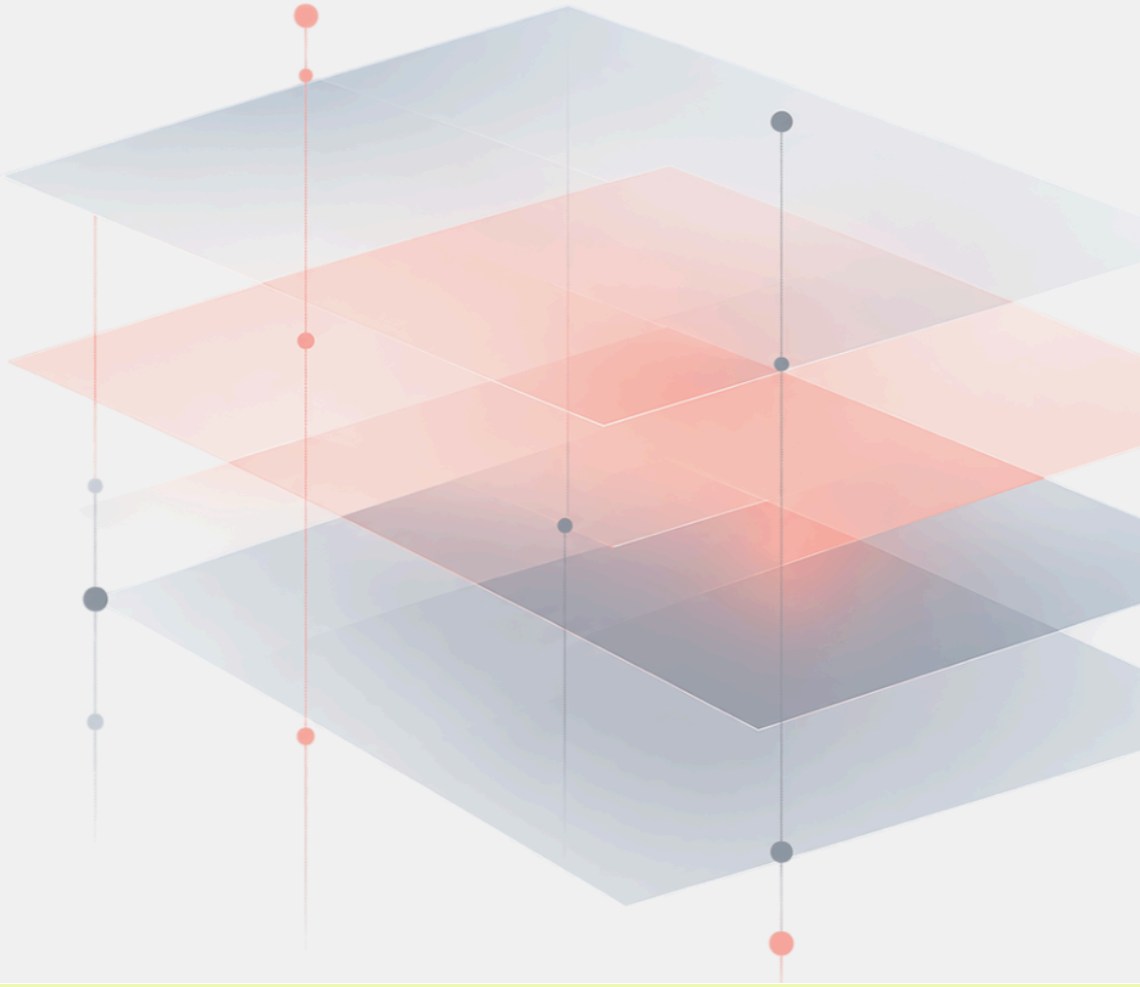
WHITE PAPER

Bridging the Data Divide:

A Responsible Path Forward for AI in the Social Sector

Insight and Action from Nonprofits, Funders, and Field Leaders



OCTOBER 2026

PROJECT EVIDENT

Funded by:

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About Project Evident

Project Evident harnesses the power of data, evidence, and technology to achieve greater impact. We believe that by empowering practitioners to drive their own data and evidence building while also strengthening the surrounding ecosystem, we can increase the number of effective solutions in the social and education sectors and scale them faster, ultimately producing better, faster, cheaper, and more equitable outcomes for students and communities.

About Splunk by Cisco

At Splunk by Cisco, we believe in the power of data and AI to help transform humanity's most urgent challenges—from climate resilience and healthcare access to education and economic opportunity. Our mission — now an integral part of Cisco Community Resilience Investments — is to bridge the global data divide: the profound chasm separating those who can truly leverage data and AI from those left behind.

About Cisco Community Resilience Investments

Together with the Cisco Foundation, Cisco's corporate Community Resilience Investments team aims to catalyze a vibrant ecosystem of changemakers working to positively impact people and communities around the world. We envision a world of equitable, resilient, and empowered communities where everyone can reach their full potential and thrive. Our mission is to partner with organizations to create and scale innovative digital solutions that promote a healthy planet and advance the well-being and self-reliance of underserved communities globally. We accomplish this by harnessing the breadth of Cisco's offerings of strategic guidance, catalytic funding, technology donations, and support from the Cisco community.

Acknowledgments

We are incredibly grateful to the team at Project Evident (Kelly Fitzsimmons, Rhea Tibrewala, Meaghan Birnie, Mariko Tada and Peter York), Stephen Rockwell (Amplifi), Erika Van Buren (Line of Sight Consulting), and Patricia Toothman (Cisco) for making this work possible.

This publication is based on research funded by Splunk by Cisco and Cisco. The findings and conclusions contained within are those of the authors and do not necessarily reflect the positions or policies of Splunk by Cisco or Cisco.

Bridging the Data Divide

Insight and Action from Nonprofits, Funders, and Field Leaders

Executive Summary

In an era of increasing uncertainty and limited data access, artificial intelligence (AI) offers a promising new approach to bridging the data divide – the growing disparity between data's commercial use and its limited application in the social, education, and environmental sectors – but only if we implement it wisely. This white paper explores how AI can drive a more promising data future, yielding more impactful outcomes in the social and education sectors. While there are important data loss, agency, and privacy considerations that must be taken into account, there is also a powerful opportunity to reimagine how nonprofits, funders, and policymakers use data for greater impact.

Investment in the data infrastructure and capacity necessary to drive positive outcomes across society has often been neglected. The advent of generative AI has captured the attention of many who previously overlooked essential issues at the intersection of data, technology, and evidence-building. Now, agentic AI systems that can act autonomously on our behalf are raising the stakes even further. Together, they can be a profound catalyst and accelerator for long-overdue conversations about data infrastructure, ethics, and access. In this paper, we draw on our own experiences, practitioner insights, use cases, and the latest research to offer a grounded yet forward-looking perspective on these pressing needs. At the same time, we reiterate that responsible AI use requires vigilance around safety, transparency, and community voices.

At its best, AI can help nonprofits and school districts work smarter and reach farther when paired with the proper infrastructure, funding, and ethical frameworks. However, we also live in a world where AI can present novel risks, such as: incorrectly scraping data, misinterpreting research findings, overstating value for different demographics, or generating false outputs. It is important to understand AI risks, safeguard data, and ensure that technology serves well while minimizing the risk of harm. This paper offers a roadmap: what to do now, where to invest, and how to move forward while bringing everyone along — challenging us to view data as an asset and treat it with the same care we give to our people and finances.

> "Treat data as we would talent and finance — govern fairly, provide protection and care, and use it wisely."
>
> *— Kelly Fitzsimmons, Founder and CEO, Project Evident*

Current Context: AI and The Data Divide in the Social Sector

The social sector stands at a critical inflection point defined by two powerful opposing forces. Rapid advances in artificial intelligence are offering practitioners new tools to analyze data, automate tasks, and expand their reach. At the same time, the foundational data infrastructure that supports these innovations is weakening. By 2030, nonprofits are expected to generate 10 times more data than in 2020,[1] yet the infrastructure needed to turn that data into insight for the social sector is not growing. This paradox — soaring potential and declining readiness — defines the sector's current reality.

Data Loss Meets Data Potential

For years, nonprofits have recognized data as an essential, yet often under-resourced, asset, crucial to understanding community needs and evaluating their impact.[2] And yet, many lack the funding, access, and expertise needed to unlock the full potential of data gathering and analysis. The result is a growing "data drought" that can leave organizations unable to assess disparities or defend their work. As public data systems shift, entire populations risk being overlooked. Yet, even as data access shrinks, AI is surfacing new opportunities to utilize data — accelerating insight, automating routine tasks, and expanding organizational reach.

AI's Promise and Ethical Risk

From grant writing to multilingual communications, generative AI is helping organizations streamline workflows and alleviate capacity bottlenecks [3] — benefits especially valuable for organizations serving linguistically diverse or hard-to-reach populations. Still, more than two-thirds of nonprofit leaders report concerns about data privacy and security, especially when using AI tools that process sensitive or personally identifiable information.[4] The question is no longer whether to adopt AI, but how to adopt AI in ways that align with mission and safeguard trust.

Growing Recognition, Uneven Readiness

A critical mass of nonprofits and funders agree that AI has the potential to enhance mission-related work. Yet recognition has not always translated into readiness; many organizations still lack internal strategies, ethical guidelines, or leadership confidence to move from awareness to action — what Project Evident terms the "intention-action gap."[4] Closing this gap requires more than tools: it demands investments in infrastructure, access to responsible design models, participatory governance practices, and technical guidance grounded in the realities of nonprofits. Above all, it requires flexible, unrestricted funding that can keep pace with AI's evolution. Without this capital, the data divide and AI divide both compound, leaving some communities behind. Responsible AI adoption means maintaining a commitment to data stewardship — ethical collection, intentional analysis, and community accountability. Without this, the risks will remain high.[5]

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[1] "How the data universe could grow more than 10 times from 2020 to 2030," UBS, July 28, 2023.
[2] (Di Troia et al., 2024)
[3] (Di Troia et al., 2024; Ibison et al., 2024)
[4] (Di Troia et al., 2024)
[5] (Bernholz, 2025; Data Foundation, 2025)

Understanding the Data Divide

The tension between opportunity and risk reveals a deeper structural challenge: the social sector's uneven readiness to generate real value from data, and, by extension, AI. The data divide is not merely about access to technology. It is about access to the systems, practices, and policies that transform data into meaningful impact — secure infrastructure, skilled staff, interoperable systems, and community-informed governance.[6] This essential scaffolding is not evenly distributed; smaller, community-based organizations serving the most under-resourced populations are least likely to have robust IT systems or technical staff. One survey found that over 20% of nonprofits report persistent challenges with their digital infrastructure, and 22% experience technical barriers that affect their ability to use or share data effectively.[7] Shifting policy environments can further complicate the picture, with many AI governance frameworks remaining too vague or complex for practical use. Legal uncertainty, combined with internal resource constraints, often stalls innovation before it can begin.

A Sector-Wide Inflection Point: Doubling Down on Data and Measurement

The rise of AI is not a panacea, but it is a powerful catalyst that offers the field an opportunity to confront long-standing gaps in data use and infrastructure with renewed urgency. Programs and policies meant to serve communities can lose their foundation and evidence without representation in vital datasets. In this context, measurement becomes more than a technical necessity. It becomes a form of empowerment.

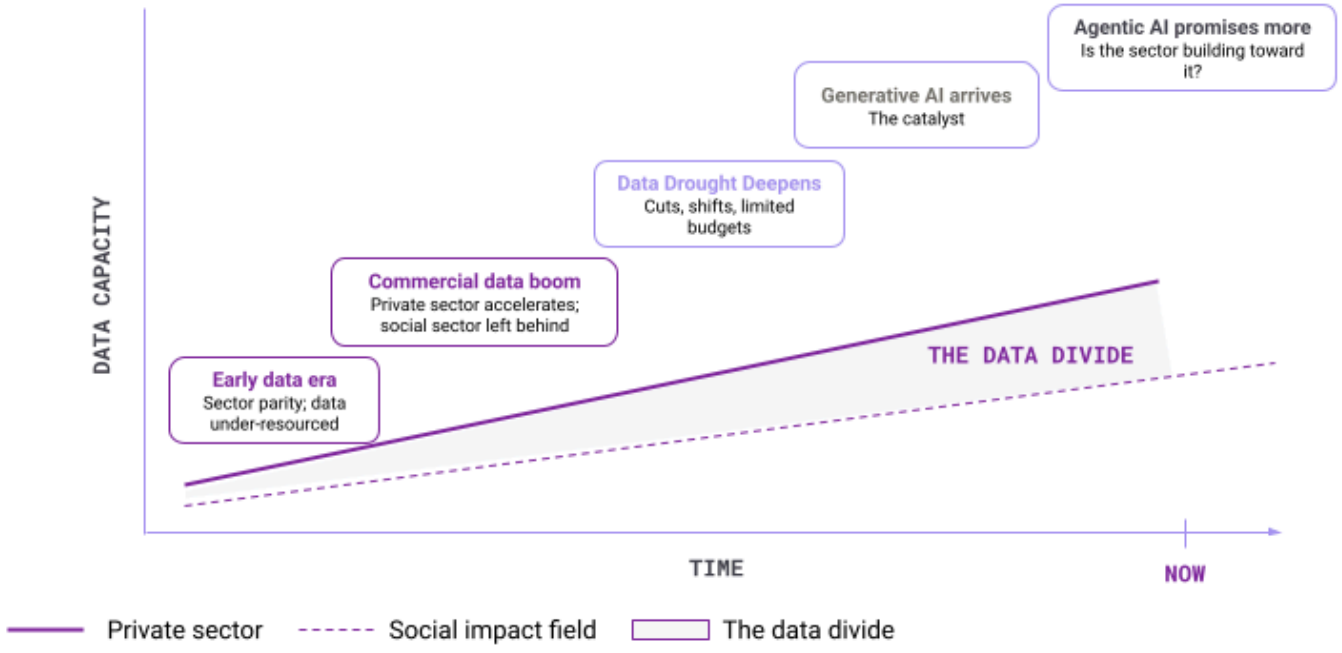
Practitioners should treat data and measurement not as an afterthought, but as a foundational strategy for credibility, advocacy, and impact. Even as new tools like AI enter the landscape, the imperative remains the same: build data capacity, define what success looks like, and use that information to strengthen data collection practice. Funders need to invest not just in AI pilots, but in the scaffolding that enables responsible innovation: strong data governance, secure data systems, inclusive learning environments, and cross-sector alignment. Nonprofits should also equip teams to ask better questions, steward their data with care, and co-create metrics that reflect what matters most to their communities. And the field as a whole should reject false binaries — hype versus hesitation, speed versus safety — in favor of more nuanced postures that embrace experimentation without compromising ethics, while also prioritizing mission alignment and community trust over technological novelty.

AI is already reshaping how nonprofits operate. Ensuring its benefits are widely felt depends not on how quickly new tools are adopted, but on how wisely we build the systems and the values that guide their use.

[6] (Bernholz, 2025; Di Troia et al., 2024; Ibison et al., 2024)
[7] (Ibison et al., 2024)

The Data Divide

Data capacity over time – private sector vs. social impact field



> "Without good data, we're flying blind. If you can't see it, you can't solve it."
>
> — *Kofi Annan*

And some say, with AI, and without sound data practice, we are just flying blind faster.

Insights from the Field: Pulse Survey

To understand how these pressures are playing out in practice, Project Evident conducted a summer 2025 Pulse Survey of 45 U.S. based nonprofits across education and social services, ranging from lean community organizations to institutions with operating budgets exceeding $10 million. What emerged was a picture of a sector navigating genuine constraints with limited resources – adapting carefully, asking hard ethical questions, and looking for practical support.

Retrenching in the Face of Uncertainty

Many organizations responded to increased data scrutiny and restrictions by revising internal protocols, tightening access rules, reducing the collection of sensitive data, and addressing staff hesitancy and fear around data use, with educational organizations showing the most significant retreat.

> "We're becoming more cautious about collecting or storing sensitive data, but without restored access to key datasets, our ability to track outcomes is reduced, forcing greater reliance on anecdotal evidence."



The constraints these organizations face aren't only technical; the survey identified nonprofits' three most pressing needs:

- learning from peer organizations' data and AI practices;
- flexible funding to test tools or replace lost data sources; and
- clear, easy-to-understand guidance on legal and ethical data use.

These aren't requests for more technology – they're requests for the practical support needed to use it responsibly.

Cautious but Growing AI Experimentation
Even amid heightened caution around data, interest in AI is real and growing. Three-quarters of surveyed organizations are piloting small-scale AI experiments with guardrails, particularly for behind-the-scenes functions such as communications, HR, and finance.

> "Our small AI experiments focus on preserving and enhancing human connection. The number one thing I'm thinking about with AI is how to make the organization more productive – safely."



A quarter have paused or slowed their AI efforts due to legal and ethical concerns, and education and youth development nonprofits are the most skeptical among organization types. Still, the overall posture is one of careful curiosity rather than outright rejection.

Ethical Concerns at the Forefront
For many practitioners, the ethical stakes of AI adoption are not abstract. Several organizations expressed concerns about the risk of AI inadvertently causing harm to the communities they serve:

> "We want to be sure that the tools we use do not cause further harm to already disadvantaged communities."

> "Decisions are being made faster than the field is ready for."

> "The ethics are incredibly concerning, especially as these systems are already causing destruction and harm to marginalized and vulnerable communities. The risks are not abstract for us – they are actually about life and death for our community."

Research suggests that what practitioners are asking for, above all, is nuance. The frustration isn't with AI itself, but with a discourse that frames it as either a panacea or a threat – leaving little room for the practical, community-driven, ethically grounded approaches that the sector actually needs. Closing this gap will require nuance, strategy, and shared learning.

Debunking the Top 5 Myths About AI in the Social Sector

Despite AI's promise, misconceptions continue to shape perceptions of it and stall meaningful progress. These myths often obscure the real dynamics of how AI is being used, or could be used.

Myth 1: AI makes decisions on its own **Truth:** AI supports human decisions, but does not replace them	In practice, AI tools are assistive, not authoritative. Generative AI is prone to hallucinations, requiring users to critically assess outputs before acting on them. Agentic AI raises the stakes, making governance and human oversight more critical, not less. Across the sector, practitioners describe a posture of scrutiny: adjusting workflows so staff review AI outputs and preserve organizational voice.
Myth 2: AI is too advanced for small organizations **Truth:** Small nonprofits are using AI every day to solve real problems	Small nonprofits are not passive bystanders to technological change; they are already active users. These tools are already being used to automate routine tasks, support translation and accessibility, and build custom applications that would otherwise be out of reach. The question is no longer whether nonprofits can use AI, but whether they have the support to use it safely and responsibly.
Myth 3: AI will replace social sector workers **Truth:** AI is most often used to support staff, though economic pressures can shift this balance	Most nonprofits view AI as a capacity-builder, not a workforce replacement. But financial pressures have led some organizations to reluctantly replace roles with AI out of necessity rather than strategy. Funder support and sector standards that prioritize augmentation over substitution are essential.
Myth 4: Only tech organizations should lead AI innovation **Truth:** Ethical AI requires leadership from across sectors	Social sector organizations are uniquely positioned to shape the use of "Equitable AI". They understand community impact, hold public trust, and can advocate for ethical, culturally responsive design. Yet most nonprofit leaders report never being asked to weigh in on AI policy. When the voices closest to the public are absent, technology can reflect the priorities of those who built it – not those who depend on it.
Myth 5: Data access doesn't impact equity **Truth:** Equitable AI depends on fair access to high-quality data and the guardrails to use it responsibly	AI tools are only as fair as the inputs that fuel them, including (but not limited to) data. Biased or incomplete data can disproportionately harm the communities nonprofits serve. In Project Evident's pulse survey, "bias in AI systems" was the most frequently cited barrier to adoption. What the field needs isn't just awareness – it's clear guidance, hands-on training, and shared infrastructure to detect and mitigate bias.

Clearing up these myths doesn't make the path forward simple – but it does make it clearer. When the sector operates from a more accurate understanding of what AI is and what it demands, it becomes possible to move from hesitation to intentional action. And that action is already underway.

Use Cases: What's Working in the Field

The following examples show what responsible AI adoption looks like in practice – not AI for AI's sake, but tools designed with intention, tested with community input, and evaluated against mission. Taken together, they offer a glimpse of what becomes possible when organizations pair emerging technology with ethical guardrails and a clear sense of purpose.

1. **AI for Grant Review – Smarter, Not Colder:** A mid-sized foundation utilizes a custom language model to assist in screening grant proposals, not to make decisions, but to identify key themes and trends for reviewers. This saves time and allows human staff to focus on high-quality interactions with applicants. Ethical review boards are embedded in the process to ensure transparency and accountability.

2. **Digital Co-Pilots for Learning:** An education nonprofit has developed an AI-powered "co-pilot" to help teachers adapt instruction in real time based on student data. It was piloted with community input, and results showed improved engagement for multilingual learners. The model is now being shared with similar organizations to avoid duplication.

What Makes a Good AI Use Case?

- Clear alignment with the mission
- Minimal harm if wrong
- Data availability and quality
- Opportunities for learning and iteration

3. **Predictive Outreach in Public Health:** Using historical data, a coalition of public health nonprofits developed an AI tool to identify areas with high vaccination no-show rates. They tested personalized text message nudges, resulting in a 30% increase in follow-through among young adults. Privacy protections were central, and community partners played a key role in designing the messaging.

4. **Streamlining Services for Low-Income Families:** A city-based nonprofit uses AI to triage service requests and match clients with the right caseworker based on complexity. What used to take 2-3 days now takes minutes, freeing up staff time while reducing client wait periods.

These examples are encouraging, but they are not yet the norm. While some organizations are piloting AI with purpose and rigor, many more are navigating this moment without adequate resources, guidance, or infrastructure to do so responsibly. Scaling what works requires the sector to reckon with the remaining challenges and the opportunities still within reach.

> "AI isn't for everything. Ask: when don't we use it?"
>
> *— Kelly Fitzsimmons, Founder and CEO, Project Evident*

Challenges and Opportunities Ahead

AI is not magic, but it does offer new tools to tackle long-standing inequities related to data if we meet the moment with clarity, caution, and collaboration. Each challenge the sector faces carries within it the seeds of a different future.

DATA ACCESS	
Challenge **Constrained Data Ecosystems** Restrictive policies, expired agreements, and failing technology have left organizations unable to track outcomes or defend their work.	***Opportunity*** **Treat Data as a Strategic Asset** Investing in data stewardship the way we invest in finance or HR can protect critical datasets and open new doors for impact and accountability.

Respondents to the Pulse Survey worried about "losing valuable datasets that help us serve our mission" and described scaling back collection to only what is strictly essential. Shared repositories, secure partner collaborations, and automation for routine data tasks can turn data protection into a strategic advantage.

CAPACITY AND INFRASTRUCTURE	
Challenge **Uneven Infrastructure and Readiness** Community-based organizations often operate without basic systems, reliable funding, or internal technical support. Experimentation is constrained by missing infrastructure – not lack of interest.	***Opportunity*** **Build Shared Infrastructure Together** Pooled investment and peer learning can lower the barrier to entry and transform scattered experiments into sustainable, field-wide capacity.

Over 20% of nonprofits report persistent challenges with durable digital infrastructure. In the pulse survey, flexible funding was the top enabler respondents identified – dollars for low-risk pilots, rebuilt data capacity, or privacy-preserving tools. Structured peer learning was equally critical, seen as essential to closing the gap between well-resourced early adopters and organizations left behind.

TRUST AND ETHICS	
Challenge **Ethical Risks and Trust Gaps** AI trained on incomplete data can reinforce bias and undermine community trust. For many nonprofits, the risks are not abstract – they are significant and real for the communities they serve.	***Opportunity*** **Lead with Ethical Design** Participatory design, informed consent, and shared ethical standards can build trust and demonstrate that technology can be both intelligent and just.

"Bias in AI systems" was the most frequently cited barrier to adoption, with several practitioners calling for clear guidance, staff training, and practical guardrails – not abstract principles.

UNDERSTANDING AI	
Challenge **Misunderstanding What AI Can and Can't Do** AI depends on the data it's trained on and the goals it's set to meet. Poorly scoped projects waste time and money, and many nonprofits remain unsure how to advance responsibly.	***Opportunity*** **Start with Focused, Mission-tied Use Cases** When AI is used to streamline reporting, predict client needs, or surface inequities in who is being served, it frees up human capacity rather than replacing it.

Many nonprofits described piloting small use cases in HR, finance, and communications while remaining cautious about broader adoption. Survey respondents were especially interested in using AI to get more value from existing data – practical, mission-driven applications that also strengthen funder communication.

COLLECTIVE LEARNING	
Challenge **Lack of Collective Action** Everyone is experimenting, but too few are learning together. Without shared frameworks, the field risks duplication, missed opportunities, and a discourse with no room for nuance.	***Opportunity*** **Building Collaborative Field Infrastructure** Shared rubrics, open models, and pooled learnings can accelerate adoption while raising the bar for safety and accountability across the sector.

Respondents pushed back against a polarizing narrative that frames AI as either a panacea or a threat: "Decisions are being made faster than the field is ready for." Many wanted to join peer learning groups but lacked the enabling structures. Communities of practice and jointly defined ethical benchmarks could turn isolated experimentation into field-wide progress.

> "What if, instead of making extraction more efficient, we built AI that made reciprocity possible — giving something back to the people generating the data?"
>
> *— Peter York, Chief Data Scientist, Project Evident*

Recommendations: What the Field Can Do Next

The path forward requires action from multiple actors. This section offers practical guidance for nonprofits, funders, and policymakers at all stages of readiness.

For Nonprofit Leaders

- **Start small and strategic:** Focus on one challenge where AI could free up capacity or enhance decision-making. Avoid "shiny object syndrome" by pairing experimentation with a clear plan for moving successful pilots into sustainable workflows.
- **Adopt ethical AI principles:** Use frameworks such as those from EdSafeAI, NIST, Mozilla, FFWD, Tech Matters, or Google.org to guide procurement, implementation, and evaluation.
- **Center community voices:** Bring in those affected by your programs to help shape how tools are developed and used.
- **Build shared infrastructure:** Join or start cohorts to learn from peers and co-invest in standard tech needs, especially for data cleaning, storage, and literacy.
- **Protect what matters:** Just as you protect finances and HR records, implement basic protocols to treat data as a vital asset and ensure it is handled securely and responsibly.
- **Come for efficiency, stay for impact:** While 92% of nonprofits report using AI, only 7% are using it strategically.[8] Don't let efficiency gains become a ceiling. AI should be woven throughout the organization to enhance mission impact and program quality – not just free up staff time.
- **Build feedback loops:** Use AI for program monitoring to provide real-time impact data, creating cycles of continuous improvement.
- **Embrace agile practices:** Adopt project management approaches that support ongoing learning and iteration as AI technology evolves.

For Funders

- **Fund flexible, capacity-building dollars:** Allow grantees to use funds for data infrastructure, ethics reviews, and digital talent, not just outputs.
- **Utilize your technical expertise:** Assist in evaluating the technical feasibility and ethical implications of grantee AI proposals in collaboration with internal or external experts. Use shared frameworks and rubrics to consistently assess projects.
- **Support conceptualization:** Help grantees in the proposal development phase better understand what's possible with AI and develop stronger concepts before implementation.
- **Mandate open learning:** Require that successful AI projects share what they learn – models, prompts, practices – to avoid waste and duplication across the field.
- **Create shared learning opportunities:** Support cohorts where grantees can learn together and funders can pool resources for technical and technological assistance.
- **Streamline your systems:** Consider utilizing AI for internal operations (e.g., grant triage, data dashboards) to better support your grantees. Decide your institution's stance on AI-generated proposals.
- **Invest in public goods:** Fund open-source AI tools and shared data infrastructure to democratize access to technology.

[8] The 2026 Nonprofit AI Adoption Report, Virtuous (2026)

- **Think beyond competitions:** While competitions can spur early adoption, make strategic investments to develop and deliver AI solutions at scale.
- **Establish collective big bets:** Coordinate with other funders to make transformative investments in systems change, funding networks of organizations rather than isolated projects.

For Policymakers and Tech Partners

- **Build and maintain public data infrastructure** with strong privacy standards.
- **Co-create tools with frontline users** – not just top-down.
- **Promote shared rubrics and certifications** to reduce confusion and duplication.
- **Invest in open-source and public goods** that democratize access to AI for under-resourced organizations.

Further Reading & Frameworks

- Project Evident's Equitable AI Adoption Framework
- EdSafe AI
- NIST AI Risk Management Framework
- Project Evident's Next-Gen Evidence Guidance
- Mozilla Foundation's Trustworthy AI Principles
- Google.org AI Principles
- Data.org Data Maturity Assessment
- Fast Forward's Nonprofit AI Policy Builder
- Board.dev Resources
- TechSoup Resources
- NTEN AI For Nonprofits Resource Hub
- Hive Mind