(Auto-generated)

Matt Robison 00:00
So who would you say is in charge these days? You want to hear my list?

Mike Morton 00:06
Yeah, let's hear your list. It

Matt Robison 00:08
goes my kids, my wife, my AI, and then me. Hey, it's Five Minute Finance. I'm Matt Robison, and that was the very informed and naturally intelligent sounds of Mike Morton, our certified financial planner. We are here to lighten the load. We're not here to optimize to the nth decimal point every last thing you do in your life. We are just trying to take things off your to-do list, and that's what we're going to do today with a human version of a tool that is invading all of our lives, artificial intelligence. We want to talk about what this does to your personal finances and to your life planning and everything that goes into that juggling act that is your life. Mike, quick, just give us the answer right up front. AI is good or bad?

Mike Morton 00:56
It's good. It's for the good man. Yeah,

Matt Robison 00:59
I mean,

Matt Robison 01:00
you've got

Matt Robison 01:00
some really intriguing stuff in here. You're going to solve the problem, basically, of like how to use AI, how not to use AI. You're even going to put your own tax return through an AI and subject yourself to the test. This is, like, this is some exciting stuff. Like, I did it. You got a lot of insights here.

Mike Morton 01:19
I did it for real. I took my tax return and took out the personal information, redacted debt, and fed it into AI. And I'm going to tell you what I learned about my own tax situation and how to improve

Matt Robison 01:35

it. All right, so what people are going to get in the rest of this episode is how to use AI, how not to use AI. What's the secret hack that makes, like, the winning formula for using AI? And then you're going to live test it on your own personal finances. Is that right?

Mike Morton 01:53
That's exactly right. You got it. I love that. We, I love that we have a hack in this one, because we usually, we don't have tips and hacks and trick, so that's good.

Matt Robison 02:02
Usually I'm the only hack, and if that is not enough, we've got our usual listener question AI themed, we've got our worth knowing AI themed, and we've got books we're reading this week, which is very much not AI themed, but super duper interesting in terms of how intelligence works, so that is a lot to get into. Shall we get into it? Wait,

Mike Morton 02:26
I got a question for you. You said I know that your wife listens to the show now and then, and you put the kids first, and then your wife, for who's in charge, would she agree with that opening statement?

Matt Robison 02:39
She would 100% agree with it.

Mike Morton 02:42
All right, so you want to start off with how to use AI. Yeah, AI is like everywhere, right? So it's AI everything. It's going to take over the universe, and everyone will be out of a job, and AI is just going to do everything. And to some extent, you know, I'm not going to here to argue with the position of, like, wow, it's really exploding quickly. I'm always reminded, and we're going to get into, you know, the pros and cons, and how use it, not use it. But what's fascinating to me, Matt, is like, we, this wasn't a conversation at all, just what three years ago, and now it's just like everywhere in everything, and so the rapid technology pace of how it's improving is fascinating. So, take today's comments with that in mind. This is a moment in time, and, and, like, here's how Matt and I are using it today, and what we recommend, but this could completely shift in 12 months or 24 months.

Matt Robison 03:38
Well, it is true. Do you, we're both old enough to remember the feeling of how did we work before the internet, and that's the feeling that I've had recently with my work, is like, how

Matt Robison 03:49
did

Matt Robison 03:49
I work when I was just doing Google searches like a caveman, like, you know, I had to think for myself, oh, perish the thought, it is, it really is a strange feeling to not have the spoon feeding the high confidence voice spoon feeding ideas into my head in a really compelling way, and it's, it's, it's weird, and kind of almost alienating to think back pre AI to how I worked, it's, it's very, very different, so you use AI, you use it in your work.

Mike Morton 04:25
Yeah, I use it all the time. In fact, I go - I still go to the Google search, or I use the search bar at the top of my browser, and but now, of course, I'm typing in like a whole sentence, you know? I've been doing that for quite a while, and then I'll just immediately click on the AI result. That's how often, like, I'm first engaging throughout the entire day, like, just one-offs, you know? I'll type in, like, something I'm looking at, you know, something I want to know. I'll type in the full sentence with a little bit of context, and then immediately go to the.. I use just the Google search, so Gemini, and just hit the AI result, and then I might have a little chat, like, either gives. The answer, so I no longer go to the website, like I no longer have to jump around to websites and read the stuff. It's like, boom, there's the answer, or I will refine the question, you know, very quickly. There

Matt Robison 05:11
are you having the Web MD effect in your work, where you know your wife's a doctor, my wife's a doctor, and when Web MD came around, you know, people would show up to their doctor's offices and say, like, well, the internet told me that I have skin failure, or whatever the condition was. Do you have people showing up with AI-supplied suggestions and saying, like, well, AI says that I should buy 4000 barrels of undiluted panther urine, is that a good financial investment, like, are you getting that kind of thing?

Mike Morton 05:42
Yeah, it's that's a great question, Matt, because that's exactly what's happening, but in a good way. So, yeah, the web and D is like the bad way, it's like, well, I've got this thing and I need, you know, I need to be treated this way. Skin

Matt Robison 05:53
failure is bad,

Mike Morton 05:54
skin failure,

Matt Robison 05:55

the leading

Matt Robison 05:55
cause of imaginary ailments,

Mike Morton 05:58
that's right. But so this is actually this is my recommendation for how best to use AI is as a research assistant is the number one tool that I feel it's really great at doing, so I do, I get people coming in and they'll know something about something, they heard it, it would have been in the past, like I read it in the newspaper, or my friend told me, you know, I should be doing backdoor Roth IRAs, or I should be using a donor-advised fund, and now they're getting that from AI, like, oh, you know, I kind of found this stuff, but it's always in a good way, because they're not going to click all the way through, or figure out, like, oh, here's exactly, you know, the solution, you know, here's the pill I need to take, you know, please describe it to me. It's more a question like, hey, I think this makes sense for my situation. How are we going to do this?

Matt Robison 06:49
Do you find that as you're using it as a research assistant, or as your clients are coming to you with, hey, you know, it's suggesting this, that the way you ask the question makes a big difference?

Mike Morton 07:02
Yeah, absolutely. The prompts make a really big difference, but here's, here's my recommendation about how to use AI when it comes to your personal finances. And then Matt, love to hear your response too. And then we'll get into how not to use it, but the way I recommend using it is for the research. Hey, I heard this concept. Go ahead and dive into it further. I heard donor advised funds - someone mentioned that to me. So now you just spend 20 minutes having a conversation with AI, like donor advised, and then you could be more specific about who you are. Oh yeah, I'm retired, and blah blah blah, you know? Or I'm super young, and I'm still trying to save for a house down payment, would a donor advised fund make sense for me? So that's what I love about AI, is that you can be more specific with your situation. Okay, so that's one recommendation I have, but let me give you another one that I have as well. So, besides researching something you might have heard, you can flip it around and say, here's my situation, what should I consider, and I find it to be very good at that as well. So, you can say, like, hey, we're in our 30s, and we're thinking about having a kid and saving for a house down payment, and we've already, you know, we save in our 401 k. Is there anything else we should be doing, you know?

Matt Robison 08:19
Right,

Mike Morton 08:19
yeah, and that kind of question. And then you'll get a nice list of, like, hey, you know, maybe check these out, and then, of course, you can dive down any of those rabbit holes

Matt Robison 08:28
that makes sense to me. That's a lot of how I use AI in different applications, not necessarily for finance, but I do tend to use it primarily as a research assistant, so you can instruct it how you want the feedback, and you can then, when you get a set of feedback or research that you like, that's in the formula, you can actually tell the AI, okay, if I want things like this, exactly the this in the future, tell me the prompts that I should give you with the constraints and parameters, etc. to generate this kind of response in the future, it'll give it, you can copy it and save it. So I've been doing that as well.

Mike Morton 09:09
That's that's a fan, that's a pro move, Matt.

Matt Robison 09:12
That's a power move, Mike, right

Mike Morton 09:13
there. No, but that one is great, and I've been doing that too. So yeah, for the listeners, if you haven't done that yet, if once you've had a chat with it, and you've gotten some output, you know, at first it's not giving you what you need, but you go back, you have the conversation, finally you get like, oh, there's the spreadsheet I was looking for, the formatting I wanted, you know, the right information, then go ahead and reverse it, and say, this is great, how, what is the prompt to use to get this format with a future set of data, let's get to how not to use AI. All right, and this one I think hopefully people will recognize, like, don't use it as a final decision maker, especially when it comes to your personal finance, of like, oh, this sounds like a great investment, thanks, Chat GPT, and press the button and invest your $100,000 Especially when it comes to tax situations, like, oh yeah, we should do a Roth conversion. Great, let me go ahead and take my 50 grand from my traditional IRA and transfer it to my Roth IRA. You might want to get a professional opinion between hearing from the AI and clicking the actual buttons, so please, you know, double check, triple check, because the AI will lie to you.

Matt Robison 10:23
Absolutely, I mean, we've all had.. we don't need to belabor it. We've all had AI hallucination experiences.

Mike Morton 10:29

The other thing about not using AI, and I like.. we were talking before the show, Matt, you're like, just be really specific about how you're going to use AI, what you're going to do, because the one thing I've been having conversations with people is AI. We think it's this great time saver. Oh my gosh, look at like how fast it can just like do these things, where I used to spend 30 minutes and now I can just in a couple of minutes like get that spreadsheet, get that result, you know, by asking it something. Now that is true, it can do those things, however, if you start thinking, how long was that conversation I had with AI? How long is that chat? That chat might take me half an hour. I mean, you know, you're kind of going back and forth, you're doing some other things, you're asking the questions, it's coming up, the format's not quite right, you ask it again. I think people really discount how much time they're spending with AI to get the result

Matt Robison 11:24
that's 100% true, and it really suggests another idea to me about how not to use AI. When you say it's not a financial advisor, don't use it as a financial advisor. I think that there's a lot embedded in that, because what you do, what we talk about on the show all the time, is you start with what makes someone tick, like what are they interested in, what like floats their boat, what do they want to accomplish with their money. We don't like our whole tagline about we're not trying to optimize every last, you know, penny in your life is because we want you to actually enjoy and not stress, and you know, deal with really great answers that aren't necessarily the best answer that would take you hours and hours more to achieve, and I think AI is particularly good at bite-sized tasks. I would never ask an AI to put together an overall strategic plan for the next 10 years, because it's subject to drift, it won't remember the context that you entered 10 minutes ago, and that 10 minutes will go by awfully fast.

Mike Morton 12:32
Yeah, that's right. Yeah, absolutely, absolutely. All right, so how do you use it? Combination, man, you know, combination using AI in the ways that it's good, and again, in your specific situation, we're talking about personal finance. There's lots of things it's great at. Quick answers, hey, you know, does this, does this apply to me? I heard this thing, should I, should I bring this up with, with somebody? Should I research this further? You know, get it, get those answers, but just be careful at the strategic level, at the high level, you know, that's where you got to bring your brain power.

Matt Robison 13:05
So, give me an example, like, how would you, let's say you're dealing with a financial question, like Roth conversion, it's an example you brought before, like, how would you use the combination of AI and human to make a decision like that, should you do a Roth conversion?

Mike Morton 13:23

Okay, so if you're considering Roth conversions, the first question is, what is a Roth conversion? So you spend a few minutes like, okay, cool, AI will tell you, be like, what it is, how it works, how does that AI, you know, yeah, AI again, how does it work? Oh, okay, I see now, you know, what are the tax implications? So, conversation with AI, where now we're like 10 minutes in. Then I would ask the question, does this apply to me? And I would be, and I would say, here's my situation, you know, I've saved this amount, I'm this old, I'm working, I'm not working, or whatever, you know, just some generic information. Then it's going to give you some really good direction. So now we're about 15 or 20 minutes, I would use AI to give me a thought that's like, hey, this, this really pertains, or maybe it's that it comes out that conversation, you know what, this doesn't make sense for you in 2026 either one, now you've got a fairly good idea, like this does make sense, or it doesn't make sense, because you don't

Matt Robison 14:17
work

Matt Robison 14:17
in hypothesis,

Mike Morton 14:18
you got a working hypothesis, then you bring that up to a financial advisor, or your tax planner, or somebody. If it's like, we're going to implement this, we're going to do 50,000 bucks, 100,000 bucks, you're going to owe 10,000 in income tax. Like, these are big decisions, you know, there's 1000s of dollars. So, you just want to run that by somebody and not trust the computer at that last moment. I would think

Matt Robison 14:40
so. This is like what you were saying before, the good version of WebMD. It's like not the dark version of like skin failure. It's here is a testable hypothesis that I want to run by you.

Mike Morton 14:51
Yep, exactly. Yeah, yeah, exactly. And I love both of those. Either, if you've got an idea, this is how we started the show. Either I've got an idea that's something that. Someone told me, or I saw in the headline, go ahead and research that specific idea, or the other way around. I'm just kind of brainstorming. I just paid a lot in tax, you know. What can I be doing? Here's my situation, you know. Use a couple of paragraphs to describe yourself and say, what should I pay attention to, or what are ways I could save in income tax, so you can use it for the strategic thinking, just to give you the direction, like, oh, this might make sense based on your 45 years old, and you're kind of like this, here's an idea for you, and so I think both of those are great tools for just get gathering information,

Matt Robison 15:38
all right, so can you wrap all that into a five minute task for people,

Mike Morton 15:41
five minute tasks. Yeah, I would do that. I would do the last one. I would just say, you know, pull up your favorite AI in five minutes. You can write down a couple of sentences about yourself and your income, your side hustle, your kids, your college, your retirement, you know, whatever situation you're in, and see what it comes up with. See what Andy says, you know, you should pay attention to.

Matt Robison 16:09
I want to give a tip, and then I want to get to the thing that we teased at the top. Okay, a tip. This is from a professor friend of mine who actually teaches on AI and policy, who cautions be very careful about giving personal information to AI, so you may want to make sure to anonymize.

Mike Morton 16:33
So I took my tax return, I didn't have yet have my 2025 one, so I did 2024 I took my full tax return, federal tax return anonymized it, which honestly was more than a five minute task. Matt, I'm pretty fast with like clicking buttons and moving stuff. It took me about 15 minutes to go through, because every single page has your personal information on it, so I had to redact on every single page, and then I took that and I put it into Google Gemini, and I wrote how I read you the prompt. Here we go. Here is my 2024 tax return. Please let me know all the possible opportunities for saving more in tax, or strategies I should implement this year to pay less tax.

Matt Robison 17:18
That's a really good prompt. All right, I'm on tenor hooks. If people want more suspense than they've currently got, just hit pause and come back in. The rest of us go tell us what

Mike Morton 17:30
happened. All right, gave me about six things. I'm not going to go through all of them. About half of them were pretty decent, like things that I look out for, such as backdoor Roth IRAs. It brought that up. Hey, you should look at doing a backdoor Roth IRA. It noticed we had some side business business income, you know. So the business income was like, oh, you could have a 401 k, a solo 401 k, and put money in there to reduce your taxes. So that was pretty good. It noticed HSAs, so I always do this again. I go through tax returns, I look at the HSA. How much did you contribute? Is there more room like to maximize your contributions? It noticed that as well. Couple other bits and pieces, but the one thing that stood out to me, Matt, it found the opportunity zone. So I am an investor in a opportunity zone fund, which we've talked about on the show in the past, not for a while,

Matt Robison 18:26
have we, though?

Mike Morton 18:27
Have we? It might have been a while ago,

Matt Robison 18:30
long time ago.

Mike Morton 18:31
Opportunity zone fund, and there are certain rules in 2026 that are kicking in, and so the AI reminded me, and I had forgotten that they were kicking in this year, and so it was right up front. It was like, hey, you know, you got this thing happening, you're gonna owe some tax in 2026 and it really found something that I had forgotten about.

Matt Robison 18:50
All right, great conversation on AI. Anything else

Mike Morton 18:54
that's good, man. Let's move on. Let's get out of this AI.

Matt Robison 18:58
All right, let's go to our listener question, and we are out of AI, and it's about, oh, damn it, it's about AI. Okay, here we go. This week's listener question is, lately I feel like every financial app I use is adding some kind of AI feature, budgeting, investing, even tax suggestions. How do I know what to trust?

Mike Morton 19:20
Yeah, what to trust is tough. I think in this case we'll go pretty quick on this. It's been - we've talked about AI a lot, and we're going to talk about it again coming up here in the Worth Knowing - how it lies to us all the time. So, you do need to be careful on what to trust, and that's what we've talked about this episode. I would say, as the features, a lot of products are getting AI features built into them, and I think that's a fantastic way of using it as well, because you're sort of more reliant on that company. So, say it's a budgeting app from like Monarch or Quicken or something like that that you're using for budgeting, and they're starting to build more AI tools into the app then. They're kind of responsible, quote unquote, to make sure some of those features are getting implemented in a way that's going to be truthful and make sense, and so that's where I think kind of relying on the app is better, right? And just, and like anything, you're still relying on that app to show you data, you're double checking it, you're, you know, does it look accurate, that kind of stuff. So when it's getting built into apps, I would have sort of less concern, of course,

there's security concerns on like what you're feeding the app itself, like always, so you want to be careful of that. But using AI built into apps, I think I have a little more confidence than just straight up opening Claude and just starting to ask questions.

Matt Robison 20:37
That's awesome, I appreciate that answer, and if you want to get answers like that to your questions, you can email Pod at Morton fa.com or you can ask some AI to write it for you, and it's going to say, well, that's a power move. All right, let's get on to our worth knowing. All right, this week's worth knowing. Let's take a break from AI, and oh gosh darn it, it's AI against right, what the hell did some AI come up with this? It's like

Mike Morton 21:03
this. This was fascinating, because we've all had the experience of AI just, you know, hallucinating and feeding you some garbage, or just like not quite understanding your question. But this really hit home. So, my producer, the producer of this show, helps put it together, was researching topics for shows, and asked one of the AI's, like, "Hey, I'm looking for some articles from the Wall Street Journal about this topic, and it was like, "Great, here's here's a summary of some articles. Oh, that's really cool. Tell me a little bit more about the articles, and you know what they're, what they're talking about, and kind of the slant for the podcast, etc. She went back and forth a couple of times. The first prop was clearly, give me stuff from the Wall Street Journal, and then she asked a couple more questions about those articles, right? And so then finally she was like, give me the headlines, what do the headlines say? Great, tell me some more about the articles. Then finally she was like, cool, give me the links to the Wall Street Journal articles that we've been talking about, and it came back and said, "Oh, I'm sorry, I just made all that up. There were, there were no articles. It had literally made up, you know, four or five articles with headlines with content, but they didn't actually exist as Wall Street Journal articles.

Matt Robison 22:23
I'll just quickly tell you that I know it would be more satisfying if I reacted by saying, but I can't, because this has happened to me a lot. I do a lot of research for my writing, and I've gotten to the point where I have to specifically tell the AI tools, if you're going to give me a quote, I want you to give me a specific quote, show me where it is. As every prompt for every research task that I ask for, I say, show me your specific source link, and you know, even then I will go down that same drill down process that your producer did, and I'll discover, well, this quote doesn't actually appear as I gave it to you, it was a paraphrase

Mike Morton 23:13
again. Just be very careful with your with what you're getting, but also your prompts, like you just said, Matt, you have to, you know, reiterate so many times, like, give me an exact quote, you

know, show me an exact link, so if that's important to you, if you're doing something at that level, then you've got to be very particular with these prompts.

Matt Robison 23:30
All right, with that, should we get to some books?

Mike Morton 23:33
Let's do it.

Matt Robison 23:34
All right, well, this one, I know I've been teasing the idea that, you know, like, this is all about AI, but as a palate cleanser, it just so happens that I've been reading an actual book, rereading as it happens, about the human brain, how the mind works, how it makes mistakes. I've been rereading The Undoing Project by Michael Lewis about Amos Tversky and Daniel Kahneman, the two Israeli psychologists who invented the field of behavioral economics, and their insight, their fundamental insight, that human brains work via a series of rules of thumb, cognitive biases, and rules of approximation that lead us to make systematic errors in the ways we think about the world. They're not necessarily signs that our thinking is broken, that humans are dumb. It's rather that for selective adaptations reasons, as we evolved, the brain came up with all kinds of ways to think fast and adapt and make decisions when it was very hard to make decisions about a future of uncertainty.

Mike Morton 24:41
When was this book? I know Michael Lewis, I love his reign, so I definitely got to check it out. Was this a more recent book, Matt, or

Matt Robison 24:48
about

Matt Robison 24:48
10 years ago? And if you want to pair it with Daniel Kahneman's own book, Thinking Fast and Slow,

Mike Morton 24:55
yeah,

Matt Robison 24:56
that would be a power move.

Mike Morton 24:58

Is that from Matt GPT? See,

Matt Robison 25:00
that is from Matt GPT, and speaking of that GPT, we are going to draw this session to a close, because I'm beginning to hallucinate. So, on that, for Mike, I'm Matt. We'll see you next time.

Mike Morton 25:12
Thanks, Matt. Thanks for joining us on Five Minute Finance. If you like what you heard, please subscribe to and rate the podcast. It makes a huge difference for my show. You want more, find Morton FA on Substack. If you have a comment or question, please email pod at Morton fa.com Until next time, thanks for tuning in. This recording is for informational purposes only and should not be considered for investment advice. Opinions expressed are as of the date of recording. Such opinions are subject to change. I cannot guarantee the accuracy or completeness of the data presented here.