Friends and Machines: The Value of Management Access in the Age of Artificial Intelligence

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Abstract

As Generative AI significantly enhances access to and processing of public information, it remains unclear whether private communication through management access continues to offer informational value. We examine this question by leveraging the public release of ChatGPT as an exogenous shock to AI availability for Wall Street analysts during the immediate post-earnings period, when timely information processing is critical to issuing next-quarter forecasts. Analysts with executive connections through school ties issue more accurate earnings forecasts after AI adoption compared to their unconnected counterparts. This effect disappears during unexpected ChatGPT outages and is stronger among analysts more inclined to use AI. Further analyses suggest that AI helps connected analysts better utilize direct communication with executives and mitigate limited attention during concurrent earnings announcements. Our findings highlight the nuanced interplay between men and machines, showing that private communication remains a valuable and increasingly complementary information channel in the age of advanced AI.