

Corbett Road

In The Media

ChatGPT Is a Handy Tool for Client Communications. And It's Just Getting Started.

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ChatGPT has suddenly transformed artificial intelligence from a concept into a cultural moment. The advanced chatbot, which is the mastermind of OpenAI, allows you to submit a sentence or two and receive back in-depth humanlike responses, including instructions, poetry, jokes, songs and even computer code.

ChatGPT uses a variation of an AI technology called GPT-3 which has 175 billion parameters. The next version is rumored to have a 100 trillion.

Within less than a week, ChatGPT attracted more than one million users. To put this into perspective, it took Facebook about 10 months to reach this milestone.

For financial advisors, ChatGPT is already a remarkably useful tool for client communications, even with some notable limitations.

Mark Wilson, a CFP and president of MILE Wealth Management LLC, has been using ChatGPT to see how it would handle past client issues. Here are a few of his queries:

- "Write an email to Beth sympathizing with her on the loss of her dog Buster. Mention my memory of Buster eating the entire bowl of M&M's."
- "Give me three Happy Thanksgiving messages to send to my clients."

"The results from these prompts were very impressive," said Wilson. "I would not cut, paste and send ChatGPT's results, but everything I got was a fantastic start and could be a big time saver. I especially like that I could add prompts to tweak the responses."

Keep in mind that ChatGPT is still in the nascent stages. It uses a variation of an AI technology called GPT-3 which has 175 billion parameters. The next version of this technology is rumored to have a whopping 100 trillion. In other words, ChatGPT will get exponentially more powerful.

Accuracy concerns. That's not to say Chat GPT is perfect. As Wilson found above, it's a handy tool for written communications, but an advisor has to be well-versed in the topic and carefully review the material produced for accuracy. The technology has a tendency to occasionally make false statements, called "hallucinations." Part of this is due to the

inaccuracies in the data sets, such as Wikipedia and the complexities of the underlying AI algorithms.

“The potential harm is that it sometimes gives the impression that it’s very confident in those answers,” said Sophia Yang, senior data scientist at Anaconda, which operates a data science platform. “If you don’t already know the correct response, individuals may take ChatGPT’s incorrect response as true.”

Consider Kevin J. Brady, a CFP and vice president at Wealthspire Advisors, who has been experimenting with ChatGPT to test its accuracy. He asked the system about backdoor Roth IRA contributions and how to execute them. He also inquired about the differences between traditional and Roth 401(k) contributions.

“ChatGPT handles both fairly well and accurately, particularly the backdoor Roth IRA explanation and mechanics,” he says. “However, for more complex estate planning topics and questions, ChatGPT does a less thorough job. The information is sometimes accurate, sometimes inaccurate, sometimes missing important context.”

If the tool grows in popularity, advisors may find themselves explaining to clients once again that they shouldn’t believe everything they read on the internet. This may be especially true of younger clients who are most likely to focus on these types of tech solutions. Advisors need to show clients they know more than a chatbot.

“An advisor’s value proposition and impact must be more meaningful than being an information resource,” says Matthew Gaffey, a managing partner and senior vice president at Corbett Road Wealth Management. Furthermore, he says, “Millennials have now overtaken boomers as the largest group and are set to inherit trillions of dollars in the coming years.” Familiarity with popular new tech tools is an important way to establish credibility with young clients.

That means exploring additional useful AI applications that help with portfolio management, back office automation and prospecting. But ChatGPT stands out for written communications.

“ChatGPT represents the most novel technical development in large language models in years,” said Logan Spears, the co-founder and chief technology officer of Plainsight, a developer of AI-based vision solutions for enterprises. “It is pre-trained on a tremendous amount of internet data, using an amount of computing power that was physically impossible just a few years ago.”

Soft skills are critical for financial advisors and ChatGPT is a free tool that can actually help.

Tom Taulli is a freelance writer, author, and former broker. He is also the author of the book, [Artificial Intelligence Basics: A non-Technical Introduction](#).