The State of Artificial Intelligence Adoption in Canadian Nonprofits

IMAGINE CANADA

CANADIAN CENTRE FOR NONPROFIT DIGITAL RESILIENCE

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About CCNDR
The Canadian Centre for Nonprofit Digital Resilience (CCNDR) is a national connector and ecosystem enabler working to ensure every nonprofit in Canada has the confidence, skills, and support to thrive in a digital world. As a trusted wayfinder, CCNDR helps organizations navigate technology, strengthens digital capacity, and builds the connective tissue that turns individual efforts into collective infrastructure. Through collaboration, co-creation, and shared learning, CCNDR is helping shape a more resilient and equitable nonprofit sector.

Key findings

This report offers one of the first snapshots of how Canada's nonprofit sector is using Artificial Intelligence (AI) or Generative Artificial Intelligence (GAI). AI refers to computer systems that analyze data to recognize patterns, make predictions or support decisions. GAI is a type of AI that creates new content such as text, images or code in response to prompts. Although AI is now part of many workplace tools, there has been little concrete information about how nonprofits are engaging with it. The findings from this report offer a baseline view of current adoption, highlight key challenges and illustrate the range of experiences across the sector.

AI use is common but often limited in scope. Eighty percent of survey respondents say their organization is using AI in some way. For many, this use is modest: half use AI for three or fewer organizational activities and only a fifth use it for seven or more. On average, organizations apply AI to 4.5 activities. Smaller organizations, those in arts, culture and recreation and those based in Alberta, the Prairies and Atlantic Canada are less likely to report using AI.

Most nonprofits begin with accessible, outward-facing uses of AI and expand into more complex areas. Two thirds of organizations (67%) use AI for communications and fundraising, and about half (50%) use it for data and information tasks. Far fewer apply it to internal functions such as strategy, human resources or programming. The most common tasks are language- and information-focused, such as editing, summarizing and creating text, brainstorming, searching for information, and translating or transcribing speech. This pattern reflects a continuum of adoption: organizations typically start where tools are easier to use, and then build toward more complex, internally focused applications as their experience grows.

Experience strongly shapes perspectives about AI. The more extensively an organization uses AI, the more confident it tends to feel about its potential. Organizations using AI extensively are more likely to believe they can apply it across their operations and less likely to view it as over-hyped. Those making light use of AI, or not using it at all, are far more likely to be uncertain or unable to offer an opinion.

Skills, time and knowledge are stronger enablers of AI adoption than financial resources. Across the sector, the main barriers to using AI are uncertainty and limited hands-on experience, not resistance or lack of interest. Staff capacity, training and access to relevant resources have a stronger influence on whether organizations use AI than funding. For example, organizations identifying staff time as an enabler are 6.4% more likely to use AI, and access to relevant knowledge increases the likelihood by 5.8%. Organizations that are unsure whether staff time, skills or IT capacity are enablers or barriers are less likely to be using AI at all. While financial resources matter less for getting started, they do shape how extensively AI is applied: sufficient funding increases the number of AI-supported activities by 1.3 on average. This suggests that building skills and shared knowledge may have greater impact on adoption than financial resources alone.

Risk awareness varies and policy development is lagging. Majorities of organizations say they are aware of reputational risks (62%), legal, ethical and environmental issues (60%), and the potential to reinforce inequities (54%). However, sizeable minorities remain unsure. Only one tenth of organizations have formal AI-related policies (10%) and another fifth are developing them (21%). Nearly two thirds of organizations using AI (64%) have no policies and are not currently working to develop them.

Use of external supports is limited. Just 16% of organizations have drawn on a formal or informal group or network for AI-related support, and only 9% have engaged an external consultant. Larger organizations and those using AI more extensively are more likely to access these supports. Among those that do, training is the most common type of assistance (reported by 67%).

Overall, these findings paint a picture of a sector that is curious and experimenting with AI, but still developing the confidence, skills and governance needed for deeper and more responsible use. The results offer an early benchmark for understanding where nonprofits stand today and a foundation for tracking how AI adoption evolves in the years ahead.

Introduction

Over the past few years, adoption of Artificial Intelligence (AI) has surged. All of the dominant tech companies have either released their own Large Language Models (LLMs; for example, Open AI's ChatGPT, Microsoft Copilot) or have integrated LLMs developed by others into their products. Statistics Canada reports that as of the second quarter of 2025 about one in eight Canadian businesses (12%)[1] were using AI to produce goods or deliver services, double the level (6%) from one year earlier (Statistics Canada, 2024, 2025). Similarly, KPMG reports that 46% of employed Canadians used generative AI at work during 2024, also about double the level (22%) during the previous year (KPMG in Canada, 2024). These shifts are reshaping workplaces across the economy, yet there has been little data on how nonprofits are engaging with AI.

Given the high level of interest in AI, the rapid pace of adoption among organizations, and the frequent release of new AI-enabled tools, this study set out to better understand how nonprofits are using AI. It is intended as an initial benchmark of AI adoption in the sector, providing a clearer picture of where organizations are today. Establishing this baseline will help track changes over time and support further efforts to understand how nonprofit use of AI evolves and where gaps in supports and resources exist. In particular, we examined how many organizations are using AI, how extensively they are using it, what they are using it for, and what factors help or hinder them in using it. We also explored current views about the role of AI, awareness of potential risks, the policies organizations are putting in place to guide its use, and the external supports they may be drawing on.

To address these questions, we conducted an online survey of charities and nonprofits between June 26 and September 6, 2025, receiving 963 responses. To keep respondent burden as low as possible, the survey was designed to be brief, taking about 8 minutes to complete. Survey responses are weighted by organization size, the presence of paid staff, sub-sector and region to produce estimates more representative of the nonprofit sector as a whole. In addition to providing overall findings, another objective of the analysis was to determine how results vary by key organizational characteristics and to identify the main drivers of that variability.

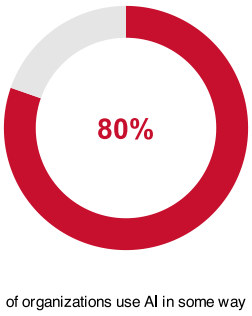
This report presents a summary of survey findings. It begins by exploring current levels of AI use, followed by a more detailed examination of how organizations are using AI and the factors that are helping or hindering them. The remainder of the report looks at perceptions of the risks associated with AI use, policies organizations are putting in place to guide responsible use, and the external supports that organizations may be drawing on.

[1] For the purposes of this survey, businesses includes nonprofits.

How many organizations are using AI?

A large majority of survey respondents (80%) say their organizations are currently using AI in some way (see Figure 1). This is a higher estimate than what some other studies have reported, likely due to a combination of factors, including rapid increases in the adoption of AI, methodological factors[2] and lower survey response from organizations not currently using AI. As a result, this estimate of AI use within the nonprofit sector should be viewed as the upper range of current adoption. Even so, the survey provides a valuable picture of how organizations are using AI and allows us to identify patterns among both light and extensive users.

Figure 1: Incidence of AI use.



How nonprofits are using AI

To help understand how organizations are applying AI, the survey asked respondents to indicate how their organizations are currently using AI-based applications and tools, such as software or online platforms that use AI to create content, summarize or analyze information, automate tasks, or support decision making. Communications and marketing was by far the most common area of AI use, with 59% of organizations applying it here (see Figure 2). Research and information gathering, seeking out funding and organizing information were the next most common areas, followed by a mix of strategic and operational activities including board governance, strategic planning, program design and evaluation, and human resources.

AI adoption was lower in other areas. For some activities, such as grant administration, this likely reflects the fact that fewer organizations engage in the work itself. For more common activities,

[2]Instead of simply asking respondents whether their organization uses AI or not, the survey measures AI use by asking them whether their organization uses AI-based tools or applications to carry out any of 16 distinct types of activities, such as brainstorming, translation, searching for information, or generating new text. Broadly speaking, this type of *aided recall* methodology tends to generate higher estimates of a given behaviour than unaided, single question, approaches.

Figure 2: Areas of activity where organizations are applying AI[3]

such as financial management or volunteer recruitment, lower uptake may reflect reluctance to use AI or a lack of suitable AI-based applications and tools.

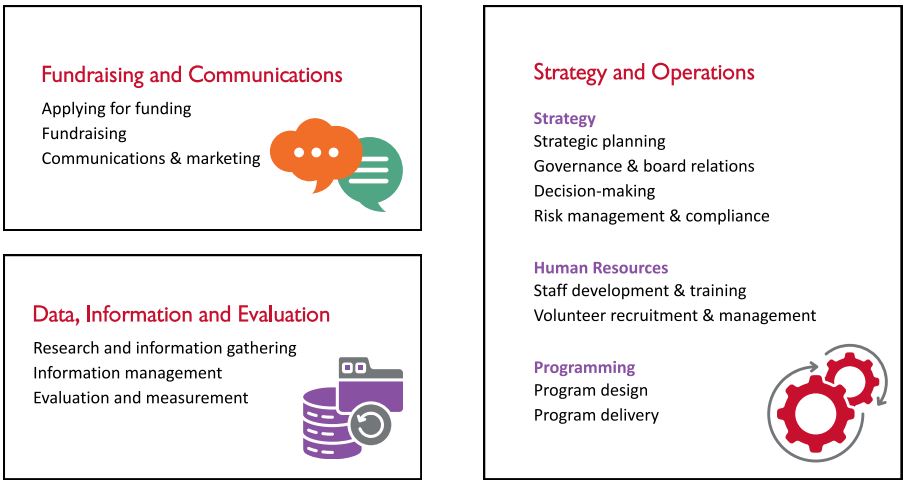
As part of our analysis, we looked for indications that using AI for a particular activity makes organizations more likely to use it for other activities (i.e., whether there are clusters of activities where AI use tends to co-occur). We identified three major clusters of activities where AI is currently being used (see Figure 3):

Fundraising and communications. AI use in fundraising is closely tied to its use in applying for funding, while use in communications and marketing is more weakly correlated with those two areas. Given how common these activities are, two thirds of organizations are currently using AI for at least one of them and a third are using it for two or more. Organizations in this cluster most often use AI to brainstorm and generate ideas, edit and revise existing text, and generate new text (see the textbox "The tasks organizations are using AI for").

Data, information and evaluation. AI use for research and information gathering is moderately strongly correlated with its use for information management, while both are more weakly correlated to evaluation and measurement. Although this is a distinct cluster, it has the weakest inter-activity associations among the three clusters of activities. Even so, use of AI for these activities is common: about half of organizations report using AI for at least one of these activities. Organizations in this cluster are most often using AI for tasks such as searching for information, summarizing text, analyzing and summarizing data, transcribing speech into text, and supporting personal productivity, as well as for more specialized tasks such as analyzing web traffic or digital engagement and automating repetitive tasks.

[3]A small number of figures throughout the report are marked with cautions or are not releasable. For information about how to interpret these figures, please refer to *Data quality indicators* in the Methodology section at the end of this report.

Figure 3: Clusters of AI-supported activities



Organizational strategy and operations. This cluster consists of three sub-groups related to key core organizational functions. Although AI use for these activities is significantly less common than in the first two clusters, the connections among activities within each sub-group are generally stronger.

Strategic guidance. AI use for risk management tends to be quite closely correlated with use to support decision-making, while strategic planning and board governance applications are somewhat less closely associated with these two. Overall, about three in ten organizations (29%) use AI for at least one of these activities, most commonly for governance and/or strategic planning. Organizations in this sub-group most often use AI to support personal productivity, analyze or summarize data, summarize documents or texts and query document archives, automate repetitive tasks, and transcribe speech into text.

Human resources. AI use for staff development and training is moderately correlated with its use for volunteer recruitment and management. Interestingly, AI use for hiring and human resources shows little connection to these activities, aligning instead more weakly with AI use for communications and fundraising. About one in six organizations (17%) report using AI in at least one HR-related way. These organizations tend to use AI for the same range of tasks as organizations using it for strategic guidance.

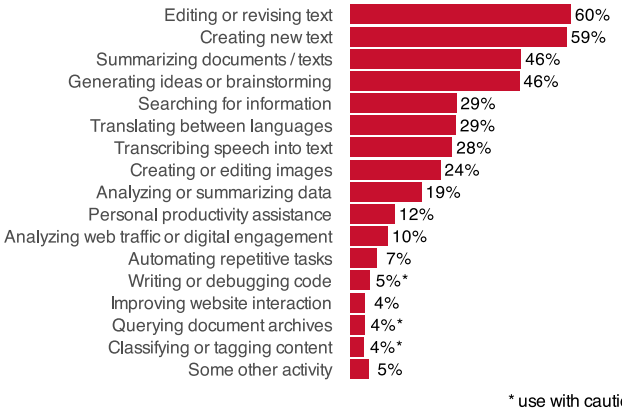
Programming. AI use for program design and program delivery are quite closely correlated, with about one in five organizations (21%) using AI in this area. These organizations also tend to use AI for many of the same data analysis and text manipulation and translation tasks seen in the other two sub-groups, with the addition of generating ideas or brainstorming, editing or revising text, and improving website interaction.

The tasks organizations are using AI for

To understand what organizations are using AI for, we asked respondents whether their organizations are currently using AI for specific types of tasks. Unsurprisingly, given the rapidly increasing profile of LLMs, the most common tasks were closely linked to language, including editing or revising text, producing new text and summarizing documents or text (see Figure 4). Using AI for language translation and speech-to-text translation was also fairly common, with over a quarter of organizations reporting AI use for these tasks. While using AI to generate ideas or brainstorm and to search for information are slightly more abstract applications, they fall into a similar range of adoption.

More narrowly focused IT-related applications such as analyzing web traffic or digital engagement, writing or debugging code, improving website user interaction and classifying or tagging content were relatively uncommon, with a tenth or fewer organizations applying AI in these ways. More broadly applicable tasks that are not as language focused, such as analyzing or summarizing data, enhancing personal productivity (e.g., scheduling meetings or managing tasks) or automating repetitive tasks, form a second tier of usage, between the more general language- and information-related tasks and the more specialized IT-related tasks.

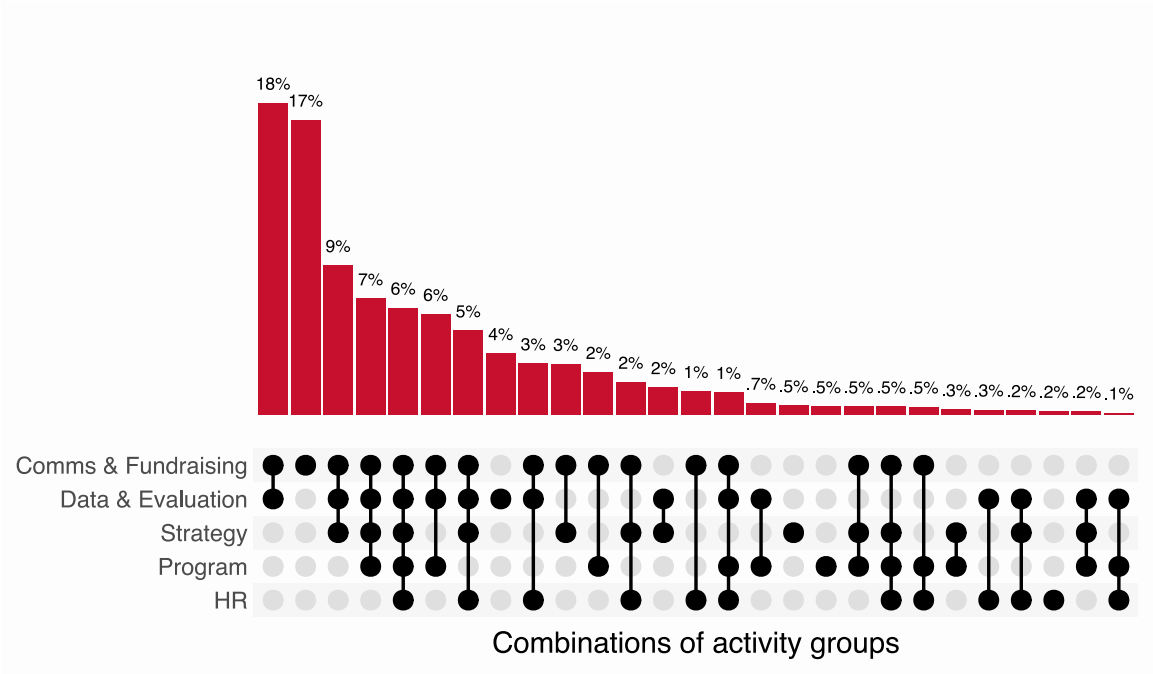
Figure 4: Types of tasks organizations are using AI for



Patterns across clusters: Looking across these clusters of AI-supported activities, clear stages of adoption emerge. Organizations using AI for strategy and operations almost always use it first in the earlier stage areas of communications and fundraising and/or data and evaluation activities. The reverse, however, is not true: about two fifths of organizations using AI in communications, fundraising and data activities do not use it for activities in the other groupings. For example, while 29% of organizations use AI for at least one activity in the strategy and operations cluster, only 0.8% do so without also using AI in one or both of the other clusters (see

Figure 5). This pattern suggests that most organizations tend to begin with more accessible, externally facing uses of AI and then build toward more complex, internally focused applications over time.

Figure 5: Hierarchy of AI-supported activity clusters.[4]



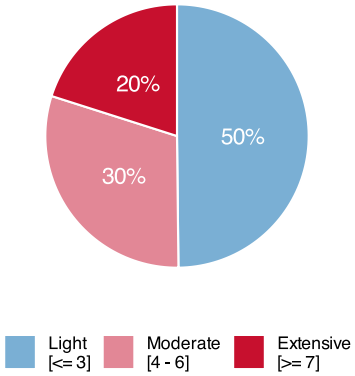
i Interpretative note

Figure 5 shows the different combinations of activity areas where nonprofits use AI. Each bar shows how common a particular combination of AI-supported activity areas is. The dots below show which activity groups are included in each combination. The taller bars represent combinations that are more common. Most organizations use AI in communications and fundraising and/or data and evaluation, often together. Far fewer extend AI into strategy, programming or human resources without also using it in the earlier two areas.

Continuum of engagement. Although AI use is widespread, most organizations are still in the early stages of engagement. On average, organizations using AI apply it to about 4.5 activities.

[4]How to read this chart: Each column is a unique combination of AI activity areas. Bar height shows the percentage of organizations using AI in exactly that combination. Black dots mark which activity groups are included in each combination. Grey dots indicate activity groups that organizations have not applied AI to. The left side of the chart show the most common combinations. The right side of the chart shows less common, more complex combinations. As an example, the chart indicates that 18% of organizations use AI for both communications & fundraising and data & evaluation while 17% use it exclusively for communications & fundraising. Six percent applied AI to communications & fundraising, data & evaluation, and programming but did **not** apply it to strategy or HR.

Figure 6: Distribution of organizations by number of AI-supported activities



About half are "light users," using AI for three or fewer activities; three-tenths are "moderate users," using it for four to six; and one-fifth are "extensive users," using it for seven or more (see Figure 6).[5]

In this context, the continuum of engagement reflects both the number of activities an organization uses AI for and the complexity of those activities. Most organizations begin with tasks related to fundraising and communications and/or basic data and information work, with an emphasis on text- and search-related tasks. These are areas where tools are readily available and easy to experiment with. As organizations gain experience and confidence, they add uses in strategy and operations, and eventually in programming and human resources. At these later stages, organizations also tend to use AI for a broader range of tasks, such as analyzing data, summarizing text, improving productivity and automating routine work.

Variations in AI use by organizational characteristics

The likelihood that organizations are using AI, and how extensively they use it, varies meaningfully across the sector. The most significant driver appears to be organizational size, both in terms of annual revenue and number of paid staff. Smaller organizations, with annual revenues less than $2 million and/or no paid staff, are substantially less likely to report using AI. In contrast, among organizations with annual revenues of $2 million or more, nearly all report using AI to some extent. Among organizations with paid staff, the likelihood of using AI rises steadily with staff size.

Differences by region and activity area exist but are much smaller once revenue and staff size are taken into account. In other words, capacity explains most of the variation.

[5]It is worth noting that these assessments of light, moderate, and extensive use are based on current use levels. If the historic adoption of computer and information technology is any guide, what is defined as extensive AI use today will likely seem very low in the future.

The number of activities for which organizations use AI also tends to increase with organizational size, both in terms of revenue and number of paid staff. Larger organizations not only adopt AI more often but also apply it across more functions. Unlike overall incidence, however, region and activity area have some additional influence on the breadth of use. For example, organizations from the Prairies and those in arts, culture and recreation tend to apply AI to significantly fewer areas than other organizations. These patterns are consistent across each activity cluster.

Table 1 provides a reference view of these patterns. Its purpose is not to focus attention on individual numbers, but to illustrate the broad trends described above.

Table 1: Rate and intensity of using AI by organizational characteristics

	AI overall		Specific activity groups				
	% using AI	Avg # activities	Fundraising & comms	Data & evaluation	Strategy & guidance	Programming	HR
Income							
< $500K	73%	3.9	59%	41%	21%	16%	11%
$500K < $2M	83%	4.9	74%	55%	34%	26%	25%
$2M < $5M	95%	4.9	78%	66%	41%	31%	21%*
$5M < $10M	98%	5.0	82%	65%	44%	26%*	23%*
$10M < $25M	97%	5.9	82%	73%	46%	29%*	23%*
>= $25M	95%	5.9	78%	74%	48%	28%*	23%*
Staff size							
0	68%	3.8	53%	38%	20%*	13%*	10%*
1 to 4	82%	4.7	73%	53%	34%	26%	16%*
5 to 9	84%	4.2	76%	50%	27%	19%*	16%*
10 to 24	88%	5.0	78%	56%	37%	25%	26%
25 to 99	92%	5.0	74%	65%	32%	31%	23%
100+	99%	5.9	79%	73%	49%	31%	28%
Activity area							
Arts, Culture & Recreation	72%	3.3	58%	36%	17%*	12%*	10%*
Education	85%	4.9	74%	57%	33%	30%	21%*
Health	82%	4.9	72%	50%	35%	25%*	22%*
Social services	83%	5.1	71%	54%	31%	22%	18%
Grantmaking, fundraising & voluntarism	76%	4.2	64%	49%	25%*	18%*	15%*
Other	91%	4.3	63%	59%	39%*	19%*	...
Region							
BC	86%	4.9	64%	53%	37%	21%*	18%*
AB	74%	4.9	64%	55%	28%	23%*	21%*
PR	70%	3.3	59%	30%*	12%*	16%*	...
ON	81%	4.5	68%	51%	28%	23%	17%
QC	86%	4.3	77%	56%	31%	17%*	15%*
AT	69%	5.6	55%	41%*	27%*	24%*	23%*

... result cannot be released, * use with caution

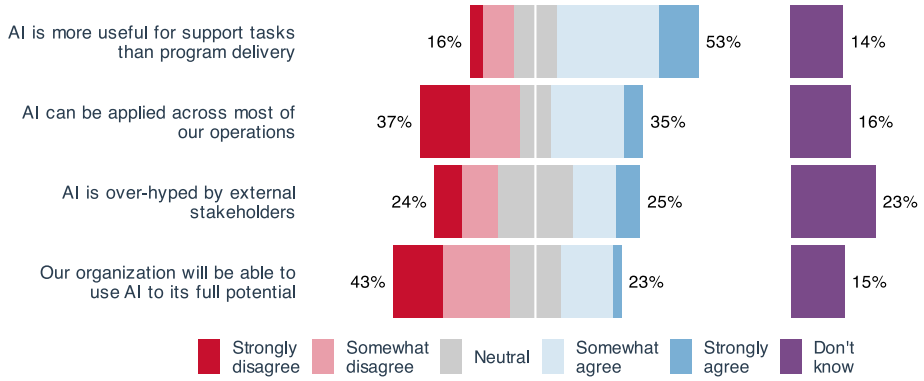
i Interpretative note

The first column in Table 1 shows the percentage of organizations using AI in any capacity. The second column shows how many activities, on average, they use AI in. The remaining columns show the percentage of organizations using AI within specific activity areas. Across all measures, the same message emerges: larger organizations are more likely to use AI and to use it across more of their work.

Views about the role of AI

Currently, views about the role of AI in the nonprofit sector are quite mixed. To the extent that there is any consensus, a slight majority of respondents view AI as more useful in a support role rather than in program delivery, and a sizeable portion express concern about their organization's ability to make full use of AI (see Figure 7). Respondents are more divided about whether their organizations can apply AI across their operations and whether AI is over-hyped.

Figure 7: Views about the role of AI.



The most important driver shaping views about the role of AI in the nonprofit sector appears to be relatively low levels of experience with AI. Organizations that are currently not using AI, or are only making light use of it, are significantly more likely than others to be unable to answer these questions. Among organizations that do express an opinion, views vary systematically with the extent of AI use. The more extensively an organization uses AI, the more potential it tends to see in it.

As shown in Table 2, organizations making more extensive use of AI are more likely to believe that they will be able to use it to its full potential and are more likely to believe they can apply AI across most of their activities. Conversely, these organizations are also less likely to believe that

AI is over-hyped. The only area where views do not vary so clearly with extent of use is whether AI is seen as more useful for support tasks than for program delivery.

Table 2: Views about the role of AI by intensity of use

	Don't know	Disagree	Neutral	Agree
Our organization will be able to use AI to its full potential				
No AI use	33%	45%	17%	6%
Low AI use	14%	49%	19%	18%
Moderate AI use	5%	42%	22%	31%
Extensive AI use	2%	29%	19%	50%
AI can be applied across most of our operations				
No AI use	33%	42%	17%	9%
Low AI use	17%	47%	10%	25%
Moderate AI use	7%	32%	11%	51%
Extensive AI use	2%	14%	10%	74%
AI is over-hyped by external stakeholders				
No AI use	27%	6%	32%	35%
Low AI use	29%	20%	25%	26%
Moderate AI use	17%	32%	29%	22%
Extensive AI use	11%	48%	27%	14%
AI is more useful for support tasks than program delivery				
No AI use	33%	10%	20%	37%
Low AI use	14%	15%	12%	60%
Moderate AI use	4%	18%	20%	59%
Extensive AI use	4%	28%	16%	52%

These patterns suggest that confidence in AI grows with experience. As organizations experiment with and integrate AI into their work, their views become more optimistic and nuanced. However, the high share of organizations still uncertain about AI's role highlights a significant learning and capacity gap across the sector, one that may shape how quickly and equitably nonprofits are able to adopt and benefit from AI technologies.

[6] To explain how individual factors could function as enablers or barriers, respondents were given the specific example of financial resources, specifying that if lack of financial resources made it harder to use AI they should identify it as a barrier but that if sufficient financial resources made it an enabler they should report it as an enabler.

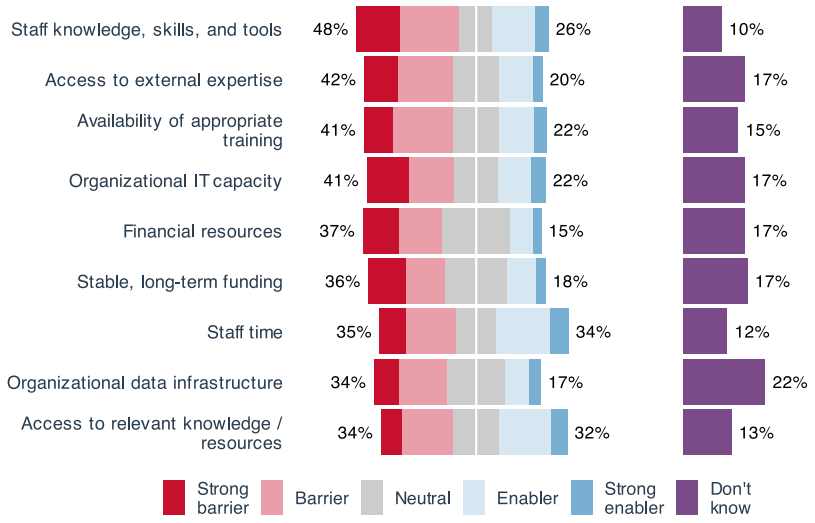
Barriers and enablers

To better understand the factors that may be helping and hindering organizations in adopting AI, the survey asked respondents to assess 14 possible factors as either enablers or barriers related to their use of AI (see Figure 8).[6] Two broad trends emerge:

- First, most factors are more often seen as barriers than enablers. With very few exceptions, respondents were about twice as likely to rate factors as barriers as to rate them as enablers.
- Second, significant numbers of respondents were unable to classify each factor, reflecting the overall uncertainty and limited direct experience many organizations still have with AI.

Skills, expertise and training were the most commonly reported barriers, followed by IT capacity and monetary or time resources. On the enabler side, staff time and access to knowledge and resources stood out most strongly. Beyond these, the relative ranking of enablers is very similar to that of barriers.

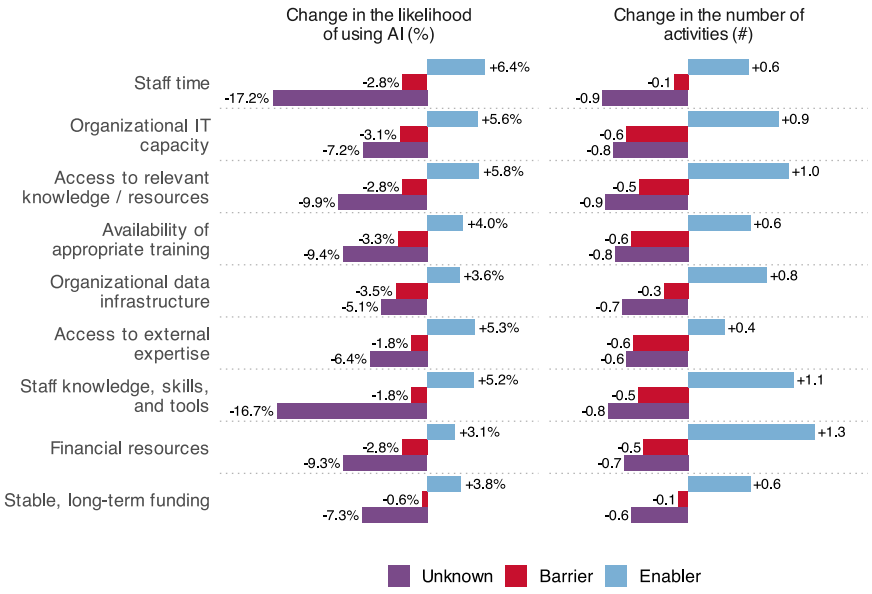
Figure 8: Barriers and enablers to AI use.



It is relatively unusual in nonprofit research for resource-related factors like finances and staff time to rank so low as barriers. In most nonprofit surveys, limited resources and staff capacity are much more frequently cited as challenges. Their lower ranking here likely indicates that organizations perceive skills and knowledge gaps as more immediate obstacles to AI adoption than a lack of money or staff time.

Understanding the impact of each factor. Figure 9 provides additional insight by showing how each factor influences both: (1) the likelihood that an organization uses AI at all and (2) the

Figure 9: Impact of barriers and enablers on AI use



number of activities for which AI is used. These results control for the impact of organization size, sub-sector and region, allowing us to more clearly see the role of the various factors.

The left panel of Figure 9 shows changes in the likelihood of using AI. Organizations uncertain about whether a factor is an enabler or barrier ("unknown," shown in purple) are consistently less likely to be using AI. For example, organizations that are unsure whether staff time is an enabler or barrier are 17% less likely to be using AI; the same is true for staff knowledge, skills and tools. To be clear, uncertainty about the impact of these factors is likely not functioning as a barrier on its own. Instead, respondents without experience of AI likely have a more difficult time judging whether a factor is an enabler or barrier.

Among respondents who do express an opinion, certain enablers stand out. Staff time, access to knowledge and resources, staff skills and tools and organizational IT capacity are the strongest positive influences on whether organizations use AI at all.

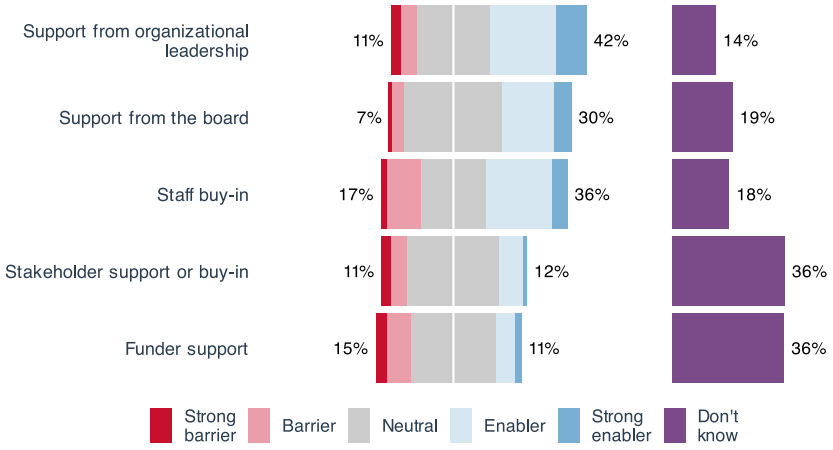
The right panel shows changes in the number of activities for which AI is used. Here, financial resources emerge as the top enabler, followed closely by staff skills and access to knowledge. This suggests that while time and training help organizations get started with AI, financial and technical capacity determine how broadly AI is integrated once adoption begins.

Support and buy-in

The survey also asked respondents whether support and buy-in from various groups were enablers or barriers for their organization's use of AI (see Figure 10). Overall, respondents were more likely to view these groups as supporters than detractors, but relatively few saw

them as strong enablers. High levels of uncertainty, especially regarding funders and external stakeholders, suggest that these sources of support are not yet major drivers of AI adoption.

Figure 10: The role of supporters.



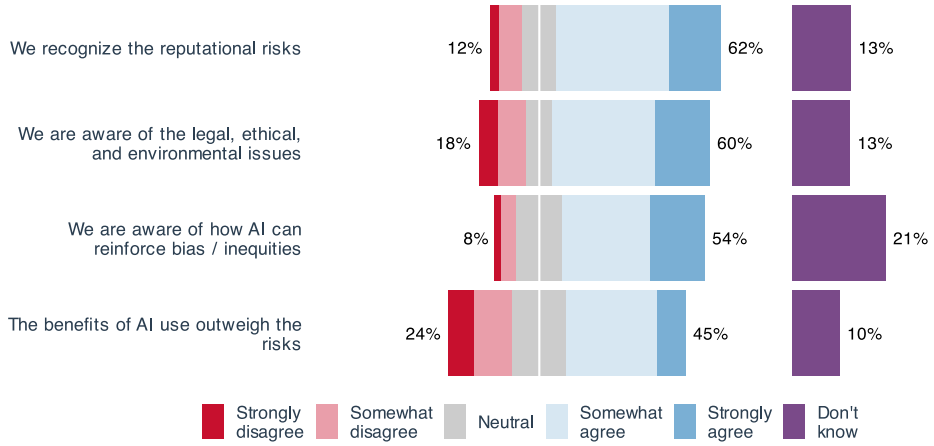
Together, these findings reinforce that the biggest barriers to AI adoption in the nonprofit sector are not opposition or lack of interest, but rather uncertainty, limited experience and skill gaps. Building organizational capacity may therefore have greater impact on advancing AI use than focusing solely on financial or leadership support.

Understanding the risks of AI

To better understand the context surrounding AI use, we asked respondents for their views about common risks that have been highlighted in the public discourse about AI. Broadly speaking, while significant minorities of respondents are currently unsure of their views on these issues, most of those who have formed an opinion believe they are aware of these risks. As shown in Figure 11, large majorities say they recognize the reputational risks, are aware of the legal, ethical and environmental issues, and understand how AI can reinforce existing biases and inequities.

However, when those who say they do not understand these risks are combined with those who are unsure, they make up substantial minorities of respondents. This indicates that while awareness of AI's potential risks is relatively high, confidence in that understanding is far from universal.

Figure 11: Views about the risks of AI use.



These perceived risks clearly play a role in how respondents weigh the costs and benefits of AI use. Those who report being aware of the risks are more likely to hold strong views, both positive and negative, about whether the benefits of AI use outweigh the risks. In other words, greater awareness does not necessarily translate into optimism; rather, it appears to sharpen opinions in both directions. Overall, just under half of respondents agree that the benefits of using AI outweigh the risks, roughly twice the proportion who disagree.

The extent of an organization's AI use strongly shapes its perceptions of risk. Across all risk-related questions, the most significant driver of variation is how extensively respondents are currently using AI. As shown in Table 3, organizations that use AI in a broader range of activities are more likely to say they understand the risks associated with its use. For example, nearly three quarters of organizations using AI across many areas report awareness of legal, ethical and environmental issues, compared with only 39% of those not using AI.

Conversely, those making little to no use of AI are consistently more likely to be unsure whether they understand these risks. Notably, once the extent of AI use is taken into account, awareness of these risks does not appear to vary greatly by characteristics such as organizational size or sub-sector.

Table 3: Perceptions of the risks of AI use by intensity of use

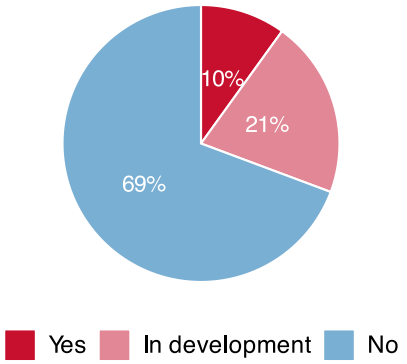
	Don't know	Disagree	Neutral	Agree
The benefits of AI use outweigh the risks				
No AI use	27%	38%	19%	16%
Low AI use	9%	27%	23%	42%
Moderate AI use	2%	12%	25%	60%
Extensive AI use	1%	12%	11%	76%
We are aware of how AI can reinforce bias / inequities				
No AI use	37%	7%	21%	34%
Low AI use	22%	6%	15%	57%
Moderate AI use	12%	12%	19%	57%
Extensive AI use	4%	10%	14%	72%
We are aware of the legal, ethical, and environmental issues				
No AI use	30%	16%	14%	39%
Low AI use	11%	18%	8%	63%
Moderate AI use	4%	20%	9%	67%
Extensive AI use	1%	17%	10%	72%
We recognize the reputational risks				
No AI use	28%	7%	15%	50%
Low AI use	12%	12%	10%	65%
Moderate AI use	6%	14%	15%	65%
Extensive AI use	1%	16%	14%	69%

Taken together, these results suggest that understanding of AI's risks tends to develop through experience. As organizations begin experimenting with AI, they become more aware of its potential pitfalls as well as its benefits. This pattern underscores the importance of building informed, hands-on experience within the sector so that awareness of risk is paired with the capacity to manage it effectively.

Policies guiding the use of AI

To gauge how nonprofits are coping with the rapidly evolving AI landscape and managing potential risks, we asked respondents whether their organization currently has written policies or guidelines to help staff decide how they should use AI-based tools and applications. Overall, responses indicate that policy development is lagging behind adoption. Even though a large majority of organizations are using AI in some way, only about one in ten currently have formal AI-related policies, and a further one in five are developing them (see Figure 12).

Figure 12: Percentage of organizations with AI-related policies.



Almost all organizations that have or are developing AI-related policies (95%) are already using AI. Virtually no organizations that have not yet adopted AI report having or developing AI-related policies. At present, among current AI-using organizations, almost two thirds (64%) have no formal policies to guide staff and are not working on developing any.

AI-related policy development appears to be linked to organizational capacity. Smaller organizations look to be facing greater barriers: only about a fifth of organizations with no paid staff or with annual revenues less than $500 thousand have or are developing AI-related policies. By contrast, roughly three quarters of organizations with 100 or more paid staff or annual revenues

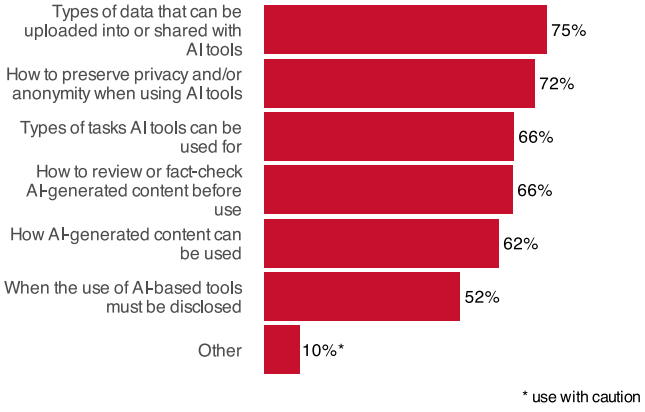
Table 4: Likelihood of having AI-related policies by organizational characteristics and intensity of AI use

	No policies	In development	Have policies
Income			
< $500K	79%	16%	5%
$500K < $2M	69%	20%	11%
$2M < $5M	56%	33%	11%
$5M < $10M	31%	42%	27%
$10M < $25M	34%	35%	31%
>= $25M	22%	38%	40%
Staff size			
0	81%	11%	8%
1 to 4	76%	18%	6%
5 to 9	74%	22%	4%
10 to 24	59%	30%	11%
25 to 99	53%	35%	12%
100+	26%	29%	45%
Intensity of AI use			
No AI use	91%	7%	2%
Low AI use	73%	20%	6%
Moderate AI use	60%	26%	14%
Extensive AI use	41%	34%	25%

of $10 million or more have policies in place or under development (see Table 4). The likelihood of having or developing policies also increases with the extent of AI use.

Looking more specifically at the types of policies organizations say they have, there is broad agreement on what they should cover. Confidentiality and data security emerge as the top priorities: about three quarters of policies include guidance on what types of data can be entered into AI-based tools and how to preserve privacy when doing so (see Figure 13). Policies addressing acceptable tasks for AI, reviewing or fact-checking AI-generated content, and defining acceptable uses of that content are also common, though somewhat less prevalent. Roughly half of policies address when AI use must be disclosed.

Figure 13: Incidence of specific AI-related policies, organizations with AI-related policies.



These results suggest that while many nonprofits are beginning to use AI, most lack the formal governance needed to ensure responsible and consistent practice. The absence of clear policies, especially among smaller organizations, points to an emerging capacity gap between early adopters and the rest of the sector. As AI use becomes more widespread, developing practical guidance on data handling, privacy, and transparency will be critical for maintaining public trust and managing risk.

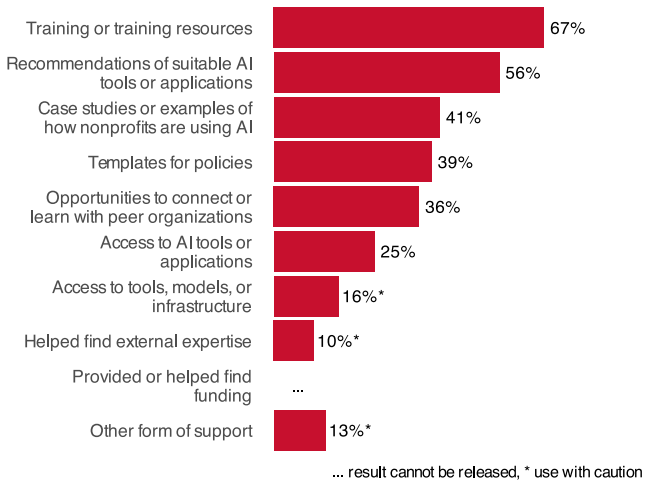
External supports for AI use

To better understand how organizations are being supported in their use of AI, the survey asked respondents whether their organization had drawn on any type of formal or informal group or network for AI-related support. Overall, just 16% of organizations said they had drawn on this type of network. Notably, virtually all of them (96%) are current AI users, underscoring that these supports are concentrated among organizations already experimenting with AI.

Engagement with networks varies substantially by organizational size. Smaller organizations with annual revenues less than $2 million were somewhat less likely (12%) to report having drawn on network support, while the very largest organizations, with annual revenues of $10 million or more (43%) or paid staff complements of 100 or more (44%), were nearly three times as likely as the typical organization to have done so. Organizations that use AI more broadly are also more likely to seek out network support. Nearly three in ten organizations with more extensive AI use (29%) have done so, compared with only 13% of light users.

The most common types of support organizations received through networks were training and recommendations about suitable AI-based tools or applications to support their work (see Figure 14). Just under two fifths of organizations said they had accessed case studies or examples of how other organizations are using AI, policy templates or had opportunities to network with or learn from other organizations. More technical forms of assistance, such as access to AI tools and applications or supporting infrastructure, were somewhat less common.

Figure 14: Specific types of AI-related supports received from networks.



In addition to asking organizations about network-based supports, the survey also asked whether organizations had engaged external consultants to assist with AI-related initiatives. Overall, this practice seems to be fairly uncommon, with just 9% of organizations reporting having engaged a consultant. As with network supports, consultant use is more common among very large organizations with annual revenues of $10 million or more (27%) or 100 or more paid staff (24%*).

Overall, these findings suggest that access to AI-related expertise and support remains limited and unevenly distributed across the nonprofit sector. Larger and more resource-rich organizations are far better positioned to tap into networks, training and external expertise.

Summary and discussion

Collectively, the survey findings show a nonprofit sector in the early stages of widespread AI adoption. While AI use is now clearly beyond the initial phase of experimentation, most organizations are applying AI to only a few activities, primarily in communications, fundraising and information management. A smaller but notable share are extending its use into program, strategic and operational areas, suggesting that adoption is advancing gradually from more accessible, outward-facing functions toward more complex internal applications.

AI adoption follows a clear continuum. Larger organizations, with more staff, higher revenues and stronger digital capacity, are not only more likely to use AI, but also more likely to apply it across more areas and to have formal supports or policies in place. Smaller organizations are participating, but typically with more limited scope, guidance and confidence.

The main barriers to deeper adoption are not resistance or lack of interest, but rather gaps in skills, training and knowledge. These human-capacity factors outweigh financial constraints in predicting both the likelihood and breadth of AI use. Experience also shapes attitudes: organizations using AI more extensively tend to be more confident in AI's potential and more aware of its risks, while less experienced organizations remain uncertain about both.

Despite rapid uptake, formal governance and sector supports have not kept pace. Few organizations have written AI policies, and access to training, peer learning and technical expertise remains uneven. Addressing these gaps will be critical to ensuring that AI adoption strengthens, rather than widens, capacity divides within the sector. Building shared infrastructure, such as training programs, model policies and examples of practical use, can help ensure AI is applied responsibly, equitably and to the benefit of the full nonprofit community.

Over time, AI use in the sector is likely to become more integrated and strategic, extending beyond task-level experimentation toward applications that support service delivery, decision-making and evidence generation. Realizing this potential will depend on building the capacity, confidence and governance frameworks needed to guide responsible and equitable use.

Methodology

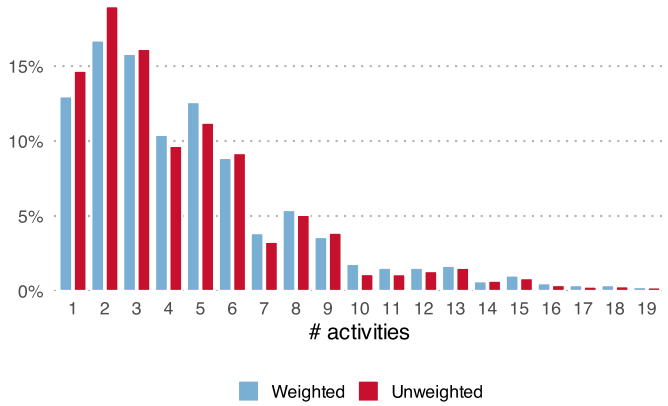
The survey was conducted online via an interactive website between June 26 and September 6, 2025. The survey was designed to be completed in approximately 8 minutes to keep respondent burden manageable. In total, 963 respondents completed the survey.

The survey used a dual-component methodology to help ensure that it reached a broad range of charities and nonprofits. The first component consisted of a known population of registered charities that were not religious congregations, with annual revenues of $30,000 or more. These respondents were reached directly via email. The second component consisted of a population of unknown nonprofits and charities, reached indirectly via invitations distributed to a CCNDR mailing list and in response to an email distributed to nonprofit customers of Microsoft Canada. Survey responses were weighted by organization size, region and sub-sector to produce estimates more representative of the nonprofit sector as a whole.

Organizations using AI were identified by asking respondents whether anyone in their organization was using AI-based applications or tools for any of 16 specific types of tasks, with an additional open category to capture anything not listed (see Figure 4). Those that reported at least one task were then asked whether they were using AI for any of 19 activities common in nonprofit organizations, again with space to add anything not included (see Figure 2). Any organization identifying at least one AI-supported task was considered an AI user. We used an aided recall approach for these questions to improve accuracy and help identify organizations that may be using AI in small or early ways that they might not think to report unprompted.

Multivariate analysis was used throughout the survey analysis to help identify key drivers. This analysis clearly highlighted the central importance of the level of engagement with AI as a key explanatory variable, even when organization size, region and sub-sector are taken into account. Engagement with AI was measured by the number of organizational activities respondents

Figure 15: Weighted and unweighted distributions of the number of ways nonprofits use AI



reported using AI for. The groupings were selected based on the distribution of activities, as seen in Figure 15.

Data quality indicators. Generally speaking, the larger the number of organizations contributing to a given figure and the more consistent their responses are, the more accurate a given survey estimate is likely to be. When the number of organizations contributing to an estimate is small and/or their responses are highly variable, we have marked the estimates with "*". These estimates are still useful for decision-making, but should be used with caution. Where the number of respondents is so small and/or the responses are so variable that the estimate should not be used for decision-making, we have replaced the estimate with "...".

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