

Working Paper Highlights



1. AI already has a considerable presence in the social and education sectors. 48% of funders and 66% of nonprofit respondents claim their organization utilizes some type of AI. Given that nonprofits rely on funders for capital, differences in levels of use could impede AI experimentation in the social and education sectors.



2. 78% of funders and 77% of nonprofits believe their organization would benefit from using more AI (specifically in mission-related work). This creates an opportunity gap for nonprofits of 14% for traditional AI and 22% for generative AI; for grantmakers, the gap is even larger—26% and 39%, respectively.



3. Education nonprofits use AI significantly more than other nonprofits. This could be due to the substantial investment in education technology companies that has shaped the field of education and the availability of data.



4. While most respondents state they use AI in their work, many do not have an organizational policy guiding AI usage (78% of nonprofits and 72% of funders), which introduces risks such as exposing sensitive data or limiting use and experimentation within the organization. This is especially concerning as both nonprofits and funders have access to community-level data collected for management and outcome tracking and reporting.



5. About 80% of respondents who use AI deploy it for supportive work (finance, human resources, technology, communications, etc.), but only about **60% deploy AI for mission-related work** (working with clients, implementing programs, or making grants).



6. Bias in AI systems is the most cited barrier to AI adoption, followed by challenges in envisioning how AI can be used and a lack of expertise inside the organization. **Nonprofits have a particular concern about the cost of AI technology.**



7. Most grantmaker respondents do not have a specific technology grantmaking priority and do not plan to create one in the next year. Instead, funding that goes toward technology is channeled through other priority funding areas.

Inspiring Action

AI adoption is a massive shift for the social and education sectors; pooled resources, aligned collective action, and shared learning will ensure that this technology does not benefit only the early adopters or most networked or best resourced organizations. A first step in shifting the status quo is to create a shared learning agenda and mobilize funds that fuel research, education activities, and convenings. Based on the survey findings, we recommend six action areas for the social and education sectors to consider:



1. Invest in the development of unified, cost-effective, and scalable upskilling resources for grantees and grantmakers with a focus on AI to support mission attainment. Academic institutions, job training platforms, and technical assistance providers could be powerful partners to create these materials.



2. Enable deep collaboration and experimentation between nonprofits, AI researchers, and AI developers. This will surface the needs and wants of the social and education sectors early in the AI research and design process, ensuring equity is a core principle.



3. Surface and invest in the creation and dissemination of case studies and stories of early adopters to study progress and share insights and findings. These resources will help nonprofits prioritize where to start their AI journey, accelerating learning and use. The education sector, which is ahead in its adoption of AI, is a fertile ground for best practices.



4. When funding AI adoption, think about the systemic barriers that affect the field (e.g., infrastructure, compute, data, upskilling) and might not be apparent within program funding areas.



5. Become engaged buyers of AI tools by learning how bias manifests in models and working collaboratively across grantmakers and nonprofits to define the minimum threshold required of technology companies to address bias in their products. Collective action would lessen the burden on any single entity having to define what is good enough.



6. Review and amend grantmaker and nonprofit operating policies to address AI-related risks and provide staff and stakeholders with training as a continuous activity; topics could include equitable AI use, data security audits, policy reviews, and sharing of recent technological developments.