



## Artificial Intelligence and Retirement Planning

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The premise for this essay is that retirees (and pre-retirees) are unlikely to have had experience with artificial intelligence (AI) to any great degree. If you think about most advanced technologies, individuals learn about them in the workplace or at least as adjuncts to work. This isn't always true (think smart TVs, Alexa, Google, and so on). However, that still leaves those retirees and pre-retirees well behind others in the workforce who experience (if that is the right way to say it) AI in a more comprehensive and immersive way.

With this in mind, we need to examine how AI could help retirees with the various components of retirement, primarily financial in this essay, mostly to keep the search parameters under some control.

The questions posed to these AI systems were:

- What does a retiree need to know about artificial intelligence?
- How can artificial intelligence help retirees manage their financial future?
- What is the best artificial intelligence system for retirees to use?

You will see how the search for ways to assisting retirees with their financial needs and plans ended up requiring we also look into how to use AI in a broader sense.

### **WHAT DOES A RETIREE NEED TO KNOW ABOUT ARTIFICIAL INTELLIGENCE?**

For retirees and those close to retirement, it is important to stay informed about advances in technology, including artificial intelligence. Staying tech-savvy is crucial, as many AI-powered devices and applications are part of daily life. Basic computer skills and the ability to use smartphones and the like can be very helpful. It is important for retirees to understand that AI is not just a technological endeavor but also a social one, where meaningful participation is crucial for realizing its benefits and opportunities.

Understanding AI can be beneficial for retirees in several ways. First, AI is increasingly being integrated into everyday products and services such as Alexa and Siri as well as search engines such as Google. Being aware of how AI is used in areas such as smart homes, virtual assistants, and autonomous vehicles can help retirees accept (and maybe even embrace) these technologies.

Second, AI has the potential to improve healthcare and assist with aging-related challenges. For example, AI-powered devices can monitor vital signs and provide reminders for medication or appointments. It is also true in other areas, for instance in handling finances and financial planning. AI is increasingly being used in retirement planning by financial advisory services. Retirees may come across AI-powered tools and platforms that offer personalized investment advice and retirement income strategies.

Third is lifelong learning. AI technology is constantly evolving, and retirees can benefit from staying informed and continuously updating their knowledge. Being aware of the latest advancements and applications of AI can help retirees adapt to and leverage AI-based programs. For example, AI-powered music recommendation systems can help people discover new music that they love, and AI-powered video streaming services can help find new movies and TV shows of direct interest to that person.

Having said that, retirees and pre-retirees should be aware of the potential risks and challenges associated with AI. Some risks include the possibility of system errors or biases in the AI algorithms used which, for example, could impact the accuracy of the financial advice provided. In addition, with the increasing use of AI, retirees should be mindful of their privacy and security. AI systems often rely on personal data for analysis and decision-making. Retirees should be cautious about sharing sensitive personal information and ensure they understand how their data is being used and protected by AI systems or service providers.

Here are some tips for retirees who are considering using AI tools:

- Do your research. Not all AI tools are created equal. It is important to research different tools and choose ones that are reputable and have a good track record.
- Be clear about your goals. What do you hope to achieve by using AI tools? Once you know your goals, you can choose tools that are designed to help you achieve them.
- Use AI tools in conjunction with human experts. AI tools can be a great supplement to human expertise, but they should not be used as a replacement for human advisors where there are serious concerns or impacts concerning the decision(s) being made.
- Be aware of the limitations of AI. AI tools are not perfect, and they can sometimes make mistakes. It is important to be sensitive about the advice from AI tools if there appears to be anything off-key about it. (Don't buy bitcoin just because Alexa says to do so!)

## **HOW CAN ARTIFICIAL INTELLIGENCE HELP RETIREES AND PRE-RETIRES MANAGE THEIR FINANCIAL FUTURE?**

Artificial intelligence has the potential to greatly assist retirees and pre-retirees in managing their financial future. With the advancements in technology, AI tools and platforms can provide retirees with valuable insights, personalized recommendations, and automated financial management solutions. AI can help retirees manage their financial future in a number of ways, including:

- Creating personalized retirement plans.
- Helping retirees make informed investment decisions.
- Retirement Income management.
- Reducing the costs of retirement planning (lower fees).
- Providing real-time financial insights (forecasting and planning).

One of the key benefits of AI for retirees is its ability to analyze vast amounts of data quickly and accurately. By inputting relevant information such as retirement savings, expenses, and investment goals, retirees and pre-retirees can expect to get comprehensive financial plans tailored to individual needs.

AI can even identify websites which are good candidates for the reader (e.g., Mint, Retiree Wealth Hub).

## Artificial intelligence can be a valuable tool for retirees to manage their financial future by providing various benefits and solutions:

**Financial Planning and Advice:** AI-powered financial planning platforms can help retirees create and optimize their retirement plans. These platforms consider factors like income, expenses, investment portfolios, and retirement goals to provide personalized advice.

**Investment Management:** AI-driven robo-advisors can help retirees manage their investments more effectively. They can create diversified portfolios, rebalance them as needed, and provide ongoing monitoring to ensure the investments align with the retiree's financial goals and risk tolerance.

**Risk Assessment:** AI can assess an individual's risk tolerance and offer recommendations for appropriate investment strategies. This helps retirees make informed decisions about where to allocate their assets.

**Predictive Analytics:** AI can use historical data and predictive analytics to estimate future expenses, market trends, and retirement income needs, helping retirees plan for unexpected expenses and ensure they have enough savings.

**Retirement Income Optimization:** AI can optimize the withdrawal strategy for retirees, taking into account factors like Social Security benefits, pensions, and investment income. It can help retirees make informed decisions about when to start taking retirement benefits.

**Expense Tracking and Budgeting:** AI-driven budgeting apps can help retirees track their expenses, set savings goals, and receive alerts about spending patterns. This can help retirees stay within their budget and pre-retirees save for their retirement.

**Fraud Detection:** AI can identify unusual or suspicious transactions, helping retirees protect their financial accounts from fraud and unauthorized activities.

**Financial Security:** AI can provide advanced security features for online banking and financial management, ensuring that retirees' financial data is safe from cyber threats.

**Long-Term Care Planning:** AI can assist retirees in estimating the potential costs of long-term care and provide guidance on insurance options and savings strategies to cover these expenses.

**Estate Planning:** AI can help retirees plan their estate, including creating wills, trusts, and other legal documents. It can also offer insights into tax-efficient strategies for passing on assets to heirs.

**Market Insights:** AI-powered financial news and analysis tools can provide retirees with real-time updates on market trends and economic news, enabling them to make well-informed investment decisions.

It is important to note that while AI offers valuable support for managing finances during retirement it should not replace human expertise entirely. Where possible, retirees and pre-retirees should still seek guidance from certified financial planners or advisors who can interpret the AI-generated insights within the context of their unique circumstances. By leveraging these AI tools alongside professional guidance, retirees can make better decisions about their financial future.

In addition, AI can contribute to the development of inclusive and equitable systems that cater to the needs and perspectives of historically marginalized communities. For instance, even though it is recommended that any AI-driven answer concerning financial products be run past a human advisor, this may not be an option for those with lower incomes or who otherwise worry about access to these services (including, for pre-retirees, at the workplace). AI can help here through its ability to deliver personalized financial planning and investment advice without the need for human intervention.

### **WHAT IS THE BEST ARTIFICIAL INTELLIGENCE SYSTEM FOR RETIREES AND PRE-RETIRES TO USE?**

While there isn't a specific "best" artificial intelligence system for retirees and pre-retirees, there are various AI-powered tools and platforms available that can assist them in managing their financial future. When it comes to choosing the best artificial intelligence system for retirees, there are a few factors to consider. Retirees often have unique needs and preferences, so finding an AI system that caters to those requirements is essential.

Key features include ease of use for those who are not tech-savvy, security and privacy, cost (for instance, subscription fees), the ability to customize the results, and whether customer support exists if things go south.

One popular AI system that retirees can consider is voice-activated virtual assistants such as Amazon Echo with Alexa or Google Home with Google Assistant. These devices can help with various tasks like setting reminders, checking the weather, playing music, and even making hands-free phone calls. They are user-friendly and require minimal technical knowledge to operate.

For retirees who enjoy reading or staying informed about current events, news aggregator apps powered by AI algorithms like Flipboard or SmartNews can be valuable. These apps curate personalized news feeds based on users' interests and provide a convenient way to access relevant information without overwhelming amounts of content.

The best AI system for retirees to use depends on their individual needs and preferences. It is important to note that

The choice of the best artificial intelligence system or tool for retirees depends on their specific needs and preferences. There isn't a one-size-fits-all answer, as different AI systems serve various purposes. Here are some AI systems and tools that retirees may find useful, depending on their requirements:

**Robo-Advisors:** Robo-advisors like Wealthfront, Betterment, and Vanguard Personal Advisor Services can be beneficial for retirees looking to automate investment management, as they offer diversified portfolios and low fees.

**Budgeting and Expense Tracking Apps:** Tools like Mint, YNAB (You Need A Budget), and Personal Capital can help retirees manage their expenses and stay within their budget.

**Retirement Planning Tools:** Retirement planning software such as Personal Capital, Fidelity's myPlan, and T. Rowe Price's Retirement Income Calculator can assist retirees in creating and optimizing their retirement plans.

**Voice Assistants:** Voice-activated smart speakers like Amazon's Alexa, Google Assistant, or Apple's Siri can provide convenience for retirees by helping with tasks like setting reminders, answering questions, and controlling smart home devices.

**Medication Management Apps:** AI-powered medication reminder apps like Medisafe and PillPack can help retirees manage their medication schedules.

**Caregiver Alerts:** CarePredict and Vayyar Care use sensors to monitor daily activities and alert caregivers if there are unusual changes. FallDetect monitors and alerts caregivers if there is a fall.

**Home Security and Monitoring Systems:** AI-powered security systems like Ring and Nest can enhance home security, providing peace of mind for retirees.

**AI-Powered Healthcare Tools:** AI chatbots and health monitoring devices can help retirees track their health, ask medical questions, and receive reminders for doctor appointments and medications. SeeingAI and Envision help seniors with visual impairments navigate their environment.

**Fraud Detection and Security Features:** Many banks and financial institutions use AI-based fraud detection systems to protect retirees from financial scams and unauthorized transactions.

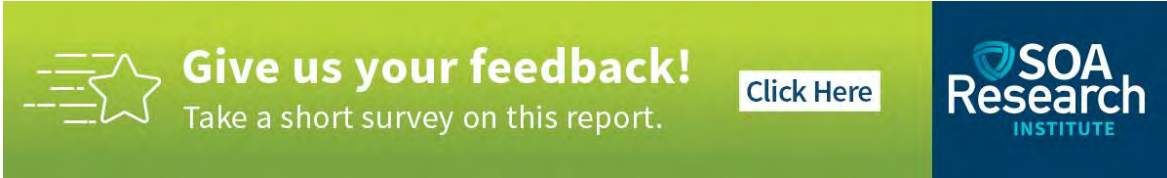
**News and Information Aggregators:** Apps like Flipboard and Feedly can curate news and information based on retirees' interests, providing them with personalized content.

**Voice-Activated Appliances:** AI is integrated into various household appliances, like smart thermostats, smart refrigerators, and smart ovens, making daily tasks easier for retirees.

all AI systems have their limitations. It is important to do your research and choose AI systems that are reputable and have a good track record. It is also important to use AI systems in conjunction with human experts, such as financial advisors and healthcare professionals.

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