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Philanthropy and 9/11: How Did We Do?

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Responsive Philanthropy

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Philanthropy and 9/11: How Did We Do?

By David R. Jones and David Campbell

In little over a year, more than \$2 billion has been raised to address the needs of individuals and communities affected by the Sept. 11 terrorist attacks. The brutal loss of life and livelihood created for many Americans an imperative to help, leading to an unprecedented response.

This tremendous largesse was funneled both to direct relief organizations, such as the Red Cross and the Salvation Army, and to new and existing funding entities, such as the United Way and New York Community Trust's September 11th Fund and the Twin Towers Fund. Without question, all these organizations were motivated by the same basic desire to help that generated the donations.

One year later, what can we say about our work? Were the charitable and philanthropic organizations successful stewards of the resources that the American public entrusted to them? What lessons can we apply to future situations?

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One Year Later: Reflections From New York on the 9/11 Charitable Response

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The philanthropic community can be proud of many aspects of its disaster-relief efforts. Significant resources were generated to meet the needs of individuals and families affected by the events of Sept. 11. Systems for distributing emergency financial assistance and providing social services were established quickly, and serious attempts were made to ease bureaucratic barriers to obtaining assistance. From the start, charities acknowledged the need to coordinate their efforts. By the beginning of 2002, comprehensive efforts were under way to coordinate ongoing emergency relief and to address unmet needs.

Some aspects of our Sept. 11 response leave less room for congratulation. Most seriously, fundraising appeals after Sept. 11 were so nonspecific about how funds would be used that they created a credibility gap between donors and charities, presenting a long-term threat to the nonprofit sector. In addition, while there was a general spirit of cooperation among philanthropic and charitable institutions, the dizzying array of funds and service programs complicated coordination and led to duplication of service.

At the same time, there was insufficient use of grassroots organizations to deliver emergency assistance to the most marginalized and at-risk members of the affected population, particularly low-wage workers and immigrants. Philanthropies struggled with how to involve Sept. 11 victims in planning and decision making. Finally, charities and philanthropies were ineffective in communicating the good work they did in the wake of Sept. 11, allowing the public's perception of them to be defined by critics who undermined its credibility.

What Went Right?

1. Significant Emergency Assistance Funds Were Raised. The nonprofit sector should be most proud of the significant resources raised in the wake of the attack. The sudden death of 3,000 people, the immediate loss of 50,000 jobs in New York (with economic ripples that soon affected others) and the dislocation of many residents of lower Manhattan created urgent needs. Families who lost a breadwinner, either through death or unemployment, faced financial uncertainty. How would household expenses, both routine (rent, utilities, food) and

unanticipated (funerals), be met while families sorted out their futures? How would affected families who were ineligible for public assistance get by? Philanthropic organizations' recognition of these needs and their ability to raise money quickly to meet them were important accomplishments.

2. Significant Emergency Assistance Resources Were Distributed.

Money raised for emergency assistance only matters if it is effectively distributed to those who need it. Significant amounts were distributed to the families of those who died, the injured and those affected economically. For example, as of September 2002, the Red Cross reports it has distributed \$643 million to more than 55,000 people in Sept. 11 disaster relief. The Salvation Army reports distributing \$65 million and reaching over 100,000 victims. The September 11th Fund of the United Way and New York Community Trust reports distributing \$336 million. The New York Times 9/11 Neediest Fund reports providing nearly \$60 million in direct assistance.

The major providers of financial assistance, the Salvation Army, the Red Cross and Safe Horizons (a conduit for United Way dollars), streamlined their documentation requirements and waiting periods; in some circumstances they distributed emergency financial assistance "on the spot." There were, however, some bureaucratic difficulties, apparently due to inadequate disaster-relief infrastructure. For example, a wait of three to four weeks for checks from the Red Cross was not unusual initially. A Salvation Army computer problem created an embarrassing delay in paying bills for Sept. 11 victims. Nonetheless, the money raised was generally available in a timely fashion to those in need, and that is a positive outcome.

3. Charitable Organizations Cooperated in Providing Assistance.

From the start, the major charitable organizations involved in disaster relief recognized the need to work cooperatively. In New York, the primary private relief organizations (along with government agencies) colocated their services at Pier 94 to pro-

The magnitude of the philanthropic response to Sept. 11 made it perhaps the highest-profile philanthropic endeavor in American history, dramatically increasing the number of people to whom charities were accountable.

vide “one-stop” benefits. The organizations worked to ensure their assistance processes were easy to access. However, institutional differences among them inhibited, at least in the first several months, the creation of more client-friendly systems, such as a single intake form, a common database and similar financial assistance practices.

4. Philanthropies Acknowledged the Need for Long-Term Assistance. Over the past year, there has been tremendous pressure on the organizations that received cash donations for Sept. 11 relief to distribute that money quickly and effectively, because many victims faced immediate financial pressures. Resources, however, will be needed to address long-term problems for another five years, if not longer. Veterans of the Oklahoma City bombing relief effort advised Sept. 11 relief workers to reserve some resources to meet long-term needs, such as mental health counseling and other social services.

The United Way September 11th Fund has earmarked approximately one-third of the resources it raised (\$170 million) for long-term needs. The New York Times 9/11 Neediest Fund has set aside \$20 million for such purposes, and the Salvation Army has reserved approximately 25 percent (\$23 million) of donations for long-term needs. Saving resources for long-term needs is wise as long as the organizations remain focused about the uses for which funds are reserved and communicate effectively with donors and the public.

What Went Wrong?

I. Significant Funds Were Raised ... But for What? The magnitude of the philanthropic response to Sept. 11 made it perhaps the highest-profile philanthropic endeavor in American history, dramatically increasing the number of people to whom charities were accountable for the use of their donations. Ongoing publicity about Sept. 11 relief efforts gave donors at all giving levels significant ability to assess whether contributions were used in accordance with their wishes. Yet charities may not have been sufficiently clear about the purposes for which the funds would be used.

Over the past year, there has been a persistent conflict between the proposed use of funds raised and donor perceptions about the purposes for which they donated. The most

well-known and most significant conflict concerned the Red Cross’s initial reservation of some post-Sept. 11 donations for future disasters. In that case, the disconnection between donor intent and the organization’s proposed use of funds was dramatic—perhaps the reason the case received so much attention. In other cases, the disconnection between donors and charities seems more subtle.

Many fundraisers indicated that money raised would be used for “disaster relief,” an ambiguous term at best. Differing interpretations about what constitutes “disaster relief” created conflict between charities and donors. What qualified as an “economic effect” of the Sept. 11 attack? Unemployment due to the destruction of one’s workplace? Unemployment due to recession in lower Manhattan? Unemployment due to recession in New York City?

The inability to specifically define their purposes, coupled with the lack of consensus about appropriate relief activities and the unprecedented number of donors, threatened charities’ credibility as agents of donor intent. Admittedly, the ability of charities to be concrete about “disaster relief” may have been limited in September and October as the scope of the disaster was unfolding and short- and long-term needs were being defined. Nonetheless, persistent conflict between donor intent and charities’ use of funds is among the greatest threats to the continued vitality of the non-profit sector: fundraising is impossible without donor trust in the institutions to which they give. Perhaps some of the confusion could have been averted by increased communication about donors’ intent, particularly between charities and major donors.

Brookings Institution surveys suggest that between December 2001 and May 2002,

Differing interpretations about what constitutes “disaster relief” created conflict between charities and donors.



Community Service Society case worker Natasha Baptiste meets with a client in need of assistance in the aftermath of Sept. 11. (Photo courtesy of the Community Service Society of New York.)

All victims certainly faced terrible rebuilding efforts, but in general, lower-income individuals had fewer resources and less social support to fall back on.

Americans grew more wary of charities, with 19 percent of May respondents indicating that they had no confidence in charities, an 11 percentage point increase since December. While it is not possible to attribute that change directly to criticisms of the use of Sept. 11 donations, it is not unreasonable to suggest that such negative publicity contributed to this increased wariness.

2. Collaboration Was Insufficient to Meet Community Needs.

Those affected by Sept. 11 benefited significantly from the major disaster-relief organizations' decision to collaborate. However, not all institutional barriers were easily overcome, making the process of accessing relief benefits less client-friendly than it could have been.

a. "Major" Financial Assistance Coordination.

Each of the three major New York charitable relief organizations, the Red Cross, the Salvation Army and Safe Horizons, created its own system for determining eligibility and distributing funds. Although services were collocated, those requesting assistance had to make separate applications to each organization, and documentation requirements varied.

b. Coordination of Secondary Organizations.

In addition to the three primary relief organizations, more than 100 other charities provided financial assistance to those affected by the Sept. 11 attacks. For most of those organizations, the provision of financial assistance was consistent with their mission, history and community base; however, their participation in disaster relief was generally uncoordinated. They reached those in need through word of mouth or other informal mechanisms. Like the "major" relief organizations, each smaller charity had its own eligibility, application and documentation requirements.

c. Providing Relief to Hard-to-Reach and Marginalized Populations.

In general, relief efforts were administered through large, established institutional providers. Donors selected those organizations because of their historic success in providing relief and their capacity to manage large-scale problems. Many of the smaller, secondary financial-assistance providers also had sufficient infrastructure in place to operate an effective relief effort.

Large institutions' lack of community base can be a problem when dealing with underserved and marginalized populations. Without community roots, it can be difficult to provide assistance to such hard-to-reach populations as undocumented workers or non-English speakers.

The immediacy of needs and the charities' focus on creating response capacity distracted them from ensuring information reached all who needed it. New York City's nonprofit community includes a rich variety of grassroots organizations, many based in communities directly affected by the terrorist attacks. The leaders of the disaster-relief effort, however, did not seek help from these community-based organizations in assisting the hard-to-reach. Several organizations (such as Asociacion Tepeyac) emerged as leaders because of their own perseverance and the centrality of their mission to the relief effort, but their experience was more the exception than the rule.

Charities also faced difficulties sorting through the family relationships of the dead to determine who was eligible for assistance. Many of those who died at the World Trade Center provided financial support to domestic partners—gay and straight—who were not legally recognized as relatives. In the end, charities demonstrated more flexibility in such cases than did the government, but it took them some time to sort out relationships and determine who merited financial assistance. Not all charities agreed to support all domestic partners.

Finally, there are equity issues that should be examined. Was financial assistance distributed equitably? One can argue that low-income populations should have been given a greater share of financial support because of the complex challenges they faced in rebuilding their lives. All victims certainly faced terrible rebuilding efforts, but in general, lower-income individuals had fewer resources and less social support to fall back on.

3. Philanthropies Sometimes Failed to Act as Partners With Affected Communities.

In recent years, philanthropies and charities have increasingly viewed their work as a partnership with communities in pursuit of a common goal (such as revitalization or economic development). In the first several months following

Sept. 11, charities developed assistance guidelines based on their understanding of the needs of families and the resources available. By late 2001, individuals and families eligible for assistance began to complain that they lacked a voice in resource-distribution decisions. Charities were uncertain about how to respond to these complaints.

One can argue that those affected by the events of Sept. 11 are a community, not unlike the geographically defined communities with which charities have worked in partnership on other issues. Sept. 11 philanthropies that don't view their relationship with their beneficiaries as a partnership leave themselves open to accusations of paternalism.

Responses to family requests for a voice in distribution decisions varied. A few organizations, such as the United Services Group, have placed family members on governing boards, while others, such as the Windows of Hope Family Relief Fund, have created advisory roles, feedback groups, or other mechanisms for family input. Others have ignored the issue. The ability of philanthropies and charities to work effectively with any community—whether Sept. 11 victims or residents of a low-income neighborhood in Brooklyn—requires a commitment to partnership and a voice for all partners.

4. Others Told Our Story. Over \$2 billion was raised to assist Sept. 11 victims. Philanthropies and charities responded quickly to create capacity and distribute resources. To date, families have received hundreds of millions of dollars to address emergency needs. Yet, in the past year, articles in *The New York Times*, *Daily News*, *New York Post* and *Newsday* emphasized the negative aspects of the relief effort: the Red Cross donation diversion, unsavory new organizations soliciting donations, bureaucratic barriers to financial assistance, questions about who should receive assistance, etc. One year later, what stands out is the absence of stories about the speed with which disaster-relief infrastructure was created and the amount of assistance that was provided.

Why is this issue important? As noted, Americans made a dramatic philanthropic investment in the Sept. 11 relief effort. The success of that relief effort is critical to the long-term viability of American philanthropy. If donors feel that their contributions were used poorly, they will be less likely to contribute to future important charitable activities.



The disaster-relief effort was reactive. In many ways, it had to be. A new social problem was created overnight, and a response had to be crafted immediately. Yet, by focusing on immediate challenges, charities missed a critical opportunity to tell their story. A media-savvy, coordinated effort by disaster-relief leaders could have delivered a positive message about the work of their institutions. Instead, critics filled that void and undermined the charitable sector's credibility.

New Yorkers striving to deal with the economic implications of Sept. 11 attend a Windows of Hope financial seminar. (Photo courtesy of the Community Service Society of New York.)

Looking Ahead

What lessons do the experiences of charities and philanthropies in the wake of Sept. 11 suggest for the future? Perhaps one simple (and hopefully not simplistic) lesson is to stick to the principles and values that make our work credible to the general public. As far as possible, we cannot let crisis excuse us from our obligations. We must honor—and be clear about—donor intent. Institutional interests must take a back seat to missions. Effective strategies to respond to urgent community needs must be a first priority. We must invest in public relations. Because we work for community change, we will be opposed; if we do not take the time to tell our story, even amid crisis, others—not friends—will tell it for us. ○

David R. Jones is president and chief executive officer of the Community Service Society of New York, and David Campbell is its vice president of programs. The Community Service Society is a social service organization that for more than 150 years has focused on solutions to alleviate the conditions of poverty in New York City. In response to the Sept. 11 attacks, it distributed almost \$5 million in emergency financial assistance to nearly 3,000 families and individuals.