



# AI and Philanthropy

## A Framework for Intentional Funder Engagement

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# Navigating AI with Clarity and Purpose

Today, generative AI and emerging agentic technologies are rapidly reshaping the very systems philanthropy seeks to influence. These tools can create, analyze, and increasingly act on information—and are already affecting access to jobs, shaping healthcare inequities, and influencing how communities experience climate-related challenges, creating new risks and opportunities for communities and the systems they rely on.

At the same time, for many foundations, this translates into a few persistent questions:

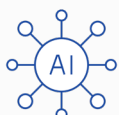
- Where does AI meaningfully intersect with our mission?
- How do we engage responsibly amid real risks and harms?
- What AI tool should we adopt, if at all?

This framework is designed as a practical starting point to help philanthropy leaders make sense of these questions. It reflects a year of conversations with funders, practitioners, and experts, as well as experience in systems change work. We see this as a contribution to an ongoing conversation and invite your feedback to make it more useful for the field.

**Funders do not need to be uncritical adopters—but we believe they can be informed and intentional participants in shaping how AI affects the communities and systems they care about.**

## A Four-Domain Spectrum for Funder Engagement in AI: From Institution to Ecosystem

We propose four distinct but interconnected ways in which funders engage in AI. The domains are not sequential; they are best understood as a spectrum and reflect different ways in which funders are engaging today. Foundations need not engage in all areas, but should be intentional about their holistic choices and how different approaches reinforce each other.



### Institutional Adoption

Funders responsibly using AI for their day-to-day operations



### Grantee Capacity Building

Funders enabling grantees to use AI



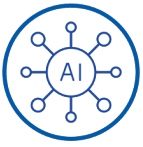
### Strategic Adaptation

Funders evolving priorities as AI reshapes the problem and opportunities



### Ecosystem Shaping

Funders shaping how AI is developed, governed, and used



## Domain 1: Institutional Adoption

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**The ways a foundation uses AI in its day-to-day work—and the steps it takes to use it responsibly.**

**In practice, this might include:**

- Using AI to support grantmaking, research, knowledge management, evaluation, or communications
- Training staff and building confidence in how to use AI
- Setting AI policies and guardrails around data use, privacy, and risk

**Key questions to consider:**

- Where could AI save time or improve how we work?
- What guardrails do we need before expanding use to ensure we do not unintentionally widen inequities (e.g., the environmental impact of AI, and how AI use in grantmaking could advantage some groups over others)?
- How can we build our internal capability, culture for adoption, and credibility?



## Domain 2: Grantee Capacity Building

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**Investments that help grantees use AI in ways that strengthen their work.**

**In practice, this might include:**

- Funding basic tech infrastructure or AI tools to improve grantee partners' operations and/or programs
- Providing training, coaching, or peer learning opportunities
- Supporting adoption of shared tools or services across organizations

**Key questions to consider:**

- What AI capacity or tools do our grantees see as essential to achieving their goals and increasing impact?
- How do we make sure smaller or under-resourced organizations are not left behind?
- Are there shared solutions that could benefit our grantees collectively?



## Domain 3: Strategic Adaptation

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**The process of asking if and how AI changes the problem you are trying to address—and how you use your resources in response to those changes.**

**In practice, this might include:**

- Providing exploratory grants to understand how generative and agentic AI affects the foundation's issue area/s (e.g., jobs, health, education, environment) via research and/or listening to field leaders
- Internally revisiting strategy, theory of change, and underlying assumptions with program teams
- Refining programmatic focus to address new risks or invest in new opportunities for the communities the foundation serves

**Key questions to consider:**

- Looking ahead, how might AI shape the problem we aim to address? What early signals would suggest these changes are emerging? How might we respond?
- What new opportunities for change are now possible for you to pursue?
- What risks to agency, equity, or rights are emerging?



## Domain 4: Ecosystem Shaping

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**Efforts to shape the AI value chain, i.e., how AI is designed, developed, governed, and used in society, to ensure equitable access and outcomes.**

**In practice, this might include:**

- Funding research on generative and agentic AI risks, impacts (e.g., environmental, economic, social), and governance
- Funding work that informs policy or public debate (e.g., around guardrails or best practices for the design, development, and deployment of AI)
- Backing coalitions or field building efforts and public interest tools or standards, or using the foundation's voice and influence (e.g., publicly sharing the foundation's AI journey)

**Key questions to consider:**

- How might we influence the ethical development and application of AI technologies?
- Whose voices are currently missing from shaping AI—and how can we change that?
- Where can we influence enabling conditions (e.g., public awareness, dialogue, policy and regulation) to mitigate harms and maximize the public benefits of AI?

## Reflection: Where Might Funders Engage?

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We encourage funders to use these guiding questions with their team, board, or community partners to reflect on which domain(s) the organization is best positioned to focus on. It is intended to help foundations clarify where—and how—they may choose to engage in AI.

As a starting point, consider:

- Which domain(s) are most relevant to our mission today? Where do we already have activity and where are the gaps and opportunities?
- What level of engagement aligns with our risk tolerance and values?
- How can we engage in a way that is both informed and responsible?

At FSG, we bring expertise in social impact strategy and systems change to support the translation of these questions into practical strategies, learning agendas, and pathways for action. We are actively building on this framework and would welcome your reactions, especially where the domains feel incomplete or where you're navigating tensions this framework doesn't name.

## ABOUT FSG

FSG is a global nonprofit consulting firm that partners with foundations and corporations to create equitable systems change. Through customized consulting services, innovative thought leadership, and learning communities, we're working to create a world where everyone can live up to their full potential. Learn more at [fsg.org](https://fsg.org).

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