

## Can a Digital Assistant Really Help Improve Your Finances?

The New York Times recently [summarized](#) the emerging technologies that hope to revolutionize how you do your finances. And by “revolutionize,” I really mean, “No longer have to worry about them at all.” According to the publication, these are apps that should manage your bills, find the best insurance for you, prepare your taxes, and make it so you don’t have to think about your finances any more than you think about how food gets from the farm to your table.

It is, of course, an appealing vision of the future for anyone who learned to hate balancing a checkbook or falls into a funk for three days after paying the monthly bills.

The founder of one of these ambitious personal financial assistants, Ethan Bloch seems to think the only thing standing between us and financial health is our own human inability to do what is good for us. “If you want people to have financial health,” the Times quotes him as saying, “you need to do it for them.”

Does this mean a pleasant-voiced, tireless, and insightful computer program is the answer to The New Middle Class’ financial instability?

History would actually suggest that the credit-constrained are the very people that might be left out in the cold in this situation.

There are several complex questions to consider when exploring how an automated financial assistant will actually work, including:

- Does an automated financial assistant only work for people with clean finances and enough slack in their income to be flexible?
- What does an automated assistant do if there are two bills due and you don’t have the money to pay both?
- Will the assistant eventually be able to make the judgment to pay the bill with the higher late payment penalty.
- What if the bill with the higher late payment penalty doesn’t report to the credit bureaus?
- What if the other bill is to a company that will incessantly call you at work?
- Will your assistant automatically pay your electric bill thereby draining your account even though you are out of diapers and baby formula with two days before your next payday?

...and down the rabbit hole we go. It could get even worse for The New Middle Class, though.

It is possible that the credit-constrained never even hear about beneficial financial services like these because companies cherry-pick the customers they want to use the assistant. It might end up being more of the “if you’ve got the means, your life gets even easier; and, if you don’t have the means, your life gets even harder.”

Admittedly, these assistants have a long way to go before they work for the prime customer, so this may be much ado about nothing. Or, maybe the benefits will trickle down to the nonprime customer. On the other hand, it might be better for the nonprime customers' needs to be considered upfront, rather than as an afterthought, if at all.