmented, with limited evidence concerning the linkages between applications and outcomes. The third conceptual gap concerns the need to consider financial literacy, AI literacy, verification, human oversight, transparency, privacy, and governance as enablers of responsible adoption. This study addresses this gap by synthesizing the available evidence on ChatGPT's role in personal finance and presenting a set of considerations for responsible adoption.

3. Research Problem

The increasing use of GenAI for financial assistance has generated opportunities for consumers who seek to benefit from this technology. However, the rapid rise of this technology has created challenges for regulators, who are concerned about the risks posed by this technology to privacy, cybersecurity, and responsible innovation. A comprehensive review of the existing literature is required to ensure that the benefits and risks of this technology are fully understood by the research community. Specifically, the research problem concerns the need to organize the disparate pieces of evidence on the utilization, benefits, and risks of GenAI in personal finance to reveal (i) the applications, (ii) benefits, (iii) risks, and (iv) safeguards associated with the use of GenAI for personal financial management.

4. Research Objectives

- To examine the major applications of Generative Artificial Intelligence in personal finance.
- To analyse the opportunities and benefits of Generative Artificial Intelligence in improving personal financial management.
- To identify the challenges and ethical concerns associated with the use of Generative Artificial Intelligence in personal finance.
- To explore emerging trends and future directions for the responsible adoption of Generative Artificial Intelligence in personal financial decision-making.

5. Research Methodology

The study employs a qualitative thematic analysis of secondary evidence to explore consumer-related applications of Generative Artificial Intelligence (GenAI). The evidence base for informed insight generation on this topic consists of peer-reviewed journal articles, publications, and reports, including those related to conferences. The current analysis is based on the research objectives and does not claim to be comprehensive or integrated into a systematic review. The time frame under consideration is 2020–2026, and no primary data were generated for this study. Inferential statistical analyses were not used either.

5.1 Source Identification and Selection

The following search terms were used: “generative AI”, “large language model”, “ChatGPT”, “personal finance”, “financial decision-making”, “financial literacy”, “budgeting”, “savings”, “investment”, “tax planning”, and “debt management”. The search methodology included backward reference checking and purposeful search strategies among financial and international organizations’ websites and databases.

Inclusion criteria used in screening publication abstracts and manuscripts comprised the following: a 2020–2026 publication date, English language, focus on GenAI, large language models (LLMs), or ChatGPT, and relevance to individual or household level personal finance, consumers, and/or GenAI-related risks or governance. Exclusion criteria included studies published before 2020 or after 2026, written in languages other than English, focusing on corporate finance and/or investment banking, and/or not related to GenAI, LLMs, or ChatGPT, and those lacking scholarly or organizational credibility (see Table 1).

Table 1. Inclusion and Exclusion Criteria

Inclusion criteria	Exclusion criteria
2020–2026 publication period	Publications outside 2020–2026
English-language sources	Non-English sources
GenAI/LLM/ChatGPT-related evidence	Traditional AI unrelated to GenAI/LLMs
Individual/household personal finance focus	Corporate finance or investment banking only
Peer-reviewed or credible institutional sources	Unverified or low-credibility web content
Evidence on applications, benefits, risks or governance	Evidence with no direct relevance to the research problem

Source: Compiled by the author

Due to the limitations in the original database regarding the transparency of the screening process at different stages, the current study adheres to a qualitative thematic analysis framework based on a systematic yet purposeful selection of sources.

5.2 Thematic Analysis

The evidence base was structured according to the research objectives. Specifically, the information extracted from the sources was categorized based on the following themes: applications; opportunities and benefits; challenges and ethical concerns; and future directions and trends. The first three themes were determined based on the research objectives, while the sub-themes and trends were identified using the information contained in the selected sources (see Table 2).

Table 2. Themes Related to Generative Artificial Intelligence and Personal Finance

Research Objective	Theme	Major Dimensions
RO1: Examine GenAI	Applications	Investment, budgeting, savings, taxation, debt,

applications		financial education
RO2: Identify opportunities and benefits	Opportunities and Benefits	Personalization, accessibility, efficiency, education, decision support
RO3: Examine challenges and ethical concerns	Challenges and Ethical Concerns	Accuracy, hallucinations, privacy, cybersecurity, bias, explainability, accountability
RO4: Examine emerging trends and future directions	Future Directions	Financial-specific LLMs, human–AI collaboration, explainability, governance

Source: Developed by the author based on the structured thematic synthesis of secondary evidence

The themes identified were compared and contrasted across the sources to determine trends and patterns and formulate conclusions and recommendations. Notably, the numerical results described in the articles were used as descriptive statistics to support the findings of this research. Due to methodological complexities and the varying contexts of the studies, the findings were not aggregated statistically to make broader inferences.

6. Results and Analysis

6.1 Major Applications of Generative AI in Personal Finance

6.1.1 Investment Planning and Decision Support

Investment is one of the most prominent areas in which AI has influenced personal financial decision-making. The earlier development of robo-advisors demonstrated that automated systems could provide portfolio recommendations and influence investors' demand for traditional financial advice (Brenner & Meyll, 2020). Automated portfolio optimization also showed potential to improve diversification among investors with relatively concentrated portfolios (D'Acunto et al., 2019).

GenAI extends this functionality by allowing investors to communicate with AI systems using natural language. Instead of selecting predetermined options, users can ask questions about asset allocation, risk, diversification and investment alternatives. The financial-literacy capability of GPT models provides a foundation for such interactions (Niszczoła & Abbas, 2023), while the comparison of ChatGPT with 17 robo-advisors demonstrates its potential in generating investor-profile-based portfolio recommendations (Oehler & Horn, 2024).

Recent consumer evidence reinforces the importance of investment as a GenAI application. Stock investment was the most frequently reported financial use of LLMs in Pak's (2026) sample, with 50.3% of respondents reporting such use.

6.1.2 Budgeting and Expense Management

GenAI can support budgeting by helping users organize expenses, identify spending categories and formulate financial plans. The conversational nature of LLMs allows users to describe their income and expenditure patterns and request suggestions for controlling discretionary spending.

Budget management accounted for 47.6% of reported LLM use in the 2026 Korean study (Pak, 2026). This indicates that GenAI is not restricted to investment-related decisions but is becoming relevant to routine household financial management.

6.1.3 Savings Planning

Savings planning represents another important application. GenAI can translate a financial goal into a sequence of savings targets, explain the effects of alternative saving rates and provide reminders or suggestions based on information supplied by users.

Almost half of the respondents in Pak's (2026) study reported using LLMs for savings planning, indicating the growing relevance of conversational AI for goal-oriented financial management.

6.1.4 Tax and Debt Assistance

GenAI can assist individuals in understanding tax terminology, preparing questions for tax professionals and exploring general tax-planning concepts. Tax filing and planning represented 46.5% of reported LLM use in Pak's (2026) study.

Debt management can similarly benefit from conversational explanations concerning repayment strategies, interest costs and alternative approaches. However, tax and debt decisions are highly dependent on individual circumstances and jurisdiction-specific rules. AI-generated information should therefore be treated as preliminary decision support rather than authoritative professional advice.

6.1.5 Financial Education and Information Search

Financial education represents an important application because users can ask AI systems to explain concepts such as compound interest, inflation, diversification, credit, taxation or retirement planning. GPT-4's strong performance on a financial-literacy test demonstrates the potential of LLMs to communicate financial concepts at a level accessible to ordinary users (Niszczoła & Abbas, 2023).

Pak (2026) further indicates that individuals commonly use LLMs as an on-demand tutor and search engine for financial information, suggesting that educational and informational uses may form a foundation for broader financial decision support.

The evidence indicates that GenAI applications extend across both investment-related and routine household financial activities. Investment support, budgeting, savings planning, taxation, debt management and

financial education represent the principal application areas emerging from the secondary evidence. Table 3 summarizes these applications and their corresponding functions.

Table 3. Major Applications of GenAI in Personal Finance

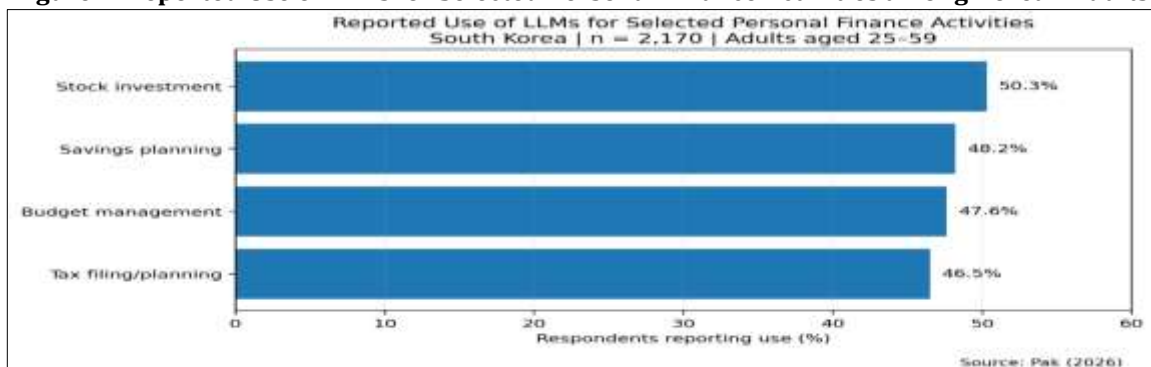
Application	Main Function	Key Supporting Literature
Investment & portfolio support	Portfolio ideas, asset selection, diversification, investment explanations and risk-related information	Niszczoła & Abbas (2023); Oehler & Horn (2024); Fieberg et al. (2025); Winder et al. (2025)
Budgeting & expense management	Expense tracking, categorisation, budget planning and financial-management support	Pak (2026); Timmerman (2026)
Savings & financial goal setting	Savings strategies, financial goals and decision support	Niszczoła & Abbas (2023); Pak (2026); Schlosky & Raskie (2025)
Taxation	Tax information, tax explanations and tax-planning assistance	Antinozzi & Cooper (2025); Schlosky & Raskie (2025); Pak (2026)
Debt management & repayment	Debt-related information, repayment planning and financial guidance	Timmerman (2026); Schlosky & Raskie (2025); Pak (2026)
Financial education & literacy	Explanation of financial concepts, personalised learning and financial education	Niszczoła & Abbas (2023); Timmerman (2026); FCA (2025)
Financial information search & comparison	Retrieval, summarisation, product comparison and targeted financial information	Dowling & Lucey (2023); Bhatia et al. (2023); FCA (2025); <i>AI and Personal Finance</i> (2025)
Personalised financial advice	Conversational guidance tailored to financial circumstances, goals and risk preferences	Oehler & Horn (2024); Schlosky & Raskie (2025); Fieberg et al. (2025); <i>ChatGPT, Help! I Am in Financial Trouble</i> (2024)
Risk assessment & investment risk profiling	Investor risk profiling, risk interpretation and risk-based recommendations	Oehler & Horn (2024); <i>How Good Are LLMs in Risk Profiling?</i> (2025); Fieberg et al. (2025)
Fraud & financial-risk support	Identifying financial risks, interpreting suspicious activity and supporting risk-related decisions	Pak (2026); Dong et al. (2025)

Source: Compiled by the author from secondary evidence.

6.2 Descriptive Quantitative Evidence

While this paper employs a qualitative thematic research method, some quantitative evidence from the reviewed literature can demonstrate the emergence of the phenomenon. Particularly, the inclusion of GenAI in personal money management practices is illustrated by the results of a recent survey of Korean adults. The study involved 2,170 participants aged 25–59, who were asked about their experience with using large language models (LLMs) in their financial activity. The findings report that 67.8% of the respondents used LLMs for at least one financial purpose, while 58.7% utilized the technology in two or more areas of their financial life (Pak, 2026). Figure 2 below includes the task level of usage reported by the study participants.

Figure 2. Reported Use of LLMs for Selected Personal Finance Activities among Korean Adults



Source: Pak (2026), based on 2,170 adults aged 25–59 in South Korea.

The figure shows that Korean adults applied LLMs to a variety of investment- and day-to-day-related tasks. In particular, the technology was used in stock investment (50.3%), saving planning (48.2%), budget management (47.6%), and tax planning/reporting (46.5%) (Pak, 2026). Thus, the findings indicate the growing involvement of GenAI in everyday financial activities. Nevertheless, it is important to note that the study only covers the population of one country, which makes the findings non-representative of the worldwide population.

Overall, the evidence from the literature review suggests that GenAI is positioned as a conversational tool that can offer a new way to access, understand, and apply financial knowledge. As such, the technology can engage consumers in a meaningful dialogue about their financial life and support them in making investment and spending decisions. However, the novelty of such interaction also raises several questions about accuracy, privacy, transparency, accountability, and consumer protection.

6.3 Opportunities and Benefits of GenAI in Personal Finance

6.3.1 Personalization

One of the advantages of conversational GenAI is its ability to change explanations based on the information given by the user. Earlier automated financial advice already introduced personalization through investor profiles and portfolio allocation (D'Acunto et al., 2019). GenAI takes this further by allowing users to explain their questions in regular language and ask for more information.

6.3.2 Accessibility

GenAI makes it easier for people to get information. Users do not have to know financial terms to ask about savings, investments or debt. The ability of GPT models to provide explanations through conversation may help people who find financial information hard to understand (Niszczota & Abbas 2023).

6.3.3 Efficiency

AI can save time when looking for and organizing information. Research on ChatGPT in finance shows it can find and create information well. It depends more on knowledge of the field when tasks are hard (Dowling & Lucey 2023). This suggests that GenAI is most helpful in the steps of processing information not in making decisions on its own.

6.3.4 Financial Education

GenAI can act as a learning tool by offering explanations, examples and follow-up answers. This allows for financial education instead of just one-time financial literacy programs.

6.3.5 Decision Support

GenAI can help people organize information before making choices. Its value may be in helping users find options understand terms and prepare questions for professionals.

Studies comparing ChatGPT with robo-advisors show that conversational AI can give recommendations that match investor profiles and academic standards in controlled situations (Oehler & Horn 2024). This does not mean that GenAI is always better than professional financial advice.

6.4 Challenges and Ethical Concerns

6.4.1 Accuracy and Hallucinations

Accuracy is a big challenge because financial decisions can affect money directly. A study on ChatGPT-generated personal-finance advice found that the technology can give changing information but it can also give incorrect not right too general or not supported by research (Xiao & Meng 2025).

The issue is serious when users think clear and confident talk means it is right. GenAI can create explanations even when the information is not complete or wrong.

6.4.2 Privacy and Data Protection

Personal financial management includes details about income, spending, investments, debt and financial goals. The personalized an AI system is, the more personal data it might need to process.

The Financial Stability Board (2024) lists data quality, control, third-party reliance and security as AI problems.

6.4.3 Algorithmic Bias

GenAI systems learn from data that might have old biases. These biases can affect the information given to people or the recommendations for users. Khan and Umer (2024) say bias, wrong information, privacy, transparency and responsibility are ethical issues for ChatGPT in finance.

6.4.4 Explainability

People might not understand why an AI gives a recommendation. This can be a problem when users need to see if a suggestion fits their situation.

6.4.5 Cybersecurity and Fraud

The More use of AI can also bring chances for fraud, tricks and online attacks. The FSB (2024) points out risk, model risk and AI-based financial fraud as areas that need attention from rules.

6.4.6 Over-Reliance and Reduced Human Judgement

An easy-to-use conversation system might make users accept advice without checking on their own. This is more important when people don't know much about money. GenAI should help not take over when making financial choices.

The benefits of GenAI are connected to risks from the technology. Personalization needs access to information fast information generation can lead to wrong answers and automated help might make people depend too

much. Table 4 shows these chances with the risks found in other studies.

Table 4. Opportunities, Risks and Required Safeguards in GenAI-Enabled Personal Finance

Opportunity	Corresponding risk	Required safeguard
Personalization	Privacy and inappropriate profiling	Data minimization and privacy protection
Faster information access	Incorrect or outdated information	Verification and source checking
Financial education	Over-reliance on AI explanations	AI literacy and critical evaluation
Investment support	Financial loss from inappropriate recommendations	Human oversight and suitability assessment
Product comparison	Bias and incomplete information	Transparency and disclosure of limitations
Automated assistance	Cybersecurity and fraud	Security controls, monitoring and consumer protection
Accessibility	Digital and financial literacy gaps	Financial literacy and AI literacy

Source: Developed by the author from secondary evidence, 2020–2026.

6.5 Emerging Trends and Future Directions

6.5.1 Finance-Specific Large Language Models

The step is likely to involve models that fit financial terms, data and needs better. More special models could make things more accurate. Reduce some problems with general models.

6.5.2 Conversational Personal Financial Assistants

Using LLMs as on-demand guides, search tools and helpers' shows a move towards conversation-based assistants (Pak, 2026). These tools might bring budgeting, savings, investments and financial learning into one place.

6.5.3 Human-AI Collaboration

The evidence shows a team approach is better than automation. AI can work fast. People or financial experts can see the bigger picture, values and results.

This matches studies that automated help can affect but not always take away the need for human financial help (Brenner & Meyll 2020).

6.5.4 Explainable and Verifiable AI

Future systems need to explain how they reach answers and say if the information is reliable. The need to check is important because research shows ChatGPT-generated financial tips can be wrong (Xiao & Meng 2025).

6.5.5 Responsible AI Governance

Governance becomes more important as AI is used more in choices. The FSB (2024) suggests checking, evaluating old rules and making more rules and checks. The IMF (2024) also looks at AI benefits and risks with the picture of financial safety.

The analysis shows that the role of GenAI in finance can be seen through four parts: uses, chances and benefits problems and ethics and new trends and future ideas. Figure 3 shows the framework made from the mix of studies.

Figure 3. Integrated Thematic Framework of GenAI in Personal Finance



Source: Developed by the author based on thematic analysis of secondary evidence, 2020–2026.

The framework shows how the different parts of the technology are connected. The four parts together make the basis, for the findings and discussion that follow.

7. Discussion

7.1 Interpretation of the Findings

The thematic synthesis indicates that GenAI is changing personal financial decision-making from predominantly structured and task-specific digital services toward conversational decision support. Earlier robo-advisory systems generally operated within predefined investment processes, whereas LLM-based systems allow users to formulate open-ended questions across budgeting, savings, investment, taxation, debt and financial education. This represents an important expansion in the scope of consumer-facing financial technology. The finding is consistent with the earlier robo-advisory literature, which showed that automated advice could influence investors' reliance on human advisors, but GenAI extends the interaction beyond portfolio allocation into broader household financial management (Brenner & Meyll, 2020; D'Acunto et al., 2020).

Secondary empirical evidence reported by Pak (2026) reinforces this broader interpretation. The Korean sample reported LLM use across both investment-related and routine household activities. However, the percentages should not be read as evidence that GenAI adoption is globally widespread. Rather, they provide a concrete illustration of how conversational AI is already being incorporated into multiple financial tasks within one national sample. This distinction is important because a single-country study cannot establish global adoption patterns.

7.2 Accessibility Versus Decision Quality

One clear benefit from the literature is access to financial information. GenAI can explain terms in plain language. It can answer follow-up questions. It helps users organize data. This aligns with research on GPT-based literacy. It also matches the potential of systems to help users find and understand information (Niszczota & Abbas 2023; Dowling & Lucey 2023). Better accessibility does not equal better financial outcomes. A system may make information easier to get. That information might still be wrong, not suitable or incomplete for a particular person.

This difference is especially important in finance. Decisions depend heavily on context. Income stability, debt obligations, risk tolerance, tax jurisdiction, investment time frame and household goals can all change what advice is appropriate. So the real value of GenAI may be strongest at the information and decision-preparation stage. It may not be suitable as a replacement for human financial judgment. Evidence that ChatGPT can give advice to robo-advisory systems in controlled settings is promising. It does not prove that GenAI performs better in real-life household financial decisions (Oehler & Horn 2024).

7.3 Personalization and the Privacy Trade-off

The analysis finds personalization to be both an opportunity and a risk. GenAI becomes more helpful when users share details about income, spending, debt, goals and preferences. Sharing this information also increases privacy risks. It raises the chance of profiling. This creates a trade-off. More context improves the relevance of AI responses. More data collection increases privacy and cybersecurity risks. The Financial Stability Board (2024) points out data quality, third-party reliance, cybersecurity and governance as AI-related risks. This shows the need to treat personalization as a controlled capability. It should not be seen as a benefit without limits.

Responsible personalization must be based on data minimization, clear disclosure, strong security and user awareness. The framework developed in this study does not see personalization as a path to better decisions. Instead, it sees safeguards as a step between technology and responsible outcomes.

7.4 Financial Literacy and AI Literacy as Enabling Conditions

The evidence shows that GenAI's usefulness depends on the user's ability to evaluate its outputs. This extends the idea of financial literacy. Consumers now need more than knowledge about interest rates, diversification, debt or taxes. They also need to recognize the limits of AI-generated information. They need to verify claims. They need to know when professional advice is needed. The implication is that financial literacy and AI literacy should work together. They should be treated as skills for responsible use of conversational financial tools.

This also explains why the same GenAI tool can lead to outcomes for different users. A digitally literate person might see an AI response as a starting point for further research. A less-informed person might mistake fluent language for expert advice. So, user capability can determine whether accessibility leads to decisions or over-reliance.

7.5 Accuracy, Hallucination and the Need for Verification

The literature shows that GenAI's fluency does not mean accuracy. Xiao and Meng (2025) for example found that ChatGPT-generated personal finance tips could be useful and easy to adapt. They could also contain incorrect inappropriate, overly broad or poorly supported information. This finding changes how we see the efficiency advantage in the study. Faster information retrieval is useful only if users can check what they get. Verification should be seen as a core part of GenAI use. It should not be an afterthought. For educational questions verification might mean checking a trusted financial source. For decisions—like investment, tax, debt or retirement—verification may also mean talking with a qualified professional. The level of oversight should match the financial risk of a mistake.

7.6 Human-AI Collaboration Rather Than Full Automation

The combined evidence supports a model of human-AI collaboration. AI systems are strong at fast

information processing, explanation, comparison and organizing data. Human users and financial professionals are still key. They bring context, values, accountability and awareness of consequences. This view matches research on robo-advisory systems. That research showed automated advice can influence, but not always remove, the need for financial advice (Brenner & Meyll 2020). Other research shows that less human involvement can lead to outcomes for users. This strengthens the case for involvement that fits the situation (Chhatwani, 2022).

Human oversight is not a sign of failure. Instead, it is a way to manage the gap between power and responsibility for outcomes. The financial harm a mistake could cause, the more important independent verification and human input become.

7.7 Theoretical and Conceptual Contribution

The main theoretical contribution of this study is the Responsible GenAI Adoption Framework for Personal Finance. Earlier research often looked at applications, technology features, consumer benefits or ethical issues separately. This synthesis connects these ideas through a cause-and-effect logic. GenAI capabilities enable applications. These applications offer benefits. The same applications also create risks. Safeguards guide the path toward financial decisions.

The framework adds an integrated consumer-focused view. It sees GenAI adoption not as technology adoption. Instead, it sees it as a decision-support process shaped by user abilities and governance. The central idea is that GenAI capability alone does not decide the quality of decisions. Responsible outcomes depend on how technology, the task, financial and AI literacy, verification, human oversight, privacy protection and governance all interact.

7.8 Research Propositions

The thematic synthesis supports four research propositions for future empirical testing:

P1. Greater personalization increases the perceived usefulness of GenAI for personal financial decision-making but simultaneously increases privacy and profiling concerns.

P2. Higher levels of financial literacy and AI literacy strengthen users' ability to evaluate, contextualize and appropriately act on GenAI-generated financial information.

P3. Verification mechanisms and human oversight reduce the risks associated with incomplete or inappropriate GenAI-generated financial guidance, particularly for high-consequence decisions.

P4. Responsible governance moderates the relationship between GenAI capability and consumer financial outcomes by strengthening transparency, accountability, privacy protection and risk controls.

7.9 Implications of the Integrated Framework

The framework has three implications. First low-stakes tasks like learning or information checks may need human intervention. Users should still verify key facts. Second personalized advice on investments, taxes or debt needs safeguards. Mistakes here can directly impact finances. Third high-stakes decisions should keep human oversight. Users should also have access to professional sources. This risk-sensitive approach offers a balanced view. It avoids labelling GenAI as either good or totally bad.

Overall, the evidence does not support automation. It also does not support rejecting GenAI in finance. It supports adoption. The benefits of personalization, accessibility and speed can be realized through verification, literacy, transparency, privacy protection, human oversight and governance.

8. Responsible Adoption of GenAI in Personal Finance

The evidence shows that responsible adoption needs a system of safeguards and as a progression. It moves from GenAI capabilities to financial decisions. This process is supported by literacy, verification, privacy protection, human oversight and regulatory governance.

8.1 Financial Literacy

Financial literacy helps consumers understand ideas. It helps them compare options. It helps them see when an AI response is not enough for a decision. GenAI should support, not replace, this knowledge.

8.2 AI Literacy

AI literacy means knowing what GenAI can and cannot do reliably. It means spotting hallucinations and limitations. It means knowing when more verification is needed. It helps users' separate language from trustworthy information.

8.3 Output Verification

Verification should match the risk of error. For education checking sources may be enough. For investments, taxes, debt or retirement verification should include trusted sources. It may also need review. The level of oversight should grow with the impact of mistakes.

8.4 Human Oversight

Human oversight brings context, accountability and attention to circumstances. Models alone cannot guarantee this. The need for oversight grows with the complexity and financial impact of a decision.

8.5 Privacy and Regulatory Governance

Responsible adoption also needs data minimization, security controls, transparency about model limits, accountability and regulation. These safeguards are especially important when GenAI deals with financial data. They are vital when the system is used within institutions.

8.6 Responsible Adoption and Consumer Financial Well-Being

Together these five areas guide the path, from GenAI capability to consumer well-being. GenAI can help users understand, compare, evaluate and review information. Responsible outcomes depend on the strength and presence of the supporting safeguards.

9. Implications of the Study

9.1 Implications for Individuals

Individuals can use GenAI to help with steps in financial planning like making a budget learning about money matters or searching for financial information. People should not rely on GenAI alone for big financial decisions. Important choices must be checked using trusted sources or advice from experts.

9.2 Implications for Financial Institutions

Banks and FinTech companies can use GenAI to make customer service offer more personalized support and improve financial education. However strong protections are needed to keep financial data safe. There also needs to be monitoring of what GenAI produces to avoid mistakes or misleading outputs.

9.3 Implications for Policymakers

As GenAI becomes more common in services regulators must strengthen rules that protect consumers. This includes data governance, clearer transparency about how AI works and stronger accountability systems. The FSB (2024) has pointed out the need to improve supervision and monitoring capabilities so that risks can be managed effectively.

9.4 Implications for Financial Education

Financial literacy programs should start including AI literacy. People need to know how to tell the difference between AI-generated content and information that needs to be double-checked. Teaching people to verify what GenAI says is essential as these tools become more widespread.

10. Scope of the Study

This study looks at how GenAI's used by everyday consumers in managing their personal finances. It covers areas such as investing, saving, budgeting, taxes, debt, financial education and getting help with decisions. The focus is on research published between 2020 and 2026 based on institutional studies. Corporate finance, investment banking and other institutional uses are not part of the scope of this study.

11. Limitations of the Study

The study only uses existing information. It does not collect data directly from users. That means its findings depend on the quality, range and location of the studies available. The numbers presented come from research and are not original survey results. For example, the figures from Pak (2026) are based on 2,170 adults aged 25 to 59. These results cannot be applied to everyone around the world.

Also, the evidence comes mainly from English-language sources. Focuses on the years 2020 to 2026. There may be bias because studies that show results are more likely to get published than those with neutral or negative outcomes. The research used varies in methods, samples and ways of measuring things, which makes it hard to compare them directly. Because the original search process did not record database search counts the study does not claim to have found every relevant source. Future work could improve reliability by using a registered research plan, search terms and a detailed record of how studies were selected.

Moreover, GenAI technology keeps changing. User habits and regulations evolve quickly too. Some of the conclusions in this study might need to be reviewed as new models and uses appear.

12. Conclusion

Generative Artificial Intelligence is now playing an increasing role in how people manage their finances. The evidence shows that GenAI can be used in areas: investing, saving, budgeting, taxes, debt, education and finding financial information. Moving from robo-advisory tools to conversational large language models changes how people interact with financial tech. Now they can talk to it using regular language.

There are benefits: greater access, more personalization, faster responses, better learning tools and improved decision support. These benefits do not happen automatically. Problems like information, made-up answers (hallucinations) privacy issues, security threats, biased algorithms, lack of explanation and overuse can reduce or even cancel out the value of GenAI.

The study includes data from 2,170 Korean adults, where 67.8% said they had used large language models for at least one financial task (Pak, 2026). Still, this does not mean GenAI can replace professionals or individual thinking. It is not a substitute for judgment.

The future of GenAI in finance will most likely depend on smart teamwork between humans and machines. Financial institutions can use GenAI to reach people and give tailored service. Individuals can use it to learn and find answers. All of this still requires basic skills in financial literacy and AI literacy. Verification processes, privacy protection, openness about how AI works and proper oversight by authorities remain crucial.

Overall GenAI can make personal finance easier and more engaging. Whether it improves real financial well-being depends entirely on how responsibly it is used. The main contribution of this study is the development

of a Responsible GenAI Adoption Framework. This framework links GenAI features to finance tasks, highlights possible benefits identifies key risks and outlines safeguards for both users and institutions. It provides a base for research on how literacy, verification, human control, privacy and governance affect consumer results. The key takeaway is that responsible collaboration between people and AI is better, than letting machines take control without limits.

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