Practical AI in Philanthropy:

How the Annenberg Foundation is Navigating AI Holistically

A Member Spotlight Series by the Technology Association of Grantmakers

September 9, 2024

Introduction

As artificial intelligence (AI) becomes increasingly integrated into the work of the social sector, the Technology Association of Grantmakers (TAG) recognizes the need for thoughtful exploration of its implications in philanthropy. Our *Member Spotlight Series* highlights organizations that are carefully considering how AI can support their missions, realize operational efficiencies, and better address challenges faced by the communities they serve.

In this series, we feature grantmakers that are taking a balanced approach to AI adoption. These organizations share their experiences, including both the opportunities and the complexities of implementing AI in a philanthropic context. By offering practical insights and lessons learned, we aim for their stories to help others navigate the responsible use of AI to enhance, rather than overshadow, the human-centered work of philanthropy.

This case study chronicles the Annenberg Foundation's emergent efforts to integrate AI into their operations and innovate the programs and support they offer nonprofit partners and grantees. The Annenberg Foundation is a small organization, with a staff of 30 and a largely place-based funding strategy, centered on the Los Angeles region.

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Leadership Commitment to AI Exploration

At the outset of the Annenberg Foundation's AI journey, Executive Director Cinny Kennard identified AI not just as a tool for efficiency, but as a potential game-changer in advancing their mission. As a seasoned executive, however, Cinny aimed to avoid the rollercoaster of the emerging technology "hype cycle" and instead charted a course for AI at the Foundation that built incremental awareness and learning with the goal of unlocking strategic potential. The Annenberg Foundation views AI, not as an "add-on" or trend, but rather as the natural evolution of advanced technologies that could aid them in becoming a more efficient and productive grantmaker as well as an innovation partner for Los Angeles community nonprofits.

Recognizing the complexities of AI, in early 2024, the Foundation appointed an AI Strategy Resident for a six-month period to develop a comprehensive strategy for responsible AI adoption across their programs and operations. This appointment marked a significant step in ensuring that their AI initiatives would be grounded in ethical principles and aligned with the foundation's values while also avoiding the peaks and valleys typical of the emerging technology "hype cycle."

Co-Creating an AI Approach

The first step in the Annenberg Foundation's AI journey was to listen. Their AI Strategy Resident conducted extensive listening sessions with all staff, focusing on understanding their work and exploring how AI could address their unique challenges. For example, in their exploration sessions, they didn't start with the question, "How could we use AI?" Instead, they leveraged an appreciative inquiry approach that relied upon questions such as "What are the current pain points in your work?" and "What ideas do you have for how to improve your department's effectiveness?" This approach allowed them to catalog potential AI use cases that could streamline their work and uncovered findings such as widespread enthusiasm among staff to experiment with AI and improve operational efficiency, particularly in areas such as media classification and retrieval.

This approach was important to ensure their AI initiatives were not just technologically driven but also tailored to the real needs of their employees.

The listening sessions also revealed a baseline for the current state of innovation culture within the Foundation, highlighting areas where AI could support as well as areas where the organization would need to evolve to realize AI's full potential. For example, the Foundation realized that their busy teams had limited opportunities in the past for cross-departmental collaboration, so they needed to build new forms of shared governance for data and AI. Lastly, these listening sessions led to the identification of potential external strategic initiatives related to AI, setting the stage for their broader engagement with the nonprofit sector.

In addition to their listening sessions, the Annenberg Foundation also conducted a pulse check survey to gauge staff awareness, current use, concerns, and aspirations in an anonymous fashion. Key findings included the fact that a significant portion of staff (63%) were already experimenting with AI tools like CoPilot, Canva's AI

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features, and ChatGPT, primarily in a rudimentary fashion. More importantly, nearly 60% would like to use AI to organize information and automate repetitive tasks.

In your work, which of the following would you like to do with AI?
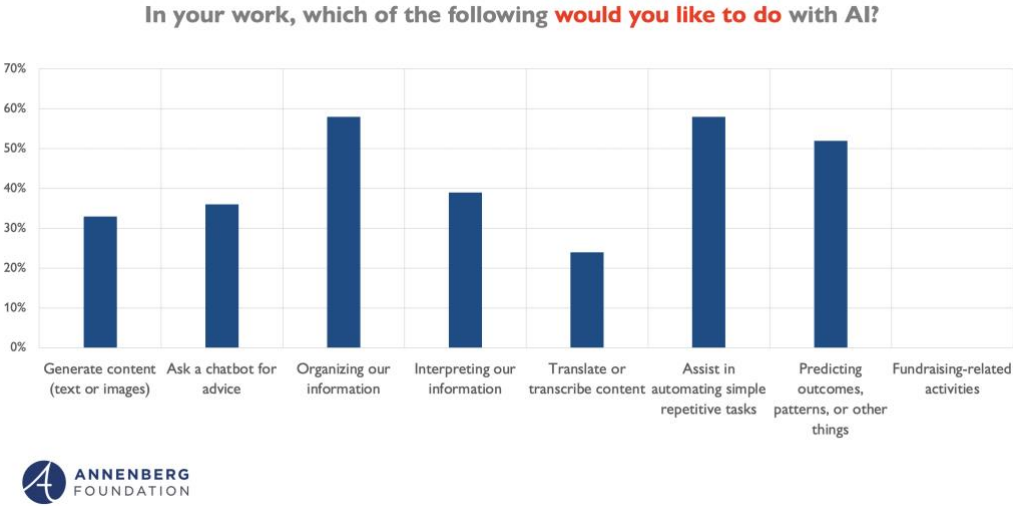
Figure 1: Current staff use of AI according to an internal poll conducted in June 2024

According to the staff survey, key concerns for the organization regarding AI include the following:

- Decisions based on biased AI models
- AI-related data breaches
- Increasing technology gaps for lower capacity organizations who are unable to adopt
- Increasing inequities, marginalization or harms to certain populations or groups due to AI bias
- Environmental impact of using AI

Lastly, as they anticipated the creation of a data and/or AI policy, their AI Strategy Resident led an exercise with staff to translate key tenets of responsible AI (e.g., fairness, transparency, accountability, explanations, interpretability, inclusivity) into their cultural values and practices. Using an interactive Mural board, they held an "AI Pop-Up Breakfast" for staff to identify principles important to include in their AI and/or data policy. The results were illuminating and highlighted priorities that they simply couldn't have predicted. For example, staff felt strongly that equity in the realm of AI meant that all staff have access to new tools and the training they need to be successful. Additionally, staff are committed to transparency with grantees and partners regarding how and when they are using AI.

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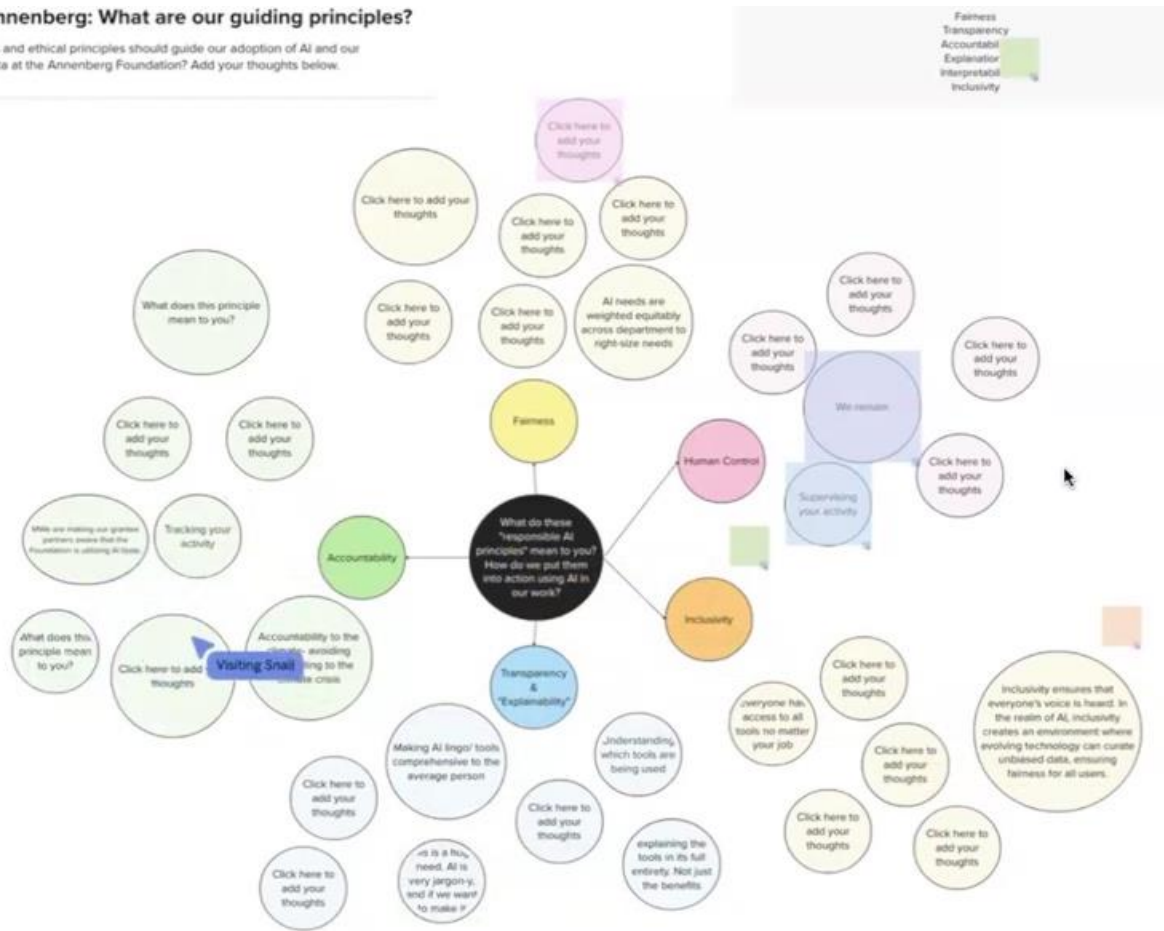www.tagtech.org/ai-resources-for-philanthropy

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Figure 2: Interactive values mapping exercise in Mural

The research described above was designed and approved by a small AI Working Group comprised of a multidisciplinary team including the IT Director, Operations Manager, Program Officer, and AI Strategy Resident, all overseen by the Senior Director of Operations and Programs.

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Identifying Internal Pilots for AI

With the groundwork laid, the AI Working Group began surfacing potential pilots for AI across the organization. Based on use cases identified during their listening sessions, they asked for input on priority initiatives at an all-staff meeting in late July 2024. The results are shown below, with staff-wide access to ChatGPT identified as a top priority, followed by access to CoPilot and implementation of AI-enabled media auto-classification and retrieval.
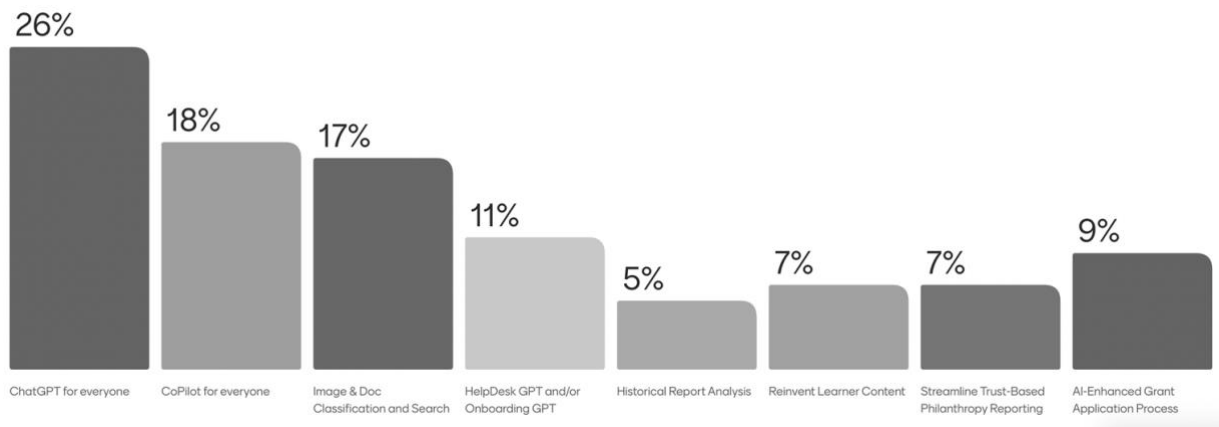

Figure 3: Results of staff poll asking, "Which AI pilot would YOU like to see most?"

While this interest is promising, the Annenberg Foundation's AI adoption strategy is critical. According to their early June staff survey, 42% of staff report that "lack of training or awareness" is their biggest reservation about AI adoption. As such, the Foundation is currently developing all-staff training sessions and hands-on activities related to responsible usage and optimizing approved AI tools.

Governance and Policy Development

With their internal AI pilots prioritized, it became clear that a robust governance framework was essential. In July 2024, the Annenberg Foundation established a Data Governance Committee, composed of leadership from all departments. This committee was tasked with overseeing the adoption of a comprehensive Data Use Policy, which would guide their AI and data practices.

The development of this policy was a collaborative effort, incorporating input from staff across the foundation as well as peer foundations in philanthropy. As noted earlier, they held an online brainstorming activity using the Mural platform, where staff members contributed their thoughts on how widely accepted AI principles, such as those from NIST, could be translated into their foundation's context. The exercise ensured that all

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voices were included in shaping their AI governance framework, resulting in a policy that they believe reflects their commitment to ethical AI use.
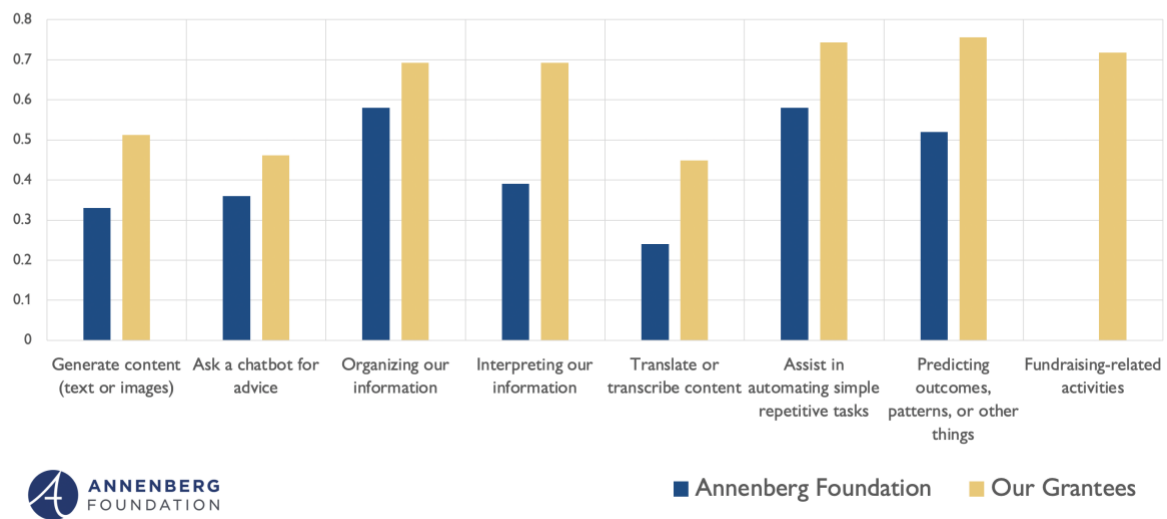
The Data Use Policy includes provisions for an annual audit of AI tool usage, privacy, and security with strict prohibitions on the use of sensitive data in generative AI tools. This policy is more than just a set of guidelines; it's a living document that ensures their AI practices remain aligned with their foundational principles.

For a set of example AI policies in philanthropy, see the TAG Knowledge Center at https://www.tagtech.org/knowledge-center/policies.

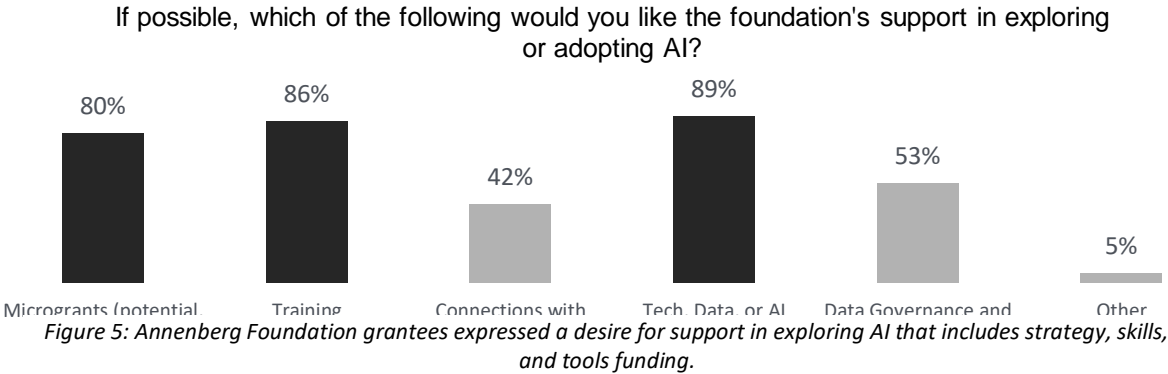## AI in Programs: Understanding Grantee Priorities

Understanding the needs of their nonprofit partners is a critical aspect of the Annenberg Foundation's AI strategy. In July 2024, they launched a survey to gather insights from their grantees regarding their AI needs and preferences. The core set of questions was identical to their staff survey, enabling them to compare internal vs. external perceptions of AI relevancy. For example, this comparative data revealed that nonprofits have a more immediate and practical need for AI usage, particularly in areas like fundraising, outcomes prediction, and information analysis. This contrasts with the more cautious approach of foundation staff, who are interested in experimentation; however, with less urgency.

Figure 4: Foundation staff and grantees see a different degree of urgency in adopting AI.

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Beyond these shared questions, the survey also explored their grantees' concerns about AI as well as their baseline level of awareness. Additionally, they asked directly how their grantees would like to see support for AI from the Annenberg Foundation. They were surprised to see the results align directly with findings from TAG's 2023 publication on "Emerging Practices in Funding Nonprofit Tech" which showed that funding for strategy, skills, and tools was ideal for nonprofit adoption of new technology or expansion of existing solutions.

If possible, which of the following would you like the foundation's support in exploring or adopting AI?

| Microgrants (potential | Training | Connections with | Tech, Data, or AI | Data Governance and | Other |
| 80% | 86% | 42% | 89% | 53% | 5% |

Figure 5: Annenberg Foundation grantees expressed a desire for support in exploring AI that includes strategy, skills, and tools funding.

Based on the survey results, the Annenberg Foundation is now are considering future program-related pilots that will help scale and improve the impact of their grantees' work.

On the Horizon: AI Pilot Projects

Looking ahead, the Annenberg Foundation remains committed to advancing their AI initiatives with a focus on responsible and equitable use. Their immediate efforts include three key internal pilots currently under review by their Data Governance Committee:

- Staff-wide License for ChatGPT
- Image & Document Repository Classification and Search
- Custom GPTs including a HelpDesk GPT and Onboarding GPT

Beyond these internal pilots, the Foundation is also currently developing external programs to address grantee priorities for AI exploration as well as longer-range AI initiatives where the Annenberg Foundation can play a leading role in advancing their communities' economic vibrancy and opportunity for all.

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