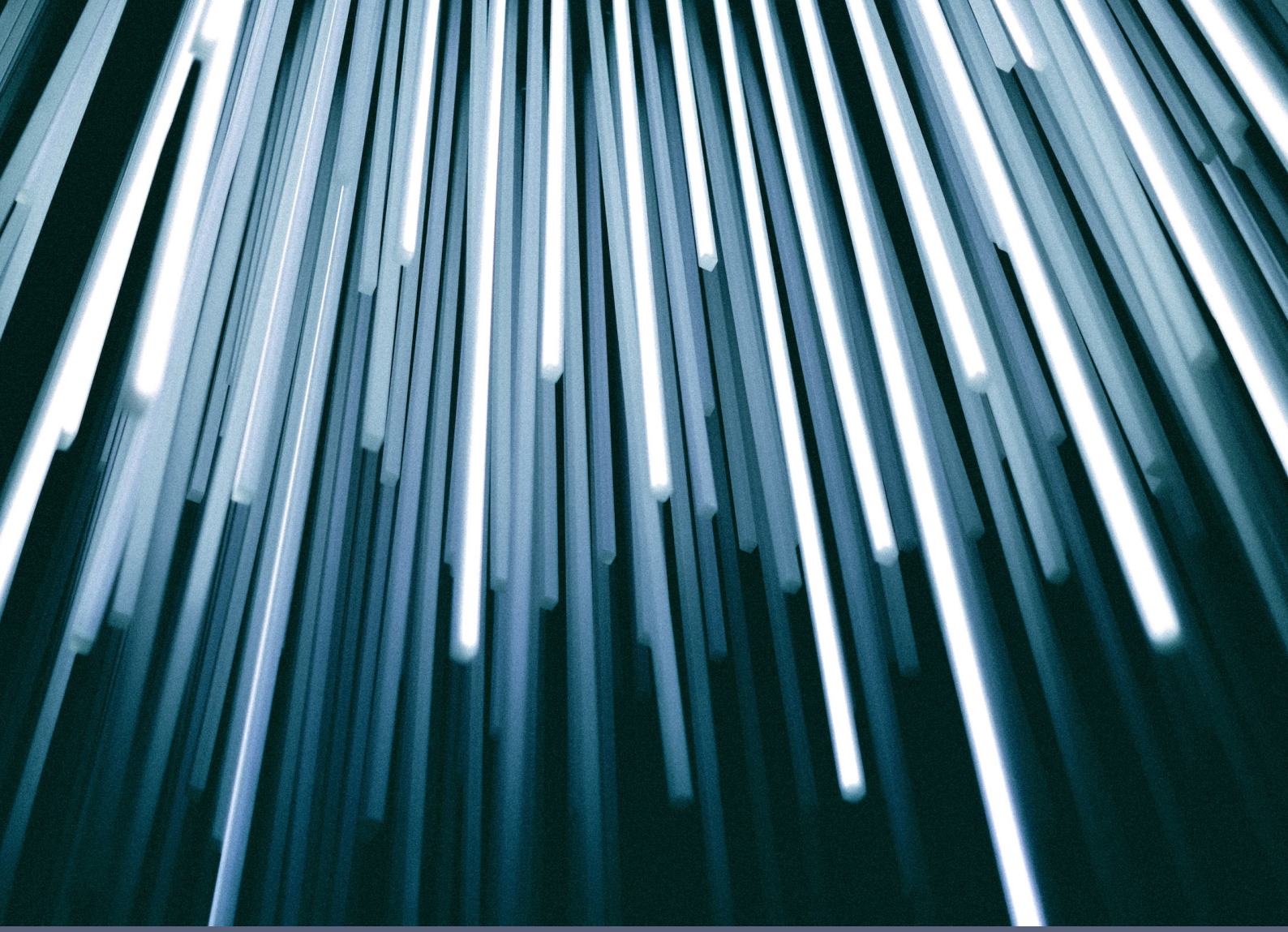

Artificial intelligence and fundraising ethics

A research agenda

What do we know and what don't we know about the ethical use of AI in fundraising?

FUNDRAISING ETHICS

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Rogare Critical Fundraising Network

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ROGARE
THE FUNDRAISING THINK TANK

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Contents

This paper, along with all Rogare's reports, research and other outputs, is available free of charge to the fundraising profession. We think it is important that people should be able to access all the ideas coming out of Rogare, and we are able to give you this access through the ongoing generous support of our Associate Members – Ask Direct (Ireland), Bluefrog Fundraising (UK), ST (Stephen Thomas Ltd) (Canada), GoalBusters (USA) and Giving Architects (NZ).

Details of all our projects can be found on the Rogare website – www.rogare.net

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1

Introduction – beyond a narrow focus on the application of AI

In December 2022, a Canadian charity, Furniture Bank in Toronto, claimed to have 'solved' the poverty porn dilemma using AI.[1] The charity used AI to create images of beneficiaries without photographing real people, arguing this protected beneficiaries' dignity. However, did this really resolve the ethical dilemma? Or did it bring to the surface even more ethical issues arising from AI's entry into fundraising.

This project by the international fundraising think tank Rogare aims to identify key ethical considerations relating to artificial intelligence (AI) in fundraising. The project's aim is not to try to solve dilemmas, but to shine a light on ethical dilemmas and issues that a narrow focus on the use and application of AI application may overlook.

This is highly relevant given fundraising's traditional focus on functional skills over normative ethics. Collectively, the fundraising profession has historically been more concerned with the practical aspects of raising money, such as developing effective marketing campaigns, than with the ethical implications of these activities – on what fundraisers can do, but not whether they ought to do it.

With public scrutiny of fundraising ethics growing, AI risks exacerbating problems around over-solicitation, intrusive tactics, and transparency. This is because AI can be used to automate many aspects of fundraising, including identifying potential donors, contacting them, and soliciting donations, with a potential to undermine public trust in fundraising organisations if these are not done appropriately.

Constructing an ethical AI framework is essential to maintain public trust. This framework should include principles such as transparency, accountability, and respect for donor privacy. It should also ensure that AI is used in a way that is consistent with the values of the fundraising organisation. By adopting an ethical AI framework, fundraising organisations can help to ensure that AI is used in a way that is beneficial to both donors and the organisations themselves, and ultimately the beneficiaries those organisations help.

1 • https://www.thestar.com/news/canada/this-image-is-raising-money-for-a-toronto-charity-the-only-problem-it-s-not/article_9ebc80eb-27ff-5e79-a6bd-acca4beb500f.html
• https://www.furniturebank.org/postcard/
• https://www.furniturebank.org/how-ai-art-works/

Generic ethical concerns about AI

Many blogs, articles and other content identify the generic ethical concerns about the use of AI in any context. One blog is typical in listing the following:

- Distribution of harmful content
- Copyright and legal exposure
- Data privacy violations
- Sensitive information disclosure
- Amplification of existing bias
- Workforce roles and morale
- Data provenance
- Lack of explainability and interpretability.

https://www.techtarget.com/searchenterpriseai/tip/Generative-AI-ethics-8-biggest-concerns

Definitions

Artificial Intelligence (AI), in a broad context, can be defined as the field of computer science that focuses on creating systems capable of performing tasks that require human intelligence. These tasks include learning, decision making, problem solving, perception, and language understanding. AI encompasses a range of technologies, such as machine learning and natural language processing, enabling machines to act with varying levels of autonomy.

In the context of fundraising, AI's application involves leveraging these intelligent systems to address complex challenges within the fundraising sector. This may include automating tasks, analysing donor data, personalising communication, and potentially resolving ethical dilemmas that involve balancing different stakeholder perspectives and rights.

An AI-generated image by Canadian charity Furniture Bank. The charity argues this has solved one of the ethical dilemmas posed by using real beneficiaries in fundraising communications.

The way the fundraising sector has been thinking about the ethics of AI in fundraising is to consider generic concerns about AI (see box on page 4) and then assume that these apply to fundraising in much the same way that the apply to other sectors. But might there be other ethical issues that come from the use of AI in fundraising that have not yet been contemplated, issues that are unique to using AI in fundraising? That's what this project will consider.

This raises an important distinction in how we approach the ethics of AI in fundraising, with two key research questions:

1 What ethical issues are associated with using AI in fundraising?
Beyond concerns such dignity and stereotyping that exist irrespective of AI, there may be novel ethical considerations that emerge specifically from the use of artificial intelligence and automation in fundraising. For example, who owns and controls the data sources powering AI systems? How does the 'black box'[2] nature of algorithmic decision-making impact transparency and accountability? Could AI lead to greater exclusion or discrimination through encoded biases? What are the second-order effects on the environment and employment?

2 Can AI be used to resolve ethical dilemmas in fundraising?
Fundraising dilemmas often involve balancing different stakeholder perspectives and rights. But does AI have sufficient understanding of fundraising ethics and normative frameworks to make nuanced ethical judgments? Or could over-reliance on AI for decision-making lead to narrow, technical approaches lacking human wisdom? More research is needed on the limits of AI in contextualising principles and values when navigating tricky real-world scenarios.

Investigating these two questions will be essential as the fundraising profession adopts new AI capabilities. Doing so from the outset, rather than retrofitting solutions, will help maintain public trust and focus innovation on serving social good.

We'll start in s2 by tackling the second question: Can AI be used to resolve ethical dilemmas in fundraising?

2 The 'black box' problem in AI is a lack of understanding about how AI systems make their decisions. See – https://umdearborn.edu/news/ais-mysterious-black-box-problem-explained

2

Can AI be used to solve ethical dilemmas in fundraising?...

For anyone – human or AI – to do fundraising ethics, they must understand:

- What an ethical dilemma is
- Who fundraising's stakeholders are (donor, beneficiaries, others)
- What ethical dilemmas impact upon fundraising's stakeholders?
- What normative theories/lenses will provide insight in resolving those dilemmas?
- How to apply those normative theories/lenses in professional practice.

These five requirements point to the necessity for a high level of ethical literacy by fundraisers. (If you need a refresher on fundraising ethics, please the Appendix on p17). This applies as much to AI as it does to human fundraisers. So, what does AI know about fundraising ethics, and how high is its ethical literacy in regard to fundraising ethics?

'ChatGPT3 never offered any information about donor power/privilege and donor dominance, unless prompted to do by asking a specific question. For ChatGPT to tell you about these things, you need to already know about them.'

We asked ChatGPT3 this question:

1. ***What do you know about the ethics of professional fundraising?***

The reply consisted of a short introductory narrative paragraph followed by a bullet-point list with a sentence or two of exposition of the headline bullet points. (ChatGPT3's answers to all the questions we asked it followed that same format.)

This is the introductory paragraph to that first question: What do you know about the ethics of professional fundraising?

"The ethics of professional fundraising encompass a set of principles and guidelines that govern the conduct of individuals and organizations involved in raising funds for charitable or non-profit causes. These ethical considerations are crucial to maintaining trust with donors, ensuring transparency, and upholding the integrity of the fundraising process."

And this is the bullet-pointed list:

- Transparency
- Honest and accuracy
- Privacy and data security
- Avoiding high pressure tactics
- Avoiding conflicts of interest
- Fair compensation
- Compliance with laws and regulations
- Donor stewardship
- Professionalism.

This answer is mainly about code compliance, regulation, and what are called the protection of 'negative non-interference right' – what fundraisers ought not do in case they harm donors – which suggests ChatGPT is grounding its answers about ethics in the donorcentrist ethical lens. There was nothing about protecting the rights of beneficiaries.

We then asked ChatGPT3 three further questions:

2. ***As a fundraiser, how do I balance my duties to beneficiaries and donors?***

3. ***My charity has been offered a donation by a person who is a director of a fossil fuel company – should I accept the donation?***

4. ***As a fundraiser, ought I get consent from donors to contact them, even in cases where this consent is not required under relevant legislation?***

The answer to each of these questions followed a similar pattern to the first question ('What do you know about the ethics of professional fundraising?') – an introductory paragraph followed by eight, nine or 10 bullet points.

Again, the answers were grounded in code-compliance and donorcentrist ethics. In the case of the questions about consent, one of these bullet points recommended that yes, fundraisers ought to get consent in such cases.

This is in spite of the experience of charities in the UK in 2017-18, when many chose to get donors' consent to contact them by mail rather than use the legal base of 'legitimate interest', as allowed by the General Data Protection Regulations. The result was that many charities lost significant numbers of donors and the donations they made. This could be considered unethical under a Rights-Balancing Fundraising Ethics perspective.

Further, in all the questions (there were many others than the four we have referred to here) that we asked ChatGPT3 about fundraising ethics, it never offered any information about donor power/privilege and donor dominance, unless prompted to do by asking a specific question. For ChatGPT to tell you about these things, you need to already know about them.

...not yet

The answers provided by ChatGPT3 suggest that AI can give fundraisers a better understanding of what the ethical issues are.

But it seems unlikely AI will be able to use that information to resolve ethical dilemmas, because it does not know enough about fundraising ethics in sufficient depth and nuance – particularly about normative ethical theories/lenses – to be able to make such informed decisions.

It may be possible in future to train AI to ingest decision making rules around ethics (such as those developed at Rogare)[3] to specifically tackle ethical dilemmas in fundraising.

We are not there yet.

At this point in the use of AI in fundraising, we would strongly caution fundraisers against relying on AI for decision making and instead use it as part of a larger process of assessment, such as a system to walk the fundraiser though a set of specific questions (an example of this might be the process for deciding whether to accept or refuse potentially problematic donations).

3 Routley, C., and Koshy, C. (2023). Identifying and addressing fundraising's overarching ethical questions through ethical theory. *Journal of Philanthropy and Marketing*, 28(4), e1754. https://onlinelibrary.wiley.com/doi/pdf/10.1002/nvsm.1754

3
Ethical issues resulting from using AI in fundraising

The project team identified potential ethical issues relating to the use of AI in fundraising in seven areas:

1. Data and data ethics
2. Equity
3. Transparency
4. Accountability
5. Identity disclosure
6. Public trust
7. Second-order effects.

In setting these out in this section, rather than describe generic ethical issues regarding AI (all use of AI in all sectors raises issues of data ethics and human oversight – see box on p4) we have tried to relate these to the specifics of using AI in fundraising.

3.1 Data and data ethics

Data ownership – Who owns and controls the data sources powering AI systems in fundraising? As these algorithms influence increasingly impactful decisions, clarity is needed on ownership and rights over the underlying data.

Fair obtaining of data – Consent issues pose dilemmas. From a generic AI ethics perspective (see box on p4) consent may be required for communicating via chatbots. But from a fundraising viewpoint, obtaining consent where not legally mandated could detrimentally impact beneficiaries if it reduces donations. This tension between competing ethical stakeholders (donors and beneficiaries) makes blanket AI guidelines on consent problematic. Including AI disclosures in privacy statements may address some concerns. While uses of artificial intelligence will vary considerably by organisations, some specific uses of qualitative data, including personal beneficiary narratives, may complicate the process of obtaining and maintaining consent.

Biases – Fundraising data risks perpetuating historical biases around race, gender, income and other attributes. Relying on biased data can codify discrimination and exclusion into automated decisions. AI could also introduce entirely new biases not previously recognised. Safeguards must be developed to prevent the amplification of biases through AI systems and ensure fair, inclusive philanthropic opportunities. Similarly, when AI is used to generate story content (text and images) there is a risk that biases in depicting beneficiaries will be perpetuated and possibly exacerbated.

Data quality – Inaccurate or misleading data poses challenges. AI cannot inherently discern propaganda or biased perspectives. So false information could taint automated decisions. Most fundraising codes prohibit misleading portrayal of need, but oversight mechanisms are required to catch faulty AI outputs resulting from low quality or falsified data.

Human oversight – While AI provides efficiencies in analysis, humans still play a vital oversight role in spotting misleading, biased, or harmful outputs before they scale. But a high degree of data literacy as a prerequisite for effective oversight remains questionable across the fundraising profession currently. Of potentially greater need is to build understanding and transparency at all stages of the data lifecycle including the collection, methodology, as well as assessment of the output and outcomes of the use of the data. So capabilities must be strengthened.

ARTIFICIAL INTELLIGENCE AND FUNDRAISING ETHICS: A RESEARCH AGENDA

3.2 Equity

Access – Costs of AI could concentrate capabilities among large, well-funded nonprofits, excluding smaller organisations from AI benefits. Yet equal access enables AI to help overcome barriers such as language differences between donors and beneficiaries. Policies must balance open access with necessary funding of AI development.

Widening gaps – The funding gap between large and small nonprofits could grow as bigger budgets allow quicker AI adoption. But shared data infrastructure and open standards could mitigate this.

Manipulation – AI could enable more effective emotional manipulation, disproportionately targeting disadvantaged or vulnerable populations. Safeguards against exploitative communication must be robust.

Exclusion – AI risks sidelining communities from telling their own stories if used for automated personalised messaging. The dignity of beneficiaries could be violated by not enabling direct participation. Oversight is critical.

Encoded biases – Historical biases around race, gender, income and other attributes in fundraising data could lead AI to reinforce discrimination and widen inclusion gaps. Detecting and correcting these biases is not a one-time task but an ongoing process that requires diverse oversight and continual refinement.

While acknowledging these challenges, it's also important to highlight the potential of AI to foster equity and inclusivity in fundraising. AI, implemented properly, could empower smaller charities, enabling them to produce more effective fundraising content swiftly and cost-effectively, thereby levelling the playing field. Moreover, AI tools offer opportunities for under-represented groups in fundraising, such as those not traditionally university-educated, to enhance their skills and contribute valuable perspectives.

This approach is not about compensating for perceived deficiencies; rather, it's about leveraging technology to amplify diverse voices and enable all fundraisers to reach their full potential. AI should be seen as a tool to bridge gaps, not to plaster over them. It is vital to avoid over-generalisations or assumptions about groups based on education or background. By harnessing AI responsibly and ethically, we can make fundraising more inclusive, representing a wider range of experiences and backgrounds.

Training and educational initiatives should accompany the deployment of any AI tools, providing fundraisers with the knowledge and skills to use these technologies and involve lived experiences effectively. This holistic approach ensures that AI is not only a technological solution but also a part of a broader strategy to enhance the fundraising profession for everyone, irrespective of their educational or socio-economic background.

'AI could enable more effective emotional manipulation, disproportionately targeting disadvantaged or vulnerable populations. Safeguards against exploitative communication must be robust.'

www.rogare.net

3.3 Transparency

Disclosing AI – Supporters may expect disclosure when receiving text, images or other interactions derived from AI rather than humans. Any lack of transparency around AI risks deception, given public wariness about technological persuasion. But transparency means could be applied too widely, as text, images, and other interactions might be influenced by outside factors without the use of AI.

Consent rights – Donors may demand consent processes for AI communication that override legal bases such as legitimate interest. But excessive consent constraints (for example, if they were introduced in codes of practice) could detrimentally impact beneficiaries if donations decline as a result. Such difficult trade-offs require sophisticated ethical reasoning.

Impacts on giving – Transparency may backfire if donor awareness of AI makes them less likely to donate. Further research is needed to balance transparency desires with potential negative impacts. Education around AI advances – such as natural language – may help ease wariness over time.

Ethical literacy – Navigating tensions between transparency, consent rights, impacts on donations, and beneficiary needs and beneficiary voice and agency, demands advanced ethical skills – whether from humans overseers or AI systems themselves. Currently both humans and machines lack sufficient contextual fundraising ethics training.

3.4 Accountability

Responsibility gaps – If an AI chatbot provides inappropriate responses to donors or beneficiaries, liability may fall into grey areas between the charity utilising the bot, and the developer who created the underlying algorithm. Clarifying accountability is crucial. But accountability should not and cannot be viewed a binary option (charity vs developer); all forms of accountability – financial, social, legal – need explication. The more clarity we have, the better we can contribute towards AI development.

Regulatory codes – Expectations around ethical practices, such avoiding placing a person under 'undue' pressure to donate, were developed for human-to-human interactions. AI does not inherently comprehend such nuanced codes of conduct. So oversight mechanisms must be established to ensure compliance.

Opaque decisions – Unlike human judgments, the rationales behind AI-generated decisions or content are often opaque 'black boxes' (see footnote 2 on p5). This complicates auditing and creates accountability problems. Techniques to make algorithms more interpretable are important.

Training requirements – In limited cases, AI could be trained directly on fundraising codes of practice to ingrain ethical concepts such as avoiding undue pressure. But codes will likely require ongoing human interpretation and oversight when applied to AI systems.

3.5 Identity disclosure

Expectations – Supporters may expect clarity that they are interacting with an AI chatbot rather than a human. Lacking disclosure risks deception as AI conversations become more natural.

Impact on giving – However, revealing AI identity could negatively impact donor's willingness to donate or intention to remain in a relationship with a nonprofit. More research is needed to balance expectations with outcomes.

Increasing verisimilitude – As AI conversational ability advances, the line between human and machine blurs. Norms must be stablished around disclosure.

Identity of beneficiaries – Many organisations hide the identities of beneficiaries in their storytelling to respect the wishes of those individuals or protect them from harm. AI image generation could be one potential way of protecting beneficiaries. However this would need to be undertaken with the full consent and understanding of the person whose story is being depicted in an AI image.

3.6 Public trust

Trustist ethics[4] – The Framework for Responsible AI in Fundraising[5] centres trust as the core ethical imperative, where appropriate use of AI upholds trust and inappropriate use of AI damages it. However, this focus on high-level principles overlooks concrete ethical dilemmas unique to fundraising (though it should be stressed that the framework's principles were designed to be kept at a high-level in order to initiate discussions).

A further point relates to impacts on public trust. The deliberate deployment of 'fake news' has been used to undermine a general or universal idea of truth. AI has the potential to exacerbate and accelerate this problem, impacting on fundraising and the work of nonprofits more generally.

Generic guidelines – Early AI ethics frameworks drew heavily from other sectors. But issues arising within fundraising need tailored governance that goes beyond generic guidance.

Human oversight – Protecting trust requires ongoing human oversight from professionals with fundraising expertise, ethical literacy and data literacy. But current data skills may not support reliable oversight. Assessing capabilities and enhancing training is key.

Regulation alignment – Updating codes of practice for the AI era also helps safeguard trust. But interpreting complex AI systems poses challenges.

Fraud risks – AI could enable more sophisticated scams imitating legitimate nonprofits. Additional authentication and oversight mechanisms are needed to maintain integrity.

4 See Appendix on p17.

5 https://fundraising.ai/framework/

> *'AI could enable workforce reductions, exacerbating precarity for fundraisers. This may be particularly the case at smaller nonprofits if boards and senior management consider limited fundraising budgets are better spent on AI than human fundraisers.'*

3.7 Second-order effects

Climate impacts – The environmental footprints of data centres, computations, and energy demands of advanced AI must be measured and mitigated.

Knowledge loss – Over-reliance on AI risks erosion of fundraising expertise through deskilling and loss of human capital. Safeguarding professional knowledge is crucial.

Employment impacts – AI could enable workforce reductions, exacerbating precarity for fundraisers. This may be particularly the case at smaller nonprofits if boards and senior management consider limited fundraising budgets are better spent on AI than human fundraisers. Proactively assessing and governing workforce impacts is critical. However, there are potential benefits workplace/workforce benefits from the incorporation of AI into fundraising practice. One is that AI may facilitate the production of more fundraising copy more quickly and cheaply by smaller nonprofits, helping them to become more competitive. Another is that AI could free up fundraisers to concentrate on the one thing that matters (and only humans can do) – building personal relationships with donors.

Pressure to adopt AI – Some nonprofits may experience added pressure to rapidly integrate AI technologies due to concerns about falling behind more technologically-advanced organisations. This common narrative within our sector suggests a race where speed trumps strategic thinking, which we believe can be counterproductive. To avoid being perceived as obsolete, these organisations might prematurely acquire AI tools without fully understanding their impact and implications. This approach could have detrimental effects in the long term. A better strategy involves fostering collaborative learning and the sharing of open-source AI knowledge among nonprofits. This collective wisdom can alleviate undue pressure and encourage a more measured and informed adoption of AI.

Philosophy erosion – A tactical, technocratic mindset could supersede relationship-centric fundraising philosophy if AI oversight lacks sufficient human judgment. Maintaining holistic fundraising worldviews counters this.

Potential long-term loss of empathy between donors and beneficiaries – A recent study from Massachusetts Institute of Technology (MIT)[6] challenges the conventional belief that people are averse to algorithmically (AI) generated material: participants exhibited no negative bias towards content they knew was produced by AI. Moreover, when the creation process was not disclosed, participants showed a preference for the content generated by AI. However, this study did not address long-term erosion of empathy, so it is possible that prolonged use of AI-generated stories about beneficiaries could result in a longer-term decrease in empathy among donors.

6 Zhang, Y., and Gosline, R. (2023) Human favoritism, not AI aversion: People's perceptions (and bias) toward generative ai, human experts, and human-gai collaboration in persuasive content generation. *Judgment and Decision Making*, 18, e41. Available at SSRN: https://ssrn.com/abstract=4453958 or http://dx.doi.org/10.2139/ssrn.4453958

4
A research agenda

Based on our deliberations concerning both the use of AI in applied fundraising ethics and the ethical issues that may arise from the application of AI in fundraising practice, we have outlined a 10-point research agenda.

As we stated in the introduction to this report, we are not attempting to provide answers to any of these research areas; only to highlight the broad areas in which we think further research and new thinking into the ethical implications of using AI in fundraising is required.

To reiterate what we have said previously, this research agenda is tailored to the specific ethical challenges that will come from using AI in fundraising. In doing so, we have aimed to move beyond taking generic ethical issues associate with AI, and overlaying these on to the fundraising sector.

Ultimately this research agenda aims to outline how the sector can thoroughly investigate AI's multi-faceted ethics implications for fundraising so its development and adoption align with donor and public expectations, alongside the growing recognition of the imperative to decolonise our processes and practices as a sector. This requires integrated technical, empirical, conceptual, and regulatory research initiatives.

1 Understand stakeholder perspectives on AI ethics in fundraising

A major focus should be on gathering qualitative insights and quantifying attitudes across the full range of fundraising stakeholders – donors, beneficiaries, fundraisers, charity leaders, regulators, and the general public. Their norms, concerns, and expectations related to ethical AI will inform appropriate frameworks.

2 Audit data sources and algorithms for bias

Thorough analysis should scrutinise existing fundraising data sets and AI systems for embedded biases based on race, gender, income, and other attributes that could be propagated through automated decision-making. Techniques to detect biases in data and algorithms should be developed and applied, including approaches such as crowdsourcing to help label problematic data or machine learning outputs.

3 Conceptual development of AI ethics frameworks for fundraising

Rather than simplistically transferring generic AI ethics principles, normative ethical models tailored specifically to the fundraising context need to be built from the ground up. Relevant existing fundraising ethical theories/lenses such as Rights-Balancing, Trustism and Community-centric Fundraising can provide foundations. But new frameworks forged through collaborating with ethicists and philosophers who specialise in AI and technology ethics may be necessary to address AI's disruptive impacts.

4 Understand intellectual property issues unique to AI in fundraising

Legal analysis should disentangle the thorny issues around copyright, ownership and control of AI systems, the data sources powering them, and novel outputs such as synthetic fundraising media. Qualitative research can provide insights into perceptions, norms and expectations related to intellectual property for AI in the fundraising context.

5 Clarify transparency needs and limitations for AI in fundraising

Surveys, interviews, focus groups and experiments will need to identify what types and degrees of transparency around AI systems donors, beneficiaries and other stakeholders want, while balancing this against organisational IP concerns and any potentially negative impacts that transparency could have on giving.

6 Define accountability and liability for harms from AI

Regulation will need to examine how to update existing codes of practice to assign accountability as fundraising relies more on AI systems with opaque decision-making pathways. And analysis should delineate where responsibility should lie across the creators of algorithms, data sources, end users, regulators and other parties. Exploring oversight and audit mechanisms will be critical.

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7 Understand second-order effects of mainstreaming ethical AI

Assess both intended and unintended consequences that could emerge from the widespread adoption of ethical AI in fundraising, including shifts in employment, attitudes, giving behaviour, and environmental externalities. Qualitative approaches should also examine potential cascading effects within fundraising organisations and the nonprofit sector more broadly. An example of a cascading effect could be job displacement leading to the recruitment of more junior people to oversee the AI-led fundraising function (who don't necessarily possess relevant skills to do so), leading to lower salaries across the fundraising sector and a shift to a more technocratic approach to fundraising. Additionally, as rapid adoption of artificial intelligence sweeps across the sector, this will inevitably cause many organisations to haphazardly or incompletely implement approaches.

8 Develop oversight mechanisms for AI in fundraising

Public and stakeholder desires for oversight of AI systems need to be gathered through surveys, interviews and focus groups. This can inform the design of oversight approaches such as external audits, algorithmic accountability measures built into systems, and necessary regulatory requirements around use of AI in fundraising.

9 Understand AI's limitations in applying fundraising ethics

Testing AI systems directly to gauge their capacity for nuanced ethical reasoning in navigating real-world fundraising dilemmas will help delineate their constraints, as will qualitative research into the human judgement involved in normative decision-making that may exceed AI abilities.

10 Utility of using AI for/to charity beneficiaries

Many of the ethical issues highlighted in this report relate to donor-centric issues, such as transparency, privacy consent, disclosing AI, etc. That's perhaps not surprising as a) generic concerns about AI ethics (see box on p4) often focus on the ethical implication to data subjects/recipient of AI-generated communications, and b) so much of fundraising's ethics over the past 30 years has been centred on donors (see Appendix on p17).

However, in the project team's discussions as we put together this report, we talked about the potential of AI to help fundraisers be more effective and the sector to become more equitable and inclusive. This is important because many, and perhaps most, of the benefits of AI are at the beneficiary level: grassroots charities increasing their fundraising output and raising more, fundraisers being recruited who are representative of beneficiaries, protecting beneficiary dignity in photographs, and fundraisers being freed to spend more time on real-life relationships with donors (again increasing funds).

A key part of the research agenda is therefore to consider the ethics of AI not from the perspective of how we avoid disutility to donors (which admittedly this is what a lot of this report – but by no means all of it – considers), but how we increase utility to beneficiaries – and in many cases, utilising AI might be the right ethical choice from the perspective of beneficiaries even though it might be less an ethical choice from a donors' perspective. That is why, as we said in point 3 of this research agenda, it is important to think about the ethics of AI in fundraising through the lenses of Rights-Balancing Fundraising Ethics (see s2 and Appendix) and Community-centric Fundraising.

5
Conclusion – ethical and data literacy is key to human oversight

This paper describes what we consider to be the foundation of a research agenda for both the ethical use of AI in fundraising and the use of AI to solve ethical dilemmas in fundraising.

Our agenda is grounded in the premise that generic issues about the ethics of using AI (see box on p4) cannot simply be transferred to and overlain on fundraising. Instead, we need to identify the specific ethical challenges of using AI in fundraising, which is what we have tried to do.

Our 10-point research agenda is presented in s4 and there is little point reiterating that in this summary (just skip back a page if you want to read it again).

However, there are two clear factors that emerge from our work.

The first is that, currently, AI does not have access to sufficiently-sophisticated knowledge of the ethics of fundraising to be able to make ethical decisions. But it can be used to guide fundraisers through the process of making such decisions, such as priming them about what questions to ask, as might be the case in gift acceptance/refusal dilemmas. In future, AI might be trained on ethical decision-making rules to be able to make such decisions.

Until that happens, ethical decision-making in fundraising should remain a function conducted by human fundraisers.

Second, because AI lacks sufficient knowledge of fundraising ethics, human oversight is needed to ensure any use of AI in fundraising practice is done ethically and in accordance with best practice and regulatory codes. Not only does this require a high degree of ethical literacy on the part of human fundraisers, it also requires a high degree of data literacy.

However, it is questionable whether both the ethics and data skills, knowledge and competencies exist to the required degree across the entirety of the fundraising workforce that will be tasked with oversight of the use of AI in fundraising.

As AI enters and becomes widespread in fundraising practice, we must upskill the human overseers with this knowledge and these competencies.

Ironically, widespread use of AI could lead to a loss of such knowledge if AI displaces human fundraisers, and the knowledge they hold.

Appendix
A refresher on fundraising ethics

As with all ethics, fundraising ethics helps us to solve ethical dilemmas.

An ethical dilemma is a where a choice must be made between:
- Two or more appropriate (right) responses
- Two or more inappropriate (wrong) responses

It is not a choice between right and wrong. That is better described as a 'moral temptation'

Fundraising ethics is about doing the right thing by resolving ethical dilemmas. But…
- How do we know what the right thing is?
- And for whom do we do the right thing?
  - Donors?
  - Beneficiaries?
  - Others?

In trying to answer these questions we need to think about what normative theories or lenses of fundraising ethics are available.

Three such theories/lenses best articulated by scholarship are:
- **Trustism** –Fundraising is ethical when it protects and maintains public trust
- **Donorcentrism** – Fundraising is ethical when it meets and serves donors needs and interests
- **Rights-Balancing Fundraising Ethics** – Fundraising is ethical when it balances relevant rights of donors with those of beneficiaries.

Ethical dilemmas in fundraising often occur when there is tension between:
- What beneficiaries need fundraisers to do (ask for support to fund services) and…
- What the public often want fundraisers to do (ask for less, at different times or in different ways, or not at all).

But these are not the only types of ethical dilemmas. Whether to use negative or positive framing in fundraising communications is also an ethical dilemma (the ethical dilemma Furniture Bank in Toronto set out to solve – see s1) because it has potential good outcomes (raises money) and potential bad outcomes (diminishes the dignity of beneficiaries).

From the perspective of donors and the general public, the following are generally considered to be unethical practices in fundraising:
- Not using money for purpose it was donated
- 'Shock' advertising
- Undignified portrayal of beneficiaries
- Targeting vulnerable people
- Guilt-tripping
- Aggressive/intrusive fundraising

Many of these ethical dilemmas are addressed in relevant codes of practice.

There are also ethical dilemmas in fundraising that become apparent if you take the perspective of beneficiaries. These are rarely acknowledged by fundraisers as ethics in the fundraising profession has traditionally adopted a donorcentred ethical lens.

Potentially unethical practices from beneficiaries' perspective are:
- Not asking for a sufficiently high gift
- Allowing donors to dictate how funds will be used (mission creep/'donor dominance')
- Pulling a fundraising campaign because of media pressure
- Not asking for gifts you could/should have asked for
- Using images less likely to raise money (notwithstanding the complexity of the negative vs positive framing issue).

To go into fundraising ethics in more depth, visit the Rogare website – www.rogare.net/fundraising-ethics.

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