



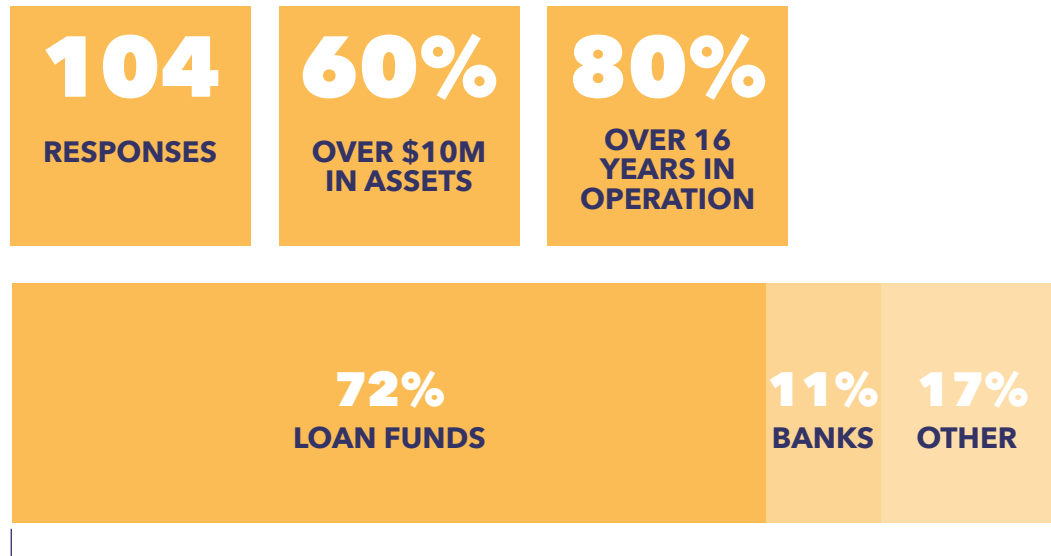
# From Curiosity to Capacity

*Insights from CDFIs*

# INTRODUCTION

Every day AI is changing the workplace and the human experience. To make the most of this opportunity, it is a critical time to take stock and plan for the CDFI industry. To investigate this issue, FUND CI conducted research to identify how prepared CDFIs are to navigate these changes and how much progress has been achieved so far. The purpose is to share these findings across the industry so that CDFIs can benchmark their own journeys, and the support needed can be identified.

## FUND CI surveyed CDFIs in March 2026 to assess AI readiness across the industry



### ORGANIZATION TYPES

Results reflect respondents more likely to engage with emerging technology topics.

# METHODOLOGY

FUND CI conducted a survey in March 2026 composed of 26 questions on Survey Monkey that was distributed via listserv, email, and social media. These include FUND Consulting clients, NeighborWorks America CDFIs, OFN CDFI Connect, LinkedIn, and Facebook. All CDFI stakeholders were invited and encouraged to participate.

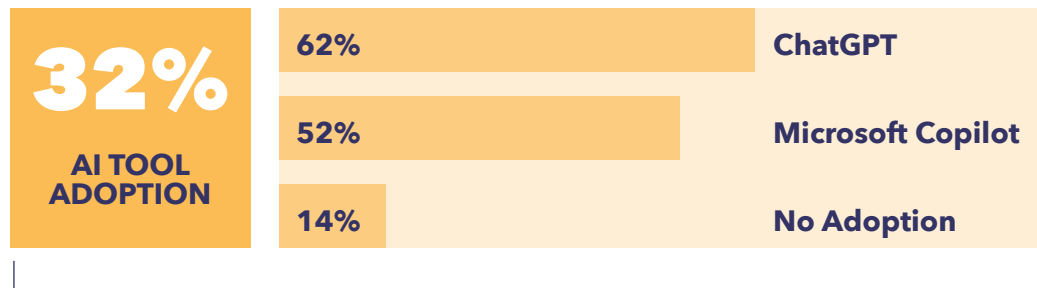
As participation was voluntary, the findings reflect a self selected sample and may underrepresent organizations with less exposure to or confidence in AI, a dynamic reinforced by feedback indicating reluctance among some potential participants.

# CURRENT ADOPTION AND USAGE

## AI TOOL ADOPTION

General-purpose AI tools have gained meaningful traction across CDFIs with **32% regularly using them at work**. ChatGPT (62%) and Microsoft Copilot (52%) are the most commonly used tools, though 14% of respondents report using no general AI tools at all. Adoption beyond general tools remains limited.

Two-thirds of respondents report using no AI tools for administrative tasks, and fewer than half use any AI-enabled design tools. Importantly, AI adoption has not yet reached core lending activities: only five respondents report using any AI tools specifically for lending or underwriting. Engagement with external AI vendors or consultants is also limited, with only 21% reporting such relationships.



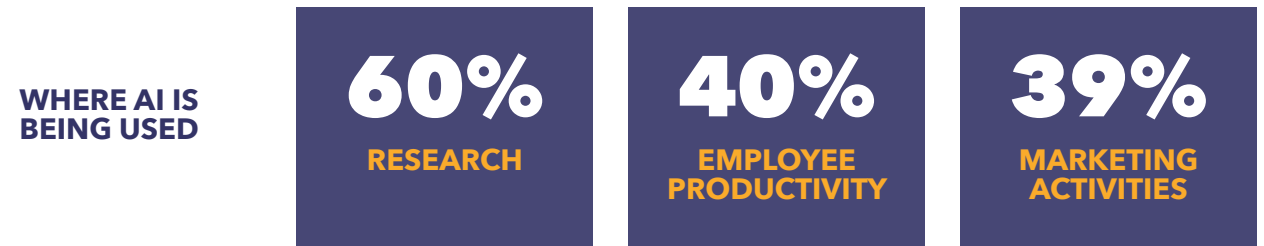
AI TOOL ADOPTION

- Banks use AI for a narrower set of functions, concentrated in research, marketing, and customer service, while non banks show broader functional adoption including grant-writing, financial analysis, data analysis, technical assistance, and impact measurement.

## CURRENT AI USE CASES

Where AI is in use, it is concentrated in back-office and general support functions. The most common applications include research (60%), employee productivity support (40%), and marketing activities (39%).

Mission-critical use cases lag significantly. Only 10% report using AI in underwriting, and just 5% use AI for loan document processing. **Across organizations, AI use is relatively shallow: on average, approximately one-third of staff regularly use AI tools, with a median of just 26%.**



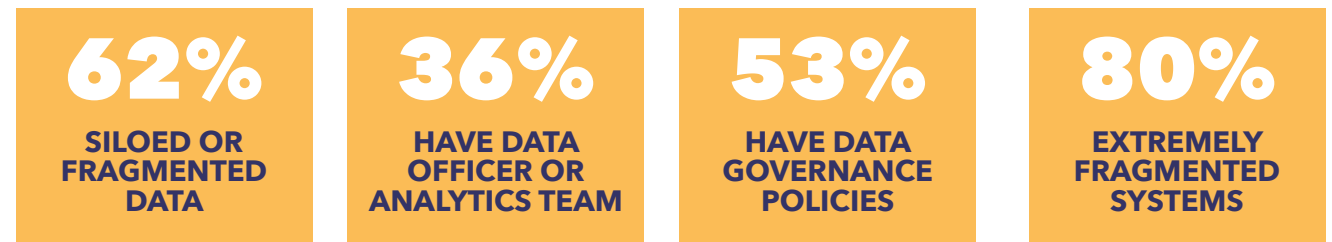
## STAGE OF ADOPTION

CDFIs largely view themselves as being at an early stage of AI adoption. On a ten-point scale, organizations rate their average level of adoption at just 3 out of 10. The largest single group of respondents (35%) rated themselves at the lowest possible level, indicating minimal or exploratory use.

## DATA READINESS

Data infrastructure represents a significant barrier to more advanced AI use. Sixty-two percent of respondents describe their data systems as siloed or fragmented, including 10% who characterize their systems as extremely fragmented.

Organizational data capacity is also limited. Nearly two-thirds (64%) lack a designated data officer or analytics team however 53% do report having documented data governance policies in place.



## ATTITUDES AND BELIEFS ABOUT AI

Even at early stages of adoption, organizational beliefs about AI play a critical role in shaping governance decisions, risk tolerance, and perceptions of mission alignment, influencing not only whether tools are adopted but how responsibly and effectively they are integrated into CDFI operations.



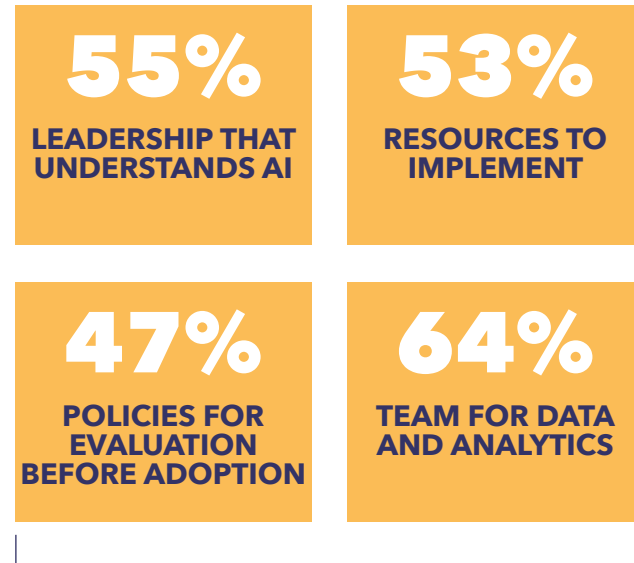
Taken together, responses suggest a sector that is **cautiously optimistic yet fundamentally uncertain**. While a clear majority of respondents believe AI has the potential to improve borrower and technical assistance outcomes, views remain markedly less settled regarding bias reduction and mission alignment. High levels of neutrality across these dimensions indicate neither rejection nor endorsement, but rather a wait and see posture, reflecting unresolved questions about governance, accountability, and equity that must be addressed before adoption can responsibly deepen.

	AI will improve the client experience and outcomes for our borrowers.	AI will reduce bias and improve fairness in decision making.	Use of AI is ethical and aligned with our mission.
STRONGLY AGREE	23%	7%	9%
AGREE	40%	20%	35%
NEITHER AGREE NOR DISAGREE	34%	53%	49%
DISAGREE	4%	19%	7%
STRONGLY DISAGREE	3%	5%	4%

**AI: POTENTIAL, BIAS, ETHICS**

## INFRASTRUCTURE READINESS

There are key areas where support is needed to optimize the potential of AI in the CDFI industry.



### KEY AREAS FOR AI ADOPTION

UNDERSTANDING AI CAPABILITIES AND LIMITATIONS	78%
TECHNICAL IMPLEMENTATION	75%
DATA MANAGEMENT AND PREPARATION	69%
EVALUATING AI VENDORS AND TOOLS	62%
AI ETHICS AND BIAS DETECTION	59%
PROMPT ENGINEERING AND AI INTERACTION	47%

What skills or training would help your organization in adopting and managing AI tools?

### WHAT IS NEEDED TO SUPPORT AI ADOPTION

**Capacity is the binding constraint.** Without dedicated time and at least one internal champion, most other barriers cannot be addressed. Sector-level support that reduces the per-organization research and implementation burden would have outsized impact.

**The knowledge gap is specific, not general.** Respondents do not need to be convinced of AI's value in the abstract – they need contextualized, CDFI-specific evidence of where and how it delivers meaningful benefit.

**Mission-alignment concerns are legitimate and distinct.** The bias and equity concerns raised by a subset of respondents are not generic AI anxiety – they reflect a genuine and well-founded risk for equitable lenders. They require a dedicated, sector-specific response rather than general AI ethics guidance.

**Early movers provide a replicable model.** Organizations that have made progress share common structural features that are transferable. Peer learning, cohort models, and shared governance resources may accelerate adoption more effectively than individual training programs or vendor outreach.

### A NOTE ON BANKS

Banks are more likely to have AI governance infrastructure (documented governance policies and tool evaluation policies) and are far more likely to be working with AI vendors/consultants.

Banks are less likely to report resource constraints as a barrier which aligns with their more formalized governance posture.

## CONCLUSION

This research highlights a clear central insight: **while interest in AI across the CDFI sector is growing, organizational capacity, not access to tools, remains the primary constraint on meaningful adoption.** Across institutions, limited staff time, data readiness, and governance infrastructure shape how and where AI can be responsibly deployed, particularly in mission critical lending and borrower facing functions.

At the same time, the findings point to a sector that is neither resistant nor uncritical, but cautiously engaged, balancing optimism about AI's potential to improve outcomes with unresolved concerns around bias, ethics, and mission alignment. Addressing these concerns will require shared learning, sector specific governance approaches, and investment in foundational capabilities, not one off tools or isolated experimentation.

Looking ahead, AI readiness will increasingly shape how effectively CDFIs can adapt and deliver mission at scale, influencing everything from operational efficiency to equity, accountability, and long term impact. The opportunity before the field is not simply to adopt new technologies, but to build the capacity and confidence needed to integrate them in ways that strengthen community development outcomes.

As always, when working with the CDFI community, FUND CI was gratified at the willingness of organizations to participate. We sincerely thank all who participated.

A special thank you to our Board members Dawn Akers, Lolita Sereleas, and Megan Teare and to FUND team members Ornella Kelly, Alex Mejia, Calahan Young, and Leila Youssef.

## THE FUND FAMILY

The FUND Family of organizations works collectively to facilitate positive social, economic, and environmental impacts through consulting services, research, training, and facilitation of opportunities for knowledge sharing. Consisting of FUND Community Institute (a nonprofit think tank) and FUND Consulting (a for-profit consulting firm), FUND delivers high-quality services with a focus on supporting organizations and practitioners fostering positive outcomes in communities nationwide.

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