



Ensuring Social Impact Writes Its Part of the AI Story

Two weeks ago, I wrote about [BCG's new Applied AI Index](#) and how nearly half of companies now say they are generating value from AI. One sector isn't yet capturing value at scale, however, and risks falling further behind.

Over dinner with Jim Larson, the global leader of BCG's Social Impact practice, I learned that the social impact sector (which we define as NGOs, foundations, philanthropies, and multilateral and development finance institutions) is only just beginning to see the first examples of AI impact. The lag has much more to do with resources and focus than potential.

The organizations in this sector are dealing with consistent problems: data that underrepresents the populations they serve, budgets too thin to manage up-front technology investments, and workforces still building the basic AI fluency that large corporations now take for granted. There are also legitimate concerns about handling sensitive data on vulnerable populations.

Still, AI's potential for helping social-sector organizations deliver on their missions is too great to ignore. The obligation for their CEOs is clear: making AI a top priority. But it's also important for corporate leaders to understand the issues and contribute where they can. The challenges that social-sector organizations are tackling—such as education, employment, and health care—are the very ones the world needs them to succeed in.

Jim and our Social Impact team are bringing AI to the social sector at three levels.

Putting AI to Work Inside Impact Organizations. The opportunity here is similar to that of the private sector: applying AI to reshape an organization's core processes. The Norwegian Refugee Council (NRC) provides one example. It worked with a team of my colleagues to redesign its procure-to-pay process with a custom AI tool, including automated document reviews. NRC handles more than 200,000 procurement transactions a year, and in pilots the tool has cut the average time to review each procurement package from more than 30 minutes to under five minutes, a reduction of over 80%.

Building AI Ecosystems. Low- and middle-income countries in particular need to build the capacity to adopt and govern AI. That resilience rests on having an effective national AI strategy and policy, a fit-to-purpose digital public infrastructure, and orchestrated product squads that build solutions that sustainably serve users at scale.

One example of this ecosystem work is in Rajasthan, India, where a collaboration with the Michael & Susan Dell Foundation and the local government has created AI-assisted teacher tools. Students don't interact with the tools, but teachers can quickly digitize and grade tests using an app on their phone, generating lesson plans that are personalized for individual students. The work has [brought 400,000 students out of learning poverty](#)—defined as being unable to read or understand a simple text by age ten—and cut by 18% the share of students who were two or more grades behind.

Making the AI Transition Work for More People. AI will have massive impacts on society, including changing the workplace for many. In the US, for example, we estimate that the technology [will reshape more than 50% of jobs](#). Many people will need new skills to keep pace, and the social impact sector can play an important role here.

For example, BCG is contributing to this effort through our support of RAISE US, a new philanthropy guiding American workers

through the AI transition. We are also supporting the Institute for Human Flourishing—an effort incubated at the India AI Impact Summit and focused on the AI transition in the Global South.

As I wrote two weeks ago, the winning combination is strategic clarity and applied AI. The same is certainly true in the social impact sector. For corporate leaders, what is our part to play? For our own part, [BCG has committed \\$500 million to AI for social impact](#) by 2030.

But no one player closes the AI value gap alone. The longer the social impact sector hesitates, the harder it will be to catch up.

Until next time,

A handwritten signature in black ink, appearing to read 'Christoph', written in a cursive, fluid style.

Christoph Schweizer
Chief Executive Officer

Further Insights



[AI Can Drive Social Impact. Here's How.](#)

A working AI model does not automatically create a working AI service. Leaders must close the gap between a promising solution and widespread, sustained adoption.

[Close the AI Impact Gap](#)



[Impact in Sixty: Bringing AI to the Classroom in Rajasthan](#)

BCG partnered with this state government in India to launch the largest-ever AI deployment for improving teacher effectiveness in public education.

[Watch the Full Story](#)



[AI Poised to Transform Social Impact at Scale as BCG Commits \\$500 Million by End of 2030](#)

The firm's biggest commitment to AI-driven social impact to date focuses on the organizations most poised for transformative impact and large-scale system change.

[See How BCG Is Scaling Impact](#)

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