Exploring the Impact of Artificial Intelligence on Personal Finance: Applications, Benefits, and Challenges

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Abstract

Artificial intelligence (AI) is revolutionizing personal finance by automating and optimizing various financial activities. This paper explores the applications of AI in personal finance, focusing on saving, buying, lending, and payments. The objective is to provide a comprehensive overview of how AI technologies such as robo-advisors, algorithmic trading, e-commerce personalization, and online lending platforms are transforming financial services. The methodology involves a literature review of academic sources, industry reports, and case studies to gather insights into the current state and future potential of AI in personal finance. The findings indicate that AI enhances efficiency, security, and personalization in financial services, leading to improved user experiences and operational efficiencies. However, the adoption of AI also presents challenges, including high implementation costs, ethical concerns, and potential job displacement. The paper concludes that while AI offers significant benefits, it is crucial for organizations to address these challenges to ensure sustainable and ethical AI integration in personal finance.

Keywords

Artificial Intelligence, Personal Finance, Robo-Advisors, Algorithmic Trading, E-Commerce, Online Lending, UPI, E-Wallets