



Keeping a Human Touch in a High-Tech Financial World

No matter the platform, website, or time of day, I feel like **I'm constantly being served an inordinate number of ads for the "next big thing" in AI**. In the financial industry, especially, it seems that everyone is rushing to create AI-generated or AI-powered financial education tools. It's mentally exhausting to figuratively separate the wheat from the chaff.

In no way am I opposed to the "next big thing", **but I disagree with the urgency**. When it comes to anything financial, especially for the next generation, it's imperative to put more emphasis on "getting it right" instead of "getting it out there first".

Sure, even basic automation—simple rules, scheduled trades, or algorithm-based alerts—can help avoid the emotional traps that derail so many financial decisions. By enforcing discipline, it smooths out the spikes in behavior that lead to inconsistent results. A Fidelity study (possibly apocryphal) found that the best investors were "either dead or inactive". The sentiment rings true, even if the existence of such a study is unverifiable.

Here's the catch: **automation is still built by humans**. If the rules that guide it don't account for our own blind spots, we're just baking those flaws into the system. Behavioral finance research clearly shows that patterns like loss aversion, overconfidence, and herd mentality are deeply ingrained. Machines can execute flawlessly, but if they're executing the wrong strategy, they'll just get us to the wrong outcome faster. MIT doctoral candidate, Michelle Vaccaro, stresses that many organizations struggle with understanding when humans alone, AI alone, or the combination of the two will be most effective, because they tend to overestimate the effectiveness of the systems they have in place.^[1]

It all reminds me too much of W. Somerset Maugham's short fable "An Appointment in Samarra", which tells the story of a servant in Baghdad who believes he has been threatened by Death in the marketplace and flees to Samarra to escape his fate. Death, however, reveals that the encounter was merely a surprised recognition, as she (Death) had an appointment with the servant in Samarra that very night. Succinctly: it doesn't make sense to rush if **you're headed in the wrong direction**.

For the past several months, I've been developing a platform for presenting financial topics to our next-gen clients at ArchBridge Family Office in a way that combines the best of AI with human interaction—human-in-the-loop (#HITL) learning, if you will. The goal is to provide a resource that mirrors what we help our clients understand in person. I'm not worried in the slightest that it will replace the one-on-one human interactions that our families appreciate, but I'm purposely holding back from releasing it because the market is absolutely flooded with tools that promise way more than they deliver. **Too many of them ignore the importance of cognitive development in lesson creation and delivery**, and nearly all are slapdash affairs: in their rush to be "first," they sacrifice accuracy, relevance, and long-term value.

Timing matters, but so does prudence and experience. A teenager's ability to evaluate risk and think long-term is still developing, and introducing financial ideas in ways that match their stage of cognitive

growth builds a foundation for better decisions later, whether they're investing, budgeting, or simply learning to manage their own money.

I'm an avid proponent of AI as a companion to human ingenuity. It's already organically forced teachers and curriculum designers to become more creative. Undoubtedly, it will revolutionize the way we cure diseases and utilize resources more effectively, and the future of finance will **absolutely** involve smarter tools. But the investors and families who thrive won't be the ones with the flashiest app or most hands-free option. **They'll be the ones who understand themselves, their goals, and the principles behind the tools they use.**

Automation can help us act consistently, but it can't tell us what matters most, why we make the decisions we do, and how to correlate those with each other. That will always require a human touch, human compassion, and, thankfully, the human interactions that keep me thrilled about what I do every day.

[1] Vaccaro, M., Almaatouq, A. & Malone, T. When combinations of humans and AI are useful: A systematic review and meta-analysis. *Nat Hum Behav* **8**, 2293-2303 (2024).
<https://doi.org/10.1038/s41562-024-02024-1>



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