



THE AI READINESS PATH

Key insights for nonprofits and funders

How social good organizations are finding their footing in the journey to adopt and apply AI





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Overcoming barriers and unlocking impact

Within the social good sector, AI represents both an exciting new frontier and a formidable uphill climb. For those prepared with the right tools and guidance, the summit holds an alluring promise: **the ability to do greater good, more efficiently, with fewer resources.**

But to realize this potential, organizations first need a clear sense of direction.

To assess how both nonprofit organizations and funders are navigating this uncharted territory, Bonterra conducted a set of surveys encompassing both the nonprofit (547 respondents) and funder (300 respondents) perspective.

Here are 5 key takeaways:



The journey is already underway.

AI adoption isn't some distant goal on the horizon; the majority (69%) of nonprofits are already using the technology. Funders report adoption across departments like ops, IT, accounting, and CSR.



Navigating trust and security is a precarious balancing act.

A vast majority (92%) of nonprofits worry about data use, and 40% of funders are concerned about an over-reliance on automation.



Time and resources are early hurdles.

More than half (53%) of nonprofit respondents cite time/staffing constraints as obstacles to adopting AI, and 40% of funders worry about the high cost of supporting the technology.



Awareness and clarity are essential guidelights.

About half of nonprofit respondents feel comfortable using AI tools, but more than one-third say they don't fully understand how AI can help them better do their jobs.



People want power-ups, not autopilot.

Both funders and nonprofits prefer AI that summarizes, visualizes, or recommends — not decides for them.

This report offers a trail map, grounded in real data, to help organizations move onward and upward with confidence.

How nonprofits and funders are using AI for social good in 2025

Step by step and milestone by milestone, most nonprofits and funders are already embarking on some version of an AI adoption or implementation journey.

The nonprofit vantage point

Most respondents are exploring AI in some form, and an even higher percentage express interest in using the tech.

69% of nonprofit respondents are already using AI

78% are interested in using the technology at work

65% believe AI could positively impact their work

The funder perspective

Funders are largely optimistic about AI's future potential. Already, common applications involve using AI to monitor budgets, evaluate program performance, track outcomes, and streamline routine tasks like scheduling. Adoption is most common across teams in operations, accounting, strategy, and IT departments.

91% of funder respondents expect to see positive impact from AI within the next three years

87% think AI has potential to benefit CSR initiatives and grantmaking

85% believe AI can help nonprofits optimize applications

Bonterra Que bridging the gap

Despite promising early wins with AI, neither nonprofits nor funders have fully hit their stride.

Nonprofits can confidently embrace AI with Bonterra's purpose-built tools. At the center is Bonterra Que, the first fully agentic AI for the social good sector, designed to work within the tools nonprofits already use every day. By tapping into network-powered intelligence from millions of funders, nonprofits, and supporters, Que helps turn possibility into impact.

"There's this huge gap between how everyone's using AI now for generic content generation and truly personalized, embedded AI insights and advice," says Chase Russell, SVP of product strategy and marketing. "That's a massive white space in nonprofit fundraising and what Bonterra Que is solving for."

Nonprofit respondents want:

More automation

51%

Better ways to organize information

48%

Tools to predict outcomes

42%



Among funders, **more than three-quarters** believe AI has potential to strengthen data-driven decision-making

“

We are envisioning a world where we are leveraging AI to make each donor a 'segment of one.' Each individual supporter gets the treatment of a major donor, with a communication cadence attuned to their preferences, and messaging that speaks directly to what motivated them to give in the first place.”

Jess Matthews

Vice President of Product, Supporters, Bonterra

Trust and security concerns

If the journey toward AI adoption is a climb, trust and security represent some of the steepest cliffs.

The nonprofit vantage point

For nonprofits, concerns about how sensitive information is handled — and whether AI tools can be trusted to deliver reliable results — are among the most daunting obstacles.



39% report that concerns about bias, privacy, or security are actively limiting their AI use



92% of nonprofit respondents are concerned about how AI might use their data



Only **21%** trust AI to deliver accurate results



“

Nonprofits handle some of the most personal stories in society, so we set the bar higher than consumer tech. AI should never replace human compassion or decision-making where people's lives are at stake.”

John Manganaro
Chief Product Officer, Bonterra

These best practices can keep trust at the forefront:

Embrace human-AI collaboration — with emphasis on the “human” piece.

AI can draft and make suggestions, but for every task, big or small, a human reviewer should sign off on the output.

Use governed tools with access controls and clear AI cues.

Organizations should operate within secure, governed platforms rather than relying on public tools, particularly when dealing with personally identifiable information (PII) or protected health data (PHI).

Vet vendors for transparency and ethical rigor.

Nonprofits should ask vendors for plain-language explanations of how tools are trained, how data is retained or shared, and exactly where AI appears within a product.

The funder perspective

In general, funders see obvious upsides to AI for grantmaking efforts: Many expect AI-assisted applications to improve eligibility matching and boost win rates by offering sharper, data-based insights.

Still, ambiguities persist: Only about half of funders currently consider AI-generated proposals from nonprofits as fully “ethical.”

Funders also echo many of the concerns expressed by nonprofit respondents — specifically, security and transparency over data usage.



30% of funder respondents cite “legal and regulatory requirements” as a top challenge of AI use



72% have policies in place to ensure transparency in decision-making



86% would advise nonprofits to prioritize data quality and security



87% believe nonprofits should be transparent about how they use AI

Bonterra’s commitment to ethical AI

Bonterra’s **ethical standards** rest on three pillars: governance and ethics, privacy and security, and environmental sustainability. Every use case is reviewed before launch to ensure accuracy and human oversight. Client data is never used to train large language models. And finally, Bonterra designs AI with sustainability in mind, reducing energy use through efficient deployment and renewable-powered infrastructure.

This commitment also extends to transparency — ensuring organizations know when and how AI is applied. “At the heart of it, ethical AI means we take responsibility for mitigating harm from AI,” says Ben Miller, SVP of data science and analytics at Bonterra. “We never have shiny mirrors and smoke. There is no black box. Rather, we lift the curtain and tell you what we are doing and why.”

With an unwavering commitment to uphold these standards, Bonterra integrates responsibility into every stage of design and deployment. Ultimately, accountability is non-negotiable; AI simply must be ethical, secure, and sustainable, because anything less puts clients’ missions at risk.

Funders can model responsible use themselves:

Outline clear policies.

Publish and enforce a “grantmaking AI policy” to clarify what AI use is allowed and establish guidelines for mitigating bias and ensuring data quality.

Require explainability.

Implement explainability protocols and mandate human review for any AI-assisted scoring or recommendations.

Enable transparency within applications.

Funders may want to provide an optional disclosure field in their grant application forms. They can offer training and technical support to help grantees build a foundation for responsible AI use.



OBSTACLE #2

Time and resource constraints

Our data finds that both groups cite time and cost constraints as possible barriers to progress with AI for social good.

The nonprofit vantage point

In open-ended responses, some nonprofits described AI tools as “too expensive” or “unclear in value.” More than half express concerns about the upfront time — already a sparse commodity among stretched-thin staff — it takes to integrate AI into established workflows.



53% of nonprofit respondents cite time to learn the tech/staffing constraints as primary hurdles to AI adoption



31% have not had time to test AI tools yet

To lighten the load, nonprofits can start with these small, practical steps:

Use what you already have.

Turn on AI features in existing CRM or case tools to avoid new licenses and track minutes saved on everyday tasks. Focus on segmentation to get more out of existing donor relationships.

Start with fast, safe wins.

Turn on AI workflows that touch fundraising or communications first; deeper dives into analytics can wait.

Run a short pilot.

Start with experiments lasting four to six weeks and monitor before-after metrics compared to manual efforts. On top of time saved, track outcomes like conversion rates or revenue generated per donor touchpoint.

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The most obvious metrics to track are pure time savings. The less obvious but more important metrics are about how much more effective AI made the team. It's better outcomes, not just efficiency, that are most important for social good in the long run.”

Ryan Duffy

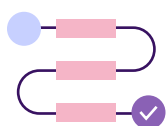
Director, Strategy and Operations, Bonterra

The funder perspective

Funders feel the weight of cost constraints, too. On the topic of time-savings, however, funders' outlook for the future is optimistic, suggesting that once mastered, the tech can help streamline day-to-day work.



40% of funder respondents (and 48% of smaller grantmakers distributing between \$500k and \$1.9M) say “the high cost of supporting AI technology” is a core challenge



83% believe AI has potential as a streamlining tool

Clearing a path for grantees starts with the way funders approach AI themselves. A few practices can make the journey less daunting for everyone involved:

Pilot internally first.

Use AI to streamline internal reports and dashboards, then share successful approaches with grantees.

Automate high-value processes.

Prioritize spend-tracking, volunteer matching, and donation matching — areas where hours saved are easiest to measure.

Standardize reporting.

Templates and platform workflows can reduce manual effort for both grantees and reviewers.

AI as the ultimate connector

Bonterra Que functions like an embedded teammate, built directly into Bonterra's software. Beyond analyzing data, it can act on insights by pulling donor segments, drafting emails and forms, and offering personalized guidance in the moment.

Chase Russell, SVP of product strategy and marketing at Bonterra, believes in the “power-up” potential of AI. In his view, it's not a lack of passion or manpower that limits organizations' ability to make maximum impact today. “There are enough nonprofits; there are enough volunteers. People really do care,” he says. Rather, the issue lies in coordination — matching would-be donors with the ideal campaign at the optimal moment.

Tools like Bonterra Que might be just the key to unlocking such serendipity. “There are tons of latent potential and dollars and volunteers in the system,” says Russell. “Crafting the right message, to the right person, at the right time to prompt them to give — that's a problem AI is perfectly suited for.”

“

Bonterra Que absolutely saved me time in helping craft responses or even initial emails to donors. It has allowed me to better craft communication and made me a more effective fundraiser.”

Josh Winfield

Engagement Coordinator, Crescent Cove

Awareness and clarity considerations

Every journey needs basic navigational tools to stay on course. When introducing a technology as transformative as AI, teams need unambiguous policies and direction. Our data suggests, however, that many nonprofits and funders are lacking the desired level of guidance.



The nonprofit vantage point

When it comes to AI for nonprofits, confidence is still uneven across the landscape. Only about half of nonprofit respondents are comfortable using AI tools, and about a third fail to see how AI can help them better achieve their goals.



51% of nonprofit respondents are comfortable using AI tools today



35% still don't know how AI can help them in their day-to-day work

To build confidence and clarity, nonprofits can take these steps to make AI more transparent and accessible:

Set weekly “AI use cases” challenges.

Send a short, weekly memo proposing one simple task. These can be straightforward (“draft three versions of a donor thank-you email”) or more playful (“brainstorm 10 outlandish event themes”).

Show and tell.

Record examples of successful use cases and post them where employees can easily access and reference.

Assign ownership and emphasize accountability.

Even if AI helps draft or refine work, human employees must take responsibility for accuracy and tone.



The funder perspective

Funders view access and accountability through a different lens, expressing concerns about an “over-reliance” on AI, as well as ethical qualms about nonprofits using AI to generate proposals.

The vast majority believe training is the best way to address these concerns and build trust and expertise.



40% of funder respondents are concerned about nonprofits developing “over-reliance” on automation



93% think employee training is the best way to build trust in AI systems

Easing into AI

Bonterra Que helps organizations build familiarity and trust before moving into more advanced applications of AI.

“We’re deliberately easing into automation with human-in-the-loop reviews,” says John Manganaro, chief product officer at Bonterra. “Whether it’s nonprofits managing participants or funders reviewing grants, people remain in control, and they decide when or if they’re ready to move to deeper automation.”

Even experienced fundraisers can find new ideas or untapped opportunities. “You see AI’s recommendations, compare them with your own instincts, and decide what’s worth testing,” Manganaro adds. “The result is a safe, guided way to build trust through personal experience.”

“

Nonprofits handle some of the most personal stories in society, so we set the bar higher than consumer tech. AI should never replace human compassion or decision-making where people’s lives are at stake.”

John Manganaro
Chief Product Officer, Bonterra

To set an example worth emulating, funders can:

Host roundtables with vendors or early adopters.

Walk through real grantmaking tasks with live examples and allow for Q&A afterward.

Create a first-use roadmap.

Map common processes where AI can assist and where human review is non-negotiable. Pair with simple disclosure language so expectations are clear.

Share what works.

Circulate short highlights from pilots, along with templates and prompt examples, so grantees and peers can borrow proven approaches.

Looking to the horizon and the path ahead

Like any mountain worth scaling, the journey to successful AI adoption will be marked by both periodic stalls and bursts of momentum.

Every climb needs a compass. Bonterra's AI tools, like Bonterra Que, are designed to provide steady direction from first use cases to long-term strategies.

The summit — the chance to achieve greater good with less time and effort — is within sight. With the right tools and trusted partners, nonprofits and funders can find their footing, gain ground, and turn progress into meaningful impact.



NONPROFITS

Explore our interactive “AI journey” experience to gauge your AI readiness.

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FUNDERS

Learn how Grantmaker can guide your next steps.

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Methodology

The insights in this report are grounded in two complementary studies, designed to capture perspectives on AI for social good from both nonprofits and funders.

The first was conducted in partnership with Hanover Research and focused on funders. This survey included 300 CSR and foundation decision-makers, all age 21 or older and based in the United States. Each respondent held a manager-level role or higher within departments relevant to grantmaking or CSR. To ensure consistency, all participants worked at corporations or foundations that provide at least \$500,000 in philanthropic donations or grants annually. The survey was conducted in August 2025, with participants recruited via panel.

The second study was Bonterra's own AI Readiness Index, which surveyed 547 nonprofit leaders across our network who use our products on a daily basis. This group included 200 respondents using Apricot case management software, 114 using Network for Good fundraising software, and 223 using EveryAction fundraising software. Sixty percent of these respondents hold leadership roles, and 57% report responsibilities that include data management. Other widely represented functions were analytics and reporting, administration, marketing and communications, and fundraising or major gifts. A large majority (87%) of the organizations represented hold 501(c)(3) status. Sector representation was broad, with 29% working in health and human services, and 35% categorized as midmarket organizations with annual revenue between \$1 million and \$5 million. The survey was conducted in-app between August 29 and September 18, 2024, and findings were supplemented with six pre-survey interviews with nonprofit leaders, secondary research, and analysis using Excel and Bonterra's "BonBot" tool for open-response themes.

Download the methodology brief to review the data collection, respondent profiles, and analysis that power our findings.

Bonterra