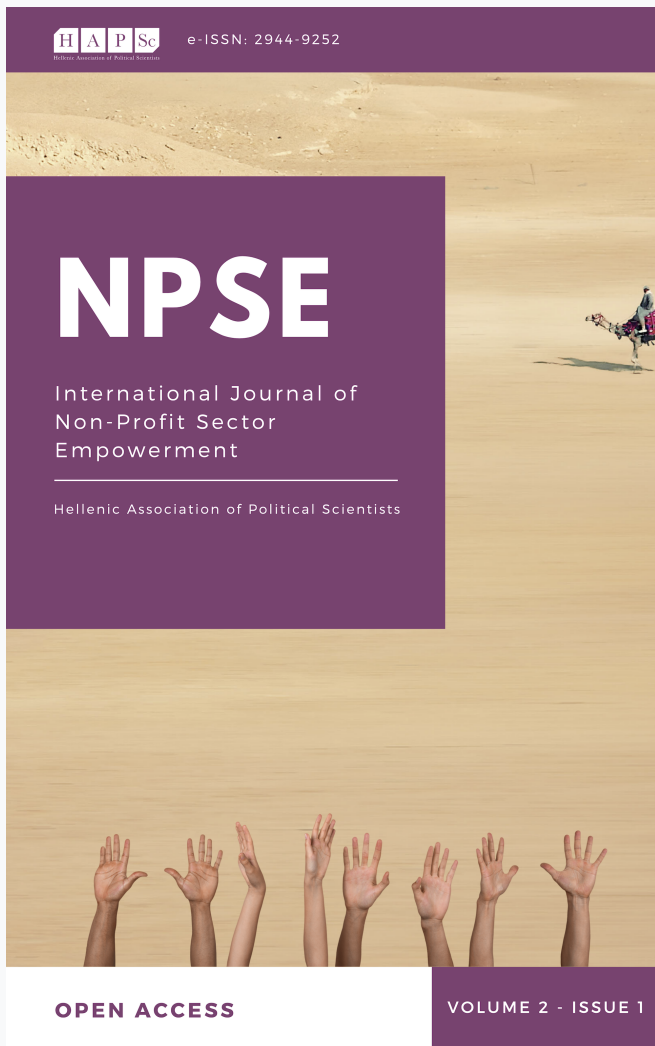


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## Artificial Intelligence and the Future for Charities

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COMMENTARY

## Artificial Intelligence and the Future for Charities

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#### Abstract

This article delves into the transformative potential of Artificial Intelligence (AI) in reshaping the landscape of charitable organizations. As technological advancements continue to accelerate, charities are presented with novel opportunities to enhance their operations, outreach, and impact. The paper explores how AI-driven solutions can streamline administrative tasks, optimize resource allocation, and personalize donor engagement, thereby allowing charities to operate more efficiently and effectively. By examining the intersection of AI and charitable work, this paper sheds light on the prospects and responsibilities tied to leveraging AI for a brighter future for charities and the causes they champion.

**Keywords:** AI, Charities, Efficiency Enhancement, Technology Integration, Impact Optimization

#### Introduction

Artificial intelligence (AI) is transforming our daily lives and shaping the future of work, communication, and the economy. The charity sector is not an exception. AI is a wide set of technologies that mimic human intelligence and can be used in various ways, such as speech recognition, decision-making, and language translation. It is changing the charity sector, where it is being used to offer online advice. Chatbots, which use “natural language processing (NLP)” and “machine learning (ML),” are being used to talk to people about climate change, homelessness, and other social issues (Green, 2021). This article explores the utilisation of AI in the charity sector, examining its benefits, potential risks, and challenges, as well as predicting its future prospects.

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## AI in the Hands of Charities

AI is increasingly being used by charities for various purposes like serving information, facilitating voice-based donations, conducting research, and serving beneficiaries (Green, 2019). AI can automate repetitive tasks like data entry, data analysis, and data cleaning, freeing up staff to focus on more high-level tasks including strategy, planning, and fundraising. It can also assist charities to identify potential donors and develop personalized fundraising campaigns, improve customer service through chatbots, optimize operations, enhance impact, and identify needs. Further, it can be used to make predictions and create personalized experiences for donors and supporters, which can enhance engagement and donation rates. However, AI is not a replacement for human decision-making, but a tool to help make better decisions based on data analysis and predictions (Ginger & Tall, n.d.).

AI has practical applications for fundraisers to help in areas such as automating tasks, generating the content, analysing data, developing recommendation algorithms, and performing predictive analytics using machine learning. AI can improve prospect research and better understand supporters' preferences and behaviours. However, AI's effectiveness is only as good as the data it uses, and organisations need to ensure they have enough data in a usable state (May, 2021).

Marketing (2019) discusses the potential impact of AI on the charitable sector. The benefits of AI for charities include improved donor and fundraiser engagement through AI-powered chatbots and virtual assistants; transformed delivery models by analysing large data sets and spotting patterns; and improved insights and analysis of fundraising campaigns and back-office functions. The potential challenges for charities when embracing AI, including trust and transparency in data collection and usage and concerns from the public about AI's impact on vulnerable groups. Charities should consider a holistic view of AI, including the appropriate governance frameworks and the recruitment of trustees with the necessary skillsets.

AI offers the potential to automate processes, lower the costs of marketing materials, and provide better results through NLP. However, AI also poses risks such as disinformation, reduced privacy, and the loss of jobs. The impact of AI on charities will depend on the ability of the sector to mitigate the risks and leverage the benefits of this technology (Davies, 2021). The UK charity sector may benefit from the use of AI by streamlining operations and enhancing service delivery, but it also faces challenges such as job loss, bias and discrimination, privacy and security risks, and a reduction in human connections and empathy. To protect society's most vulnerable citizens, charities should be aware of these possible issues and take action to address them (Heart of Bucks Community Foundation, 2023).

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AI is making its mark in various areas, including finance, video games, e-commerce software, and cars, but its use in the charity sector is limited for now. AI is mostly seen and not heard, meaning that people benefit from it without realising it, such as through Google Assistant or Alexa. Examples of AI in charity tend to be invisible, such as analysing newsletter open rates, or visible but limited in scope, like chatbots that follow set dialogue paths. Microsoft's partnership with The Children's Society to offer real-time translation services via smartphone is one example. AI is getting better and smarter, and experts predict that AI will be smarter than humans by 2045. While AI offers a lot of opportunities, it also presents significant challenges, including the risk of super-intelligent AI that may pose a threat to human existence. Non-profits exist to deal with AI's challenges, and it is important to be cautious about its potential risks while embracing its opportunities (Martin, 2019).

There are various resources available for charities to learn about and use AI, including the Charities Aid Foundation, DataKind UK, the Alan Turing Institute, Microsoft, Google, Amazon Web Services (AWS), Alexa, IBM Watson, Nesta, and Salesforce. These resources offer training, grants, education, support, and funding opportunities for charities to explore AI's potential in solving social problems (Green, 2019).

Microsoft's Customer Insights tool allows charities to create a large data lake and gain insights into the factors that influence the behaviour of donors and event participants, enabling them to deliver more effective campaigns. AI is set to play a crucial role in the future of the charity sector, and technology giants like Microsoft are investing resources in its development through initiatives like AI for Good. Microsoft's Dynamics 365 Virtual Agent and AI Builder can automate various processes in charities, making work more efficient and extending support beyond normal working hours (m-hance, n.d.).

In the future, AI technologies (chatbots) are likely to manage more than 85% of customer interactions without human intervention in the charity sector. Charities can use text-based AI conversations to present information in an easier and more accessible way, which saves time for human helpdesk operators. The technology will augment human capabilities with a combined approach, freeing people from repetitive tasks and allowing them to focus on their strengths (Green, 2021).

Within fundraising, AI is not yet being used by most organizations, but it is being considered (Davies, 2021). There are two areas where AI is likely to be applied to fundraising in the near future: donations via voice assistants and chatbots. The "National Society for the Prevention of Cruelty to Children (NSPCC)," has become the first charity to take donations using Alexa, but this technology still needs improvement. Chatbots are likely to be deployed within the supporter services function within the

charity sector, improving efficiency but not necessarily driving large amounts of fundraising revenue. Chatbots need to be well done; otherwise, they may cause frustration, like in the example of trying to report identity theft to Action Fraud (Swain, n.d.).

The emergence of accessible AI chatbots is making it easier for small organizations to benefit from AI technology. Charities can now leverage AI to effectively carry out their roles in the fight against global poverty. Researchers are using AI to track impoverished areas in need, improve agriculture, and predict future poverty trends. Charities can take advantage of AI to target outreach, use virtual assistants, make predictive models, detect fraud, and automate certain manual labour tasks. Charities are already adopting AI into their operations, and with the help of organizations like IBM, they will continue to explore the possibilities technology can bring to fight poverty with AI (Matalqa, n.d.).

## Conclusion

The use of artificial intelligence is transforming the charity sector, providing benefits such as automating repetitive tasks, assisting in identifying potential donors and developing personalized fundraising campaigns, enhancing customer service through chatbots, optimizing operations, improving the impact and identifying needs. While AI offers a lot of opportunities, it also presents significant challenges, including the risk of super-intelligent AI that may pose a threat to human existence. Further, AI also poses risks such as disinformation, reduced privacy, and the loss of jobs. Charities need to be aware of these possible issues and take action to address them. In the future, AI technologies such as chatbots are likely to manage more than 85% of customer interactions without human intervention in the charity sector. Charities can use text-based AI conversations to present information in an easier and more accessible way, which saves time for human helpdesk operators. The technology will augment human capabilities with a combined approach, freeing people from repetitive tasks and allowing them to focus on their strengths.

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