



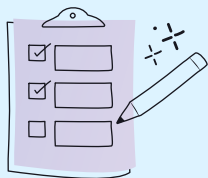
THE
**AMERICAN
COLLEGE**
OF FINANCIAL SERVICES®

PRACTICE MANAGEMENT WORKBOOK

Smart Ways to Use Artificial Intelligence (AI)

How to save time by streamlining recurring, high-volume, low-value tasks

Financial advisors who use AI effectively and ethically can save time on busy work and shift their focus to more valuable activities to support their clients.



Use this workbook to evaluate where you're spending time on tasks that AI might handle for you, so you can optimize your hours, create more balance in your workweek, and increase your clients' satisfaction—and your own.

How much time can you save?

Before getting started, imagine if you could save one hour per day on recurring tasks. The math is basic, but the concept is a big one: With just one hour per day, you could free up significant time to offer your current clients new services, pursue your own professional education and development, create new marketing and prospecting campaigns, and/or onboard new clients.

If you can save...



1 hour per day
x 252 business days per year
= 252 hours per year saved
÷ 8 hours per workday
= 31.5 workdays
... *that's nearly a month saved each year!*

Where can you start?

While there are many AI tools available today, we'll focus on the one that is perhaps most common among financial professionals: ChatGPT. What's in the name? As you'd expect, it starts with "Chat" because this AI system is built to enable human-like conversations. The second part, GPT, stands for Generative Pre-trained Transformer:

Generative — means the model can generate outputs, such as completing a sentence, writing a paragraph, or even authoring an entire article for you

Pre-trained — means it generates output based on what it has learned from the training data and your interaction

Transformer — means it uses a mechanism called "attention" to weigh the importance of different words in your prompts before generating the output

“One thing I want to make clear upfront: AI is not meant to be a replacement for you. Our paper about this topic in the Journal of Financial Planning emphasized it’s a partner that enhances your creativity and efficiency, allowing you to focus on what truly matters.”

Eric T. Ludwig, PhD, CFP®

Assistant Professor, Retirement Income

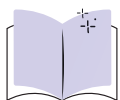
RICP® Program Director

Director, The American College Center for Retirement Income

Which activities can AI perform?

As you consider which activities you'd like to "assign" to AI for the most time savings, think about any recurring, high-volume, low-value tasks that account for an hour or more of your average workday.

In our talks with financial advisors around the country, both in-person and in virtual classrooms, we've learned some of the most common uses of AI in practice are:



Research



Client Correspondence



Meeting Summaries



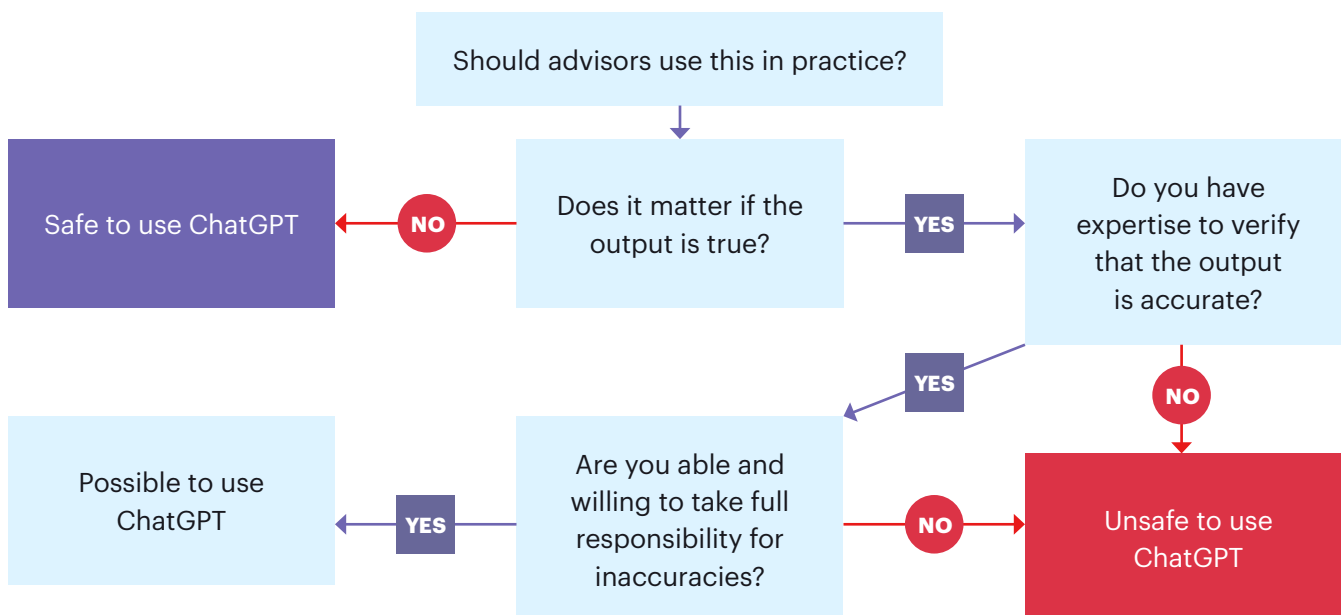
Advanced Search

“According to McKinsey estimates, [generative] AI could help the average wealth advisor reorient 20% to 30% of their time toward growth-related tasks. The biggest time savings will come in preparation for client meetings, servicing of accounts, compliance, and financial planning.”

McKinsey & Company, 2024.

You can—but should you?

When you think about the activities for which you might leverage AI, consider what level of oversight and fact-checking you can provide. Below is a decision tree to help guide you in your selection.



How do you RATE your prompts?

Once you've selected an activity for which you'd like to use AI, the next step is to practice good prompt engineering—meaning, consider the input you can supply and what you want to ask ChatGPT (or another tool) to do for you. Since it's all about saving time and offering better client service faster, remember the acronym "RATE."

RATE Structure of a prompt

As a [Role], [Ask/Assign a task] in a [Tone] for/with [Extras].

R — Role

- Define your role: "I am a..." or "you are a..." (e.g., financial planner, financial blogger, financial expert)
- Define the role of the audience: "my client is..." or "presenting to a group of..." (e.g., business owners)

A — Ask/Assign

- State the desired outcome: "explain...", "list...", "describe...", "summarize...", etc.
- Specify the type of output: "...as an outline", "...as a paragraph", "...for an email", "...for a blog", etc.
- Specify the target length: "...in 500 words or less" or "...using four paragraphs"

T — Tone

- Mirror your personality to suit your audience: "in a professional tone..." or "integrating humor..."
- Establish the framework: funny vs. serious, formal vs. casual, respectful vs. irreverent, or enthusiastic vs. matter-of-fact

E — Extras

- Integration of interactivity: "if you need additional information, please ask as you form your response"
- Committee: "answer as if you are a committee of..."
- Clear its mind: "ignore everything we have discussed up to this point"

Things to remember

- Treat AI like your know-it-all friend: trust but verify
- Garbage in, garbage out
- First draft mindset—do not just copy and paste
- AI can create content that seems like "hallucinations"
- You are the expert for your clients—be the expert

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How might this look?

Using the RATE method, below is an example of inputs you might supply to ChatGPT to generate quality outputs and make the best use of your time.

Role: You are a financial planner

Ask: You are responding to a client email which asks about diversification

Tone: This client is a newer client and is a high-net-worth lawyer. Feel free to use appropriate analogies.

Extras: I want you to make this email specific to the client based on their risk tolerance. Before you respond, ask me follow-up questions you need to know about the client's risk tolerance. Given the information you have, can you suggest a list of low-cost ETFs to fulfill the strategy? Since you know the client's risk tolerance and time horizon, you should be able to answer this question: What percent should I have in each?

What will you ask AI to do?

Complete the fields below to engineer your next prompt using the RATE method.

Activity

Research

Client correspondence

Meeting summaries

Advanced search

Other _____

Structure	Prompt
Role:	
Ask:	
Tone:	
Extras:	

What are the risks?

As you saw in the decision tree above, we would advise against using AI if you aren't able to review and verify the output or aren't willing to accept responsibility for any inaccuracies.

You may be surprised at some of the seemingly basic details AI can get wrong. An example we've seen is that, with the passage of SECURE 2.0, the required minimum distribution (RMD) beginning age is currently 73, but ChatGPT will write that it is 72 in its responses. That's why it's essential to check the work—trust, but verify.

In addition to prompt engineering, the other way to improve the output is to give generative AI tools more information—for example, to “train” ChatGPT with the quality information or body of knowledge you deem appropriate and necessary to complete the assignment (better inputs yield better outputs).

Used effectively and ethically, AI can be an amazing, time-saving tool for financial advisors. AI can't replace the applied knowledge and personalized services you offer—but it can free you up to use your skills and your time on the activities that matter most to your clients.

About the Team

This workbook is adapted from a 2024 presentation entitled AI in Action: ChatGPT for Financial Planning and the companion piece, the Financial Advisor's ChatGPT Cheat Sheet – original works by [**Chet R. Bennetts, PhD, CFP®, CLU®, ChFC®, CLF®, RICP®**](#) and [**Eric T. Ludwig, PhD, CFP®**](#). Content, including the RATE structure coined by them, is borrowed with permission and thanks to these experienced practitioners for their applied knowledge on the ethical and effective use of AI in financial planning.

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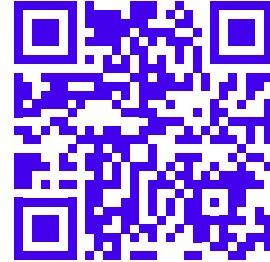
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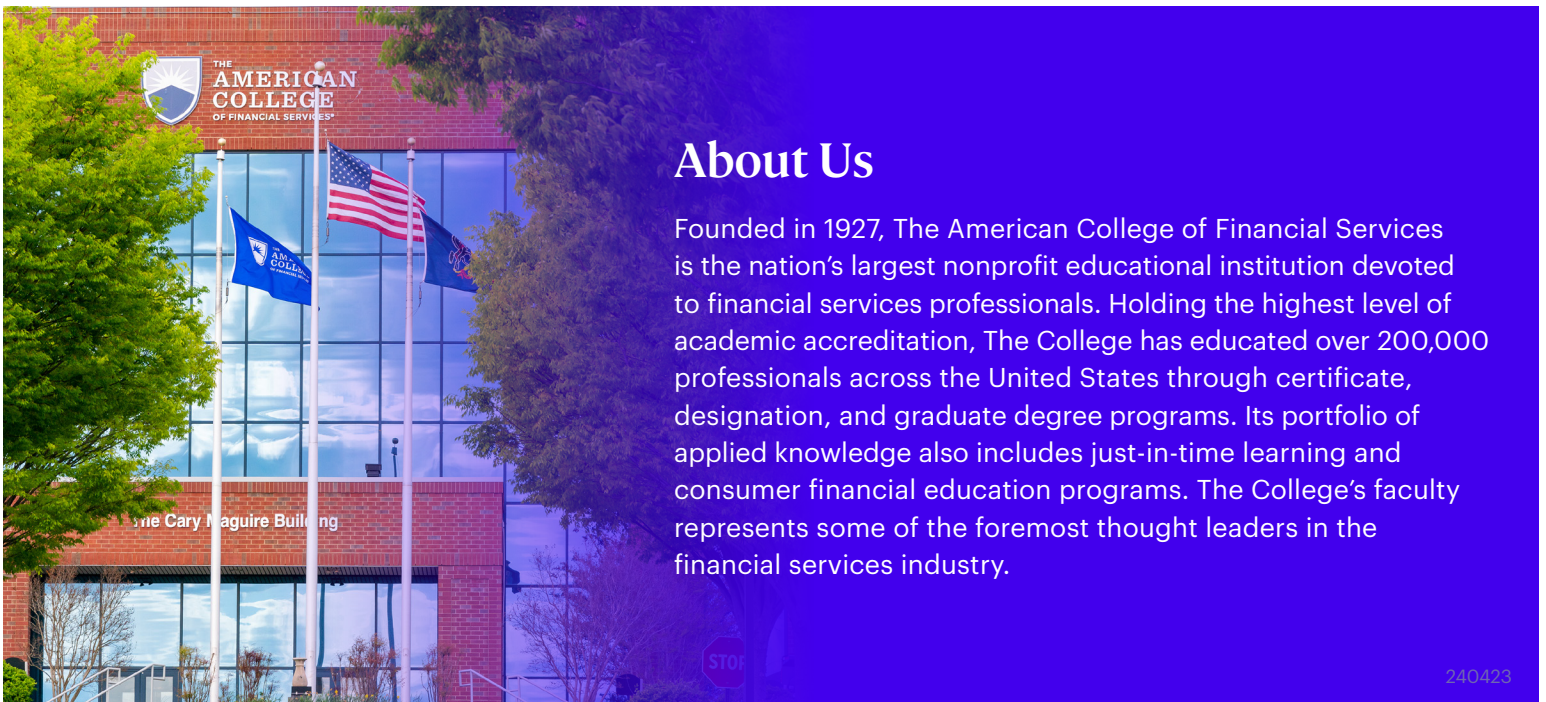


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