THE PHILANTHROPIC RESPONSE TO 9/11: A PRACTICAL ANALYSIS AND RECOMMENDATIONS

A REPORT COMMISSIONED BY
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Vartan Gregorian
President

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My dear friends and colleagues,

On September 28, 2001, about two weeks after the September 11th terrorist attacks on America, a large group of individuals representing philanthropic organizations, charities and government agencies involved in recovery activities convened at Carnegie Corporation of New York. The subject of our meeting was the urgent need for relief coordination: What was the nature of the challenge facing us? Who was doing what? How could we coordinate our efforts? And what more needed to be done? Some of those questions were answered. Many were not.

About a year ago, my friend Dick Beattie, a former member of the Board of Trustees of Carnegie Corporation and currently Chairman of the Executive Committee of the law firm of Simpson Thacher & Bartlett LLP, asked me whether a focused report that analyzed the lessons of 9/11 would help clarify those remaining questions. We both agreed it would. Through his effort, Simpson Thacher commissioned an independent report by a New York-based attorney and writer, Michael Melcher, to examine the practical lessons of the relief effort. The attached report, "The Philanthropic Response to 9/11: A Practical Analysis and Recommendations," contains his analysis.

I commend this report to you. It is crisp, readable and has a managerial focus. Whether you agree with all the conclusions or not, I think you will agree it can add clarity to the still-needed discussions about relief efforts.

Most sincerely,

Vartan Gregorian

The Philanthropic Response to 9/11: A Practical Analysis and Recommendations

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OVERVIEW

Finding the lessons of 9/11

Within moments of the Sept. 11th terrorist attacks, a vast machinery of humanitarian assistance was powered into action. In the days that followed, dozens of government agencies, hundreds of nonprofit organizations, tens of thousands of individuals and millions of donors enlisted in relief efforts.

Helping victims after the worst terrorist attacks in U.S. history meant more than serving meals, distributing clothes or cutting checks. The demands of responding to 9/11 were extraordinary and quite different from those presented by previous hurricanes, floods, tornadoes or even the Oklahoma City bombing. Relief providers could not function simply as "frictionless conveyor belts"[1] delivering money from donors to victims. Even if they could, such simplistic action would surely have failed to help the needy.

The response manifested the diversity and energy of a highly developed and resourceful nation. Yet this diversity was both strength and weakness. No one was running the show but everyone was free to contribute. Efforts were neither uniform nor centralized. Extraordinary attempts to meet profound needs resulted in both successes and failures.

What does Sept. 11th teach about disaster relief? What does it say about how to respond to urban crises? Does the 9/11 relief effort offer any lessons at all or was it *sui generis*, an episode so unique that it merits sympathy but not attention?

This study[2] holds that the lessons of Sept. 11th are worthy of consideration, for what they reveal about both disaster preparedness specifically and philanthropic challenges generally.[3] The response to the terrorist attacks showed that effective relief is a product of many different factors. It depends as much on outreach as coordination, as much on administrative capacity as strategy, as much on definitions as actions. The purpose of this report is to clarify what these factors are and to translate a complex empirical record into a set of clear, action-oriented recommendations for future efforts.[4] We set out to

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[1] The term was first used by Tom Seessel in his initial report for the Ford Foundation. It refers to the widespread idea that charities and philanthropies had no particular value to add as intermediaries and were mere impediments to the transfer of dollars from donors to victims.

[2] This is an independent report, commissioned by the law firm of Simpson Thacher & Bartlett LLP as a means of contributing to public learning on 9/11. It does not reflect the views of Simpson Thacher & Bartlett LLP or any member or employee of the firm.

[3] Although most of the examples used in this report come from the New York City experience, our goal has been to bring together information that will help individuals and institutions everywhere plan for and deal with major disasters, urban crises and terrorist events.

[4] Previous reports analyzing the lessons from 9/11 in the aggregate suffer from two flaws. First, they are largely empirical rather than analytical. As a result, their lessons tend to be summaries of what happened rather than recommendations of what to do in the future. The recommendations they do provide are usually vague. Second, reports and news articles that evaluate the actions of particular agencies tend to grade the performance of these agencies as good or bad. Such analyses typically do not take the additional step of translating these judgments into insights about how to prepare for future emergencies.

create a short "how-to" guide based on a coherent analysis of what actually happened after 9/11.

Doing the right thing in a crisis requires leadership, which we have defined as figuring out what to do amidst uncertainty and getting others to go along with you. As we analyzed what worked and what did not work in the 9/11 relief response, we looked for and found concrete examples of how leadership can be manifested in a major crisis, not simply by government officials and large organizations, but across the entire spectrum of relief providers.

Our general thesis is that relief responders perform best when they (i) understand their own competencies and (ii) accurately assess the external environment. Due diligence is not inconsistent with quick action. The 22 recommendations that follow summarize how responders can act effectively by stepping into their own power.

Method and coverage

This is a review report rather than an empirical study. The authors reviewed previous studies and conducted additional primary research, including interviews with representatives of foundations, service providers, advocacy groups, government agencies and elected officials. We tested our tentative conclusions with people representing diverse and sometimes contradictory points of view.

Although this report speaks primarily of the nonprofit sector, it also evaluates the actions of certain government players that had or could have had leading roles in the relief response. As Tom Seessel has calculated in a report for the Ford Foundation, the government and the nonprofit sector disbursed roughly equal amounts of relief aid after 9/11: $1.8 billion each.[5] While government will have a leading role in any future disaster, neither government nor the nonprofit sector can be understood in isolation. That said, our review of government is by no means comprehensive. We urge others analyzing the 9/11 response to take on the major task of evaluating the government relief response at all levels: federal, state and city agencies, and both elected and appointed officials.[6]

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[5] Total government spending after 9/11 was in the tens of billions but a relatively small fraction was used for relief. (The $1.8 billion figure for the government excludes compensation payments paid to survivors out of the Victim Compensation Fund.) See Tom Seessel, *Responding to the 9/11 Terrorist Attacks: Lessons from Relief and Recovery in New York City, a Report Prepared for the Ford Foundation*, Thomas Edison State College, May 2003 at 11.

[6] Only a few 9/11-related reports have examined the governmental relief effort in any great detail. Studies have been conducted on the work of Federal Emergency Management Agency (FEMA) and the Small Business Administration (SBA). However, no research report has specifically examined the roles of political leaders at the federal, state and/or city level in the relief response. Nor has much research been published on the 9/11 performance of city and state institutions like the New York State Department of Labor, the state Department of Mental Health, or the New York City Department of Education.

We welcome debate about our conclusions. Hypotheses, counterpoint and debate ultimately generate better thinking and to generate better thinking has been the primary purpose of this analysis.

RECOMMENDATIONS

The 22 recommendations that follow are derived from the text of this report. These recommendations are categorized to give a general overview of the practices that lead to effective disaster relief. Our intended audience includes people in the nonprofit, private and government sectors who may play a role in responding to disasters and urban crises, as well as the general public.

Not every recommendation is relevant to every player. Foundations have different interests from community-based organizations, and local elected officials play roles different from those of federal employees. However, disasters require interaction among multiple parties irrespective of their different views and positions. Hence, we have avoided dividing recommendations by role or institution except where necessary for clarity.

Strategy and Speed

1. <u>Take the time to reevaluate your mission and strategy in the context of the emergency</u>

Assemble managers, leaders and board members early on to make decisions about your organization's method and approach. Pay particular attention to how the challenges of the disaster relate to your mission and competencies and do not wait for others to act before mobilizing your response. To stimulate quick action and encourage accountability, assign responsibilities for carrying out the relief effort to specific people as soon as possible.

2. <u>Respond in a manner commensurate with your strengths and experience</u>

Devise programs and take actions that make the most of your organization's natural skills and resources. Don't waste your time expanding into areas where your organization lacks critical knowledge or support. Likewise, don't feel compelled to act in a disaster if you have little to offer. Make your decision to focus on particular areas clear in all communications (to the public, media, and other organizations).

Categories of Need

3. Assert public leadership in the definition of needs and victims

Provide public leadership about who needs help and what kind of help is needed. Encourage other organizations to keep their definitions of needs and victims broad enough to be inclusive and focused enough to be meaningful. Call attention to the specific limitations and shortcomings of other definitions. Provide direct feedback about the kind of government leadership that is required throughout the relief effort.

4. Design and implement relief based upon specific categories of victim needs

Examine the different ways people have been affected and tailor your relief services to fit the specific categories of need presented by the disaster at hand (as opposed to trying to make victims fit into categories of need from previous disasters). Anticipate certain categories of need in advance but conduct the actual needs assessment in real time. (For example, after 9/11 some of the big new categories of need were trauma treatment and employment assistance. In another disaster, major categories of need might include medical care, access to fresh water and housing.) Distinguish between emergency and continuing needs, but don't get caught up in the idea of waiting for undefined long-term needs to manifest themselves before acting.

5. Use quick innovation to stimulate action by larger players

Take advantage of whatever flexibility your organization has to test new programs and methods of meeting peoples' needs. Quickly put into place seed programs, bridge funding and beta tests with the goal of identifying plausible solutions. Refute the idea that traditional conditions have to be met before organizations can act. Curtail or retool failed programs expeditiously. Share your successes and failures with other players who are addressing similar needs and encourage them to take risks.

6. When possible, partner with established service providers

Maintain constant contact with organizations that have pre-established connections with victim populations. Delegate responsibility, including the ability to give cash assistance, to people and groups on the frontlines of service delivery. Before you decide to create a new outreach channel or vehicle, make sure that existing organizations cannot serve this purpose better.

7. Ensure that newly created organizations are adaptable

When creating new organizations and writing foundational documents, make sure that the stated missions and legal purposes are broad enough to adapt to fast-changing circumstances. Set up an exit strategy and method of dissolution from the beginning.

Outreach

8. Tailor your outreach to specific victim categories

Do not use the same outreach strategies for different types of victims. Take stock of who is and who isn't accessing your services. Regularly incorporate feedback from clients and would-be clients. Diversify channels. Commit yourself to serving a limited number of victim categories more thoroughly rather than a wide range of categories superficially.

9. Assume access to assistance is impeded and work constantly to improve it

Don't conclude that you are reaching victims adequately just because you are busy or your services are in high demand. Don't measure your performance solely on what you're doing; consider as well what you're not doing. Check your own assessments and perspectives against those of local community-based organizations and other responders with strong outreach capacity. Don't station police, military or immigration personnel in front of facilities if you are trying to serve undocumented aliens. Use civilians or non-uniformed officers to protect victims from photographers or curiosity-seekers.

Planning coordination

10. Create a flexible framework for coordination ahead of time

Use loose councils and existing coordination vehicles (e.g., VOAD committees or grantmaker associations) to meet peers and counterparts. Convene regularly to explore potential collaborations and divisions of labor in the event of future crises. Apply the benefits of this information sharing to your day-to-day efforts as well.

11. Minimize operational obstacles to coordination well in advance

Resolve inconsistencies in privacy guidelines and intake forms in advance. Establish working groups to synchronize systems. Develop formal agreements with government agencies and other organizations to facilitate coordination before a disaster occurs.

12. Ensure accurate representation in formal coordination efforts

Pull small agencies and CBO's into coordination meetings run or dominated by larger players, including any meetings convened by FEMA for the purpose of coordinating future relief responses. Use their perspectives and expertise to ensure that major programs meet the needs of different constituencies. For the sake of efficiency, focus on representing points of view rather than inviting every possible agency. Don't waste political capital by holding meetings with no agenda.

Managing coordination during a disaster

13. Exercise convening power early and judiciously after a disaster

Use whatever source of convening power you have (size, funding ability, political power, moral authority or individual leadership) to capture the attention and cooperation of others. Bring people and organizations together by meeting around a specific cause (e.g., the need for trauma treatment). Encourage coordination at lateral levels, rather than focusing solely on leaders or proxies. Don't leave instigation of meetings to only the largest, most obvious players. At the same time, follow the lead of those who have domain expertise. Don't assert independence for its own sake.

14. Use physical co-location to encourage day-to-day informal coordination

Ensure that a variety of relief agencies and personnel are housed in any centralized or satellite relief centers. Consider lending staff members to other organizations so that they can share their expertise and bring information back to your organization. Encourage co-location by government agencies to resolve jurisdictional issues and eliminate programmatic gaps.

15. Strengthen the capabilities of service coordinators and information brokers

Make deliberate efforts to inform and support people within organizations who understand the greater landscape of relief rather than just waiting for them to emerge on their own. Funnel information to these people and empower them to be problem solvers. Enable your staff to assist victims in obtaining aid from other organizations.

16. Help government agencies improve their effectiveness

Work to make the most of existing government programs while lobbying for more responsive ones. Initiate conversations with FEMA and other special agencies to apprise them of your greatest needs and challenges. Help government agencies reach your constituents. Offer to take the lead in areas or aspects that are not well suited to government leadership (e.g., dealing with immigrants or creating a database of clients).

Building capacity

17. Attend to deficiencies in administrative capacity

Funders: Consider ways to help service organizations develop better capacity, such as improving computer networks and skills training. Take a leadership role vis-à-vis other funding organizations and government agencies by articulating the benefits of capacity investments.

Service organizations: Call for investments to build solid systems and good management. Draw clear links between better administrative capacity and better service. Show nonprofit and government funders the difficulties of achieving ambitious goals with lousy telephones, old computers, clunky databases, and overleveraged personnel.

18. <u>Participate in sector-wide skills training efforts.</u>

Congregate with other relief responders to identify common training needs and create means of addressing them. Work with third-party entities to make their training sessions applicable to your needs. Look for ways to integrate training into the daily activities of your organization rather than always treating it as a stand-alone function.

19. <u>Devote resources to incorporating volunteers, maximizing corporate involvement and using in-kind services</u>

Set up clear systems to train and direct volunteers quickly and meaningfully. Make the most of other agencies' volunteer-training and lending programs. Use your volunteer base as a way to strengthen ties to the community. Develop relationships with corporations and urge board members to deepen such relationships. Brainstorm ways to incorporate in-kind services as well as cash grants. When requesting in-kind donations (e.g., blood or volunteer labor), make sure that you have the capacity to absorb them.

Leadership

20. <u>Work toward transparency</u>

Philanthropies and large charities: Share information with other agencies early on. Publicly report the results of fundraising and spending (e.g., by posting receipts and grants on your website). Publicly articulate your mission and philosophy as well as the aims and results of specific programs.

Service agencies: Build in accountability systems to improve program effectiveness and managerial competence. Be open about your challenges with funders as a means of mobilizing resources to better fulfill your mission.

21. <u>Take responsibility for public education</u>

Proactively communicate the work of your organization to your constituents, the media and the public, assigning responsibility for this task to a particular person or team within your organization. Focus on public education rather than public relations. Don't justify inaction on the premise that "a charity or government agency doing its job isn't a story."

22. Step into your power

Understand your value vis-à-vis other players. Don't seek to be all things to all people. Look beyond your organization and be proactive in asserting the needs of your constituents. Don't wait for permission before asserting leadership.

REPORT ORGANIZATION

In order to ground these recommendations, the following analysis is divided into three thematic sections.

Part One looks at the most important factors in providing relief effectively. It includes an examination of how to define victims' needs, how to fill gaps, how to balance speed with intelligent strategy, and how to connect resources with the needy.

Part Two analyzes coordination. It differentiates among the types of coordination that were attempted after 9/11 and evaluates the actual record, one that is characterized by both successes and failures.

Part Three looks at questions of capacity—the underpinning of all relief and social-service work. It distinguishes between problems that can be dealt with during a disaster through good management versus those that require systemic changes in how nonprofit organizations are funded and operated.

The conclusion assesses the relevance of 9/11 in preparing for future emergencies.

PART ONE: PROVIDING RELIEF EFFECTIVELY

The agencies and individuals that responded to 9/11 had to provide new services on a huge scale. They faced urgent needs for immediate cash assistance, housing, medical treatment, mental health care, legal counsel, and assistance to small businesses. The needy included street vendors and firefighters, downtown schoolchildren and suburban widows, immigrants and investment bankers. Clouding this complex picture was uncertainty. There was uncertainty about the physical security of the city, the future prospects of jobs and businesses, the eligibility criteria for relief programs, and even uncertainty as to the number of people killed and injured in the attacks.

After 9/11, relief providers operated traditional disaster-relief and social-service programs and also invented new ones. The Sept. 11th response offers numerous examples of how to create effective programs amidst crisis. At the same time, while the relief effort was generally successful in helping the majority of victims, it fell short of reaching everyone. Assistance did not always flow proportionately to actual needs. Some programs moved too slowly. A significant number of individuals fell between the cracks.

Why did things work well or fall short of the mark? What were the factors that encouraged success in the 9/11 relief effort? We will answer these questions by examining three topics: defining and meeting needs; speed and strategy; and outreach.

DEFINING AND MEETING NEEDS

Creating meaningful categories of need. Sept. 11th created a wide array of victims with vastly different needs. Yet there was no time for a formal needs assessment. One method used by responders and funders to quickly understand and differentiate these needs was to conceptualize needs on the basis of broad categories. Thinking of needs by categories—what one foundation leader refers to as a “wholesale” vs. “retail” approach—freed responders and funders from thinking of assistance simply in terms of traditional organizations or constituencies. This approach illuminated the gaps between the programs that existed and the programs that were needed. Creating services based on categories of need is analogous to developing products in response to customer research: offering what the customer really wants rather than what happens to be in stock.

Two of the largest types of needs resulting from 9/11—economic loss and mental trauma—could not be ameliorated with existing disaster relief and social support programs. Status quo programs were also insufficient to deal with a new set of legal, medical-insurance and environmental problems. Furthermore, certain specific groups of people strongly affected by 9/11 tended to be outside the ambit of many programs, such as schoolchildren, non-English-speakers, undocumented aliens and many survivors who lived outside the New York and D.C. metropolitan areas.

The process of mapping needs to resources revealed significant gaps in terms of skills, program coverage and timing. Once these gaps were identified they could be intelligently addressed, which many agencies then did. However, not every agency took this approach. Some of the most experienced disaster-relief entities misread actual needs or were restricted by mission and statute from addressing them. It took some responders many weeks, even many months, to take direct account of the unique needs arising from 9/11.

Tents and flashlights. Disaster-relief organizations typically work in natural disasters characterized by extensive physical destruction but short-term economic harm. The three major disaster responders—the Federal Emergency Management Agency (FEMA), the Red Cross and the Salvation Army—to a large degree imported this "tents and flashlights" paradigm to their New York relief efforts despite the different needs created by 9/11 and the urban nature of the catastrophe. As a result, the way they defined victims was under-inclusive and left out many needy people.

In most natural disasters physical proximity is a proxy for need. The closer your home lies to the epicenter of an earthquake or hurricane, the more likely it will be damaged. So it is not really surprising that these three agencies used geographic lines to define the victim class—in particular a line drawn at Canal Street that restricted most aid to people living south of line.[7] This decision created problems on a number of different levels. First of all, it divided neighborhoods that clearly shared suffering after 9/11: the Canal St. line sliced directly through Chinatown, with one-third in the eligible zone and two-thirds in the less favored area. Second, this geographic definition did not account for the fact that many people had worked downtown but lived farther away. Among those excluded were many deliverymen, taxi drivers, deli employees, cleaning ladies, manicurists and street vendors.[8] Third, this categorization presumed that the economic effects of the disaster were concentrated in the same manner as the physical destruction. This was not true. In the aggregate, most post-9/11 job loss occurred outside of Lower Manhattan.[9]

The role of CBOs. FEMA, other state and federal agencies, and to a lesser extent the Red Cross could have been more effective if they had connected more quickly with local community-based organizations (CBOs), which were in a position to tell them where efforts fell short.[10] FEMA resisted this kind of collaboration for many months, partly because it did not believe that CBOs were in a position to give counsel on disaster relief.

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[7] The Salvation Army was somewhat more flexible in its definitions. Seen by many as the agency of last resort, it rarely turned applicants down.

[8] Saba Waheed, Laine Romero-Alston, Ray Brescia, Andrew Kashyap and Wendy Bach, *Ripple Effect, The Crisis in NYC's Low-Income Communities After September 11th*, Urban Justice Center, September 2002 at 4, 10.

[9] Programs of government and nonprofit agencies to help downtown businesses and to encourage the rebuilding of residential and business areas also used geographic lines, although these were somewhat more detailed and rationally related to actual need than the Canal Street example.

[10] One way in which New York is unique compared with most other cities is in the strength of its nonprofit sector and its community-based organizations in particular. In cities with less extensive CBO networks, disaster responders will find it more difficult to conduct outreach and address needs.

To FEMA, disaster-relief is a fairly predictable process of "sweeping up" and "filling gaps." According to this point of view, FEMA knows disaster needs and CBOs—which are primarily social service agencies—do not.

Sept. 11th showed the wrong-headedness of this approach. It is true that most CBOs are not experienced in traditional disaster relief. But the point is collaboration, not substitution. After 9/11, CBOs did have very accurate information about how disaster relief benefited or bypassed their communities. They were pivotal in pointing out how the disaster was causing continuing harm to their communities in terms of job loss, business failures, legal problems, educational interruptions and mental health woes.[11]

Fighting to expand the definition of need. As discussed above, large organizations made decisions early on that restricted who was eligible for public and private assistance. As the effects of these decisions became clear, people reacted. Advocates for low-income and immigrant populations contacted journalists and pointed out inequities. Community-based organizations pled their case with larger funders and government agencies. New advocacy groups like the Beyond Ground Zero Network and the Lower Manhattan Development Committee were formed. Some local politicians got involved to ensure that government agencies lived up to their press releases and delivered funds to needy neighborhoods. For example, Congresswoman Carolyn Maloney assembled several groups to testify before the House of Representatives, reasoning that they were more likely to be listened to in the aggregate than as individuals.

These kinds of pressures helped correct flawed programs and direct resources where they were most needed. Agencies like the Lower Manhattan Development Corporation made their definitions of need more inclusive and their documentation requirements less onerous. FEMA reviewed applications it had previously rejected and accelerated its approval process.[12] Likewise, the Salvation Army, Safe Horizon and the Red Cross all extended deadlines to apply for financial assistance in response to outcries from advocates.

Meeting needs. Sept. 11th showed that delivering services effectively often requires a balance between working with experienced organizations and programs and creating new ones. Generally speaking, using existing vehicles reduces risk and makes use of

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[11] Two years after the attacks CBOs and advocacy groups are the main force in articulating the continuing 9/11 suffering of low-income groups and immigrants. James Parrott, chief economist with the Fiscal Policy Institute, a labor-oriented think tank, argues convincingly that 9/11 relief efforts in the aggregate have not recognized the importance of economic victims. See, e.g., James Parrott, David Dyssegaard Kallick and Matthew Mitchell, *Revitalize New York by Putting People to Work*, Fiscal Policy Institute, March 2003.

[12] In administering its mortgage and rental assistance program, FEMA required applicants to show their losses were "a direct result of" 9/11 rather than "a result of" the event, which had been its previous standard. Yet it never actually clarified what this higher standard meant and its representatives gave conflicting counsel to applicants. As a consequence, seven in ten applicants for federal assistance were initially rejected, a far higher percentage than in earlier disasters. It was only after months of public criticism by advocacy groups and extensive coverage in major papers that FEMA exercised its discretion and accelerated its approval process.

established skills. However, meeting new categories of need sometimes necessitates a level of innovation that can be supplied only by a new program or organization.

Partnering with experienced providers. The 9/11 response underscored the value of partnering with experienced service organizations. The clearest example of optimal partnering was the decision of the September 11th Fund and various state and city entities to use Safe Horizon as the main service portal at Pier 94. Safe Horizon's strengths were its deep relationships with state and local government, its strong skill base and infrastructure, and its 25 years of experience counseling and assisting crime victims. It knew how to do the work and connect with victims. As a result, it was able to ramp up a huge relief effort very quickly. [13]

Partnering implies delegation. To work effectively, partner organizations needed authority to make spot decisions about eligibility and types of assistance. Direct-service agencies and CBOs like Asociacion Tepeyac, Asian Americans for Equality and the numerous Settlement Houses[14] experienced no difficulty spending money effectively, whether it was used to hire more caseworkers and program professionals or to give direct assistance to the needy. However, some reported a tendency of donor organizations to underestimate their ability to spend money effectively. For instance, Asociacion Tepeyac, a CBO that works with the largely undocumented Mexican and Central American community, reported that other organizations like the Red Cross and Safe Horizon frequently offered them training (which they did not need) rather than money (which they did need).

Occasionally, agencies discovered new partners in the process of delivering relief. For example, when it jumpstarted a program in December 2001 to send checks for $5,000 to nearly every surviving family of those killed in the 9/11 attacks, the Robin Hood Foundation established meaningful connections with partners large and small. Some of these relationships were established in the process of negotiating 54 different confidentiality agreements in order to come up with a list of survivors.[15] Others were born when local self-made activists became aware of the foundation's work. Robin Hood developed working relationships with a woman who ran a program for motherless daughters in Brooklyn; with a man who had become the informal disaster-information

[13] Other examples of effective partnering included the decision of the Lower Manhattan Development Corporation to use the Chinatown-based Renaissance Economic Development Corporation to develop housing and businesses in Chinatown and the special funding by the New York Times Company Foundation of the Legal Aid Society and Legal Services of New York to provide help to poorer victims in navigating bureaucratic and legal problems.

[14] New York's Settlement Houses are a network of community-based organizations based in particular neighborhoods. The first Settlement Houses were founded in the Progressive era; some are more than 100 years old.

[15] This interesting story is a good example of leadership in removing obstacles. Robin Hood was the first foundation to provide funds to many of victims' families, especially those outside New York and Washington. The foundation had to overcome numerous logistical and legal barriers in order to accomplish this effort. There was no central list of victims and some counterpart organizations like the U.S. military insisted on keeping a strong degree of control the identities of victims, requiring Robin Hood to use a very flexible negotiating style and be persistent. See Victoria Bjorklund, "Reflections on September 11 Legal Developments," *September 11: Perspectives from the Field of Philanthropy*, Foundation Center, 2002.

ombudsman of Staten Island; and with a Russian-speaking couple who had voluntarily accompanied Russian victims and survivors through the Family Assistance Centers.[16]

Opening multiple channels. As Victoria Bjorklund has written, people who actually accessed services after 9/11 were generally satisfied with the help they received. Dissatisfaction was expressed mainly by people who did not have a chance to access relief programs, such as survivors in other states or overseas.[17] The lesson here is that relief providers need to use multiple channels to deliver assistance. For example, although Pier 94 was highly successful as a central disaster center, not everyone came to it. The opening of satellite centers in other parts of the city was a necessary complement to its work.

It became clear after 9/11 that clients do not necessarily use the most obvious channels. As *The Journal of Urban Health* has pointed out, many people with mental health problems do not initially contact a therapist; they talk to their personal physicians. Hence, efforts to market new mental health services needed to include family doctors as well as special hotlines, subway ads and therapists.[18]

Innovating new solutions. Since existing resources could not fully meet needs, new approaches had to be developed. How funders and responders accomplished this is instructive.

- **Seed funding that inspires greater action**

Some grants made in the first weeks after the attacks had a large impact by demonstrating that innovative solutions were viable. These early seed programs led to bigger efforts by government entities and large foundations. For example, by the first week of October 2001, the community development agency Seedco, in partnership with Downtown Alliance and the New York Times Company Foundation's 9/11 Neediest Fund, started a new program that provided grants, loans and wage subsidies to small businesses. The program came into being because of quick funding by the Ford Foundation and the New York Times Company Foundation. As a result, hundreds of businesses stayed afloat, safeguarding thousands of low-income jobs. Months after the program launched, the September 11th Fund bolstered the effort with a much larger commitment.

- **Creating new training vehicles to develop new skills**

A major capacity gap in helping victims of 9/11 was the shortage of therapists trained in trauma treatment. Normal "talk therapy" techniques are ineffective for trauma and can

[16] Robin Hood later provided additional grants for all of these activists to continue their 9/11 work.
[17] Bjorklund at 28.
[18] Using multiple channels also reduces the risk that one channel will be overtaxed: "Increasing the capacity of general practitioners and non-medical service providers to address less-complicated cases in the wake of an attack will reduce strain on the public specialty mental health sector." *Journal of Urban Health*, Bulletin of the New York Academy of Medicine, 79:3, September 2002 at 336.

even be counterproductive.[19] The only way to quickly increase the supply of skilled practitioners was to find a way to train the trainers. This was the goal of the New York Trauma Treatment Consortium, a training partnership established by four New York medical teaching institutions and underwritten by private foundations. Each institution sent fifteen clinicians to learn state-of-the-art trauma treatment; each of these clinicians then trained others and served patients directly, thereby rapidly building a pool of 500 skilled professionals.[20]

- **Influencing other players through active intermediation**

Intermediary groups sometimes provided the nudges that larger institutions needed to provide help to victims. For example, in Chinatown, where many businesses fell outside conventional loan criteria of banks and were also ineligible for Small Business Administration (SBA) loans, Asian Americans for Equality made small direct loans to local immigrant businesses in the weeks after 9/11. This CBO proved to local banks that these businesses were creditworthy and then worked with the banks to streamline loan processes.

- **Establishing bridge programs**

A major problem with federal and state programs was that they took many months to deliver funds. The SBA did not start paying out until February 2002 and the Empire State Development Corporation, the state vehicle for federal rebuilding grants, did not make its first loans and grants until after the New Year. Some bridge loan programs helped to cover businesses in the intervening months. For example, the Bridge Loan Program of the city and state of New York provided loan loss reserve subsidies to participating lenders, enabling them to finance businesses awaiting SBA loan approvals.

- **Going directly to the consumer**

Although the most effective way for a funding organization to help people is to partner with organizations that already work with beneficiaries, sometimes it is better to cut out the middleman. For instance, in its school arts rescue program, The New York Times Company Foundation bypassed the city Department of Education (formerly Board of Education), an entity that has shown a persistent inability or unwillingness to address the 9/11-related needs of schoolchildren.[21] The foundation created a program whereby

[19] "The problem is that while New York is routinely lampooned as the world's greatest psychiatric laboratory, few clinicians are trained to treat trauma. 'If money was given to mental health workers right now to treat people, they wouldn't get good treatment,' said Marylene Cloitre, director of the anxiety and traumatic stress program at New York Weill Cornell Center. 'One thing I've seen personally as a trainer is that clinicians are scared, uncomfortable and uncertain about whether they have the skills they need.'" Stephanie Strom, "Finding Cure for Hearts Broken Sept. 11Is as Difficult as Explaining the Cost," *New York Times*, July 22, 2002, p. B1

[20] Patients of therapists trained in the program fared considerably better than a control group, and the actual trauma treatment knowledge was faithfully transmitted downstream.

[21] See, e.g., Jack Rosenthal, "Forging Connections in Response to Disaster," *September 11: Perspectives from the Field of Philanthropy, Volume II*, Foundation Center, 2003 at 68-69.

school principals and art coordinators could select from a menu of arts programming, which the foundation paid for directly. This ensured that the program would not be sidelined or delayed interminably by bureaucracy or district politics.[22]

- **Reformatting organizations to deliver new services**

Organizations can sometimes take on entirely new tasks effectively. The American Group Psychotherapy Association (AGPA), a traditional professional organization, received grants from several philanthropies to create a network of therapy groups. Although AGPA's effort was initially hobbled by lack of administrative capability and inexperience in outreach, the association ultimately succeeded in creating several hundred groups for clients ranging from suburban widows to rescue workers.

Innovation and risk. Creating new programs poses risk and can be counterproductive. Some new organizations created after 9/11 had overly narrow purposes that could not keep up with quickly evolving needs; similarly, many were created without contemplation of an exit strategy or a means of dissolution.[23] In a crisis, organizations may attempt actions that are beyond their capabilities and inconsistent with their missions. This occurred after 9/11. Josh Gotbaum has argued:

> "When nonprofit groups did get into trouble, it was when they ignored their basic skills in trying to help … Diversifying into something that requires different skills is usually a recipe for failure. … Some disaster-relief charities insisted on performing counseling and case management, though without sufficient staff or experience to do so. Others, particularly newly created charities, decided to enter the cash-assistance business even though they lacked the experience and infrastructure …. It was compassion, but not competence."[24]

Good intentions are no substitute for good work. But how can positive innovation be distinguished from overreaching? The answer begins with an honest assessment of the core competencies and resources that an agency can bring to the task, such as domain knowledge, networks and managerial acumen. For example, even though AGPA as an organization had never provided direct services, its members were therapists trained in group techniques who could learn new trauma treatment techniques quickly.[25] Similarly, although Seedco had never done small business development before launching its downtown New York program, it knew lending and community development.

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[22] The program was soon extended to suburban schools as well. As with several other new programs, the September 11th Fund later provided funds to continue the School Arts Rescue programs.

[23] For a general analysis of how infelicitous corporate structures hampered several newly created relief funds, see Robert A. Katz, "A Pig in a Python: How the Charitable Response to September 11 Overwhelmed the Law of Disaster Relief," *36 Ind. L. Rev.* 251, 2003.

[24] Josh Gotbaum, "Lessons Learned After September 11," *Chronicle of Philanthropy*, 15:8, February 6, 2003 at 37.

[25] The association also came to realize that in order to reach its target clients it needed to go through established intermediaries like the Brooklyn Bureau of Community Service and the AFL-CIO Central Labor Council.

At the same time, it is important to remember that experimentation sometimes fails. Project Renewal, an agency that had extensive experience helping homeless people, launched a new effort after 9/11 to provide job training and job placement for newly unemployed low-income workers. Early results were not impressive. Clients had overlapping problems and skill deficiencies that made quick job placement very difficult. Project Renewal had to retool its program and objectives. The lesson here is not to avoid experimentation—the safe way almost never results in creative solutions—but rather to make sure that actions parallel competencies and resources, to assess results honestly, and to change tactics when things do not work.

Leadership in defining and meeting needs

For many months after 9/11 there was considerable controversy over who was a legitimate victim. At the most general level, television and radio commentators and a good part of the general public considered the real victims of 9/11 to be people who were killed in the attacks and their survivors. In contrast, people working in the relief effort and some print journalists viewed the victim class more broadly and realistically.

Leadership in the definition of need means more than simply defining needs accurately for the purposes of a particular organization's work. It means influencing the public perception of needs as well. If the people and organizations that truly understand needs do not publicly articulate them, no one else is likely to. When nonprofit responders deferred to others in deciding who was a legitimate victim of 9/11 and who was not, their constituencies suffered.

When responders correctly articulated needs and asserted leadership in public education, they displayed what Lester Salamon of Johns Hopkins calls the core strengths of nonprofits: "mobilizing attention and stimulating action."[26] A good example was the work of the September 11th Fund's first chief executive, Josh Gotbaum. Gotbaum did not hesitate to speak directly to the media even during the Red Cross debacle. He also resisted efforts to divide up the fund's money by community or constituency group. Instead, he assigned it to particular categories of need, especially economic needs.

[26] Lester Salamon, "What Really Matters About September 11," *Chronicle of Philanthropy*, 14:22, September 5, 2002 at 47. Salamon is director of the Johns Hopkins Center for Civil Society Studies and author of *The State of Nonprofit America*.

SPEED AND STRATEGY

Disasters are by nature extraordinary events filled with uncertainty.[27] Responders have to move quickly yet they also have to do the right thing. Achieving this balance can be extremely difficult. It is perhaps not surprising, then, that the agencies that participated in the 9/11 relief effort have been criticized both for moving too slow and for moving too fast.[28] What is the optimal tradeoff between speed and strategy? Who should act first and who should wait for others to take the lead?

The value of strategic assessment in a crisis. Generally speaking, organizations with clear missions and sound strategy performed well in their 9/11 efforts. They worked effectively and were not seriously hampered by unfounded criticism. These organizations assessed the external environment before they acted, figured out their particular value in the crisis at hand, and maintained their focus. In contrast, organizations that acted without undertaking strategic assessment ran the risk of straying from their missions and entering areas where they lacked competence. They were also more likely to be confused or paralyzed by external criticism.

A good example of sound planning amidst crisis was New York City's Mental Health Association (MHA). Its senior leaders spent September 12th in a daylong meeting discussing strategy with members of their board of directors. The president of the board had called the meeting because he understood that without a clearheaded assessment of how MHA's core competencies fit the current environment, the organization could not do its best work. MHA quickly determined its niche: brokering connections between service providers and people needing mental health services.

Similarly, on September 26 the Robin Hood Foundation held an emergency board meeting. Right after 9/11, donors and others had pressured the foundation to start a relief effort, but it had resisted; as one executive stated, "We work in poverty relief, not disasters. We had to figure it out first." At the emergency meeting, the board determined that the foundation's 9/11 fund would focus on helping low-income people, named board members to a relief allocation committee, and assigned responsibility to the committee for carrying out the 9/11 effort. The committee members then met, made grants, and continued their weekly meetings for nine months.

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[27] Some disagree that disasters are characterized by uncertainty. Much of the debate on the relevance of the 9/11 response hinges on whether one believes that 9/11 was an outlier to "normal" disasters or an example of the limitations of standard disaster-assistance programs. This report takes the latter view. In contrast, people like Ken Curtin, the FEMA voluntary agency liaison in New York, have argued that most disasters are fairly predictable and that lessons gleaned from the 9/11 experience are likely to be overstated.

[28] Charities and philanthropies have also been criticized for entering into new types of assistance inconsistent with traditional philanthropic principles, such as providing compensation payments for the loss of life. Numerous authors (Bjorklund, Seessel, DiPerna *et al*) have pointed out that by providing compensation to the families of victims – which charities did partly to demonstrate they were spending money quickly and honoring donor intent – charities had entered into the realm of restitution or insurance.

Some organizations never discussed strategy or even questioned whether their missions were consistent with disaster relief. Some brand-new entities, like the Twin Towers Fund, proceeded without fully understanding their legal environment, resulting in major problems later on.

Other organizations evaluated strategy but made assessment a lengthy process that superseded fast action. For example, while the MHA board met the day after the disaster, the board of the newly created September 11th Fund did not assemble for its first meeting until November 1. The founders of the fund had written a clear mission statement almost immediately after its formation and in the seven weeks prior to the board meeting made grants of $34 million. However, the new organization delayed making most decisions until after the board met and many of its services were not rolled out for months.[29]

The purpose of planning is to aid and guide action, not to substitute for it. After 9/11, some organizations moved slowly for particular reasons while others just moved slowly. When fast-moving organizations blundered after 9/11, it wasn't speed in itself that caused the problem—it was a lack of strategic vision. By way of comparison, organizations that moved slowly did not necessarily do a better job of helping victims.

The role of the government vs. the nonprofit sector. From the beginning of the relief effort, influential people in responding organizations, notably Ken Curtin, FEMA's liaison to New York's voluntary agencies, repeatedly called for nonprofit organizations not to rush in and spend their money too quickly. Curtin argued that the federal government should act first and the nonprofit sector should fill the gaps that remained.[30]

In a letter to the New York Regional Association of Grantmakers a month after the attacks, Curtin provided standard FEMA post-disaster advice intended to avoid "funding mistakes." Explaining why non-disaster organizations should proceed and spend money slowly, he noted:

- "There is a disaster relief and recovery system in place that is designed to meet most emergency and mid-term disaster-caused needs.
- "Private funds, hurriedly applied to needs for which there are existing government resources, would replace those government resources, then not be available later for recovery.
- "The historical role for private funds is long-term recovery, as responsibility for recovery moves from government to the community.

[29] To be sure, the founders and staff of the September 11th Fund had been quite active making connections with organizations in an effort to elucidate strategy and build networks. The Fund has reported meetings with 500 organizations during this time. It is unclear whether the Fund's delay in deciding upon its strategy was a necessary byproduct of an extensive research process, the result of avoidable slowness in selecting a board of directors, or the consequence of excess caution that grew out of the contemporaneous Red Cross debacle as well as an earlier United Way scandal.

[30] Curtin's comments were primarily addressed to nonprofit organizations that did not normally work in disaster relief.

- "Long term needs emerge in every disaster that cannot be known in the early stages . . ."[31]

Curtin's advice was logical, but it conflicted with some of the realities of 9/11. The federal government had no system in place to stem job loss or help undocumented aliens. The government aid programs that did exist had inadequate administrative support and took many months to deliver help. When federal and state agencies did act, they often gave out conflicting or confusing information. Sometimes they resisted giving out information at all, as when the state Department of Labor would not release information about the number of economic victims of the crisis.[32]

In the view of many active in the relief effort, waiting for the government to act would have amounted to waiting for leadership that never came. Delaying action to help victims until then would have caused additional suffering.

Long-term and short-term. One teaching from the Oklahoma City response, propounded by Nancy Anthony, was that nonprofits should save money for unforeseen long-term needs. In Oklahoma City, many mental health problems did not show up until several years after the tragedy. Many 9/11 charities elected to save money for long-term needs that would be clear only after months or years.

The Oklahoma City observation about enduring mental health needs does not, however, make the general case that long-term needs are inherently mysterious. Within a few weeks of 9/11, the types of problems that people would have in the future—mainly mental health troubles and joblessness, and the social ills associated with these—were identifiable, even if their symptoms would not show up for many years. It was clear that there was nothing long-term about the losing one's job, using up one's savings, or the effect on a child of watching someone jump from a skyscraper. Waiting for needs to appear clearly without doing anything to plan for them may rob responders of the time needed to create appropriate responses.

A useful alternative to the long-term/short-term dichotomy is to distinguish between emergency and continuing needs. As a managerial and philosophical decision, responders need to determine how to divide their resources between these two categories. They must also have a plan for when and how to exit relief work.

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[31] Letter from Ken Curtin to Barbara Bryan, President of New York Regional Association of Grantmakers, October 12, 2001.
[32] Interview with James Parrott, Fiscal Policy Institute.

OUTREACH

Outreach is the process of finding effective ways to connect with clients rather than waiting for them to appear on one's doorstep. Evaluating their 9/11 efforts, charities reported that the most common obstacle to their work was the difficulty of identifying, finding, and communicating with victims.[33]

Sept. 11th verified certain best practices in outreach, including partnering with organizations that already have ties and experience with intended beneficiaries, segmenting victim groups intelligently, and constantly incorporating feedback from the field.

Low-hanging and high-hanging fruit. From the beginning, the major responders were effective in picking the "low-hanging fruit" by serving the most obvious and easy-to-reach categories of victims. Responders generally reached people who spoke English; were educated; were citizens or legal residents; lived in Manhattan or close by; had copies of financial and legal records; had the support of families, friends, personal advisors or companies; and had a sense of entitlement.

Responders were less successful in reaching other segments: victims and survivors who did not speak English; were homeless; were traumatized by the events; had limited knowledge about government and nonprofit aid programs; worked in the cash or informal sector; worked illegally; did not have standard financial or legal records; or had reluctance or aversion to asking for help. A small survey by the Urban Justice Center undertaken seven to ten months after the attacks found that 43% of the very poor individuals studied were receiving no public benefits of any kind.[34]

Impediments to outreach. There are many reasons why organizations can find it hard to reach victims. Responders need to be familiar with local geography and demographics; they need to merit trust; they need to be flexible in approach; and they need to give consistent messages. They also they need to understand the limits of their knowledge.

In New York, some responders were thwarted in outreach by a lack of familiarity with the city. Many Red Cross volunteers who shipped in from other parts of the country knew little about New York. (As one nonprofit executive commented, "You can't be very useful if you have to keep checking a map.") The Red Cross's practice of rotating volunteers every two weeks made it hard to institutionalize knowledge and give consistent information. FEMA gave the impression of never having worked in a

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[33] Jennifer Ahern Lammers and Luana K. Lewis, *An Analysis of Survey Response Information About Funds Raised and Services Provided by 9-11 Related Charities*, Better Business Bureau, July 2003 at 26-28.

[34] The Urban Justice Center surveyed 112 poor people in soup kitchens and food pantries. The study found that "only 21% of individuals surveyed who stated that they could trace their job loss or reduced wages to September 11th sought disaster-related assistance, and, of those, only 7% received any disaster aid." *Ripple Effect* at 24.

multilingual urban environment; it took the agency nine months to come up with materials in Spanish and Chinese for federal aid programs.[35]

Outreach was also hindered by responders' use of unrealistic and onerous documentation requirements. Victims seeking financial assistance typically had to prove residence, employment, income and sometimes immigration status. Yet many downtown residents had no way to get back into their homes or offices to collect these documents. And people who worked in the cash economy typically had few documents of this kind. For some of the needy, the application process for relief was too difficult to complete or the reporting requirements were too daunting.[36]

Large responders did not always recognize their own limitations. It took them time to start working through local intermediaries that had the competencies they lacked.

The continuous improvement principle. The majority of large responders are confident that they succeeded in rapidly reaching most of the populations affected by 9/11. However, some professionals at small, community-based groups contradict this viewpoint. In their view, larger organizations reached out to some subcategories of victims only as a result of substantial pressure, and then slowly.

This difference of opinion does not mean that the major organizations were ineffective or deluded. What it does suggest is that access was not total and that agencies have an understandable tendency to measure performance on the basis of what they have done, not what they have not done. Sept. 11th teaches that access requires continuous improvement. Pier 94 is a good example of this principle.

The centralized victim assistance center on the Hudson near mid-town Manhattan has been lauded as the archetype for social service delivery. Starting with a red carpet leading to the special entrance for victims' families, Pier 94 embodied care. The entire 100,000-square foot facility was carpeted, trained therapy dogs were available to comfort people while they waited, and each family was given an individual escort to find the right booths in the huge facility. Some applicants walked out with a check in less than two hours.

But not everyone felt invited onto the red carpet. Here's another perspective:

> "Many immigrants stayed away from heavily guarded Pier 94… It looked to them like 'a police state,' said Joe Bautista, a human relations officer with the American Red Cross. Many families who did visit Pier 94 did not receive help. Government-backed channels such as the Federal Emergency Management

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[35] Far more problematic was the fact that FEMA used back-office personnel in places like Virginia and Texas to evaluate aid applications. These workers were ignorant of basic facts of New York geography and evidenced little sympathy for its victims. Applicants found local FEMA representatives "helpful" in contrast with "hostile" reps in other states. David W. Chen, "Public Frustration Persists Over 9/11 Relief Program," *New York Times*, October 12, 2002, p. B3.

[36] *Ripple Effect* at 28.

> Agency are barred from allocating funds to illegals… Some nongovernmental workers, wary of scam artists, turned away immigrants if they lacked Social Security numbers and other conventional forms of identification."[37]

Pier 94 was a marvel. But even the best programs by the most experienced providers need constant fine-tuning and troubleshooting. [38]

The most effective method of improvement is to solicit feedback from clients and would-be clients. No matter how conscientious and professional service providers are, their performance cannot be any better than their information. Agencies need reality checks from people both inside and outside of the system.

No agency responding to 9/11 worked in a vacuum; each was affected by the actions of other responders. Though all were basically working for the same goal—to help the needy—there were tremendous differences among agencies in size, experience, number of personnel, mission, and skills. Coordination was necessary; the big questions were what kind, and how to make it happen?

[37] Albor Ruiz and Leslie Casimir, "Kin of Missing Illegals Face Fear and Despair: Scared of reporting loss." *Daily News*, October 8, 2001 at 27.
[38] The larger agencies did fine-tune their approach. The Red Cross later stationed personnel at Asociacion Tepeyac in order to reach undocumented aliens who might not come to Pier 94.

PART TWO: COORDINATION

In the months following 9/11, the frenetic activity of hundreds of charities and relief funds overlapped with that of scores of city, state and federal government agencies. Few responders knew exactly what their counterparts were doing; yet their actions affected one another significantly. The presence or absence of coordination turned out to be a big factor in the overall effectiveness of relief.[39]

The 9/11 record on coordination is far more mixed than is usually described. The General Accounting Office and other evaluators are correct that the relief response suffered from a lack of coordination, especially early on when it was most needed. However, there are two problems with the public discussion on this issue to date. First, commentators tend to understate or ignore the different types of coordination that did take place. Second, the prescription for more coordination is generally written in broad-brush strokes. Exhortations to coordinate "more" or "better" give little information on what, precisely, one should do.

This section reviews how coordination actually worked and did not work after 9/11. As we will see, sector-wide coordination failed to emerge early in the relief response primarily because of a lack of leadership. Yet the lack of formal coordination did not paralyze responders or lead to a huge waste of resources. A number of forms of beneficial coordination emerged.

WAYS COORDINATION SUCCEEDED

Many types of coordination that occurred after 9/11 have been under the radar of observers who define coordination only as a planned, formal process. Yet there were many other types, each with its own benefits.

Establishment of service-center infrastructure. An early example of highly effective coordination was the establishment of the Pier 94 victim service center. Pier 94 was set up through the leadership of New York City officials in collaboration with state and federal agencies; programmatic leadership was then provided by nonprofit organizations. Specifically, the city's Office of Emergency Management (OEM) secured Pier 94 for use as the physical location of the disaster-assistance center. OEM was funded by the Mayor's Community Assistance Unit, which had ultimate control over the effort. FEMA provided most of the physical assets to set up operations and New York's State Emergency Management Office (SEMO) helped by coordinating between federal and city officials. While OEM got the infrastructure for Pier 94 up and running, it did not

[39] The effectiveness of coordination also strongly affected how survivors and the general public rated the performance of relief agencies. Early in the relief effort, there was a widespread perception, shared by many survivors, that a large amount of money was available for the taking. However, survivors discovered a thicket of agencies with differing eligibility standards that they had to navigate and decode themselves. Many experienced great frustration.

provide programmatic leadership. Safe Horizon filled this void by informally assembling the right agencies to start providing services and setting up intake logistics.

Regular meetings of peers across organizations. Within hours of the attack on the World Trade Center, many funders had contacted each other to brainstorm about developing an appropriate response. The September 11th Fund grew out of one of these meetings on the afternoon of the attacks. In the following weeks the Ford Foundation led a weekly conference call of fifteen foundation presidents, "sharing with each other what we were doing, things we were thinking about doing, as well as things we wanted to do but couldn't."[40] The September 11th Fund and the Red Cross had extensive behind-the-scenes meetings to compare strategy. There were also meetings among grassroots organizations, service providers and advocacy groups. Local elected officials created informal working groups.

Public meetings for information sharing. Some agencies used their convening power to stimulate the sharing of specific types of information. For example, in January 2002 the New York Times Company Foundation convened a group of grantees and service providers in the mental health field to discuss their post-9/11 experiences. The meeting allowed the participants, many of whom did not normally connect with one another in the course of their work, to share information and strategy. Similarly, the New York chapter of Voluntary Organizations Active in Disaster (VOAD) continued to hold ever-larger meetings attended by responders of all sizes.

Coordination through co-location. Co-location stimulates practical coordination and problem solving.[41] When agencies work side by side, it is hard to pass the buck. Differences become obvious but so do solutions. At Pier 94, what started out as a chaotic "bazaar" quickly evolved into a coherent system where service providers, government agencies and advocacy groups complemented each other's work. Agency professionals knew what other organizations offered because they were only steps away; clients were escorted rather than sent to other providers. Co-location enabled agencies to work around privacy concerns more easily and led to new working relationships and alliances. Elsewhere, neighboring agencies in places like Chinatown worked together to solve problems; the urgency of the crisis diminished normal propensities for competitiveness.

Caseworkers' serving as ombudsmen. After 9/11, a number of social workers, advocates, lawyers, counselors, interpreters, government officials and volunteers came to have a better-than-average sense of what services were available on a broad spectrum. Whatever their actual roles, these de facto ombudsmen functioned as informed, point-of-contact coordinators who could direct victims to the best resources.[42] FEMA's Inspector General gives one example:

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[40] Susan Berresford, "September 11 and Beyond," Foundation Center *Volume 1* at 178.
[41] See, e.g., Bjorklund at 28.
[42] Some found this elasticity of roles troubling. FEMA's Inspector General wrote, "Numerous organizations, ad hoc groups, and voluntary agencies counseled victims. Irrespective of how well intentioned these ad hoc providers may have been, a significant number of victims may have received inaccurate or, possibly, even harmful services from individuals not certified, licensed, or otherwise

> "In addition to providing mental health service, some mental health counselors assisted in completing victims' financial forms and translated instructions and procedures for applying to various programs as well as referring victims to disaster services available through FEMA teleregistration; State and voluntary agencies such as the American Red Cross, Salvation Army, Interfaith Disaster Recovery Services; and Unmet Need Committees."[43]

Collaboration in creating new competencies and capacities. Many significant 9/11-relief programs came into existence only as a result of complex coordination efforts among parties ranging from public employee unions to state agencies to foundations. This list includes the COPE program for Police Department employees, the creation of Disaster Relief Medicaid, and Project Liberty, the federal government's post-disaster program for mental health treatment.

The United Services Group. The most institutionalized vehicle for coordination after 9/11 was the United Services Group (USG), an entity created by nonprofit responders and bankrolled by the September 11th Fund.[44] USG started with 13 founding members and has grown to 40 members and affiliates, with companies like McKinsey and IBM donating consulting and information technology services. USG centralizes tracking and coordinates service delivery using a standard case management model. The organization also shares information with other organizations through its agency liaison relationships and trainings of affiliated agency personnel; indeed, training may be where USG has had its greatest impact.

USG was not organized until December 2001 and took time to develop. Since its formation, the organization has been doing the arduous nuts-and-bolts work of synchronizing systems and standards. Coordination did not come easily; the new organization faced an uphill struggle to get its members to share information before willful cooperation became the norm. Partly as a result of the extensive negotiations required to synchronize systems and standards, the USG database did not become effective until March 2002.[45] The complexity of USG's work highlights the need to take action long before disaster hits to resolve structural impediments to coordination.[46]

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sanctioned by the State to provide mental health services." *FEMA Inspector General's Report on Delivery of Individual Assistance Programs,* Federal Emergency Management Agency, December 2002 at 29.

[43] Ibid. at 28

[44] Many of the participants in USG are grantees of the September 11th Fund, which used gentle but firm pressure to encourage participation. Coordination came about more from leadership than from consensus-seeking. This conclusion is supported by the Oklahoma City experience, where coordination emerged after the governor declared that the state and its responders would not be embarrassed by a lack of coordination.

[45] Bjorklund at 29.

[46] Robin Hood Foundation is now testing "Single Stop," a software program that creates a virtual relief center.

USG has been criticized for not being inclusive enough, since a number of organizations active in the relief effort, such as funders, are excluded from membership.[47] (In contrast, the Oklahoma City coalition was coordinated by a funder and brought together both funders and smaller service providers.) The reason for USG's limited inclusiveness is that the organization has limited scope. Its primary function is to enable large, direct-service agencies to share case management information. It has never been a vehicle for individual survivors to register to seek aid, or for funders to register to provide support. However, since USG has often been perceived as "the" entity for coordination, expectations have run high. USG's challenges therefore illustrate another tenet of effective leadership: when organizations take charge of managing certain problems, they need to be very clear about communicating the scope of their work. Otherwise, they may give rise to expectations that cannot be met. They may also crowd out efforts by other parties.

While USG is a tool that allows selected eligible responders to synchronize their *output*, it has never really been a vehicle for agencies to synchronize their *input*—to set their direction collaboratively. That is a much bigger task that would have required a different kind of coordination, one that did not develop after 9/11.

[47] A similar issue faces the Unmet Needs Roundtable, a group established in 2002 to coordinate relief provision as the centralized relief centers were winding down.

The Failure of Sector-Wide Coordination

News accounts in the months after 9/11 sometimes gave the misleading impression that certain large entities like the Red Cross, Safe Horizon or FEMA were "in charge" of the relief effort. In reality, the government has almost no authority over nonprofits and most nonprofits have very little (if any) power over each other.

Given this situation, where would leadership on sector-wide coordination come from? There were a number of possibilities. One was that the charitable and philanthropic community would manage its own coordination. Leadership might also come from elected officials like the Mayor, Governor or Attorney General. A final candidate was FEMA, which has a statutory duty to manage the coordination of nonprofits yet no actual authority to do so.

In the end, none of these persons or institutions truly led coordination. Eventually the nonprofit responders supported the work of the United Services Group, but this coordination was of limited scope and only became effective after the most crucial period for coordination had passed.

The lack of coordination before 9/11. Prior to the Sept. 11th attacks there had been little coordination by the agencies that later participated in the relief effort. Many of them, including foundations and social service agencies, had never anticipated that they would fund or conduct disaster relief. Others, like the September 11th Fund and the Twin Towers Fund, did not exist. Only a handful of agencies had joined the New York chapter of VOAD.

No widely recognized template for coordination existed. However, it became quickly apparent that "without coordination there would likely be too many charities giving money to the most obvious victims while thousands of seriously affected but less apparent sufferers…were at risk of receiving little or no aid."[48] In the weeks following the 9/11 attacks, a number of meetings were convened with the agenda of coordination.

The role of political leaders. The terrorist attacks resulted in a highly charged political environment. The destruction of the World Trade Center and the attack on the Pentagon were immediately interpreted as attacks on the nation itself. It was clear that individual victims were casualties of hatred toward America as a whole. The subject of Sept. 11th engaged the country and its political leaders for many months. However, despite the attention that major political figures paid to military, security, airline and even spiritual matters, none of them actually led the relief effort.

President Bush visited downtown New York but largely ignored the relief effort. Many of the same Congressmen who quickly traveled to Ground Zero for photo ops limited their input to accusing charities of mismanagement and fraud.

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[48] Christine Letts, *Giving in the Wake of Terror: The Charitable Response to the Attacks of September 11*, Kennedy School of Government at Harvard University, 2002 at 5.

At the state level, Governor Pataki's office had a role in jump-starting Disaster Relief Medicaid, but the Governor himself had little practical involvement in relief. Mayor Giuliani displayed great stewardship in getting the city moving again, ministering to uniformed services and helping to ensure that immigrants were fairly treated. However, he did not play much of a role in the relief effort after the creation of Pier 94, aside from directing the Twin Towers Fund.

Spitzer and aftermath. One official who did try to facilitate coordination was New York Attorney General Eliot Spitzer. Among government officials, Spitzer was a logical person to lead coordination since state statutes give the Attorney General responsibility for the oversight of nonprofits. Spitzer called a meeting on September 26th of about fifteen major responders to discuss the coordination of nonprofit efforts and the possible creation of a central victims' database. Participants give different versions regarding the tenor of the meeting. Some recall the meeting as positive and productive with no negative reaction expressed about the government's potential involvement in the work of nonprofits. Others recall later expressions of discomfort about the interjection of the Attorney General into the private work of charities. Spitzer's role may have been threatening to other government officials. While some praised his efforts, others were critical; one federal official has argued that charities would never have followed Spitzer's lead, characterizing his efforts as "grandstanding."

The Attorney General's staff held follow-up meetings to help organizations talk to each other and work towards a database. However, the Red Cross, whose representatives had nodded along in agreement during the original meeting, soon announced that it would not participate in any central database, citing concerns of client confidentiality. Since the Red Cross was one of the most experienced and by far the largest nonprofit responder, with nearly 40% of all donations, no effort could be effective without its participation.

FEMA's role in coordination. This absence of effective involvement by elected officials left executive agencies as the default government presence. Of the many city, state and federal executive agencies that had a role in the 9/11 response, only FEMA seemed to have an overall view of how the relief effort should go. FEMA officials showed up with a plan, which was for the agency to lead the way. FEMA would "sweep up" and the nonprofit sector would follow later and "fill gaps." Yet from the beginning FEMA had general credibility problems that reduced the likelihood that nonprofits would follow its lead.

Since it was in fact the most experienced disaster-relief agency, FEMA might nonetheless have had a major coordinating role, but its efforts to foster coordination lacked heft. FEMA created an elaborate matrix to inform the media and responders about all available services, but there is no evidence other than FEMA's own assertions that this was useful to others.[49] Many in the nonprofit sector have praised Ken Curtin, FEMA's liaison to

[49] "FEMA, attempting to bring order to the chaos created by the multitude of voluntary organizations, developed a matrix of various government and non-government entities. At one point, this matrix included over 100 organizations and was used to identify their contributions to disaster recovery efforts and the types of assistance provided. … FEMA believes that this information was used widely by the media as an

nonprofit agencies, for his work as an informal advisor. But a one-man show was not the same as a formal mechanism for coordination. FEMA's Inspector General later concluded that the agency "was not able to ensure that all voluntary agencies were coordinated appropriately."[50]

Self-management by the nonprofit sector. The feeling that the nonprofit sector should manage itself resulted in a meeting of major nonprofit agencies at the Carnegie Corporation of New York on September 28. The purpose of that meeting was information sharing rather than formal coordination. Participants had a chance to learn what others were doing—in the words of Carnegie President Vartan Gregorian, "So if you're giving shoeshines I can know to give haircuts."

Given the uncertainty of the time (agencies did not know for many months even how many people had been killed, let alone the identities of their survivors), sharing information was crucial. However, sharing general information was not the same as synchronizing efforts or exchanging detailed information on how and to whom services were being delivered. This type of coordination was unlikely to emerge by consensus. It required strong organizational leadership. There were only two likely candidates: the Red Cross and the September 11th Fund.

Because of its size, experience and funding base, the Red Cross was influential. Hence, when it walked away from Spitzer's effort without following up with its own proposal, it torpedoed that particular effort and raised the bar on subsequent ones. Privacy concerns seem an inadequate explanation for the Red Cross's nonparticipation in early coordination. Perhaps it was the very self-sufficiency of the mammoth agency that made coordination unenticing: with 23 different administrative functions, the Red Cross could do its own work fairly effectively without needing to coordinate with others. At the same time, the 9/11 disaster response required services beyond the Red Cross's traditional competencies, which centered on onsite disaster relief. The agency may have been uncomfortable moving beyond its traditional roles.[51] Whatever the Red Cross's reasons for not taking on a wider coordinating role, its leadership potential quickly evaporated when it came under severe public criticism.

The other candidate for leading coordination was the September 11th Fund, the second-largest fund after the Red Cross. It was the namesake charity for the disaster and raised $128 million in one telethon alone. It had been established by the United Way and the New York Community Trust and was managed starting mid-October by the well-regarded Josh Gotbaum. The September 11th Fund seemed primed for leadership. Indeed, several parties interviewed saw it as the natural candidate.

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authoritative guide to assistance available, and the matrix was distributed and used nationwide." FEMA IG at 31. Most nonprofit agencies interviewed in this study had no recollection of FEMA's matrix.

[50] Ibid.

[51] Ironically, in response to public and political pressure the Red Cross got into the business of making large non-need-based compensation payments to survivors' families, a task beyond its traditional organizational competencies.

However, the September 11th Fund in early months was, in the words of one observer, "passive," more a participant than a leader. The fund spent more than seven weeks conducting extensive research to figure out its niche. While this enabled it to spend its money intelligently, its focus on its own work and planning appears to have limited the attention it gave to external coordination. It had power, but stopped short of exercising it. No other nonprofit organization had the same potential authority.

Leaders and followers. If either the Red Cross or the September 11th Fund had tried to lead the nonprofit sector in terms of defining needs, coordinating efforts and delivering consistent messages, would others have followed? It is hard to know. The nonprofit sector is known for its independence and in some cases its egos; nonprofit executives tend to be ambivalent or suspicious about efforts to centralize decision-making. During the harried weeks after 9/11, time was precious and skepticism about unproven efforts came easily. One participant at the Attorney General's Sept. 26th meeting noted that "there was a fairly widespread attitude that the emergency nature of 9/11 did not allow time for meetings like this." Trying to jumpstart extensive coordination under these circumstances would have been difficult.

Some within the September 11th Fund are skeptical that a broader attempt to assert leadership would have been well received or even useful. One official stated that her organization would have "balked" if anyone had told them what to do and that it would have been "naïve" for them to tell others what to do. USG, after all, did not find it particularly easy to coordinate the work of participating agencies. And experts like Clara Miller of the Nonprofit Finance Fund have commented on the difficulty of coordinating efforts given the pervasive lack of "followership" in the nonprofit sector.

Yet some knowledgeable individuals believe that the September 11th Fund was poised to be the natural leader and that others might have followed. One foundation president cited the feeling of common purpose after 9/11 and the widespread acknowledgement of the need for coordination and direction. "We would have fallen in line," he has said. "We had no desire to figure out everything for ourselves."[52] The likely truth is that both potential leaders and potential followers underestimated the value of leadership.

This was an unfortunate result because better coordination would have significantly improved the experience of victims seeking help. Without a uniform sign-up system incorporating a common privacy waiver, funders and service providers could not know who victims were. The burden of interpreting the varying eligibility systems of different funders fell to the victims themselves, creating in the most extreme cases a sense of beggardom as distressed people wandered from agency to agency, toting accordion files filled with personal documents and Excel spreadsheets. Better coordination would also have improved the public reputation of the disaster-relief agencies. A well intentioned,

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[52] Others disagree, arguing that the September 11th Fund had no senior staff with experience in disaster relief. Josh Gotbaum had management experience in government and the private sector, but not the nonprofit world, and board chair Franklin Thomas's background was in large philanthropic institutions. This lack of domain experience may have resulted in a more cautious approach toward making decisions and may have limited the fund's credibility vis-à-vis other disaster-relief and social service agencies.

largely competent and sometimes stellar relief effort looked tarnished to the public's eye in part because the nonprofit sector could not rise above the din of personal stories of frustration and anguish with a clear and unified voice.

Once the window for leadership closed, coordination became less of a question of inspiration and more of a process of negotiation. It became a reactive way of managing problems rather than a proactive method of improving services.

The effectiveness of the agencies that responded to 9/11 was not simply a function of the good or bad decisions they made during the disaster-relief effort. Their effectiveness was also limited or enhanced by their strength and competence as organizations—by their organizational capacity. Sept. 11th made clear what many in the field already knew: that successful social-service delivery and disaster relief are very much dependent on long-term investments in capacity.

PART THREE: BUILDING CAPACITY

Building capacity means creating the backbone of service delivery. This entails more than devising new programs for areas like mental health, job training or childcare. It means strengthening the abilities of disaster-relief and social-service organizations to function as competent organizations with adequate infrastructure, knowledge, personnel, networks and statutory authority. The majority of nonprofits are under-funded with regard to their own institutional needs. They lack the resources to make long-term investments in capacity. Yet unless they can build capacity, these organizations will be hobbled in their ability to respond to crises.

Numerous chronic infrastructure problems of the nonprofit world were laid bare by the demands of Sept. 11th, highlighting the need for systemic changes in the funding and management of nonprofit organizations. At the same time, many agencies rose to the challenge despite long odds; their actions are examples of ways to overcome capacity problems in real time.

SEPT. 11TH CAPACITY CHALLENGES FOR RESPONDERS

In operational terms, any point of scarcity can become a bottleneck that obstructs efficient service delivery; even a minor bottleneck can bring down an otherwise state-of-the-art system. Aside from the lack of a common list of victims and a uniform intake system, the most significant bottleneck in the 9/11 response was the poor quality of infrastructure in many responding organizations.

Technology bottlenecks. Prior to 9/11, many responding agencies were already hampered by poor workplace technology. Agencies struggled to work without some of the most basic workplace tools, like computers or working telephones. For example, Asociacion Tepeyac had only two phone lines to handle thousands of calls. Neither helpers nor victims could get through. Computer systems that did exist were often not networked between offices.

This problem of poor infrastructure was not limited to small, cash-poor organizations. The Salvation Army, a huge fundraiser in normal times, experienced bottlenecks resulting from inadequate technology. "The Salvation Army's early offer to pay household bills for victims, for example, had badly misfired … By the end of the year, the office had been inundated with about 30,000 bills from 8,000 families, but its crude dot-matrix printers could only print about 100 checks a day."[53] Its telecommunications systems were also inadequate. Calls to the Salvation Army from donors anxious to help overwhelmed and shut down its telephone systems in New York and Washington.

The disruption in electrical and telecommunications systems caused by the attacks worsened these problems. In contrast, those organizations like the Mental Health Association that had good technology with functional backups were able to move into action immediately and assert leadership in their domain.

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[53] Letts at 14.

Shortage of personnel. While crises require additional staff, organizations are inhibited from hiring additional staff by cost and the need for training. Typically, existing staff try to compensate for increased demand by working far longer hours. This happened after 9/11. As a result, they were burned out both by the number of hours they worked as well as the nature of the work they did.[54] When staff are overstretched, the quality of service declines. They cannot devote the in-depth attention necessary and things fall through the cracks.[55]

Volunteers are an alluring alternative to hiring more staff, but greater use of volunteers usually does not solve capacity problems. After 9/11, tens of thousands of would-be volunteers unsuccessfully tried to offer their services at the same time that agency staffs were overextended. There were few quick and easy ways to incorporate volunteers into organizations. In some cases, processing volunteers added more to the burden on existing staff than the volunteers' work did to relieve that burden.

Corporate assistance can alleviate staff shortages, but only if service organizations have sufficient capacity to absorb these efforts. As discussed below, a number of private partners made irreplaceable contributions to the relief effort; however, some offers did not result in anything concrete because frameworks and relationships did not exist for translating general offers into specific actions.

Leadership and management. All organizations need good management. As Chris Kui has pointed out, "Every organization needs a core of talented leaders. And it's not one individual, it really is a team of top management and middle management … "[56] As in the private sector, management skills are uneven across the nonprofit sector: sometimes they are great and sometimes they are nonexistent. And where it is lacking, managerial effectiveness cannot be created overnight.

Money. Despite the tremendous amount of money donated to 9/11-related causes, numerous social service organizations actually suffered financial problems in the aftermath of the disaster. In New York, many nonprofits receive the bulk of their funding from local and state governments, usually in the form of performance-based contracts. Prior to 9/11, New York was already in recession and Sept. 11th exacerbated its effects. City contracts with nonprofits were reduced across the sector by 15-18%.[57] At the same

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[54] As Safe Horizon's CEO Gordon Campbell has pointed out, "at the same time you're asking your staff to be as responsive as possible to the victims of a disaster, they're going through their own sets of issues." Gordon Campbell, "Cash Assistance for Immediate Needs," Foundation Center *Volume 1* at 134-135. Research has borne out his contention. A study by the New School for Social Research found a direct correlation between the stress experienced by clients and the stress experienced by staffers. See Dennis Derryck and Rikki Abzug, *The WTC Tragedy Ripple Effect Devastates Neighborhood Nonprofits*, New School University, December 2001.

[55] Many of FEMA's troubles stemmed from a shortage of skilled staff. One embarrassing example occurred when FEMA's post-office box in Albany used to receive certain relief applications was closed because no one had responded to renewal notices.

[56] Christopher Kui, "Assessing the Economic Impact on Chinatown," Foundation Center *Volume 1* at 84.

[57] David R. Jones, "The Impact of 9/11 on Low-Income Workers," Foundation Center *Volume 2* at 53.

time, nonprofits that earned revenue from fee-based services experienced declines in their income as clients stopped coming in after 9/11 and as it became more expensive to reach out to them.

The effect of funding practices. The grant-application and contracting methods used by funders can inhibit the ability of nonprofit organizations to build capacity. The clearest example of this is the widespread use of performance-based contracts. These contracts focus on achieving particular performance outputs; little money, if any, is left for the purpose of strengthening organizational capacity.

Many funders' complex grant-application processes themselves can limit the capacity development of service organizations. Since most funders lack the resources to conduct extensive follow-up monitoring, they devote considerable energy to vetting grantees at the front-end through the application process. This type of due diligence is understandable, but it has some negative consequences. The application process encourages service organizations to tailor projects to donors' unique concerns rather than to their own core competencies. Since most funders provide only partial support for projects, service organizations must typically shop around for money from multiple sources, each with their own set of applications and requirements—an extremely time-consuming process. Setting strict requirements up front limits the flexibility of service managers in deciding how to spend money. To a certain degree, this type of front-end accountability discourages back-end accountability by both funders and recipients.[58] Service managers may see little benefit to conducting their own evaluations of results since negative results may dry up the funding stream before the managers can constructively improve their programs.

Neglect of administrative costs. Many donors and funders consider administrative expenses inessential and will not fund them, preferring to pay for program operations directly.[59] Given this reality, nonprofits often defend their cost effectiveness by pointing to a low percentage of administrative costs. Thus, administrative costs end up being treated as illegitimate by grantors and grantees alike. The true costs of doing the work may not be recognized, even by the agencies themselves. Says Clara Miller:

> "I think that we are very bad at putting a value on our services and making sure that everybody knows what it really costs to do this work, because these organizations and the people who work for them are willing to get the job done no matter the cost—personal or otherwise."[60]

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[58] Some grantmaking organizations give grants in installments that are contingent on reaching particular milestones. This is a useful way to protect investments, especially when grantmakers set up new programs or have to make grant decisions quickly. Milestones can include capacity-building goals as well as specific client-service objectives.

[59] Some funders do make a concerted effort to support the infrastructure of grantees. Examples include the Tides Foundation, Carnegie Corporation, Robin Hood Foundation, the September 11th Fund and the New York Times Company Foundation.

[60] Clara Miller, "Supporting the Recovery of Nonprofit Organizations," Foundation Center *Volume 1* at 75.

Funding processes therefore help maintain a system where nonprofits have little money to invest in the very things they need to build capacity.

BUILDING BETTER CAPACITY

As noted above, Sept. 11th revealed a number of capacity problems endemic in both disaster relief and the entire social service sector. However, the relief response also shed light on some potential solutions even as it illuminated the need for systemic improvements in funding and management.

Leveraging staff. Organizations can augment manpower by establishing staff-sharing arrangements with other agencies. This can take the form of lending or borrowing staff or simply seconding staff to another organization. For instance, the Ford Foundation provided staff to the September 11th Fund in its early start-up phase and the Red Cross and Safe Horizon delegated staffers to work onsite at local CBOs. Funding entities can help organizations overcome staff capacity problems by funding third-party vehicles that train and assist nonprofits at a low cost.[61]

Improving volunteer placement and training. Volunteers work optimally when skills are matched with needs; eye surgeons or trusts & estates lawyers may be needed more than people to distribute meals. After 9/11, New York Cares, which has made itself the preeminent centralized source of volunteers in New York City, proved to be a very good vehicle for matching skilled volunteers to particular needs. The agency has signed an agreement with the city's Office of Emergency Management to direct volunteer efforts in future emergencies. Organizations like the Red Cross make extensive use of trained volunteers and could be helpful in designing training programs.

Several community agencies discovered after 9/11 that when they were able to integrate volunteers, they were strengthened as organizations and developed better bonds with the community and the private sector. Seedco was so successful in using volunteer MBAs to give technical advice to small businesses that it established ongoing relationships with local business schools. It now hopes to extend its technical service programs to other distressed neighborhoods like Bedford-Stuyvesant.[62] Similarly, Hamilton-Madison House, a Settlement House on the Lower East Side, has established continuing relationships with a fleet of talented professionals who volunteered in 9/11 relief projects and stayed long after.

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[61] See, e.g., *Chinatown One Year After September 11th: An Economic Impact Study*, Asian American Federation of New York, November 2002. "Funding should also be allocated to increase the organizational capacity of the existing community-based nonprofit agencies that offer skills training and related services." At 34.

[62] Seedco and its volunteers made lemonade from lemons. Many of its volunteers were recent graduates from prestigious business schools whose offers to join leading financial institutions and consulting firms had been revoked after 9/11. The volunteers were fulfilled by using their knowledge in truly meaningful situations, the small businesses benefited from new analytical tools, and Seedco was happy to hire people who might have earned six figures for $18 per hour.

Maximizing private-sector partnerships. While most private-sector companies do not play meaningful roles in social-service delivery outside of emergencies, the private sector is a potential resource for contributing to social service capacity. Many companies help to fund nonprofit efforts; Sept. 11th provided examples of companies' providing direct, value-added services. Companies like Accenture, McKinsey and IBM provided the technological and managerial underpinnings for complex efforts like the USG database. A team with strong Goldman Sachs origins now manages USG itself. These kinds of working arrangements do not spring up automatically; they require ongoing relationships whereby nonprofit organizations lead the way in articulating their needs and outlining how companies can help.

After 9/11, some companies made targeted donations for particular needs. For example, Pepsi donated $1.5 million to help small grocers. While grocers were potential distribution points for Pepsi products, they were also a group that a company like Pepsi understood and had sympathy for. The donation illustrates the point that private-sector contributions are most effective when they grow out of the core competencies, interests and knowledge of the companies themselves.

Improving infrastructure through systemic change. Strong infrastructure and capable leadership are basic management principles. Service organizations will always run at less than full capacity if they have lousy telephones, old computers, clunky databases, untrained workers and inexperienced management. Charisma and passion may complement solid systems and good management, but they cannot substitute for them.

The road to better capacity is a two-way street: both funders and service organizations need to contribute. One way that funders can better achieve their own goals is to give more thought to ways to build better infrastructure in the service organizations they fund. (One of the most direct ways a funder can help to achieve long-term social change is to enable its beneficiary organizations to buy computer networks.) Funders should also contemplate methods of rationalizing application procedures. Service organizations can assist this process by introducing back-end accountability measures to reduce the need for elaborate front-end screening. All nonprofit organizations need to join in the effort to articulate the legitimacy of administrative costs. Since small and dependent organizations may individually lack power, they should strive to address these issues with a united front.

Solutions can be improvised during an emergency but ultimately building capacity requires long-term investment. As with any investment, the purpose is to generate a greater return on the dollar according to whatever metric is meaningful: quality of output, number of persons served, or preparedness for future emergencies.

CONCLUSION

THE RELEVANCE OF 9/11 LESSONS

Are the lessons from Sept. 11th relevant? Some earlier studies on the 9/11 relief effort have met with sympathy but little interest. Not everyone believes that studying the experience is useful.

It is true that 9/11 was an exception to normal disaster relief. Future crises will have different causes and create different challenges. However, the factors that will determine whether the philanthropic response is effective or flawed will be quite similar. Whatever the nature and the scope of future catastrophes, people will be harmed and the government, nonprofit and private sectors will have to work together to help.

Skeptics of the relevance of 9/11 ground their logic partly in the realistic prediction that future catastrophes will not draw the outpouring of generosity that characterized 9/11. Therefore, responding organizations will not be able to innovate new solutions, reach out to all victims or build long-term capacity. But the skeptics' view understates the importance of *how* relief is delivered and coordinated. Most of the issues analyzed in this report will affect the quality of the future relief responses and none more than the willingness of organizations of all sizes to share information and assert leadership based on their own competencies.

It is clear that lessons from previous social crises and natural disasters helped make 9/11 relief efforts more effective. The experience of responding to earthquakes in Turkey, Mexico and elsewhere suggested best practices for database management. Twenty years ago the AIDS crisis taught the importance of victims' advocacy. The Oklahoma City bombing made clear the importance of long-range mental health treatment. And Sept. 11th has already informed the nation's, if not the world's, response to subsequent crises in unanticipated ways. For example, much of the success of the U.S. in preventing a domestic outbreak of SARS in spring 2003 resulted from post-9/11 efforts to prepare public health systems for terrorist attacks. Similarly, during the August 2003 blackout in the Northeast and Midwest, hospitals put into effect emergency plans developed after 9/11.

The lessons of Sept. 11th should be considered broadly. This is why the approach of this report has been basically managerial: what individuals and organizations can do to perform relief work more effectively.

We cannot wait until a recurrence of 9/11 to understand and apply its lessons. Rather, we must determine how these lessons can inform governmental and philanthropic efforts in all kinds of crises: natural disasters, terrorist attacks, epidemics, social emergencies and other challenges of the unknowable future.

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This report has also benefited from the continued wisdom and helpfulness of Jack Rosenthal, President of the New York Times Company Foundation. He has made major contributions to the 9/11 relief effort as both a thinker and a doer, and he continues to shape learning on the subject.

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That being said, this report is ultimately rooted in my own observations and judgments, which are subject to my own limitations. I could have not have produced this monograph without the sponsorship of Simpson Thacher & Bartlett LLP and the assistance of these individuals, but readers should not assume that this report reflects their points of view. All mistakes and omissions are solely my own.

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Astra Consulting, Inc.
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SOURCES

Numerous individuals shared their perspectives with us. We are grateful for their willingness to speak openly. While their points of view were invaluable, they are not necessarily reflected in this report.

Persons interviewed include: Teresa Garcia and Bro. Joel Magellen Reyes (Asociacion Tepeyac); Bill Grinker and Folake Oguntebi (Seedco); Suzanne Immerman and Carol Kellerman (September 11th Fund); Lindsay Kozberg (Citizen Corps); Robin Forst (Office of Councilman Alan Gerson); Julie Goldscheid (Safe Horizon); Rodney Christopher (Nonprofit Finance Fund); William Josephson, Karin Goldman, James Siegal and Sally Blinken (Bureau of Charities, Office of the New York Attorney General); Ariel Zwang, Sheryl Parker and Jeremiah Dameron (New York Cares); Philip Craft (Office of Congressman Carolyn Maloney); Emary Aronson (Robin Hood Foundation); Dr. Tony Ng (Disaster Psychiatry Outreach, Project Renewal and former chair, New York VOAD); Jack Krauskopf *et al* (United Services Group); Dr. James Parrott (Fiscal Policy Institute); Dr. Peter Yee (Hamilton-Madison House); Giselle Stolper and Dr. John Draper (New York Mental Health Association); Christopher Kui (Asian-Americans for Equality); Ken Curtin (Federal Emergency Management Agency); Paula DiPerna; Jack Rosenthal (New York Times Company Foundation); Victoria Bjorklund and Dick Beattie (Simpson Thacher & Bartlett LLP); and Dr. Vartan Gregorian (Carnegie Corporation of New York).

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