SHAPING THE FUTURE OF FUNDRAISING WITH AI

Chartered Institute of Fundraising

UNIVERSITY of York

CONTENTS

FOREWORD

April 2025

Dr Marta Herrero
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In a rapidly changing world where AI (artificial intelligence) technologies are constantly evolving and made increasingly available, the findings presented in this report give unique insights into fundraisers' perceptions and uses of AI, the opportunities it offers, as well as its challenges and barriers it presents to use and adoption.

A key theme in the report is a lack of trust, and as a response to it the exercise of self-regulation amongst fundraising professionals; some fundraisers do not know how to use AI and how it can help them; others do not necessarily trust commercial suppliers to provide them with unbiased advice and support; and finally, a majority of fundraisers lack regulations and guidelines they can follow and trust.

Shaping the Future of Fundraising with AI is a collaboration between the Chartered Institute of Fundraising (CIoF), the University of York's Research Centre for Digital Innovation in Philanthropy and Fundraising, and Durham University. This is the second collaboration of its kind. In 2021, the CIoF published ***Dealing with the Crisis. Creativity and Resilience of Arts and Cultural Fundraisers during Covid-19***, a report led by Dr Herrero (then at the University of Sheffield) with the CIoF's Cultural Sector Network, outlining the resilience and innovation fundraisers demonstrated when dealing with the consequences of the Covid pandemic on the sector.

The findings below are the result of a mixed methods approach, including a survey and interviews with fundraisers. They are representative of a professional sector in a state of flux, characterised by a mixture of positive anticipation in the growth of opportunities, coupled with fear, anxiety and a lack of understanding of what AI technologies can actually do to support the daily work of fundraisers.

PREFACE

Ceri Edwards
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In an era where technological advancements are reshaping everything we do, the charity sector stands at the cusp of a huge journey of change. This report, ***Shaping the Future of Fundraising with AI***, delves into the evolving landscape of AI and its profound impact on fundraising practices. As AI technologies become increasingly accessible, they offer unparalleled opportunities for efficiency, personalisation, and strategic insights. However, they also present challenges that need careful navigation.

A recurring theme in the report is the lack of trust and understanding surrounding AI. Fundraisers express concerns about ethical implications, data privacy, and the reliability of AI tools. The report underscores the need for self-regulation, charity-specific guidelines, and robust training programmes to foster responsible AI adoption.

As you explore the insights and recommendations presented, we hope this report serves as a valuable resource for fundraisers, charity leaders, and policymakers. It aims to equip you with the knowledge to harness AI's potential while safeguarding the integrity and values of your organisation.

Together, we can shape a future where AI enhances the impact of fundraising efforts, driving positive change in our communities.
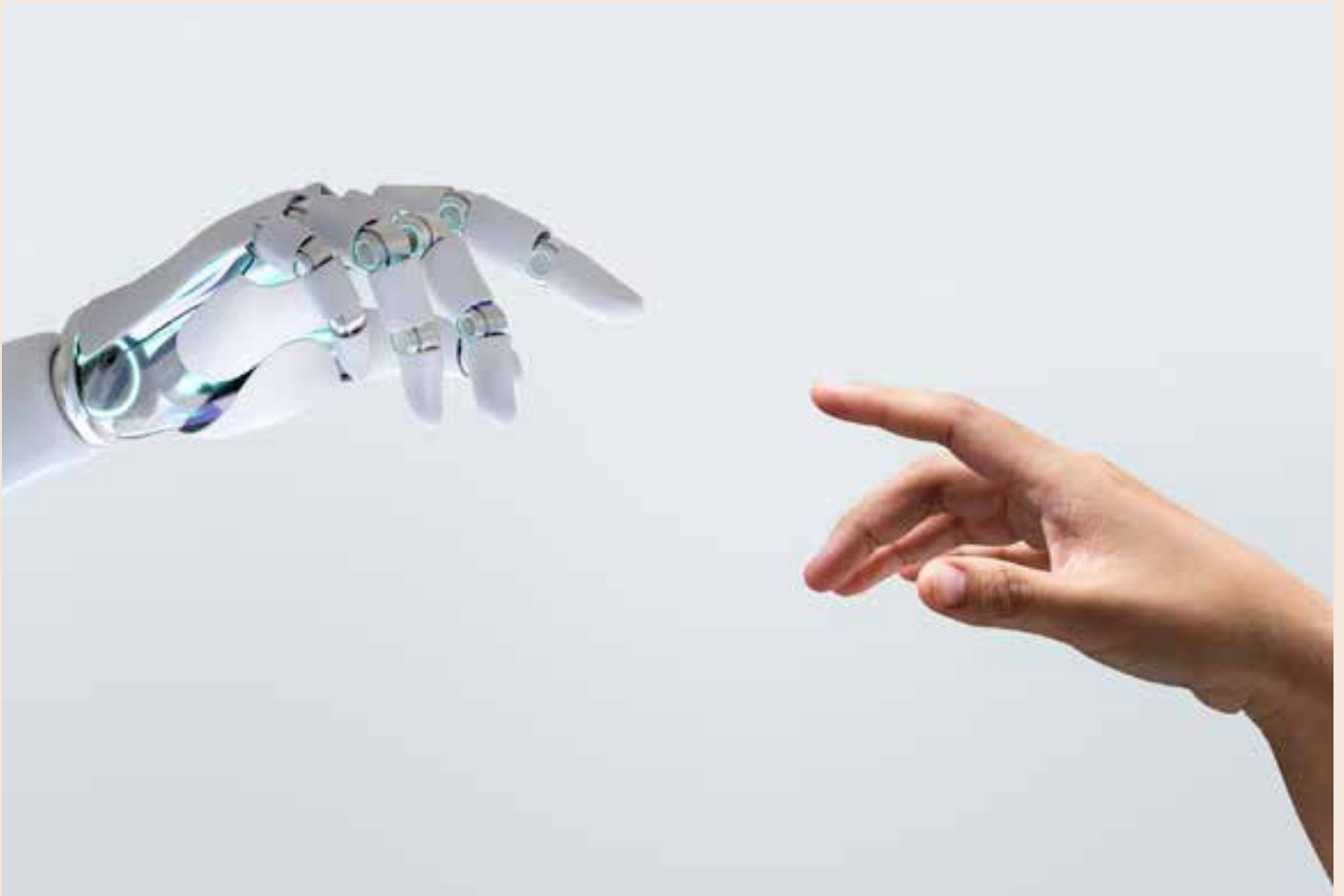
INTRODUCTION

In this report, we explore the opportunities and challenges fundraisers face when thinking about and/or using AI-driven technologies, how known issues and risks (e.g. amplification of harmful biases) manifest in the context of fundraising, and the role that guidelines and regulations must play in a highly unregulated sector.

AI-driven technologies are offering novel and even more compelling possibilities for nonprofit fundraising than pre-AI digital tools: data science applications provide a deeper understanding of audiences and donors, and generative methods can create highly personalised and persuasive communications. But the realisation of potential positive impacts for an AI-powered fundraising sector requires understanding and developing approaches that support responsible adoption of new technologies.

Complex issues such as the responsible handling of donor data, legal and regulatory compliance, and the implications of microtargeting can be difficult for the sector to navigate. There is a real need to develop more transparent and consistent AI-powered fundraising approaches cognisant of the human rights implications of emergent technologies and data-driven processes.

The report is intended as a first point of call in the journey towards implementation and safe use of AI for fundraising in the nonprofit sector.

The findings and conclusions will provide fundraisers, those in management and leadership roles, charity trustees and others in the sector with a degree of reassurance that, whilst open to this new wave of change in fundraising practice, most, whether using the tools or not, are cognisant of the need to adapt and adopt AI responsibly.

Trust and transparency are critical to building successful, long term relationships and it is clear from the research findings that the perceived lack of trusted sources of training, the absence of best practice case studies, and of sector guidance are key barriers to individuals and organisations adopting these new technologies.

Whilst it is tempting to harness the power of AI and digital innovations (many of which are free to use) in order to fundraise more efficiently, using them effectively will require investment. Fundraising leaders need to evaluate where in the development of their fundraising practice AI can make the greatest impact and add the greatest value for their donors and their beneficiaries.

EXECUTIVE SUMMARY

Key research findings at a glance

1 **Almost half of the respondents (47%) use AI for fundraising purposes,** with 53% replying they do not use AI. Even though this may initially seem that AI is making significant inroads into the everyday work practices of fundraising professionals, the sector's outlook is more nuanced and complex.

2 **Over three quarters of respondents (78%) see AI as an opportunity to be more efficient and reduce costs.** This was followed by 76% citing using it to communicate more efficiently, while understanding audiences better was chosen by over half of the respondents (62%). The use of Chat GPT to liaise with supporters was the least mentioned opportunity (9%).

3 **Only 11% of charities who use AI for fundraising purposes spend over £10,000 a year on it**, and the majority (37%) spend under £1,000. However, a significant number of respondents who use AI (31%) don't know how much money their organisation spends. Larger charities (those with more than 25 fundraising staff) that use AI tend to spend more money on AI than smaller charities (those with fewer than 10 fundraising staff).

4 **76% of all respondents feel they lack knowledge about AI, with only a 1% difference in people who do (76%) and don't (75%) use AI.** 78% of those who don't use AI reported a lack of practical AI skills within their organisation, although this figure fell slightly, to 67%, for those respondents who use AI for fundraising, it is nevertheless high.

5 **Overwhelmingly, ethical concerns** – which in our survey included cybersecurity risks, privacy and data breaches – **are the highest reported barrier when using AI for fundraising**. There is very slight variation between those who use AI (84%), compared to those respondents who do not use AI (73%).

6 **Only 4% of respondents report being 'very familiar' with regulation policies around the use of AI** (rising to just 9% of those who already use AI), whilst 90% are unaware of any sector specific guidelines to support fundraisers.

Interviewees reported nervousness that, if used naively, AI can do real damage, but equally there is real desire and ambition to make fundraising tasks more efficient:

"

I feel like there is so much opportunity. But how you sort the wheat from the chaff, and how you find where are the things that can truly save you time, and how you embed like almost cultural change to ways of working? … And how would I need to change and upskill my team? I don't know any of that stuff. So I think we're taking bits at a time, trying little, almost pilots, I guess, at this stage. But I feel like we're miles behind. And I'm sure there are others who are far further ahead, and we could learn from. **"**

– Interviewee F3

PURPOSE AND METHODOLOGY OF THE SURVEY AND INTERVIEWS

1

Focusing on the use of AI amongst the fundraising profession, our research intends to:

- **Understand the extent** to which fundraisers use AI and for what purposes

- **Map out the challenges and opportunities** AI poses to fundraisers

- **Identify the barriers** and concerns impeding current and future uses of AI

- **Gather actionable intelligence** for nonprofits and other stakeholders seeking to leverage AI effectively, ultimately enhancing both fundraising efforts and impact

- **Shape the direction of future support** and resources for the fundraising sector

The online survey was completed between 29 October 2024 and 19 February 2025.

The 23-question survey covered all areas of AI as it is used for fundraising, mapping out understanding and knowledge of AI, skills and training, level of implementation of AI at organisational and departmental levels, opportunities offered by the use of AI, as well as challenges and barriers to adoption, and knowledge of guidelines and policy frameworks to support the profession.

- It was completed by 79 people

- Most respondents were employed fundraisers

- Some had recently taken on a consultancy role

Follow up interviews were conducted with survey respondents who had indicated their willingness to be interviewed. Interviews were carried out between January and February 2025.

- 21 survey participants were interviewed

- From a range of junior, mid-career and senior fundraisers, as well as consultants

The interviews shone a personal light on how fundraisers navigate the complexities of understanding and using AI, their ethical concerns and practical barriers to responsible use. Furthermore, they highlighted a perceived lack of skills and training to support AI uptake across the sector and fundraisers' attempts at self-regulation when faced by a lack of sector guidelines and policies.

The survey was distributed widely through social media and professional and personal networks, such as LinkedIn, and to members of the CIoF.
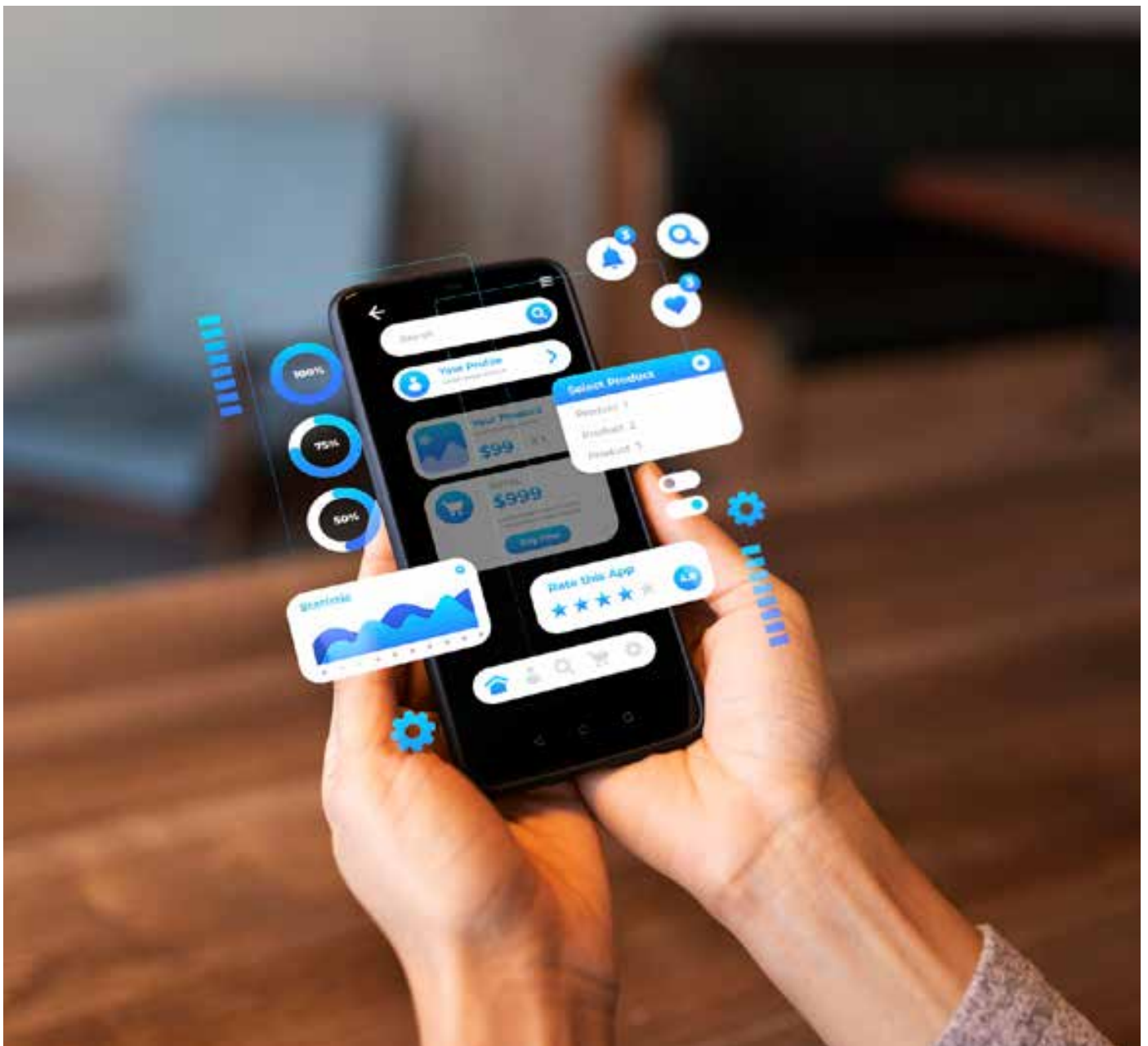
RESEARCH FINDINGS

2

PART 1. THE RESPONDENTS
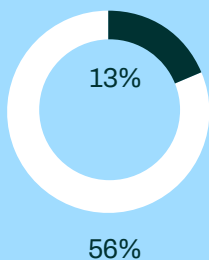
Key statistics

31%

We received responses from **all nonprofit and charity sub sectors**. However, the **education** sector is by far the most well represented sector with **31% of respondents** – this is likely due to the personal networks within the sector used to publicise the survey

13%

56%

Over half of respondents (56%) work for charities or nonprofit organisations that **operate in just one region of the UK** with Yorkshire and Humber being the most well represented region (13% of all respondents)

17%
of respondents

Health charities are the second most common sector representing **17% of respondents. Arts, heritage and research** are the next cluster of nonprofits with the highest levels of representation in the sample, ranging between **5% to 6%**

27% of respondents work for organisations that **operate throughout the UK**

51% of respondents work for an organisation with fewer than 10 fundraising staff. For those who work with larger fundraising teams (over 25 staff) there was wide variation in the number of staff, the majority between 30 and 100

Note: All data in the following charts is expressed in number of respondents, unless cited as a percentage %

Chart 1. Classification of nonprofit organisations by sub-sector

What of the following sub-sectors best describes your nonprofit organisation/charity?

Sub-sector	Percentage
Animals	1%
Armed forces	3%
Arts	6%
Beneficiary group	3%
Charitable activities	1%
Charity and CVS support	1%
Childcare	3%
Crime and Justice	1%
Education	31%
Environment	3%
Health	17%
Heritage	5%
Leisure	1%
Other	5%
Professions	3%
Religion	1%
Research	5%
Saving of lives	3%
Social Care	4%
Social welfare	3%
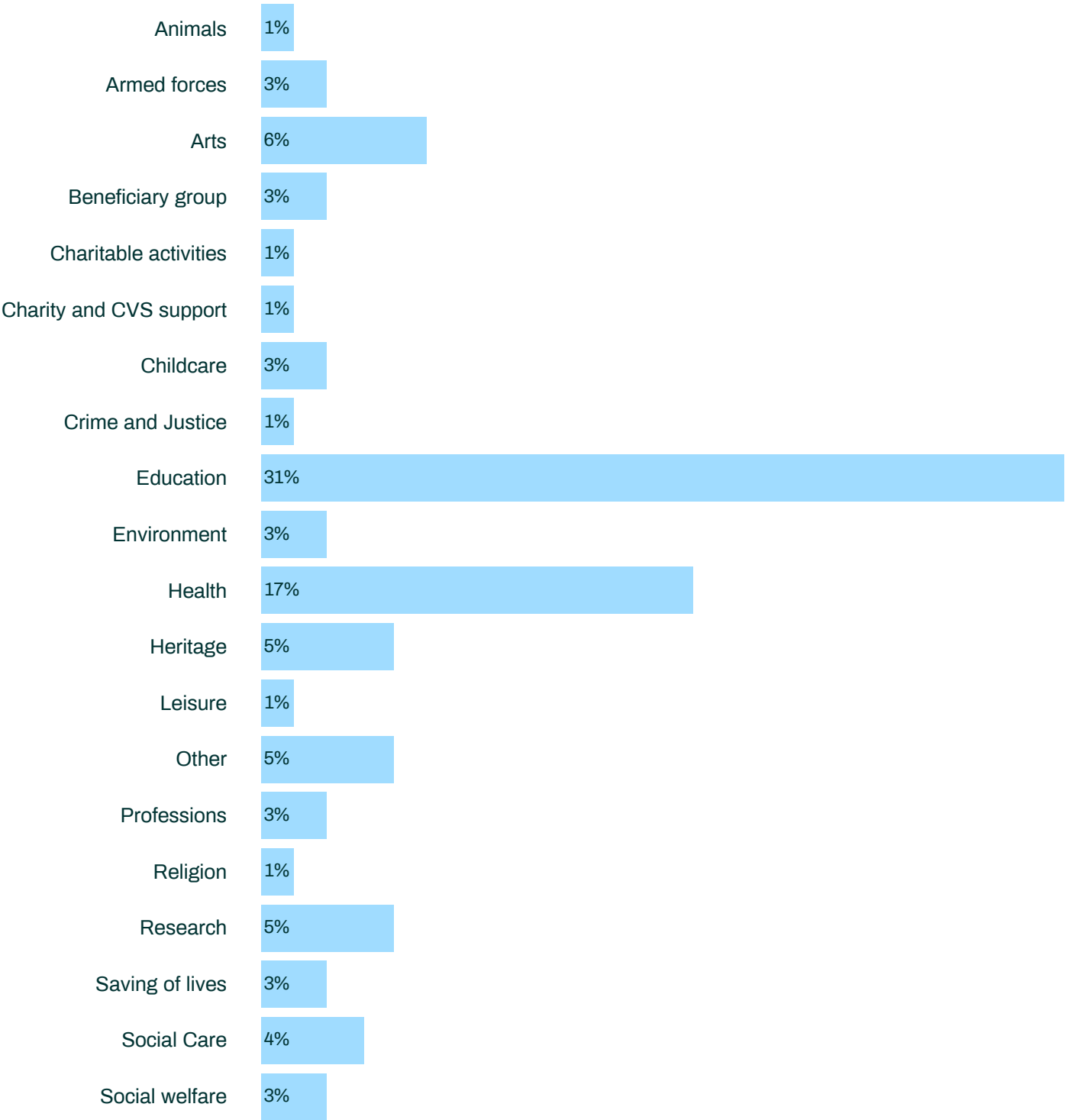
Geographical distribution of nonprofit organisations' operations

Regions %

North East
North West
Scotland
South East
South West
West Midlands
Yorkshire/Humberside
London
East of England, East Midlands
England
England, Northern Ireland
England, Scotland, Wales
England
England, Northern Ireland
England, Scotland, Wales
England, Wales
England, Wales, Northern Ireland
London, North East
London, North West, South East, Wales
London, Scotland
London, Wales
North West, Yorkshire/Humberside
UK wide

Chart 3. Size of organisation based on number of fundraising staff

How many people work in fundraising?

| Number of staff	Number of respondents	
Over 25	17	22%
11–25	22	28%
Under 10	40	51%
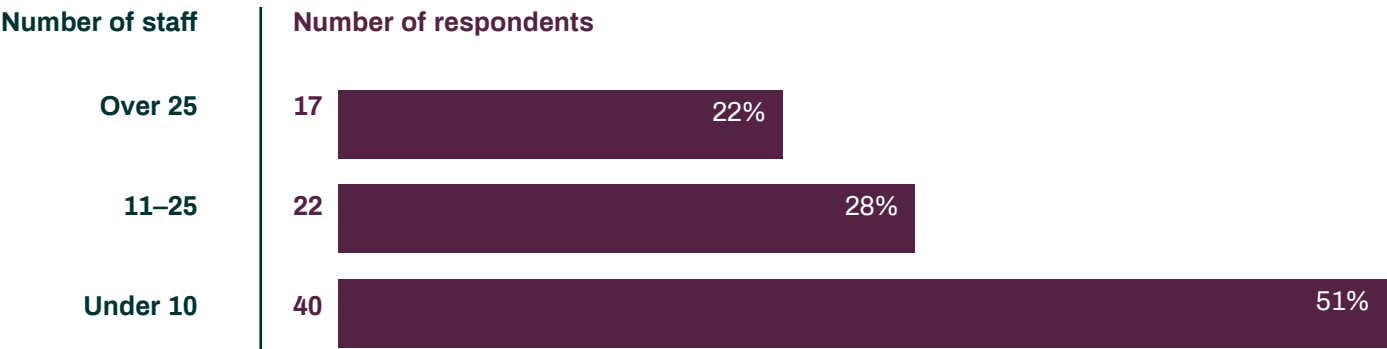
Key findings

The interviews indicate a variety of opinions as to the advantages and challenges of organisational size for the use of AI in fundraising. For some, it is a disadvantage, especially when trying to understand the quickly evolving AI technologies and their applications to fundraising.

Some interviewees employed by small organisations (those with 10 or fewer fundraising staff) see their size as a barrier to adopting AI, whereas others working for small organisations think their scale could help them more easily adopt AI. Interviewees employed by large organisations (those with more than 25 fundraising staff) were again split, some believing that their established operations and systems are a barrier to AI adoption, whereas for others being a large organisation is an advantage; they can use AI more effectively due to the high volume of fundraising data they hold.

“
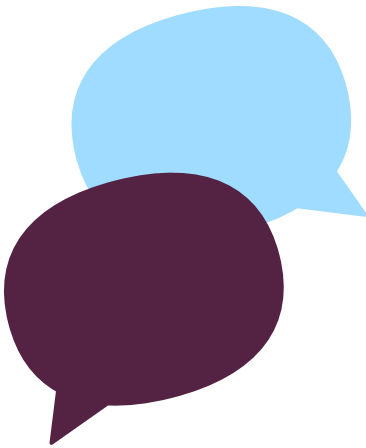
There's obviously a lot more oversight and a lot more governance [being a large charity as we are] which can sometimes then make it take a lot longer to actually get some of this stuff through and approved. So it might be that we actually, we see some of smaller or medium sized charities really taking advantage of AI where they've been able to adopt it early because they've been able to get through governance and then into use much quicker. **”**

– Interviewee F1

“

It still feels like there's so much out there, and it shifts so quickly, obviously. And how you keep on top of that in a meaningful way. It's quite a challenge, particularly for a small organisation and that's before you get into complicated issues around regulations and ethics and data. **”**

– Interviewee F7

> **"** *You can't take an old organisation and just transform it overnight to the way that some modern organisations are working because of the way that your volunteers work, and your operations work. But it was refreshing to hear how someone could do a startup in a charitable sense that was just so totally different. I think there's a place for an almost like AI transformation consultants or something to really support the charitable sector.* **"**
>
> – Interviewee F3

> **"** *I can definitely see that it does have its benefits for very large charities, very large companies that have an immense amount of research and investigation, and that side of things. We are on a much smaller scale. So I don't feel that we need to use it necessarily that much, if at all.* **"**
>
> – Interviewee F6

PART 2. OPPORTUNITIES AND USES OF AI IN FUNDRAISING

8%

THOUGHT THAT AI CAN ONLY HELP WITH COMMUNICATING MORE EFFECTIVELY

4%

OF RESPONDENTS DIDN'T IDENTIFY ANY OPPORTUNITIES

Key statistics: Opportunities associated with AI for fundraising

- Our survey questions differentiated between the sorts of **opportunities** respondents associate with the use of AI, and the **actual uses of AI for fundraising**. This is designed to trace a gap between knowledge and understanding of opportunities around AI, and actual uptake of AI for fundraising purposes.

- 'Helping us be more efficient and reducing costs as an organisation' (78%) and 'helping us communicate more effectively' (76%) are the top two opportunities associated with the use of AI, followed by 'understanding our audiences better' (62%).

- 46% of respondents see 'understanding audiences', 'communicating more efficiently' and 'being more efficient' as opportunities associated with AI. But only **9% of respondents identified the use of Chat GPT** to engage with supporters as an opportunity.

- **8% thought that AI can only help with communicating** more effectively, whilst 9% believe that the **only** opportunity offered is to help them be more efficient and reduce costs.

- Only 3 respondents (4%) didn't identify any opportunities.

What sort of opportunities do you associate with the use of AI for fundraising?

Understanding audiences better	62%
Communicate more effectively	76%
Be more efficient and reduce costs	78%
Chat GPT to liaise with supporters	9%
Other	5%
No opportunities selected	4%
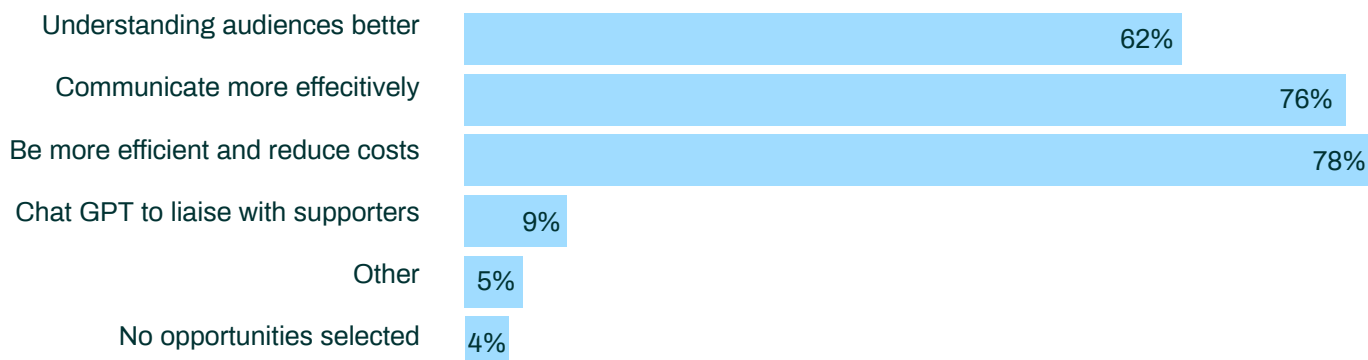
Opportunities associated with AI in fundraising across charity sectors

	Understanding Audiences	Communicate better	Efficiency	Chat GPT
Animals		1	1	
Armed forces	2	1	2	1
Arts	3	3	4	
Beneficiary group	1	1	2	
Charity and CVS support			1	
Childcare	1	1	1	
Crime and Justice	1	1	1	
Education	13	18	17	
Environment	1	2	2	
Health	9	12	9	3
Heritage	3	2	2	1
Leisure	1	1	1	
Other	2	3	4	1
Professions	1	1	2	
Religion	1	1	1	
Research	3	4	4	1
Saving of lives	2	2	1	
Social care	3	3	3	
Social welfare	1	2	2	

Key findings: Opportunities associated with AI for fundraising

A frequently mentioned opportunity of AI for fundraising is the wide scope it offers for the automation of existing tasks, even though there is a lack of clarity as to what 'elements of things can be automated', an interviewee describes the possibility as 'certainly feasible' (F14). But whether automation would lead to more free time is a subject of disagreement; for some, in the future, automation will lead to higher expectations for fundraisers (F12), and ultimately create even more stress for people working in the nonprofit sector.

A fundraiser working for a small charity in a fundraising team of one explained that AI was an opportunity to help them raise more income: 'we need to gear up and increase what we can do, and the more that I can harness AI in the future, the more I can raise for this organisation' (F15). For certain sectors in particular, e.g. Higher Education sector, which are in the midst of unprecedented financial challenges, AI is seen by some as an opportunity that fundraisers must be 'proactive' about, by showing 'efficiencies' and 'value', and being 'at the cutting edge of our fields' (F19).

A fundraiser working for a membership organisation with a global network sees huge potential in AI, helping personalise messages, for example, and also reducing costs (F9). Finding out information about members or audiences was also mentioned as an opportunity associated with AI, especially helping the nonprofit sector identify potential funding opportunities (F16).

Sometimes a lack of understanding of AI is depicted as being generational, so that younger generations are more likely to understand and thus use AI for fundraising purposes, but at times, there is a disagreement: even though a young workforce may be digitally savvy, this does not necessarily mean that they understand how to apply AI to fundraising practices. Some fundraisers

mention governance as potentially having either a positive or negative effect on the opportunities AI can bring to an organisation. One interviewee describes the importance of leadership being open-minded. In this case, a change from having a CEO who is 'really switched on with everything' and a current CEO who is not technology open, or skilled means that the organisation only saw 'risk' in AI (F9).

We have an amazing young workforce who are digitally native, and I think they're very excited. But no, they haven't got a clue how to do this, or how we can best do this in a fundraising context. They know what they use, when they are shopping online or consuming their other social media and so on. But they wouldn't necessarily know how to apply it in a fundraising situation.

– Interviewee F5

AI is such a new technology… there are not many people, anyway, who are experts in it. It's almost like, people's passion and interest that's leading them into it and maybe seeing opportunities of how it could be used.

– Interviewee F1

You can't just send an email about an offer you have in Japan to someone in New Zealand, AI can help by personalising these messages and communication, which is great for you as a company, because it keeps your members, but it also reduces your costs.

– Interviewee F9

> " *AI is not going to create a lot more free time. Expectations of how much we can get done in a day are just going to climb as well. We're not at that point yet right now. It's still saving me time to do things this way. Eventually we'll just get more added to our plates. And given how incredibly busy colleagues are, and incredibly stressed people are all over the sector. The last thing we need right now is more added to our plates. So that's yeah. That's my concern.* "

– Interviewee F1

Key statistics: Uses of AI for fundraising

56%

OF LARGER CHARITIES SAY THEY USE AI COMPARED TO 41% OF SMALL CHARITIES

53%

OF RESPONDENTS WHO SAY THEIR STAFFING NEEDS ARE NOT MET ARE CURRENTLY USING AI

- **53% of respondents do not use AI** for fundraising, whilst almost half of the respondents **(47%) use AI for fundraising.**

- Although our sample suggests that **fundraisers working in education charities are the biggest users of AI**, this is likely due to the sample size (education charities make up 31% of all respondents – by far the largest sector in the sample).

- **Larger charities (those with 25 staff or more) seem to be more likely to use AI** (56% of larger charities say they use AI compared to 41% of small charities). Larger charities are also more likely to invest in AI products with 67% of larger charities who use AI spending more than £1,000 per year on AI, compared to just 7% of charities with less than 10 fundraising staff. However, there was also a high proportion (32%) who didn't know how much was spent on AI.

- **72% of those in senior roles (CEOs and Fundraising Directors) say they use AI**, whilst respondents in other roles are more likely to not use AI. However, this may be because directors are in senior roles and feel more at ease, and less conflicted, when using AI.

- **53% of respondents who say their staffing needs are not met are currently using AI**. Maybe the use of AI is driven by necessity, or perhaps AI use is not helping increase productivity.

- **49% of respondents say no one in their organisation is responsible for AI**, with a further 14% saying they don't know if anyone is responsible.

Chart 6. Number of respondents who are currently using AI

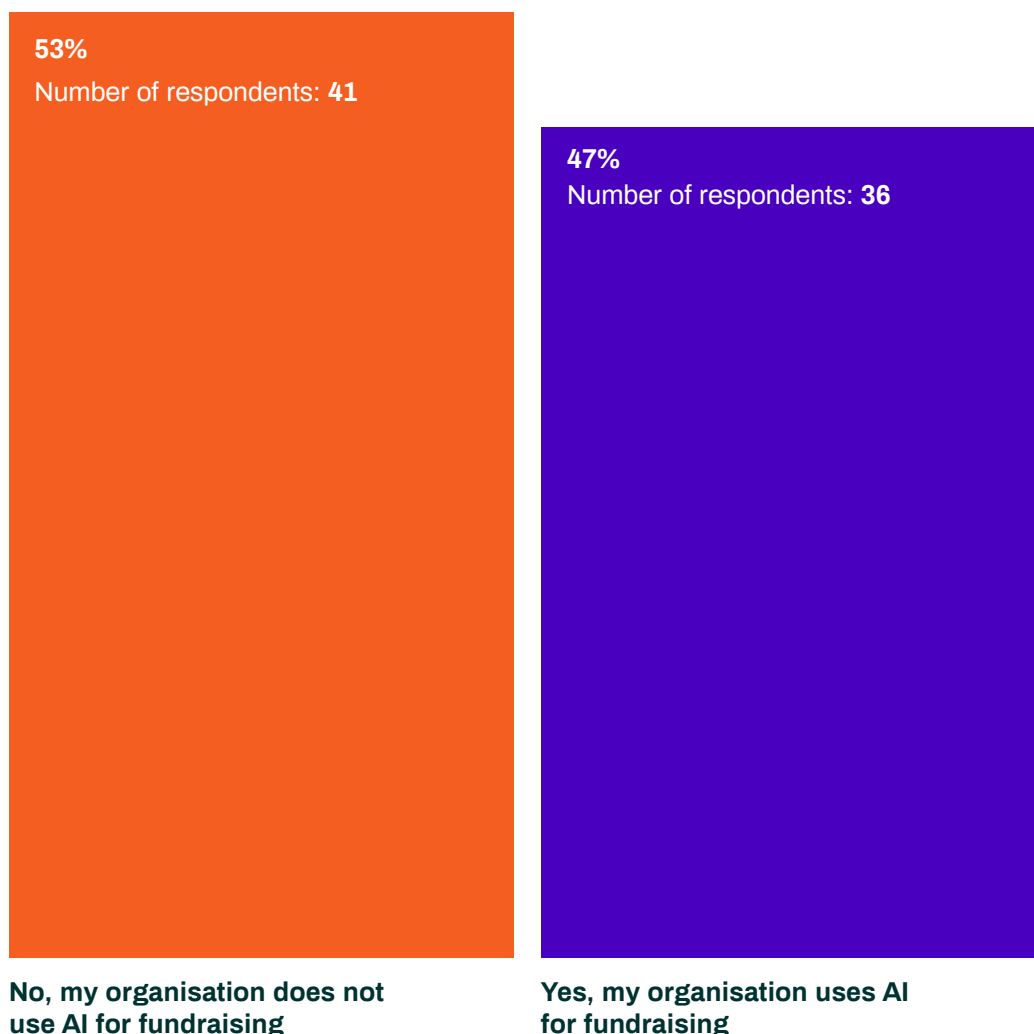# Is your organisation currently using AI for fundraising?

53%
Number of respondents: **41**

47%
Number of respondents: **36**

No, my organisation does not use AI for fundraising

Yes, my organisation uses AI for fundraising

Chart 7. Uses of AI across different charity sectors
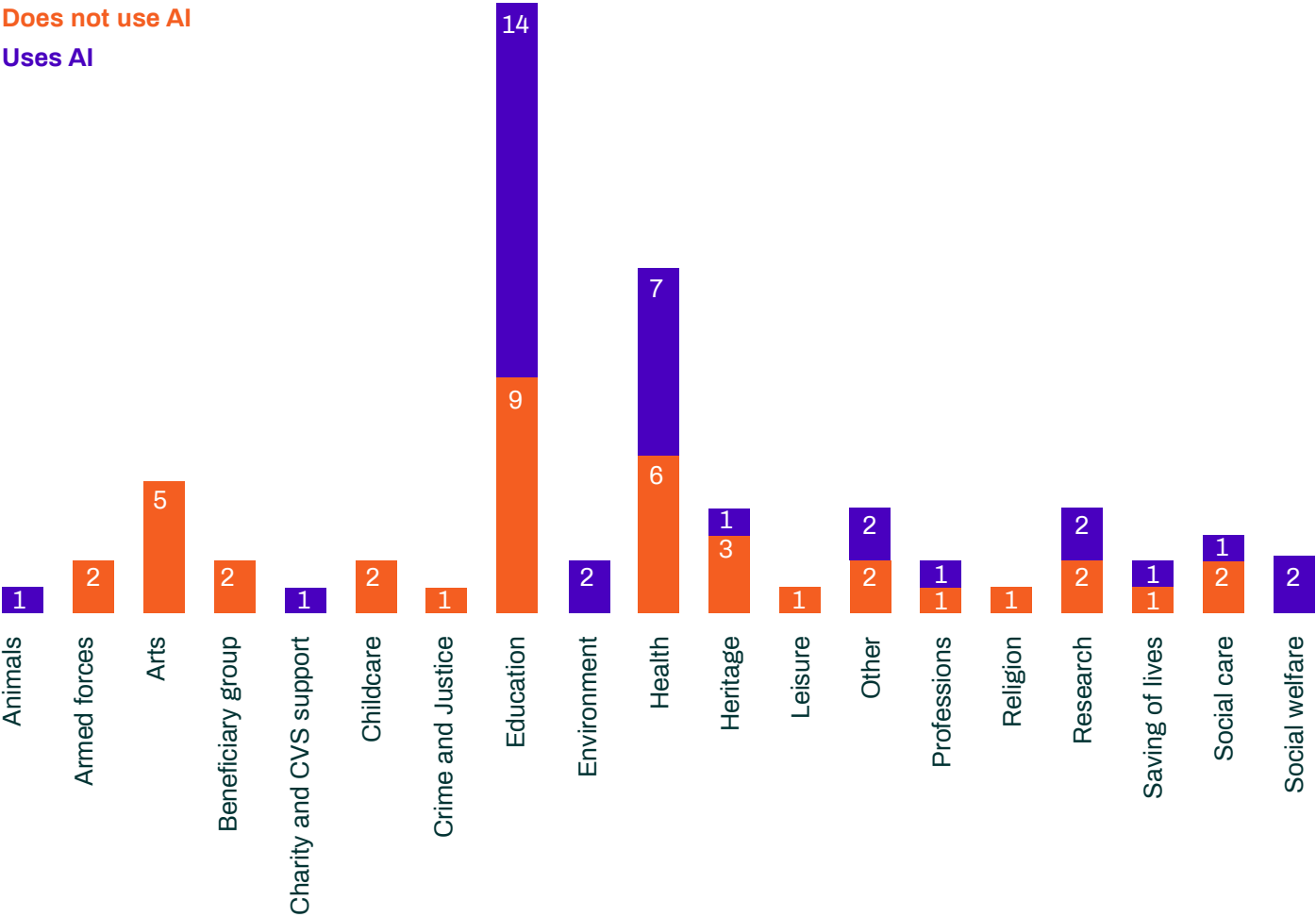
Uses of AI across different charity sectors

Does not use AI

Uses AI

Chart 8. Use of AI in charities based on fundraising team size
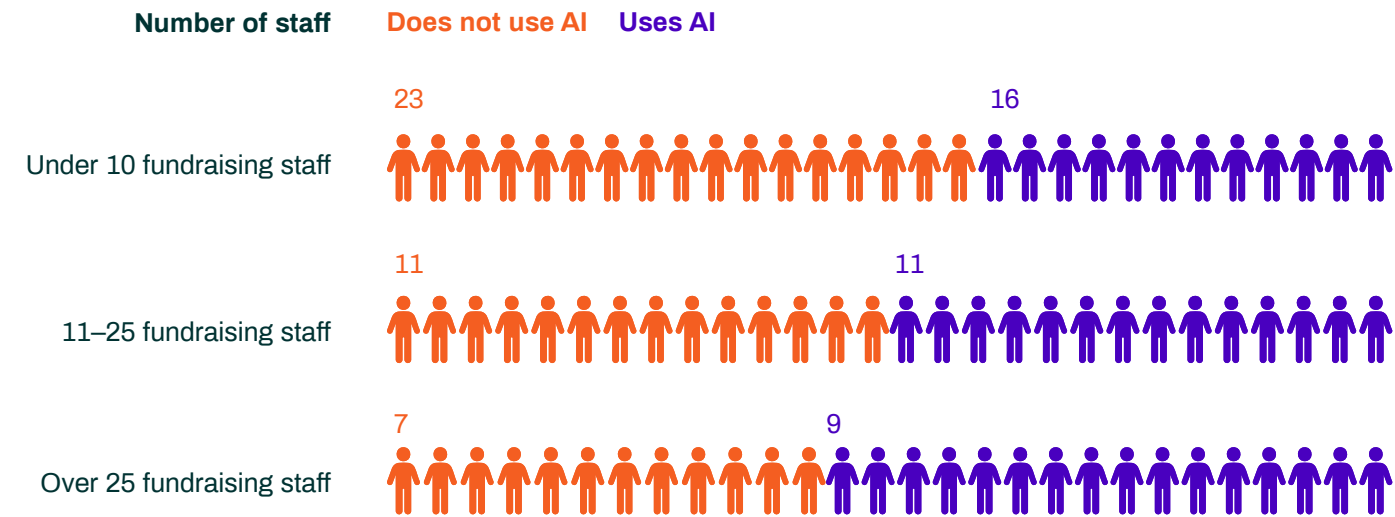
Use of AI in charities based on fundraising team size

Number of staff	Does not use AI	Uses AI
Under 10 fundraising staff	23	16
11–25 fundraising staff	11	11
Over 25 fundraising staff	7	9

Chart 9. Organisational spending on AI for fundraising

How much does your organisation spend on AI?

Legend:
- Under 10 fundraising staff
- 11–25 fundraising staff
- Over 25 fundraising staff

	Under £1,000 a year	£1,001–£5,000 a year	£5,001–£10,000 a year	Over £10,000 a year	I don't know
11–25	2	1	1	2	5
Under 10	11		1		3
Over 25		3	1	2	3
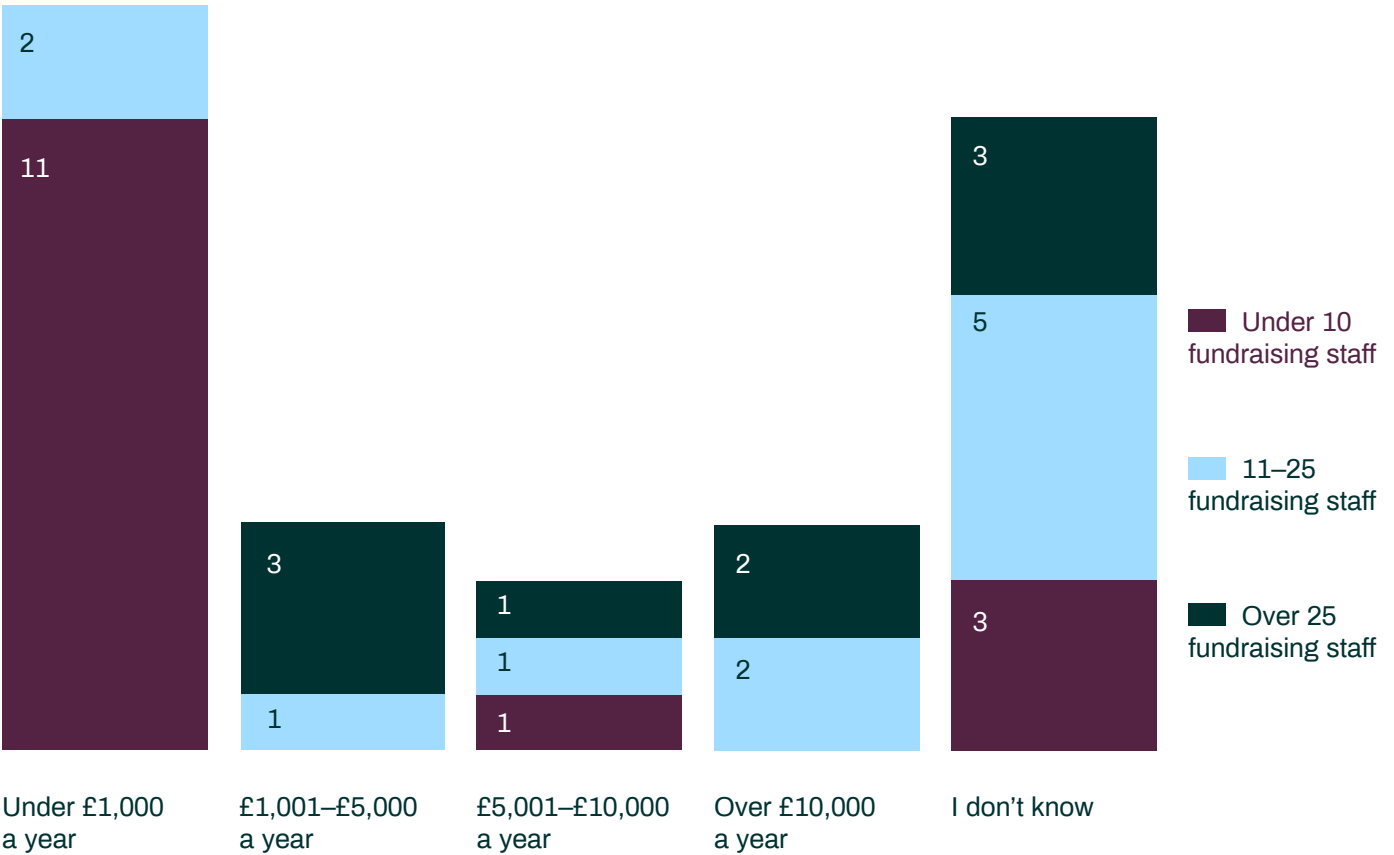
Chart 10. Use of AI in fundraising across different roles

Use of AI in fundraising across different roles

Role in organisation	Does not use AI	Uses AI	In percentages %
CEO/Director	3	7	
Consultant working with any of the above	3	1	
Director of Fundraising/Development Services	5	14	
Fundraising Manager	12	7	
In charge of fundraising activities within a team	8	3	
Sole fundraiser in an organisation	2	1	
Other	8	3	
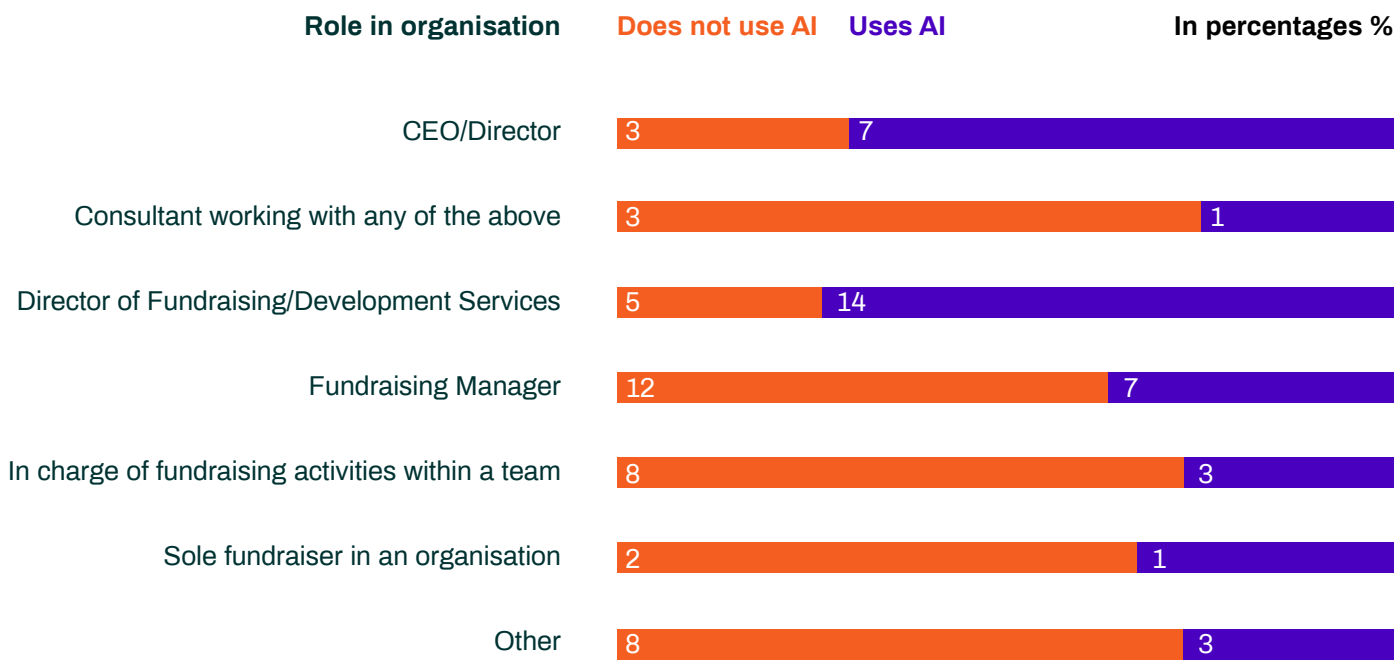
Chart 11. Effects on use of AI

Staffing needs of charities and their effects on use of AI

Does not use AI

Uses AI

No, my staffing needs are not covered

- 47%
- 53%

Yes my staffing needs are covered

- 40%
- 60%
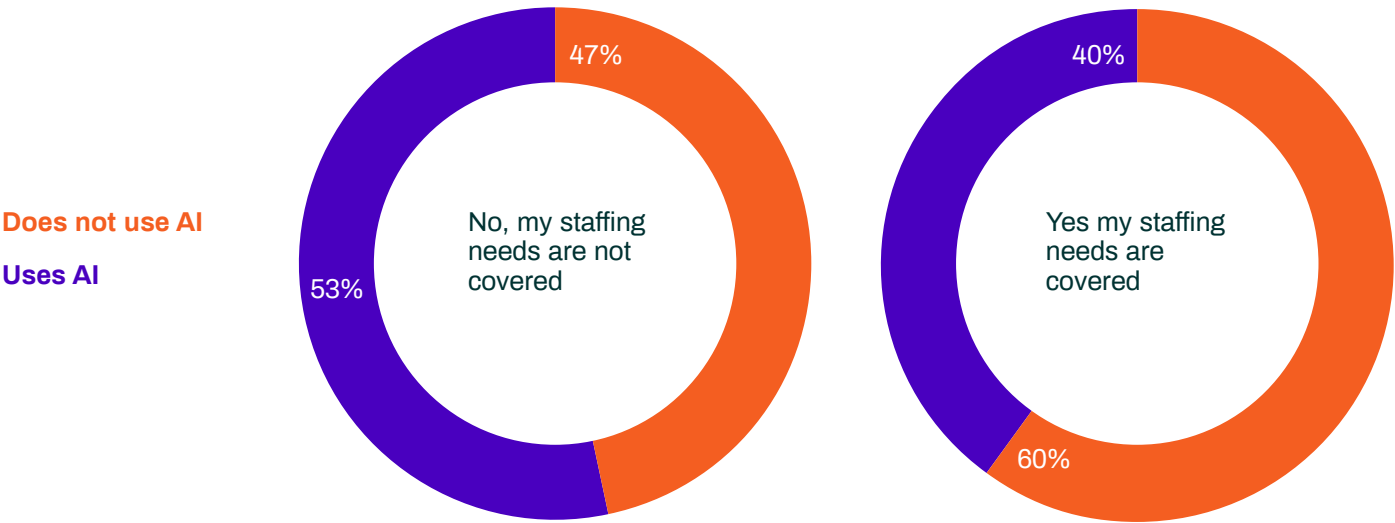
Chart 12. Responsibility for implementing AI in charities

Who is responsible for AI in charities?

Role in organisation	Does not use AI	Uses AI
Chief Executive Officer	3	1
Chief Operating Officer	1	5
Marketing Team		3
Financial Director	2	
I do not know who is responsible	8	3
No one is responsible	20	17
Other	6	7
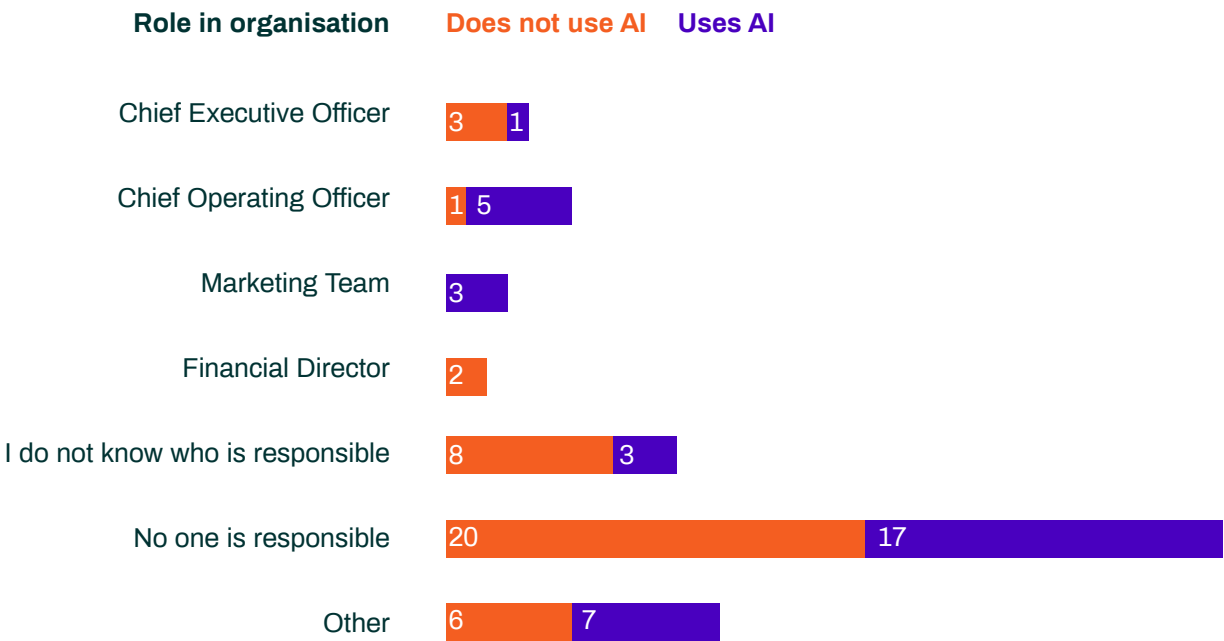
Key statistics: Current uses of AI for fundraising and main positive outcomes

- **Using AI to improve written communications was the most common use with 62%** of respondents who use AI saying they use it in this way. This includes helping to draft proposals, creating content for marketing communications, simplifying scientific language and helping to write donor reports. Other common uses of AI include helping with data selection for campaigns and helping with prospect research.

- **Only 29% of respondents use AI for multiple purposes** (10 respondents).

- **Charities that spend over £1,000 on AI are more likely to use it for more data intensive tasks** such as data analysis, data selections for campaigns and prospect research. 70% of charities that spend over £1,000 on AI say they use it to better understand their audiences compared to just 23% of charities who spend less than £1,000. 77% of respondents who spend less than £1,000 say they use it for better communications.

- **62% of respondents who use AI** report having more time to spend on other tasks as the main benefit.

- One respondent commented that it is mainly used by their **Trust and Foundation fundraisers for helping write grant applications** whereas they are unaware of it being used for Individual Giving due to the more personalised nature of their communications.

- **Of those respondents using AI only one says they benefit from all three suggested outcomes of using AI**. Also only one respondent whose colleagues use AI says they don't see the benefits and don't think they outweigh the environmental impact.

Chart 13. Current uses of AI for fundraising
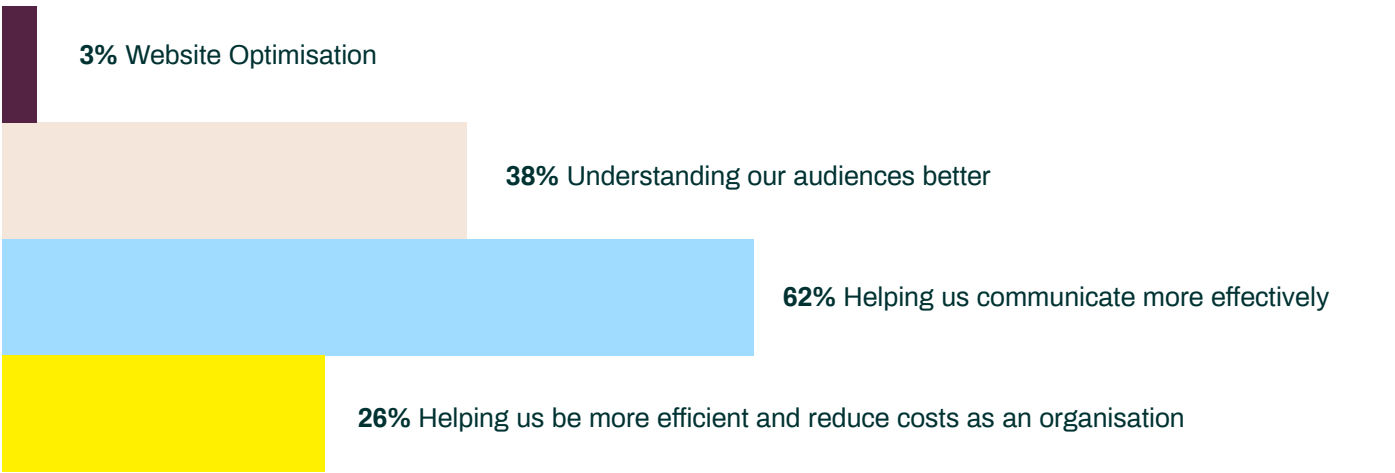
How is AI being used for fundraising?

3% Website Optimisation

38% Understanding our audiences better

62% Helping us communicate more effectively

26% Helping us be more efficient and reduce costs as an organisation

Chart 14. Amount spent on AI for fundraising across different uses

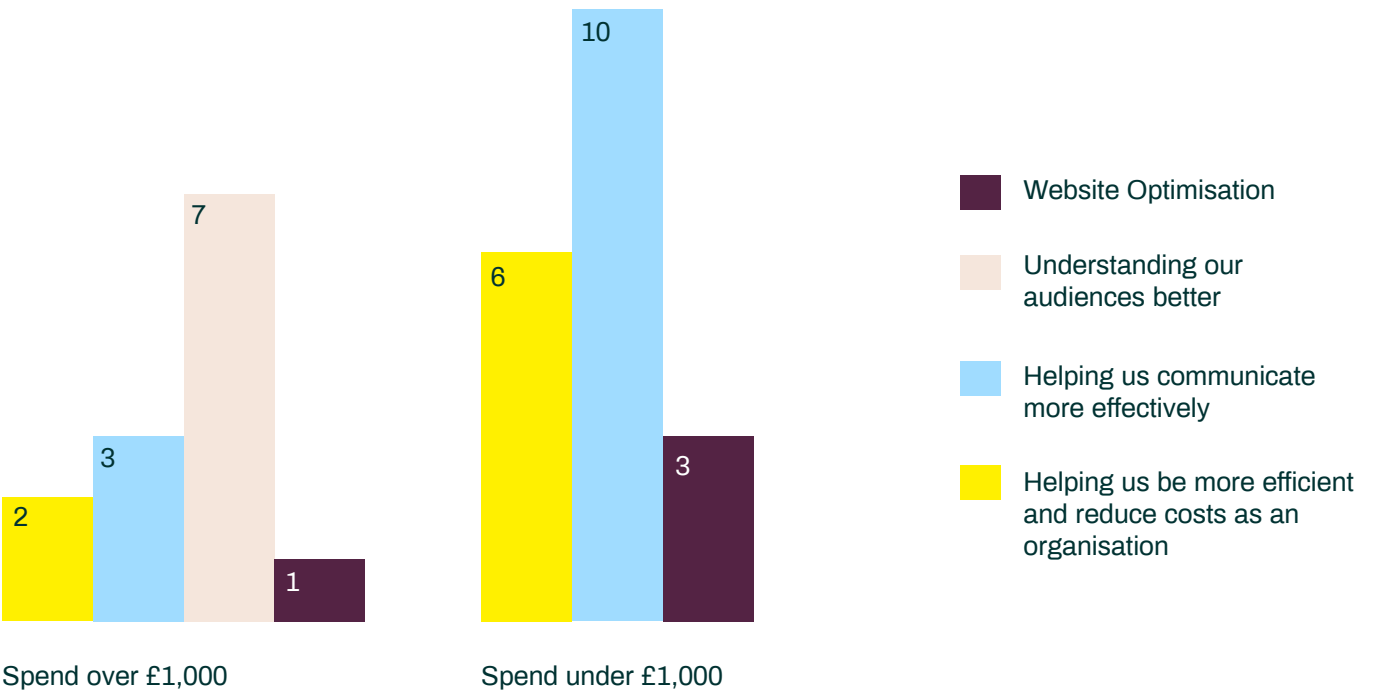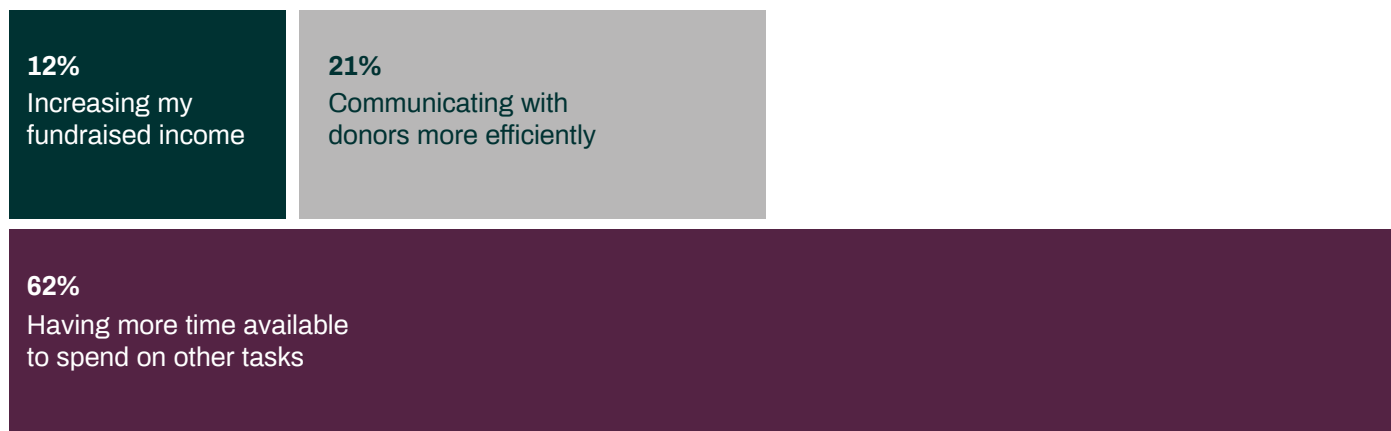# Amount spent on AI for fundraising across different uses

■ Website Optimisation

■ Understanding our audiences better

■ Helping us communicate more effectively

■ Helping us be more efficient and reduce costs as an organisation

Spend over £1,000

Spend under £1,000

Chart 15. Main positive outcomes of using AI for fundraising

What are the main positive outcomes of using AI for fundraising?

12%
Increasing my
fundraised income

21%
Communicating with
donors more efficiently

62%
Having more time available
to spend on other tasks

Key findings: Current uses of AI for fundraising and main positive outcomes

Creating time efficiency is one of the main uses of AI for fundraisers. Those in charge of writing funding bids use AI to help build and shape 'narratives quickly' and to process large amounts of information, which is 'quite labour intensive' (F14). Another fundraiser described the advantage of using AI for bid writing as being able to 'get over the blank page syndrome' (F11). For some fundraisers AI can do more than produce time efficiencies, it can also lead to an improvement in the quality of the work produced. One fundraiser in particular (F18 below) described AI tools – Chat GPT, Claude and Gemini – as a 'great thinking partner', and explained how they helped the process of writing a National Lottery bid, especially when working with a 'less experienced' team': AI helped them revise the bid until they 'get it right'. Overall, rather than AI leading to new ways of

fundraising, it helped fundraisers do the same things they were already doing, e.g. bid writing, but in a more efficient manner.

But some fundraisers who use AI for their own benefit, also worry; one said it is 'dangerous and I'm worried about making me less valuable' (F14). Motivations for using AI are many and varied; a fundraiser mentioned they had become used to using AI in a former job in advertising, and continued using (Chat GPT) in their fundraising role (F10). An interviewee who uses AI to do background research for funding bids is concerned that the use of AI in the commercial sector will raise expectations on charities, noting that 'our donors and prospects will expect more and better communications and we will need to meet that expectation or be seen as falling behind' (F12).

There's probably a whole host of ways that we could be using it, or different types of AI in a way that's positive and that our expertise can then sort of build on rather than I think there's a bit of nervousness about AI taking over but I don't see it as that. I see it as something we could use as part of a range of tools that we already use to just improve things potentially in certain areas.

– Interviewee F7

I worked in the advertising industry in London for about 10 years, and we were using Chat GPT there to, you know, for various things again … writing proposals or emails or quite simple tasks … I just didn't ask anyone's permission, but I just started using it for the same tasks here.

– Interviewee F10

> *It helped me with the research before so that I could focus on certain organisations …. When you approach them, you have to write a bit that is tailor made to the [funder's] needs, to their strategy, and how our offer works with this. This takes a long time, and so I could only do 10 organisations, maybe a really detailed pitch for each event. But with AI I have more knowledge on a wider variety organisations, and it can also help me draft the first email, which is usually what takes the time; if you have a draft, and then you improve that, that's super.*

– Interviewee F9

> *I am able to just create more output in the same amount of time. So I'm getting more value … it's not just saving you time, but it's also improving the quality of the work I'm doing.*

– Interviewee F4

> *I'm reading the question in the National Lottery bid … tell me about how you have learned from your beneficiaries that this programme ... and we have written the answer to that question now with a youthful team who are maybe less experienced. How many times am I going to go around that sort of loop? No, write it again, write it again, write it again until you get it right. Whereas the great thing about Chat GPT, or Claude, or Gemini is it never gets bored. I can ask it until it gives me an answer that I'm happy with. So I think it's good at both getting you over the challenge of the blank sheet of paper, and also then being a really great thinking partner, to make sure your answer is crisp, and you are answering the question that the Funder says they want answered.*

– Interviewee F18

Key statistics: AI and digital technologies in fundraising

- **There is a clear correlation between how much organisations spend on digital tools and how likely they are to use AI.** Respondents who say they spend over £25,000 on digital technologies for fundraising (crowdfunding platforms, digital marketing, CRM systems) unsurprisingly have a high use of AI (60% say they are currently using it), compared to only 33% of respondents who spend less than £1,000 on digital tools. However the highest use was seen in respondents who spend between £5,000 and £10,000 on digital tools (71% said they are currently using AI).

- **Charities with staff who are comfortable using digital tools are more likely to use AI** (64% of those who use AI rate their digital skills somewhere between comfortable to expert compared to just 36% of those who don't use AI).

Do you know approximately how much money per year your organisation invests in digital technologies; for example, crowdfunding platforms, digital marketing, CRM systems?
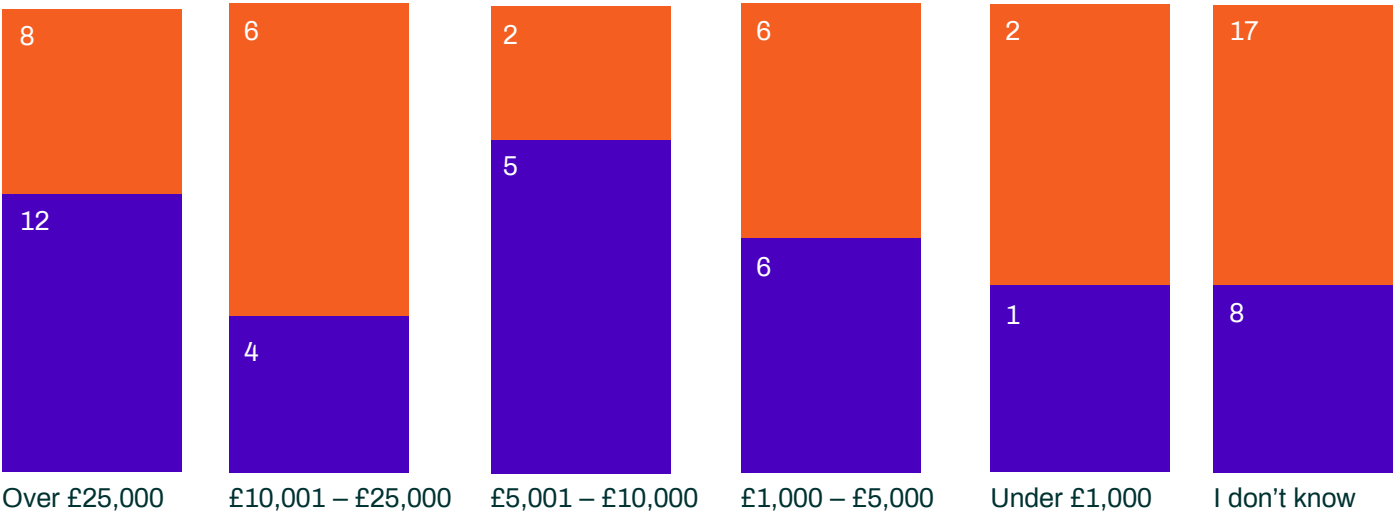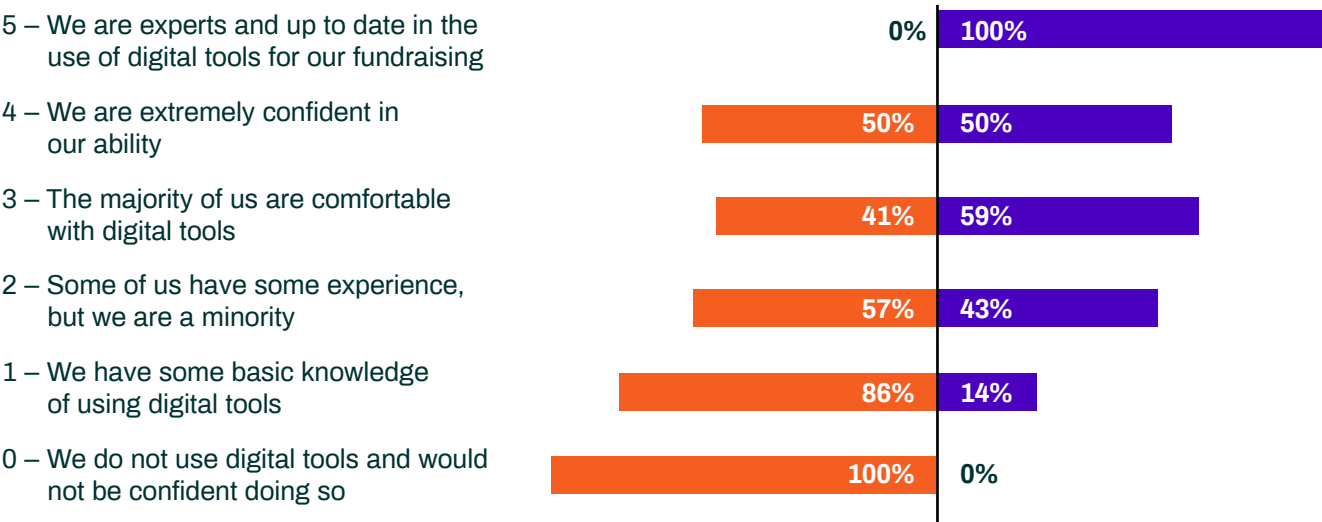
Does not use AI **Uses AI**

	Over £25,000	£10,001 – £25,000	£5,001 – £10,000	£1,000 – £5,000	Under £1,000	I don't know
Does not use AI	8	6	2	6	2	17
Uses AI	12	4	5	6	1	8

Use of digital tools in fundraising: a comparison between AI users and non-users

Skill level	Does not use AI	Uses AI
5 – We are experts and up to date in the use of digital tools for our fundraising	0%	100%
4 – We are extremely confident in our ability	50%	50%
3 – The majority of us are comfortable with digital tools	41%	59%
2 – Some of us have some experience, but we are a minority	57%	43%
1 – We have some basic knowledge of using digital tools	86%	14%
0 – We do not use digital tools and would not be confident doing so	100%	0%

PART 3.
CONCERNS, CHALLENGES AND BARRIERS OF USING AI FOR FUNDRAISING

18%
OF RESPONDENTS WHO DON'T USE AI ALSO REPORT OTHER CONCERNS, MAINLY AROUND THE QUALITY AND ACCURACY OF AI

60%
OF RESPONDENTS IDENTIFY 3 OR MORE RISKS AROUND THE USE OF AI IN FUNDRAISING WHILST JUST 4 RESPONDENTS (5%) SEE NO RISK

Key statistics: Concerns, challenges and barriers of using AI for fundraising

- **Ethical concerns** (cybersecurity risks, privacy and data breaches) are the top risk for AI users (84%) and non AI users (73%). The next most important risk is 'data bias and discrimination' which for AI users is 72%, and for non AI users 51%. The third most important risk is keeping pace with legal and regulatory requirements at 69% for AI users and 59% for non AI users.

- **Respondents who use AI** are more likely to see data bias and discrimination, ethical concerns and cyber security risks, environmental impact and keeping pace with legal and regulatory requirements as risks than respondents who don't use AI. In comparison, **respondents who don't use AI** were more likely to see staff redundancies and lack of transparency as risks.

- **20% of respondents who don't use AI also report other concerns**, mainly around the quality and accuracy of AI output e.g. 'Losing the authenticity of story and voice', or, 'Poor quality applications to trusts and foundations'. One respondent also raised concerns about competition for grants due to an increase in applications because of the use of AI to help write grants. In comparison, none of the respondents who do use AI reported other concerns.

- **60% of respondents identify three or more risks around the use of AI in fundraising whilst just four respondents (5%) see no risk**. Of these four one said they do not have the expertise or money to use AI so presumably don't feel able to comment, two just didn't answer the question but one stated that they do not yet see 'significant risks at this early stage of adoption'.

- **Lack of knowledge and practical skills are the main barriers to the use of AI in fundraising** for both AI users and non AI users. Lack of knowledge, 75% for AI users, and 78% for non AI users; practical skills 67% for AI users, and 78% for non AI users.

- Those who don't use AI were more likely to say that finances prevented them from using it (22% of those who don't use AI compared to just 11% of those who do) whilst for those who do use AI the negative impacts were considered more of a barrier (33% of those who do use AI compared to 15% of those who don't).
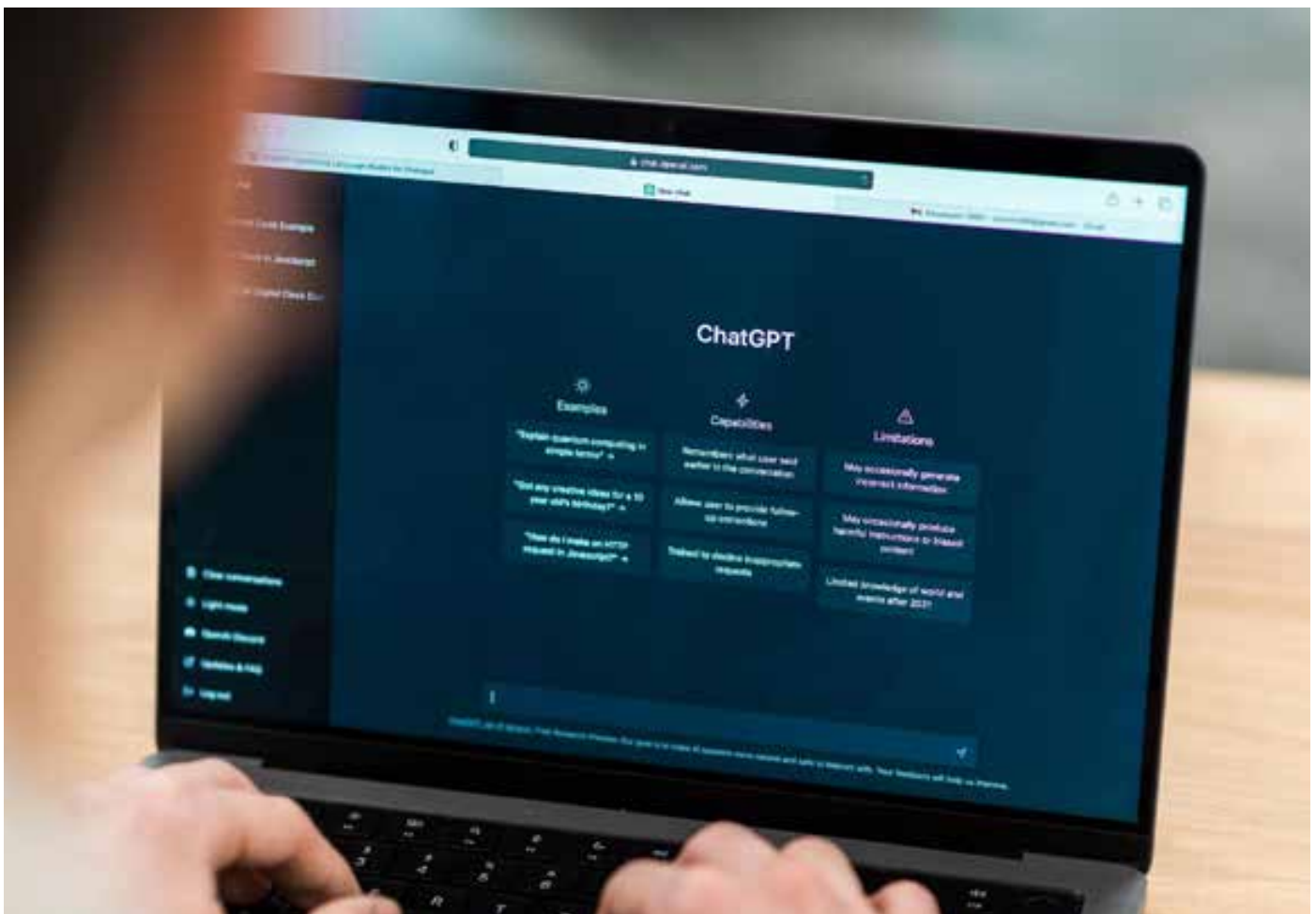
Perceived risks in the use of AI for fundraising for those who use AI compared to those who don't

Does not use AI **Uses AI**
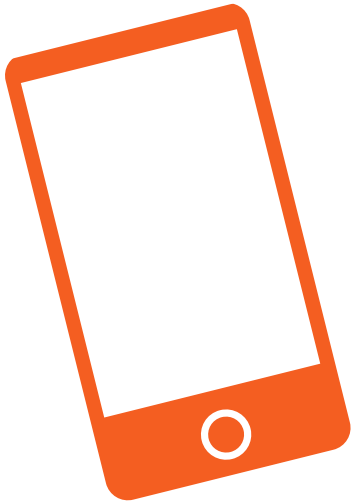
% perceive as risk

	Does not use AI	Uses AI
Data bias and discrimination	51%	72%
Staff redundancies	17%	6%
Ethical concerns: cybersecurity risks, privacy & data breaches	73%	84%
Environmental impact of AI	32%	47%
Lack of transparency and accountability	41%	47%
Keeping pace with legal and regulatory requirements	59%	69%
Other	20%	6%
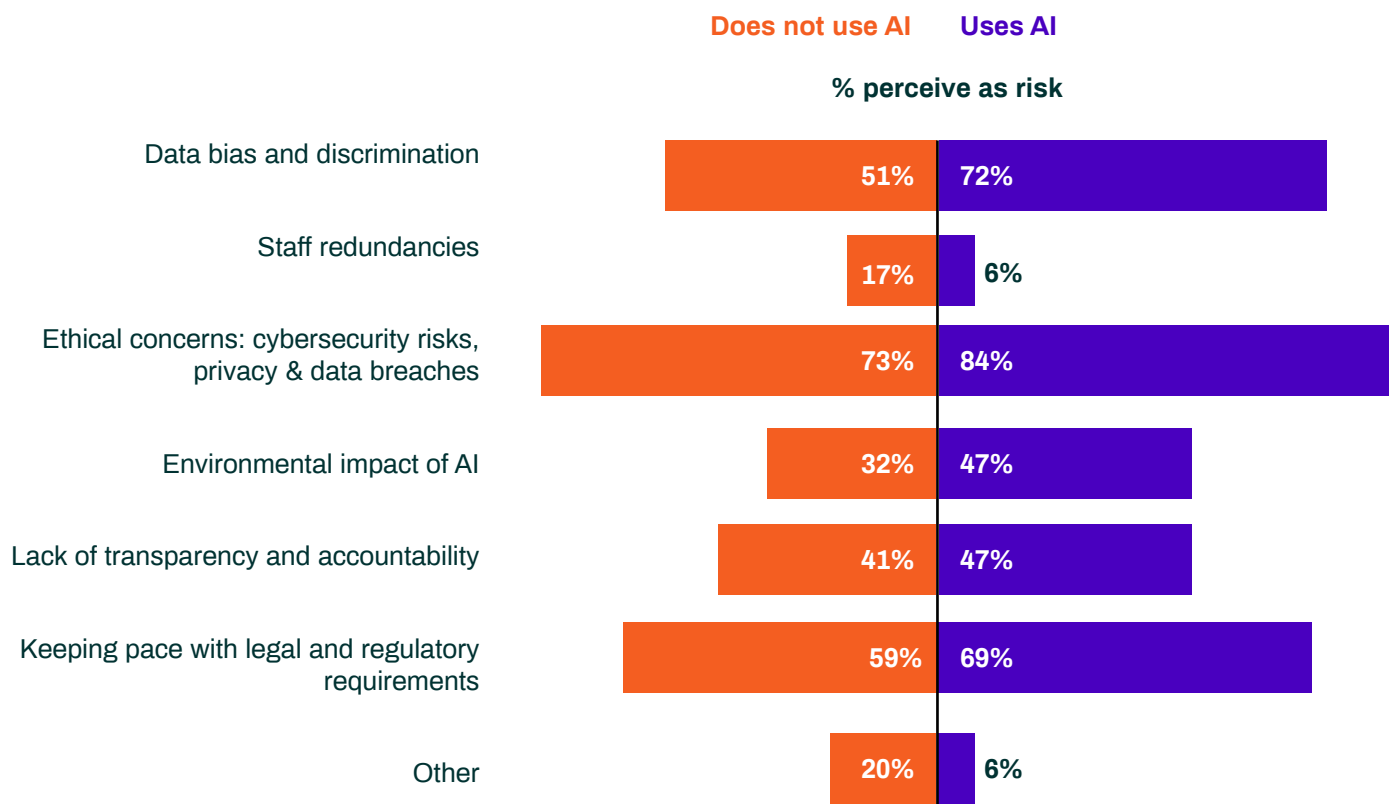
Chart 19. Main barriers to using AI for fundraising

What are the main barriers to using AI?

Does not use AI **Uses AI** **% see as barrier**

	Does not use AI	Uses AI
Lack of knowledge of AI	78%	75%
Reduced finances	22%	11%
Lack of practical skills within the organisation	78%	67%
Too concerned about its negative impact on fundraising	15%	33%
Other	7%	17%
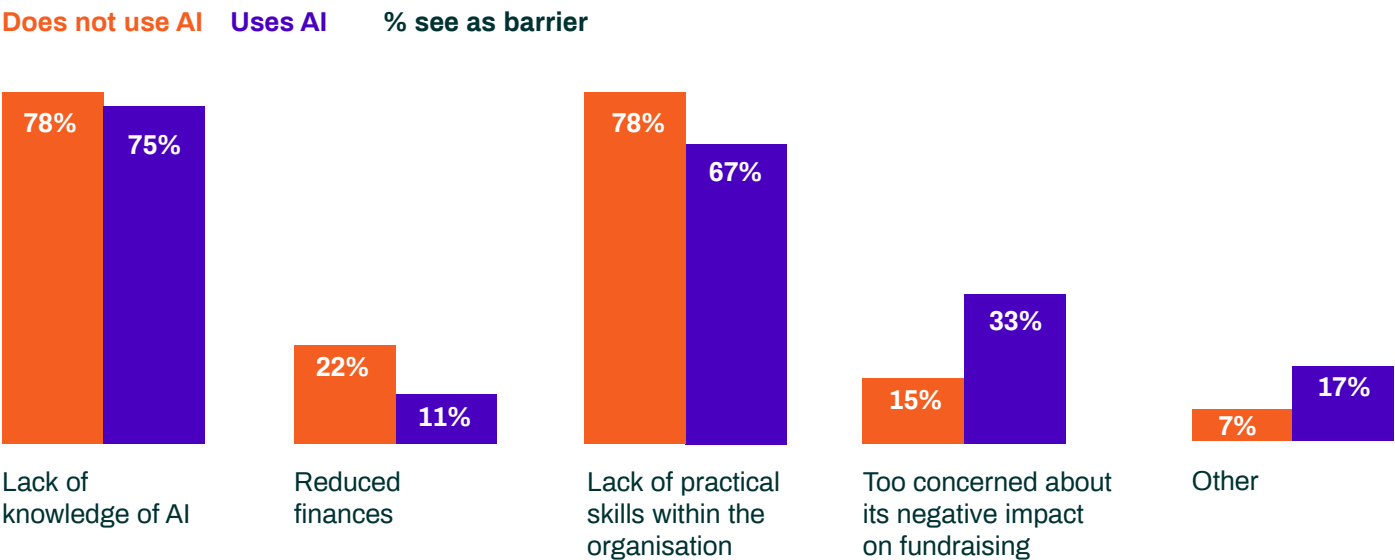
Key findings: Concerns, challenges and barriers of using AI for fundraising
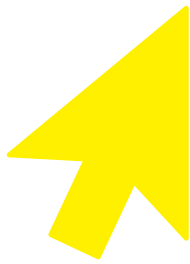
Self-regulation and using AI responsibly is a big part of how fundraisers deal with the use of AI – redacting, filtering information, being 'conscious' of not feeding AI with 'private and confidential' information, and always 'double checking', and ensuring basic mistakes are identified are aspects of such an exercise.

Detrimental effects mentioned include, making mistakes that can lead to a loss of trust in AI, loss of authenticity with their storytelling, and consequences arising from the potential for AI to reproduce a 'white bias' (F6). One fundraiser, quoted below, struggles with the fact that it is fundraisers using AI who are trying to correct outputs and augment what information they put in to mitigate biases, when ideally the system would already be programmed to act in an unbiased way. An added important external risk is that of falling prey to commercial providers of AI, some of whom are 'absolute junk' and offer 'poor quality customer service' (F2).

Environmental concerns, mentioned by 36% of respondents, also feature in the interviews with fundraisers; environmental factors potentially clash with the core purpose of the organisation, or with the self-beliefs of fundraisers, and are a deterrent from using AI for fundraising purposes. Finally, concerns about AI are very individual, and not always shared by other team members, however, this does not seem to lead to conflict; there is an acceptance of different ways of thinking and working.

"

We are 100% that we want to ensure we're authentic and having real stories. And I'm sure AI can play a part in that from an efficiency point of view. But we are 100% we would never put anything out there that was only formed by AI. **"**

– Interviewee F3
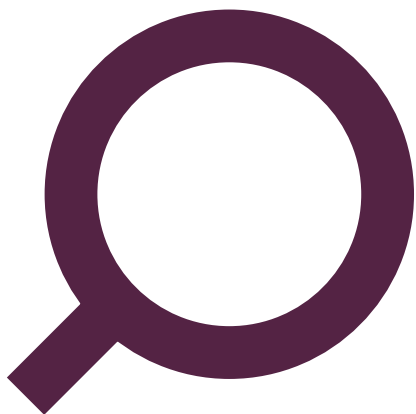
> "As a charity when environmental impact is one of the things that we look at and talk about as a core purpose, it conflicts with us. Then, sitting there using AI to cut down a word count when we could do that ourselves … So unless it does save a lot of time … I'm trying to sort of see the benefits, but I struggle. … My manager doesn't have those concerns. He's quite happy using AI. It's only been used by two members of the five member team staff."

– Interviewee F6

> "Chat GPT drew me an image of what a fundraising event looks like and it came up with lots of ladies with long blonde hair and men in dinner jackets. Everybody was white, and it looked incredibly traditional. And this is a really crass example. But I just think it really sort of made me aware of the horrendous biases that are in there. So yes, I am very, very concerned about that."

– Interviewee F5

> "AI is built on data and information that's out there, which is created by humans, and humans are biased. And it's often that data that is used, is created by white Western men … With the data that it's pulling from, you aren't necessarily getting the full scope of perspectives and information. So I'm always just conscious that … if I'm asking a question to do research, it's picking from information that isn't filtered. I just have to be conscious that when it gives me information there might be a bias."

– Interviewee F4

"We've got money specifically to try and make ourselves more multicultural, and then we're using something that can very white bias; and so is that actually going to create us more work, as we're constantly having to try and feed data in to try and make it not that way. It's a learning tool, so the more we feed into it that isn't white bias, the more it will learn. But do we want to be the ones helping it do that? It would be much nicer if it was already there, and then we could just use it.

– Interviewee F6

"There are lots of quite small providers out busy selling products to the fundraising market. Some of them are absolute junk, and they've got poor quality customer service. They're not particularly resilient companies. They don't look at the whole picture, but they've got this shiny new product, which we're vulnerable to getting a little bit too attracted to shiny new products … the risk is that the opportunity for AI isn't matched by the decision making skills at a leadership level to know which technologies to adopt, and how.

– Interviewee F2

PART 4.
AI TRAINING AND INFORMATION; REGULATION AND POLICY

31%
OF RESPONDENTS SAY THEY USE TRAINING TO FIND OUT MORE ABOUT AI

Key statistics: Training and Information

- Only **37% of respondents have received AI training in the last year**.

- **Slightly more respondents who don't use AI say they have sought training** (41% of respondents who don't use AI compared to 33% of those who do).

- Only **21% of respondents who have not received training** say they would know where to access training in AI.

- **The most common method for accessing information on AI for fundraising is charity related websites** (65% of all respondents say they use this method). **Overall, respondents are turning to sector-specific resources and not general information sources on AI from other sectors, suggesting a demand for sector specific training and information.**

- **Only 31% of respondents say they use training to find out more about AI**. Surprisingly this percentage is higher for people who don't use AI compared to people who use AI (44% and 17% respectively).

- **Other ways of accessing AI related training includes LinkedIn, news websites, Youtube** videos, and learning from colleagues with more AI experience. Several users learn through practice.

56%
OF RESPONDENTS BELIEVE THERE SHOULD BE GOVERNMENT SUPPORT FOR PROGRAMMES UPSKILLING AI FOR FUNDRAISERS

Key statistics: Regulation and Policy

- **53% of all respondents are not familiar with the regulation policies around the use of A**I, and 51% of those who use AI have some understanding of the regulations. Only 3 respondents (4%) say they are very familiar with the regulations.

- **Only 10% of respondents are aware of any UK policies to guide fundraisers** in the use of AI.

- **For those who are aware of UK policies the most commonly mentioned were GDPR and the Data Protection Act.** One person mentioned the 'UK Government one' and the Charity Excellence and Fundraising Code of Practice were also mentioned.

- **56% of respondents believe there should be government support for programmes upskilling AI for fundraisers.** This result is similar for both those who use AI and those who don't.

- **Reasons for government support** are mostly that the field of AI is rapidly changing and charities are at risk of being left behind because they cannot afford to invest in it to the same extent as larger companies.

- The main reasons why r**espondents believe there shouldn't be government support** is they feel there are plenty of free resources available, the government has more pressing priorities for spending money, and it should be up to the individual charities to upskill their staff.

Chart 20. AI training over the last year

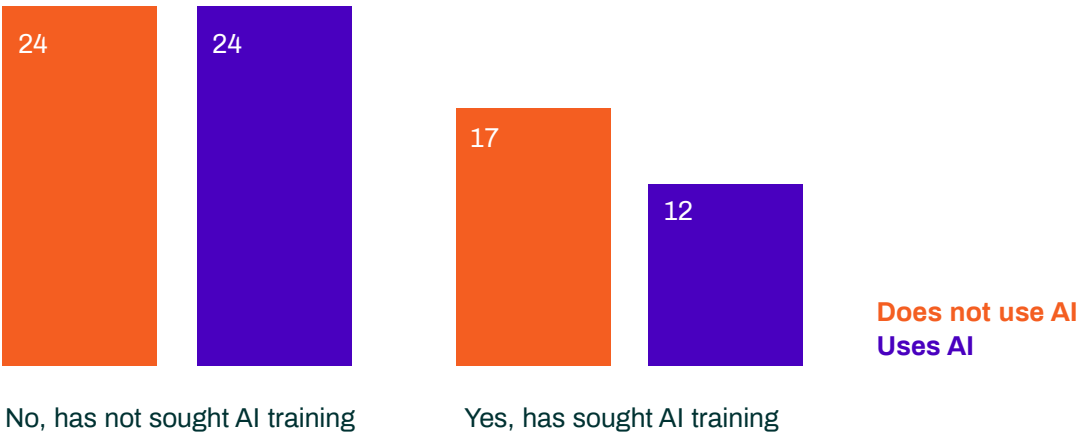# Have you sought or received AI training in the last year?

24 24

17

12

Does not use AI
Uses AI

No, has not sought AI training   Yes, has sought AI training

If you have not received any training, would you know where to get it from?

Does not use AI
Uses AI

Maybe   6
         9

No   12
         11

Yes   6
         4
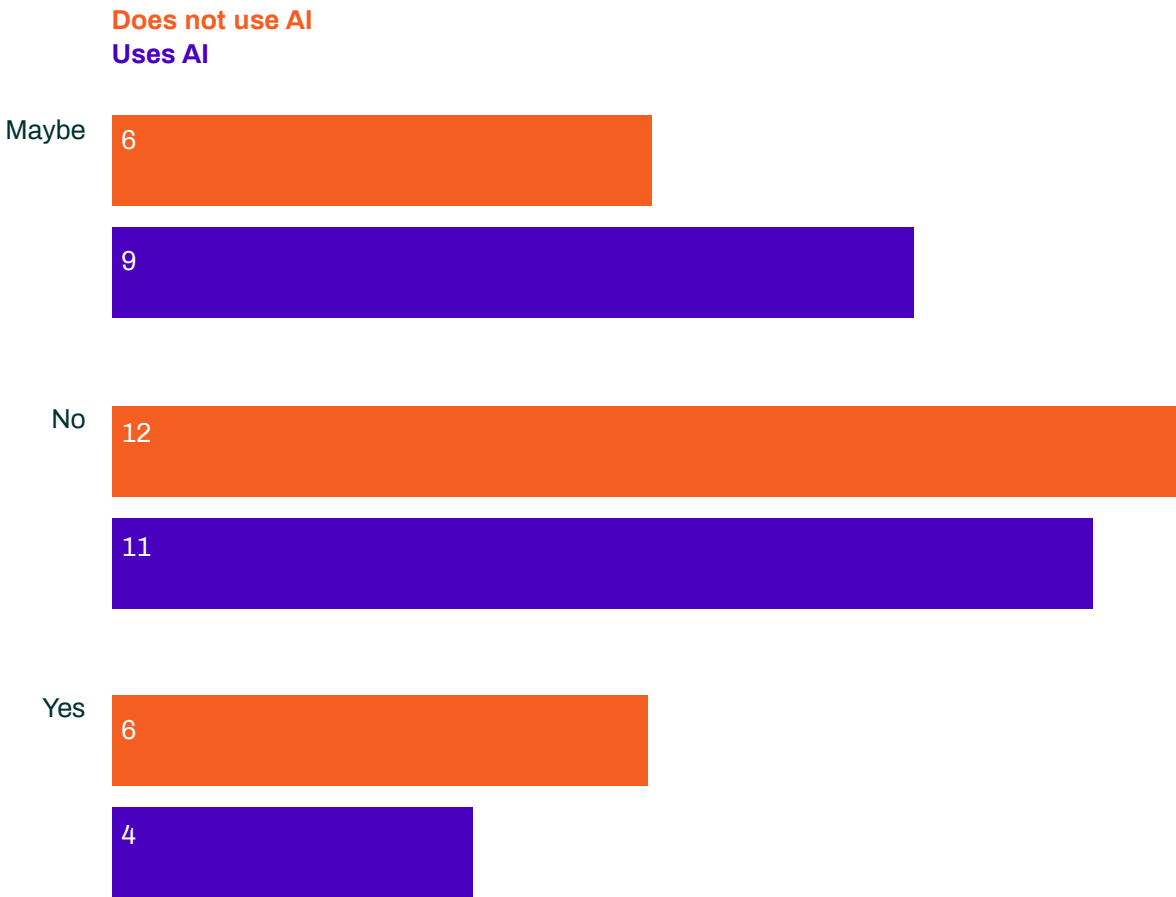
Chart 22. Finding information about AI

How respondents find information about AI

Does not use AI   **Uses AI**

	Does not use AI	Uses AI
Institute of Fundraising website	24%	8%
Existing professional network	54%	50%
Training on AI	44%	17%
Accessing websites on charities and AI	71%	64%
Other	12%	31%
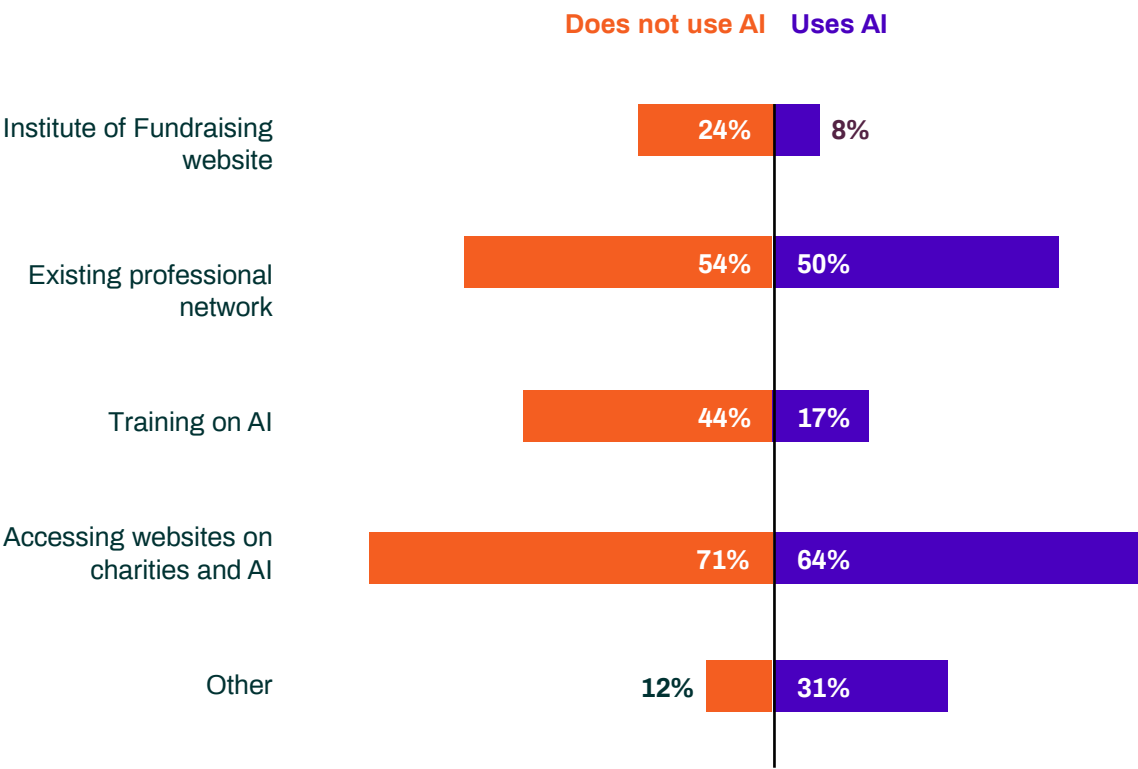
Chart 23. Familiarity with regulation policies around the use of AI amongst fundraisers

How familiar are you with regulation policies around the use of AI?

Does not use AI   **Uses AI**

	Does not use AI	Uses AI
I am not familiar with any regulations	27	14
I have some understanding	14	18
Very familiar	0	3
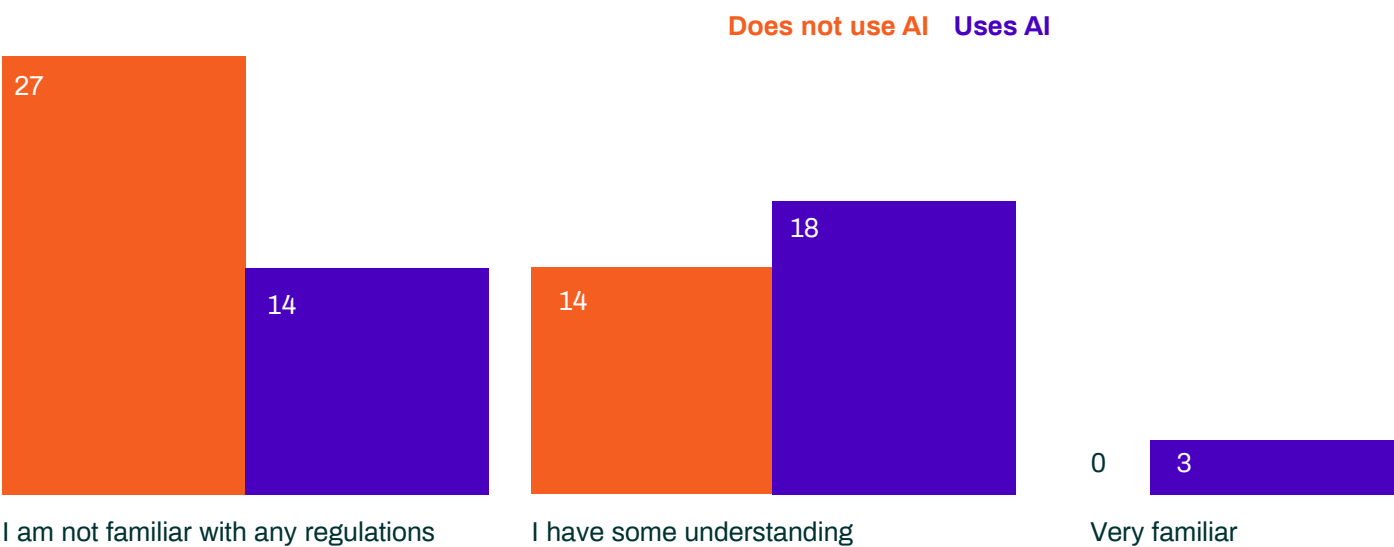
Are you aware of any UK policy guidelines to assist fundraisers in the use of AI?

	No, I am not aware	Yes, I am aware
Does not use AI	100%	0%
Uses AI	77%	23%
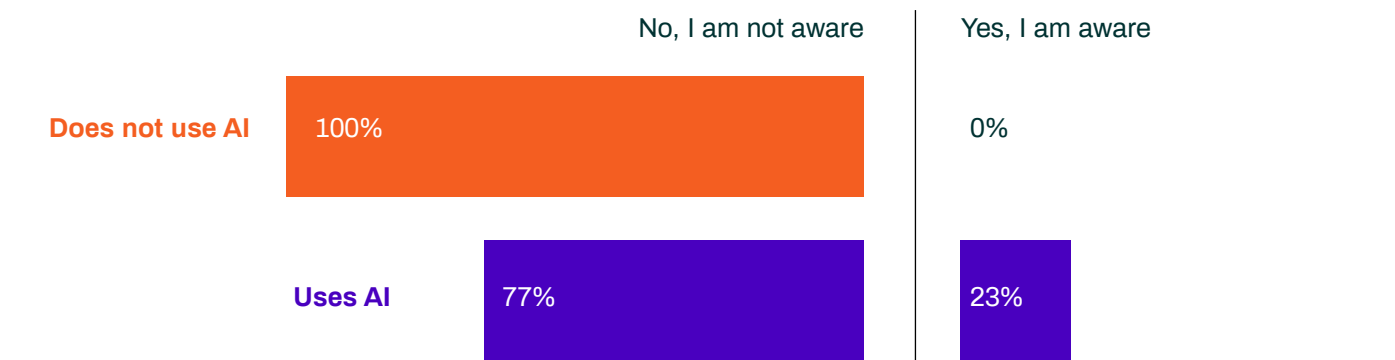
Key findings
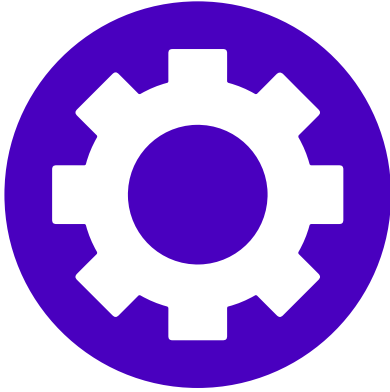
Access to training is very ad hoc. Some fundraisers just search online for AI webinars, they also use LinkedIn to access webinars from fundraising consultants, which one interviewee described as 'really helpful' and 'really good advice', and even making them feel 'more confident to experiment' (F4).

The interviews indicate that, overall, nonprofits are not offering their own training to staff, but they are aware that accessing such training is important. The interviews indicate a widespread nervousness, a lack of clarity, and uncertainty about how to use AI safely and ethically (one interviewee mentioned that using AI was like the 'wild west' 'give it a go, you see what happens' F1).

There is also a lack of regulation externally, and at organisational level, but, equally, a strong desire to have assurance, a framework, or guidelines – usually sector-specific for fundraisers. One interviewee mentioned being 'worried' about doing something specific to fundraising, and that training should be to help the whole sector (F3).

The Fundraising Regulator and the CIoF were mentioned as the right channels to deliver guidelines. There was a lack of agreement as to whether the government should provide AI training for fundraisers, with some noting that it has more important pressing issues to attend to, whilst others thought individual nonprofits should organise their training, or contract it out from external providers. However, some said that there should be 'government funding' or a 'government initiative (F1) to at least provide a framework so that AI could be used responsibly and ethically.

"
There's just such a lack of clarity, I feel like in this space. So it's just how you keep on top of something that's quite cloudy? **"**

– Interviewee F7
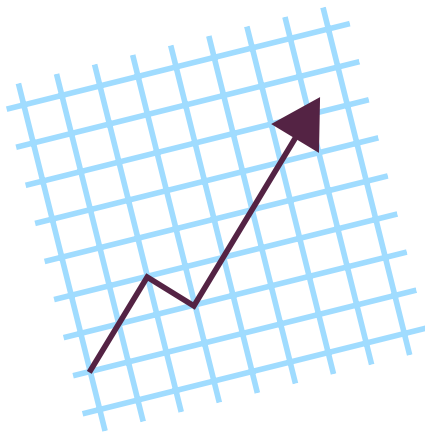
> *I've signed up to God knows how many emails from the industry of various times. So I'll look out for AI Webinars, and if I see them I'll probably try and sign up, because I am not technical at all, … but I have an interest and feel like we need to be moving faster than we are. I don't feel like maybe my peer group is necessarily as aspirational in that space.*

– Interviewee F3

> *Everything is so much in the air at the moment that I don't think anyone, including our government, really fully know what they should put down about it, or how they should be guiding it … everything seems a little bit like not clear and set in stone very well.*

– Interviewee F6

> *We're using it kind of nervously because we don't know what we don't know, and the risks around that … So we need absolutely to put a framework and guidelines out there, training and development in that area would be incredibly important … with the [Fundraising] Regulator playing a role that might also provide a bit more assurance.*

– Interviewee F3

> *We don't know what we don't know. Guidance around what we should be using it for and when to use it, and when it's an appropriate time, and I think having some live examples of how people use it is really helpful. So people who are maybe more knowledgeable about how to get the most out of AI. And just some, I think the problem is, we don't know what we don't know, so we don't know how to prompt it properly. We don't know how we might get something useful out of it if you're new.*

– Interviewee F11

THANK YOU

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