

# Hype vs. Benefit: A Nonprofit Tech Leader's Perspective on AI



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During recent conversations with nonprofit leaders, advisors to nonprofits, and insurance industry executives whose companies focus on serving nonprofits, I've heard a wide range of sentiments about artificial intelligence. Some of the people I've spoken to are optimistic and excited about the potential for AI tools to bring new efficiencies to the workplace. Others are understandably worried, or at least concerned, about issues such as data privacy, AI cybercrime, and more.

To learn more about how a leader who works across the nonprofit and tech sectors views the potential and risks of artificial intelligence, I reached out to Patrick Callihan, CEO of Tech Impact. [Tech Impact](#) is a nonprofit dedicated to "transforming lives, organizations and the world through technology." The NRMC team had a chance to get to know the work of Tech Impact during a recent risk assessment engagement. Pat's insights about AI follow.

**Melanie Herman:** What aspects of AI are you most excited about?

**Pat Callihan:** In a word, productivity. AI can allow us to streamline routine tasks, develop content at lightning speed, and automate much of the work we do today. As a nonprofit, we are looking at AI from a productivity standpoint. What can we do cheaper, better, faster with the use of AI? The gains we anticipate will mean more of our resources can be leveraged toward fulfilling our mission.

**MH:** What are you most concerned about?

**PC:** I worry about a lot of things related to AI. Because we serve other nonprofit organizations with capacity building, I worry about the hype of AI. Nearly every software vendor is now touting AI in their offerings, mostly as add-ons, and many new software and services companies are making promises that AI will do everything from handle your accounting to making toast. There is a lot of noise to wade through. And there are concerns around keeping the organizations secure as they experiment with new applications and new services, like large language models. I am worried that some organizations will not get the education they need to make wise decisions about the tools they are adopting into their environment and the downstream implications of those decisions.

**MH:** How will Tech Impact use AI in the months and years ahead?

**PC:** We are evaluating our processes and exploring what can be automated through the use of AI. I believe we will see significant productivity gains over the next couple of years. We are looking at developing tools to enable faster and more accurate grant writing and grant reporting. Ways to cut time in areas like accounts payable. How to serve our support clients with more accurate troubleshooting and remediation. We will continue to look at what may be automated, look at the ROI of building or buying tools that can enable those productivity gains

and implementing them when they make sense.

**MH:** What safeguards or guardrails are you putting in place to chart a productive, risk-aware AI journey?

**PC:** We are only allowing enterprise level software into our environment. This will help us contain data breaches and the release of any proprietary information. We are bringing in experts in the field to help us think about what technologies we should be evaluating and what processes we should look at for an eye toward productivity gain. In short, we are educating ourselves as much as possible so we make more informed decisions about what tools we will leverage.

**MH:** From where I sit, it seems that there have been a lot of surprises—good and bad—about AI’s use and potential in recent months. What *surprises* you most about the potential of AI? What *worries* you?

**PC:** What surprises me is just how fast AI is moving. The increase in functionality from Chat GPT 3.0 and 4.0 is astounding. In a relatively short time significant new functionality is coming out. This is also part of my worry. There is a gold rush happening between software vendors—who can get there first with the new features and functions. This causes a lot of software to be released before it is really ready for prime time. We have seen numerous examples in the news around issues like bias and hallucinations happening because the software is not really accurate. Of course, when you look at issues like cyber breaches, deep fakes and misinformation have the potential for losses of billions of dollars, confusing news, election influence, etc. There is a lot to be worried about and as nonprofits we need to be aware of how these can influence our constituents and our mission.

**MH:** You have a unique vantage point at Tech Impact where you’re able to see how AI is impacting nonprofits. How do you believe nonprofits can be transformed by AI? Disrupted?

**PC:** Nonprofits, I find, are fairly resilient. They are competitive as well. I believe where we start to see disruption in AI we will see and hear those stories told. When the stories are told, other nonprofits will take advantage of the technology in similar ways. Those that will be left behind will be, like people, the ones that refuse to adopt the technology. At least for now, we need knowledge, empathy and innovation to make smart decisions and serve our constituents. People are the only ones that can possess two out of three of those important components today (although software vendors may argue this point).

**MH:** I absolutely agree that nonprofits are both resilient and competitive! We see that every day during risk assessments and our work with Affiliate Members. What are the biggest misconceptions about AI?

**PC:** In my opinion, the enormous predicted loss of jobs. There will certainly be jobs lost. There will also be jobs created. Until AI is trained to the point of being able to think critically, which is a long way away from today and somewhat questionable, we will need people. AI isn’t really new, it has been around for years. Think about when you call your airlines or bank and the conversation you have with a computer. Yes, it can handle a lot of inquiries and even has the ability to make changes. But how often do you simply blurt out “representative” in order to get to a person because you know it will streamline the process? I do not see a world, that Elon Musk suggests, where nobody works any longer because computers do all of our jobs.

**MH:** What has been your personal or organizational best or worst experience with AI thus far?

**PC:** My best experience has been with large language models (Open AI) and the sheer speed they can produce content. The worst is the same, how terribly inaccurate the information can be that is returned. It just demonstrates that AI holds enormous potential but still has a long way to go.

*Melanie Lockwood Herman is the Executive Director of the Nonprofit Risk Management Center. Reach her with thoughts and questions about the potential benefits and challenges of AI for nonprofits at [melanie@nonprofitrisk.org](mailto:melanie@nonprofitrisk.org) or 703-777-3504.*