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Artificial Intelligence: The Good, the Bad, and Its Impact on the Charity Sector

Introduction

Artificial Intelligence (AI) has become a transformative force across various industries, including the charity sector. Its potential to enhance operations, outreach, and overall impact is immense. However, integrating AI also presents ethical considerations and challenges that organisations must address. This article explores the positive and negative aspects of AI, showcases how charities are leveraging this technology, and examines the policies they have developed to ensure ethical use.

The Good: Benefits of AI in the Charity Sector

1. Operational Efficiency

AI automates routine tasks, allowing organisations to allocate resources more effectively. For charities, this means streamlining administrative processes such as data entry, donor management, and financial reporting. By reducing manual workloads, staff can focus on strategic initiatives and direct service delivery. Examples include AI chatbots like Emma by Charitable or [Donorbox's automated donor engagement tools](#).

2. Enhanced Fundraising

AI-driven analytics can identify patterns in donor behaviour, enabling personalised engagement strategies. Predictive modelling helps in forecasting donation trends, allowing charities to tailor campaigns that resonate with specific donor segments, thereby increasing fundraising effectiveness. For example, AI-driven CRM systems like [Salesforce Nonprofit Cloud](#) use machine learning to segment donors and tailor communications, ensuring that each donor receives relevant and timely information. This approach helps build stronger relationships and encourages continued support.

3. Improved Service Delivery

AI-powered tools can analyse vast amounts of data to identify community needs, optimise resource allocation, and measure program outcomes. For instance, automated reporting tools can assist in predicting areas that may require urgent assistance, enabling proactive intervention. Platforms like [Social Solutions](#) and [ImpactMatters](#) utilise AI to collect and analyse data on program outcomes, providing clear and comprehensive reports that demonstrate the effectiveness of charitable initiatives.

4. Volunteer Management

Matching volunteers with suitable opportunities becomes more efficient with AI. By analysing skills, preferences, and availability, AI systems can ensure volunteers are engaged in roles where they can be most effective, enhancing volunteer satisfaction and retention.

5. Accessibility

AI technologies, such as natural language processing and computer vision, can improve accessibility for individuals with disabilities. Charities can utilise AI to develop applications that convert text to speech, provide image descriptions, or translate sign language, making services more inclusive.

The Bad: Challenges and Ethical Concerns

1. Bias and Discrimination

AI systems trained on biased data can perpetuate existing inequalities. If not carefully managed, AI could lead to discriminatory practices, particularly affecting marginalised communities that charities aim to support.

2. Privacy Issues

The use of AI often involves processing large datasets, which may include sensitive personal information. Without strong data protection measures, there is a risk of unauthorised access or misuse of this information, compromising the privacy of beneficiaries and donors.

3. Transparency and Accountability

AI decision-making processes can be opaque, making it difficult to understand how conclusions are reached. This lack of transparency can lead to mistrust among stakeholders and challenges in holding organisations accountable for AI-driven decisions.

4. Dependence on Technology

Over-reliance on AI may result in reduced human oversight, leading to potential errors or ethical oversights. It's crucial to maintain a balance where AI supports human judgment rather than replacing it entirely.

5. Resource Disparities

Implementing AI requires significant investment in technology and expertise. Smaller charities may struggle to adopt AI, potentially widening the gap between large and small organisations in terms of efficiency and impact.

AI in the Charity Sector: Practical Applications

- **UNICEF's Magic Box:**

UNICEF has developed an AI-powered platform called [Magic Box](#), which analyses data from multiple sources to anticipate and respond to humanitarian crises. By harnessing AI, UNICEF can detect emerging health threats, monitor disease outbreaks, and efficiently allocate resources to areas in need.

- **Charity: Water's Predictive Maintenance:**
[Charity Water](#) uses AI to predict and prevent water pump failures in remote communities. By analysing data from sensors installed on the pumps, AI algorithms detect early signs of malfunctions and notify maintenance teams, ensuring continuous access to clean water.
- **The Red Cross's Disaster Response:**
The [Red Cross](#) integrates AI to strengthen its disaster response strategies. Machine learning models predict the impact of natural disasters, enabling the organisation to allocate resources efficiently. AI helps the Red Cross optimize its logistics, ensuring that aid reaches affected areas swiftly and efficiently.

Ethical Policies and Frameworks in AI Adoption

To address the ethical challenges associated with AI, organisations, including those in the charity sector, have developed various policies and frameworks:

- **Google**
[Google](#) has updated its AI principles, which guide the ethical development and application of its AI technologies. The revised guidelines emphasize human oversight and social responsibility, aligning AI development with human rights and international laws while mitigating unintended harm. This update reflects Google's commitment to adapting its AI ethics framework in response to evolving standards and geopolitical considerations.
- **Charity AI Governance and Ethics Framework**
[Charity Excellence](#) provides a comprehensive AI Governance and Ethics Framework tailored for charities. This framework assists organisations in creating AI governance structures or policies and embedding relevant aspects into existing procedures, such as data protection and ethical fundraising.
- **Responsible AI Adoption in Philanthropy**
[The Technology Association of Grantmakers](#) (TAG) and Project Evident have partnered to produce a framework guiding grantmakers in the ethical, technical, and organisational aspects of AI adoption. This resource addresses the need for practical support in navigating AI's complexities within philanthropy.

Extra Resources

The Beginner's Guild to AI for Non-profits - <https://www.daxko.com/insights/the-beginners-guide-to-ai-for-nonprofits>