

THE SMART NON- PROFIT

Staying Human-Centered
in an Automated World

BETH KANTER | ALLISON FINE

WILEY

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Praise for *The Smart Nonprofit*

“AI is a complicated but necessary technology. It can be used to make people and nonprofits experience better, but if used without ethical implementation, it can destroy lives and harm the very people it is designed to help. This book works to describe this delicate balance. *The Smart Nonprofit* helps nonprofits think about how to use this technology with intention while explaining how to avoid the pitfalls that are possible. A human-centered focus is how all technology should be deployed.”

Shireen Mitchell,
founder, Digital Sisters/as and Stop Online Violence
Against Women

“In *The Smart Nonprofit*, Beth Kanter and Allison Fine bring attention to a looming transformation that is underappreciated in the social sector. Kanter and Fine have put their finger on the fundamental tension between the calling of our sector and the know-how to leverage AI and other smart technologies for good. Read this book. It's about the future and fate of the social sector writ large.”

Mari Kuraishi,
president, Jesse Ball DuPont Fund

“We always joke about machines taking over our jobs. The truth is more interesting and complicated than that, as Beth Kanter and Allison Fine explore in this vital and timely book. With our sector relying more and more on technology and data, it is critical all of us are informed of the many ways smart tech could enable us to be more efficient at helping people, or unintentionally hurting them, especially those from marginalized communities. This is a thought-provoking and necessary book.”

Vu Le,
NonprofitAF blog

“As decision-making becomes increasingly automated, it is critical that we are intentional about designing and using smart tech in the way that benefits our society and the planet. *The Smart Nonprofit: Staying Human Centered in an Automated World* is an exceptional read for nonprofit leaders who are looking to understand challenges and opportunities of smart tech, including how to design and use technologies such as artificial intelligence and machine learning in a responsible, humane, and impactful way.”

Leila Toplic,
head of Emerging Technologies Initiative
NetHope

“The adaptation and understanding of smart tech enables social sector leaders to make quantum leaps forward in meeting their missions and fostering cultures of innovation and abundance. But just knowing that isn't enough. Kanter and Fine have given us the road map: practical, actionable advice for the tech-savvy and non-techies alike, and organizations large and small will benefit.”

Asha Curran,
CEO, Giving Tuesday

“Beth Kanter and Allison Fine's new book provides a refreshingly nuanced view on the use of data and AI in the nonprofit sector. The timely question the authors seek to answer is not whether nonprofits need to develop good data management practices and a pervasive data use culture but how to transform their operations and strive for impact. Kanter and Fine's smart nonprofit is one that realizes the opportunities that data offers and knows how to mitigate the risks.”

Claudia Juech,
vice president, data and society, Patrick J. McGovern
Foundation

“Finally, a book that cuts through the hype about AI and gives common-sense guidance to nonprofit leaders on how they can get smarter in how they use tech to power their organizations.”

Micah Sifry,
cofounder, Civic Hall

“Beth Kanter and Allison Fine have given a powerful road map for nonprofit leaders on how to navigate the adoption of artificial intelligence and other smart technologies. With this book in hand, nonprofits will be able to turn the page on the era of frantic busyness to one in which they have time to think and plan and even dream.”

Charlene Li,

New York Times best-selling author of *The Disruption Mindset* and *Founder of Altimeter*

“An absolutely vital read for all nonprofit executives. AI and other smart technologies are here to stay, and understanding how they can impact your employees, donors, and grantees will be vital for your future success. Allison Fine and Beth Kanter break down all you need to know in a format that is digestible and actionable.”

Susan McPherson,

CEO, McPherson Strategies and author of *The Lost Art of Connecting*

“The inevitable introduction of more automation needn't dehumanize your nonprofit. As Kanter and Fine show us, knowing how to incorporate technology into our processes appropriately can free us up to do the things that only people can do and in ways that enhance the deeper connections between us.”

Douglas Rushkoff,

author of *Team Human*, *Present Shock*, and *Program or Be Programed*

“Since I see technology itself as amoral, I believe its impact (positive or negative) is a function of the ethics, values, and beliefs of those applying it. Using real-world examples, Kanter and Fine explore the promise and pitfalls of how nonprofits are using advanced digital technology, including artificial intelligence, machine learning, natural language processes, and bots.”

Mario Morino,
Chair and CEO, Morino Institute

“Beth Kanter and Allison Fine have written the definitive guide for nonprofit leaders on how to navigate the adoption of artificial intelligence and other smart technologies. With this book in hand, nonprofits will be able to raise money, deliver effective programs, and run their back offices efficiently while staying human-centered.”

Jeremiah Owyang,
tech analyst, founding partner of Kaleido Insights

“Automation can be a crucial resource for managers and employees who are adapting to a changing workplace—but only if we anticipate and address its risks to equity, inclusion and effectiveness. This book will help leaders make the most of smart tech's potential: It's essential reading for anyone who works in a mission-driven organization, or for those who want to understand the way automation will transform the non-profit sector.”

Alexandra Samuel,
PhD and coauthor of *Remote, Inc.: How to Thrive at Work...Wherever You Are*

“Beth and Allison completely redefined the nonprofit technology game with their must-read book *The Networked Nonprofit*. And with their newest book, they do it again. *The Smart Nonprofit* is the perfect field guide for nonprofits who struggle to tackle the perils of tech automation, standardization, and the ethical quandaries that come with it. Beth and Allison answer, with case studies and rich examples, how we can best adopt this smart technology intentionally and carefully—while avoiding embedded bias and maintaining ethical standards. I highly recommend this book to any nonprofit or social change agent looking to answer the questions of how to leverage automation and technology to save time and better accomplish their missions but who want to remain human-centered as well.”

Julia Campbell,
speaker, author, nonprofit consultant

“At a cultural moment for trying to understand AI, here's a great primer for nonprofit leaders, especially to think about how smart tech can be harnessed in human ways.”

Peter Simms,
author and founder and CEO of Black Sheep (BLK SHP)

“Artificial intelligence and other smart technologies are a critical part of our everyday lives. AI is becoming instrumental to all industries and sectors, including the nonprofit space. In this book, Beth and Allison illuminate the potential of what smart tech could do—and indeed, is already doing—for social and environmental good. *The Smart Nonprofit* provides practical, actionable (and timely) advice for all nonprofit leaders—I couldn't recommend it enough.”

Carlos Miranda,
cofounder and chairman, Lightful

“The issues raised by Beth Kanter and Allison Fine in their new book should be at the top of any nonprofit leader's list of priorities. Online platforms such as GlobalGiving are engaged in active debate about them already, but as our technological tools continue to advance and their applications become more ubiquitous, all nonprofits should consider themselves digital organizations. We could all use additional guidance on these tricky questions.”

Alix Guerrier,
CEO, DonorsChoose

“*The Smart Nonprofit* is a must-read for the 21st-century organization, addressing both the ethical and practical challenges of artificial intelligence. Beth Kanter and Allison Fine—veterans in providing vital tools to nonprofit leaders—have done it again, breaking down the complicated world of smart tech into bite-sized, actionable strategies that will become the gold standard in the sector.”

Kathleen Kelly Janus,
author of *Social Startup Success: How the Best Nonprofits Launch, Scale and Make a Difference*

“*The Smart Nonprofit* could not be timelier for anyone involved in social change efforts. This book is filled with practical examples of how smart tech is already being deployed to tackle social challenges and where we can go from here. This is a terrific, timely book that comes at a critical moment for us as a sector and as a society.”

Vinay Nair,
CEO and cofounder, Lightful

“Beth Kanter and Allison Fine provide a practical guide for the future in *The Smart Nonprofit: Staying Human-Centered in an Automated World*. This book is a valuable resource for nonprofit organizational leaders to understand the challenges and opportunities of smart tech and how they can harness this potential to advance their missions. *The Smart Nonprofit* is filled with examples and case studies that help paint a picture of the possibilities with AI and provides inspiration for anyone considering how they may effectively make use of smart tech for their organization.”

Jason Shim,
coauthor of *Bitcoin and the Future of Fundraising*

“In *The Smart Nonprofit*, Beth Kanter and Allison Fine demystify the moment we are in by helping nonprofit leaders understand how to use smart technology to center people and their values, reduce bias, and unlock time so that staff can focus on imagining new solutions and enhancing the overall experience people have with their organizations. Whether you are concerned about the limitations and the unintentional harmful consequences of the technology or are looking for a practical guide to apply smart tech, you won't regret reading this book.”

Farra Trompeter,
codirector, member-owner, Big Duck

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STAYING HUMAN-CENTERED IN AN AUTOMATED WORLD

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ALLISON FINE

WILEY

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Published by John Wiley & Sons, Inc., Hoboken, New Jersey.

Published simultaneously in Canada.

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Library of Congress Cataloging-in-Publication Data

Names: Kanter, Beth, 1957- author. | Fine, Allison H., 1964- author.

Title: The smart nonprofit : staying human-centered in an automated world / Beth Kanter and Allison Fine.

Description: Hoboken, New Jersey : Wiley, [2022] | Includes bibliographical references and index.

Identifiers: LCCN 2021052478 (print) | LCCN 2021052479 (ebook) | ISBN 9781119818120 (cloth) | ISBN 9781119818144 (adobe pdf) | ISBN 9781119818137 (epub)

Subjects: LCSH: Nonprofit organizations. | Organizational change.

Classification: LCC HD2769.15 .K37 2022 (print) | LCC HD2769.15 (ebook) |
DDC 658/.048—dc23/eng/20211028

LC record available at <https://lcn.loc.gov/2021052478>

LC ebook record available at <https://lcn.loc.gov/2021052479>

Cover image(s): © Getty Images | Tuomas A. Lehtinen

Cover design: Paul McCarthy

We dedicate this book to the millions of staff members, board members, and volunteers of nonprofits who do the hard work every day and with the smart use of smart tech can now work smarter. Thank you for making the world safer, smarter, happier, healthier, and fairer.

PREFACE

For the last four years, we have been tracking the use of digital technologies like artificial intelligence, what we call “smart tech” in this book, for social good. Smart tech is very quickly becoming embedded in nonprofit operations. It is helping them automate tasks such as screening clients for services, filling out expense reports, and identifying prospective donors. Sometimes organizations are intentionally choosing to add smart tech to their efforts, but more often we are finding that smart tech is sneaking into organizations without organizations realizing it.

This moment feels familiar. We have been writing about the wide scale adoption of social media since the early 2000s. We know the patterns of technology adoption: there are small commercial vendors with funny names overhyping the benefits and underplaying the risks, there are a few early adopters finding clever ways to use the technology, and there is the enormous ecosystem of nonprofits and foundations who are resistant to change and technology.

We believed smart tech was part of the ongoing march of technology that makes organizations go faster and become more efficient until we had a talk with our friend Steve MacLaughlin, vice president of product management at Blackbaud. He told us during a podcast interview in October 2020 that the benefit of using smart tech isn't about increasing speed and scale; it's about time.

Smart tech is going to take over time-consuming rote tasks that are taking hours to do right now, freeing up enormous amounts of staff time. Steve calls this the “AI dividend.” We call it the “dividend of time” in this book. Whatever you call it, the idea is profound and potentially revolutionary.

The choices organizations make about how to use their dividend of time is the key to the next stage in organizational life. We can choose to continue our frantic pace of work, responding to crises and flooding inboxes with email solicitations. Or we can choose to use this new time to reduce staff burnout, get to know clients on a deeper, human level, and focus on solving problems like homelessness in addition to serving homeless people. And as far-fetched as it may seem, we believe nonprofits can use this time to become the leaders in the ethical and responsible use of smart tech, the most powerful technology everyday people and organizations have ever used. Taken altogether, this is the essence of being a smart nonprofit.

We have a once-in-a-generation opportunity to remake work but only for those people and organizations that are thoughtful and knowledgeable about the use of smart tech. It also raises existential questions such as: When should machines do the work people do now? How can we be actively anti-biased using smart tech? What can we do differently or better with our new time? We hope this book gives you and your colleagues a solid foundation for understanding and answering these kinds of questions.

We hope the increased dividend of time will be spent doing the things that only people can do: building strong relationships, dreaming up new solutions, creating and strengthening communities. We want to turn the page on our era of frantic busyness and scarcity to one in which smart nonprofits have the time to think and plan and even dream.

ACKNOWLEDGMENTS

All books are difficult to write. Add a pandemic on top of it, and a special kind of endurance is required. We are extremely grateful to our colleagues and friends and family who supported us during the writing of this book.

You can't write a book during a global pandemic without the very patient support of your family. Allison would like to thank all of her Freiman boys for their patience and encouragement during the very long sheltering in place. Beth would like to thank her husband, Walter, and her children, Harry and Sara, who gave her the time and space to write.

A special thanks to Brian Neill, Deborah Schindlar, Kelly Talbot, and the rest of the team at Wiley. We are very grateful for your enthusiasm for this book and our long partnership with the company. Onward!

We'd also like to thank our book assistant, Kait Heacock, for her terrific work,

This book would not have been possible without the early investment in our work on smart tech and philanthropy by Victoria Vrana and Parastou Youssefi at the Bill & Melinda Gates Foundation. They and their team are thoughtful, prescient innovators and advocates for the democratization of philanthropy.

We are very grateful for the time and input of experts working at the intersection of technology and social good. They are doing the hard work everyday of healing the world. In particular, we are thankful to: Alexandra Goodwin, Allen Gunn, Anna Bethke, Anurag Banerjee, Brigitte Hoyer Gosselink, Cinthia Schuman, Chris Tuttle, Christopher Noessel, Darrell Malone, David A Colarusso,

France Q. Hoang, Heejae Lim, Iain De Jong, Jake Garcia, Jake Maguire, Jill Finlayson, John Mayer, Julie Cordua, Kevin Bromer, Leah Post, Leila Toplic, Mohammad Radiyat, Nancy Smyth, Nick Bailey, Nick Hamlin, Ravindar Gujral, Rhodri Davies, Rita Ko, Shalini Kantayya, Steve MacLaughlin, Sue Citro, and Woodrow Rosenbaum.

We want to give a special thanks to friends and colleagues who read parts of this book, answered questions, and gave us advice (when we asked for it and when we didn't!). In particular, we'd like to thank: Tamara Gropper, Mark Polisar, Lucy Bernholz, Johanna Morariu, Lisa Belkin, and Amy Sample Ward for their input and advice.

PART I

UNDERSTANDING AND

USING ARTIFICIAL

INTELLIGENCE

CHAPTER 1

Becoming a Smart Nonprofit

INTRODUCTION

Leah Post has a keen sense of other people's pain. As a program manager at a Seattle social service nonprofit, she uses her gifts to help people who are homeless, or at high risk of homelessness, enter the local support system. An integral part of the intake process is a required assessment tool with the tongue-twisting name VI-SPDAT.

Every day, Leah asked her clients questions from the VI-SPDAT and inputted their answers into the computer. And every day the results didn't match the picture of despair she saw in front of her, the results that should have made her clients top priorities for receiving emergency housing.

Leah knew the basic statistics for the homeless population in King County, home to Seattle. Black people are 6% of the general population but over a third of the homeless population. For Native Americans or Alaska Natives that ratio is 1 to 10. Most of Leah's clients were Black, and yet time and again white applicants scored higher on the VI-SPDAT, meaning they would receive services first. Leah knew in her gut that something was wrong, and yet automated systems are supposed to be impartial, aren't they?

With over a decade of experience as a social worker, Leah knows that asking people who are scared, in pain, may have mental illness, and are at your mercy to self-report their personal struggles is not likely to yield accurate results. Similarly, victims of domestic violence were unlikely to self-report an abusive relationship. But that's

not how the VI-SPDAT worked. For instance, one of the questions was: “Has your drinking or drug use led you to being kicked out of an apartment or program where you were staying in the past?” Single, adult Black Indigenous People of Color (BIPOC) were 62% less likely than white applicants to answer yes.¹ In general, denial of drinking and drug use is the smarter and safer answer for people of color when applying for public benefits. Except when taking the VI-SPDAT. This assessment is intended to measure vulnerability, which means the higher the score, the more urgently a client needs housing. But, Leah says, VI-SPDAT “just doesn't allow the space for any interpretation of answers.”²

Leah was not the only person noticing skewed results. Dozens of social workers joined her in signing a petition in Seattle asking for a review of the process. Other social workers around the country also raised concerns. Finally, researchers at C4 Innovations dug into the data from King County, as well as counties in Oregon, Virginia, and Washington, and found that BIPOC “were 32% less likely than their White counterparts to receive a high prioritization score, despite their overrepresentation in the homeless population.”

There were red flags about the VI-SPDAT from the beginning. It was evidence-informed, not evidence-based, meaning it was built on information and experiences from past efforts but neither rigorously designed nor tested. It was intended for quick triage but was most often used as an overall assessment tool by social service agencies. No training was required to use it. Oh, and it was free.³

Why was King County, or any county, using a tool with so many red flags? Some of the answer is found in its development history.