

## DEPENDENCE ON NON-PROFITS DURING MAJOR DISASTER RELIEF:

### A RISKY DILEMMA

#### Issue Brief

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Non-profits such as the Red Cross, Salvation Army and many others have been a key resource for survivors of disasters in the United States and around the world for many years. Annually, they routinely respond to large and small disasters from single family fires to significant storms—in the case of the American Red Cross, typically, about 70,000 disasters annually. The American people depend on them and expect them to be there when a disaster strikes their families, their community, or their nation. We have become accustomed to seeing caring volunteers and staff providing comfort and the basic life necessities to help disaster survivors get back on their feet following a very bad day in their lives. The non-profits provide shelter, food, clothing, water, money for necessities and a myriad of other services from mental health to prescription drugs to help affected people return their lives to normal. Non-profits are not “first responders,” but they are not far behind.

Where do non-profit organizations get the necessary resources to provide much needed help? These organizations exist almost exclusively due to the financial support of donors: individuals and corporations. For the vast majority of “routine” and relatively small disasters, most non-profits have enough money and reserve relief products to cover the first few hours or days of a disaster. The American people see suffering through local and national media coverage and usually respond with generous donations. These donations supplement the initial wave of resources provided by the non-profits and are usually sufficient to cover costs for the entire operation. For the most part, everyone is grateful and pleased with the help provided by these caring organizations and will respond with help and donations during the next disaster. The non-profits, with the help of donors, can meet the needs of those who have suffered during a particular disaster. But what happens when the disaster is too large and beyond the capability of local communities and non-profits to manage?

In recent years we have seen this twice: 9/11 and Katrina. In reality, as horrific as 9/11 was, Katrina was the first disaster where its size and scope was far beyond the capability of most organizations – including the federal government. Many argue that the government and non-profits should have been better prepared or that organizations such as the American Red Cross “failed to imagine” a disaster of this size and did not have sufficient systems in place to deal with a disaster the magnitude

of Katrina. One could argue that few businesses or organizations or even the federal government are ever prepared for something ten times larger than they have ever experienced in their history (in the case of the Red Cross, the data represents 125 years of history).

What is important to understand in Katrina, 9/11 and every large disaster, is that the government depends on non-profits to provide shelter and care for the survivors in the days and weeks following the event. Why? Because the non-profits have the trained volunteers and skills to provide for people far beyond the government's ability to provide that care (to appreciate the size of the volunteer base, the Red Cross alone had about 220,000 volunteers involved with Katrina and Rita). Short of a major military deployment, the government could not staff to that level. But even the military, whose training does not adequately prepare them to care for the needs of American families suffering from the effects of a major disaster, is not currently capable of providing the care that the experienced non-profits do.

The government is counting on and expecting volunteer organizations to have the resources, staff, training and mobility to respond to major disasters; and in that expectation, the government assumes non-profits will have the money and reserve capacity to respond. But non-profits can only begin response operations with the money and resources they have on hand before the disaster strikes. In the current fundraising environment and economic downturn, few corporations and even fewer individuals are willing or can afford to donate to these organizations to build response capacity. Further, individuals, corporations and members of Congress are tough watchdogs to ensure donated money is spent for its intended use – mainly to assist survivors and not for future disasters. Certainly, at an intellectual level, most understand the non-profits have a “cost of doing business” and most will allow a modest sum of donated money to go for these “costs.” These watchful donors however, become very concerned when dollars designated for a disaster are used for disaster capacity building.

The result of funding shortfalls during a disaster can be dramatic and can cause additional suffering to the survivors of the disaster. During Katrina for example, the size and destruction was so massive the Red Cross and other organizations were forced to stretch limited resources, and were presented with difficult choices as to where to best provide services, and at what level of care so that they could maximize resources. The decisions regarding allocation of limited resources led to resentment on the part of disaster victims, a feeling of being let down by trusted organizations, and Congressional questioning. Most importantly, the survivors suffered more than they would have if the organization was fully staffed and funded for very large disasters rather than trying to “stretch” their capability.

How can we ensure that non-profit disaster response organizations have the necessary capability to meet the very real needs of survivors of the next major disaster? Certainly the best way to solve the problem would be for the government to fund the key non-profits to ensure on-the-shelf capacity for future major disasters. However, this solution poses a difficult dilemma. On the one hand, governmental funding could provide non-profits with vitally needed resources to ensure that their response is expeditious and effective. On the other hand, it creates two difficult situations. First, many donors would not be as generous or not donate at all if they understood that the non-profits

were receiving money from the government. Secondly, if the non-profits were funded by the government, they would potentially have to comply with federal regulations and act like federal agencies as well.

As stated earlier, non-profits routinely respond to thousands of small- to medium-sized disasters and rely heavily on donations from the general public. If the public were to reduce their donations as a result of federal funding, the organizations would not be able to maintain the same ability to respond these “small” disasters. Additionally, government regulation could have a negative impact on non-profits disaster response. For example, non-profits open their shelters to all and help all—no questions asked. But suppose non-profits had to follow federal rules. Currently, government aid is not available to undocumented people. If those restrictions were to apply to non-profits, they would be forced to turn away or report undocumented survivors, compromising the effectiveness and the humanity of the organization. If these undocumented survivors were fearful that they might be identified to federal agents, many if not most would not seek the help they desperately need. During a disaster is not the time to get tough on immigration.

Possible solutions to this funding dilemma include action by both the non-profit community and government agencies; for example:

- The non-profit community should work together—at the CEO level initially—to identify what stockpile of resources they would need to have available to serve the affected communities in a major disaster and how they would share those resources. Although this sounds straight forward and easy, there is no history of the large non-profits working together effectively before, during or following disasters. Attempts have been made through National Voluntary Organizations Active in Disasters (NVOAD), but sadly and in my view, they have been ineffective to a large extent because the senior (CEO/COO) level leaders are not involved with NVOAD. Department of Homeland Security/Federal Emergency Management Agency (DHS/FEMA) should require NVOAD be the voice of the non-profits, and that voice must include senior leadership from those organizations.
- The government (DHS/FEMA) should maintain the stockpile of necessary resources for the use of non-profits during major disasters. The resources necessary should be determined by the non-profits and should include warehouse capacity and locations. Inherent in this requirement is a logistics system to maintain the stock. This logistics system is part of the problem for the non-profits and the solution is very expensive for them to maintain; however, non-profits should be part of the design requirement for this system. The value of the government maintaining the resources for the non-profits helps the donor problem by not having direct payment to the relief agencies. There is precedent for such a federally maintained program: the National Pharmaceutical Stockpile.
- The relief agencies must maintain a cadre of qualified and vetted volunteers to support their role in a major disaster and have plans/procedures to grow the volunteer base as required by the specific disaster. Although a national volunteer program can and does help during disasters, each

non-profit has its own way of providing services. It would be better however, for each organization to maintain its own base of volunteers. Certainly during a disaster new volunteers can step forward, if the necessary training and background checks can be done expeditiously.

- The government must allow the relief agencies to serve all that come to their shelters without regard to immigration status. Many times during disasters, local police want access to shelter lists to ensure criminals are not in the shelter—a fair request to solve a potential safety issue in shelters, but a check of those lists cannot be a hunt for undocumented individuals.
- The government must share or carry the cost that relief agencies now provide in the post-disaster recovery period. Many relief agencies provide mental health, job assistance, child care and a host of other services for the survivors in the months and sometimes years (9/11 and Katrina are years) following a disaster. These are needed services but carry a high cost in human and financial resources and have only been provided if money designated for the disaster was available following the first phase of the disaster. These services are too important to leave to chance.

Although there is not an easy answer to this risky dilemma, it is clear that without striving to solve the problems identified above, survivors of the next major disaster will suffer more because non-profits will most likely not have the necessary resources to provide the level of care and service that Americans have come to expect.

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