present a discussion entitled

Philanthropy and the Storm:
Five years after Hurricane Katrina

Wednesday, September 29, 2010 • 12:00 to 2:00 p.m.
Hudson Institute • Betsy and Walter Stern Conference Center • 1015 15th Street, NW • Suite 600

The Bradley Center's fall series began with a discussion of the rebuilding of New Orleans and the Gulf Coast after Hurricane Katrina, which devastated the region five years ago. From the beginning, civil society organizations have played an important role in the ongoing reconstruction efforts. Now after five years of intensive recovery efforts, what are the most important lessons we've learned, and how can nonprofit organizations adapt these lessons in response to future disasters? What role has social entrepreneurship played and how can it be utilized more effectively? To what degree is the government needed to guide the reconstruction efforts?

Today's panelists included Tony Pipa, a founder of the Louisiana Disaster Recovery Foundation, Emily Chamlee-Wright, the Elbert H. Neese Professor of Economics at Beloit College, William Stallworth of the Hope Community Development Agency, and Stephen Bradberry of the Alliance Institute and the former head organizer of the New Orleans' ACORN Chapter. Lenore Ealy, an Affiliated Senior Scholar at the Mercatus Center and President of Thinkitecture, Inc., moderated the discussion.

Program and Panel

12:00 p.m. Welcome by Hudson Institute's William Schambra
12:10 Panel discussion
   Tony Pipa, a founder of the Louisiana Disaster Recovery Foundation
   Emily Chamlee-Wright, professor of Economics at Beloit College
   William Stallworth, Hope Community Development Agency
   Stephen Bradberry, Alliance Institute
   Lenore Ealy (moderator), President of Thinkitecture, Inc.
1:10 Question-and-answer session
2:00 Adjournment

FURTHER INFORMATION

This transcript was prepared and edited by Kristen McIntyre. To request further information on this event or the Bradley Center, please visit our web site at http://pcr.hudson.org, contact Hudson Institute at (202) 974-2424, or send an e-mail to Kristen McIntyre at Kmcintyre@hudson.org.
**Biographies**

**Stephen Bradberry** is a veteran community organizer who has worked with low- and moderate-income families and individuals for 18 years. His work has centered on organizing public interest campaigns to actively involve low-income families in addressing the social problems they face everyday. He has led campaigns promoting a living wage, preventing predatory lending, lead poisoning prevention in children, and increasing voter participation. A graduate of Dillard University, Mr. Bradberry led efforts to institute living wage legislation, orchestrated a successful campaign to win prohibition of dry-sanding of lead-based paint in New Orleans and blood screening for at-risk children under six, and worked tirelessly on behalf of New Orleans’ displaced poor in the wake of Hurricanes Katrina and Rita. In 2005, Mrs. Ethyl Kennedy and Senator Edward Kennedy presented Bradberry with the Robert F. Kennedy Human Rights Award for his efforts on behalf of the poor.

**Lenore Ealy** is an Affiliated Senior Scholar at the Mercatus Center and President of Thinkitecture, Inc., a consultancy engaged in understanding and promoting the transformative work of philanthropy and the voluntary sector in America and around the globe. Dr. Ealy provides support to entrepreneurs and executives in the arenas of philanthropy, public policy and education, helping them to design, implement, and capitalize a wide variety of programs and initiatives. Dr. Ealy currently serves as director of The Project for New Philanthropy Studies at DonorsTrust and is the founding editor of *Conversations on Philanthropy*, a semi-annual journal that explores the role of philanthropy in a free society. Dr. Ealy earned a PhD in the history of moral and political thought from Johns Hopkins University and has taught at both the secondary and post-secondary levels. She earned a M.A. degree in history from the University of Alabama and a B.S. degree in education from Auburn University.

**Tony Pipa** was recently named Senior Advisor, Strategic Planning and Programming, at the U.S. Agency for International Development (USAID). An independent consultant for the previous five years, he was a founder and senior advisor to the Louisiana Disaster Recovery Foundation, formed after Hurricane Katrina, and has authored several reports on Gulf Coast recovery. He also developed and directed the humanitarian NGO domain of practice at the Hauser Center for Nonprofit Organizations at Harvard University. Tony served as the first executive director of the Warner Foundation, a private foundation working at the intersection of race and poverty in North Carolina; first director of philanthropic services at the Triangle Community Foundation; and first executive director at Mt. Diablo Habitat for Humanity in Walnut Creek, CA. A native of rural Pennsylvania, Tony attended Stanford University, was graduated summa cum laude with a B.A. in English and Economics from Duke University, and earned an M.P.A. from the Harvard Kennedy School.

**William (“Bill”) F. Stallworth** has served the city of Biloxi in various capacities since 1976, most recently as the Councilman for Ward II, a position he also previously occupied for 12 years. In addition, Stallworth was the city’s residential and business relocation officer, the Community Development Planner, Community Development Specialist, the Personnel Officer and Voter Registrar, and Vice President for Economic Development for the Biloxi Chamber of Commerce Board of Directors. Bill Stallworth is a businessman, founding BFS Services and becoming a partner of Computer and Technology Support Services in 1992. Compelled to return to politics 12 years later, he was once again elected to the City Council as the only African American member shortly before Katrina struck, and since founded the East Biloxi Coordination, Relief, and Redevelopment Agency (later named the Hope Community Development Agency), and dedicated himself to the rebuilding of his community.

**Emily Chamlee-Wright** is the Elbert H. Neese Professor of Economics at Beloit College in Beloit, Wisconsin and a Senior Scholar at the Mercatus Center. She is the lead researcher for Phase I of the Mercatus Center Gulf Coast Recovery Project and the socio-cultural category of research. She is currently working on a book titled *The Learning Society*, exploring the intersection between markets and social capital. In general, Professor Chamlee-Wright is interested in the ways in which cultural and market processes affect one another. She was a W.K. Kellogg National Leadership Fellow and earned her PhD from George Mason University.
WILLIAM SCHAMBRA: Good Afternoon. My name is Bill I Schambra and I am the director of Hudson Institute’s Bradley Center for Philanthropy and Civic Renewal. Kristen McIntyre and I welcome you to today’s panel discussion entitled “Philanthropy and the Storm: Five Years after Hurricane Katrina.” We are honored to co-sponsor today’s panel with a publication that you should get to know better, Conversations on Philanthropy.

Before we move on to today’s panel - several items of business. First, we are proud to announce the publication of the second edition of Martin Morse Wooster’s Great Philanthropic Mistakes. It is somewhat revised and a great deal expanded from the first edition. As for our customary preview of coming attractions- please mark your calendars for October 28 when we will tackle the topic, ‘Is Philanthropy a Profession? Should it be?’ The inspiration for this panel came from an insightful article written on that topic by Karl Stauber, familiar to many of you in this room. Currently of the Danville Regional Foundation and he wrote the article for a fairly new publication named The Foundation Review, which is published by the Dorothy Johnson Center for Philanthropy at Grand Valley State University in Grand Rapids. Terry Behrens, who is the editor of that journal, will be on the panel - along with Mr. Stauber and I continue to seek out panelists. It’s a very nice article and I urge you to go to The Foundation Review to look it up. (Read the article here: http://www.danvilleregionalfoundation.org/reports/2010/2010-philanthropy-are-we-a-profession.pdf) I think it will be a very interesting and thoroughgoing discussion of that broad topic.

Now for today’s panel – focusing on the role of foundations and nonprofits in the reconstruction of Gulf Coast in the wake of Katrina. As we were considering an appropriate way to commemorate the 5th anniversary of Katrina’s landfall we came across this paragraph in an article written by Lenore Ealy for the Mercatus Center at George Mason University in a publication entitled “Local Knowledge.” Lenore argues that, “In the aftermath of Hurricane Katrina we all have to get off our duffs and do something. We need to make an important choice – should we prepare for future disasters by further shoring up the brittle levies of the large and centralized bureaucratic systems that responded clumsily in the face of catastrophe? Or should we seek to develop new means of better understanding the community of associations that can nimbly guide the flow of community life even in turbulent times within the strong natural levies built on local vision, knowledge, resourcefulness and the humility that fosters collaboration?” This is a topic that Lenore explores not only in this article but more extensively in the annual journal that she edits entitled Conversations on Philanthropy, on whose board of advisers I am honored to sit.

The journal is inspired by the Hayekian notion that spontaneous order in markets and in civil society can often solve problems that bedevil centralized command and control institutions and in this case including natural disasters. We thought that this was a good time to test this notion against the evidence that we’ve assembled as a society over the past five years. Lenore herself, who will serve as the moderator of the panel today, has had quite a hand in that empirical work, as have all our panelists today – either through academic examination of the topic or through firsthand, on the ground experience.

Today we are going to move from experience to reflection, although all our panelists have had a great deal of experience and all of them are quite capable of reflecting profoundly on that experience. After Lenore’s introduction we will go to Bill Stallworth, a ward councilman in Biloxi, Mississippi and founder of Hope Community Development Agency in East Biloxi. Then we will hear from Stephen Bradberry from the Alliance Institute in New Orleans, a long-time and award-winning community organizer in the Gulf Coast region. Next will be Tony Pipa, a founder of the Louisiana Disaster Recovery Foundation and author of a terrific monograph for the Aspen Institute published several years ago examining this question and the issue of civic associations in response to Katrina. And finally we will hear from Emily Chamlee-Wright, who both teaches economics at Beloit College in Wisconsin and is a senior scholar at George Mason’s Mercatus Center. Her work focusing on civil society’s response to Katrina is captured in her new book entitled The Cultural and Political Economy of Recovery: Social Learning in a Post-disaster Environment. So with that, I turn the panel over to Lenore Ealy.

LENORE EALY: It’s a great pleasure to be here. This is a nice culmination of five years of a journey in my own life. Actually six years because my experience in disaster response began in 2004 when I was asked by Florida’s Governor’s Hurricane Fund to come down and help do an evaluation of some giving that they had done after the four hurricanes in Florida in 2004. The call came out of the blue – I think that there were providential forces at play because I didn’t know a
thing about disasters or disaster response, but they asked me to come do it because I had been thinking a lot about philanthropy. When we went down, the Governor’s Fund had about $20 million dollars and they had divided that money into three pools. Their third round of funding was about to take place and they wanted to have some insight and reflection on how they could best use that third round of funding. So we did an interesting project and I’m not going to reveal right at the moment what we recommended to them, but it’s been quite an interesting process and a journey. I’ve been involved in direct response and I’ve been involved with the Mercatus Center’s project on interviewing participants in the recovery process. It has changed very much the way I view our country and my hope for our country. I’m hoping that this panel will be able to share with you today some of the things that we’ve learned.

The central question that I think we are going to talk about today is – Does philanthropy make a difference in disaster response? Philanthropic giving is a small fraction of the recovery dollars that go into play. The Foundation Center released a report that said right now foundation and corporate giving is about $1.3 billion. That pales in comparison to the amount of money appropriated by the federal government; which I don’t even know the exact number but it is probably well over $120 billion by now. So can philanthropic giving really make a difference when it’s such a small proportion? The panelists today are going to share something with us about what they have learned about how to make that kind of giving count and how do we make civil renewal count. How do we improve disaster response and disaster mitigation? How do we improve our communities in the face of turbulence? I’m going to turn this over to them. Each one will speak for about 10 minutes and then we will interact some about these questions. Thank you.

BILL STALLWORTH: Good afternoon. I really want to thank you for inviting me to be a part of this. I think that it is a very, very important time in our history. Where this whole notion of giving and what philanthropists can do to better meet the needs of the ever changing dynamics that we face. How many of you have been down to the Gulf Coast after Katrina? Very good. How many of you have not? Okay, it’s about equal.

Just in a nutshell, let me set the stage this way for you. Imagine this – you go to bed on that night, you kiss your love ones good night and you tuck your children in. You look around and you see a beautiful place. Your home is nice and pristine, or maybe like mine it is not so clean all the time, but it is still one of those places that you feel comfortable. Then you wake up the next morning and everything that you have owned is gone. Your clothes, your cars, your everything is totally destroyed. Everything that you hold dear – your pictures, your loved ones that didn’t make it through the storm and all you have left is this nightmarish image. Cars piled top of each other, mud covering everything, people walking around in a daze, bodies lying around and you wonder did you just wake up in this twilight zone of a period. You realize after pinching yourself numerous times that it’s real. That’s the reality of what was Katrina.

In the area that I serve in, in terms of East Biloxi, it’s a peninsula. If you think about the peninsula, it’s the older section of the city. It’s comprised of 90 percent of the Asian population, 90 percent of the African American population, 90 percent of the Hispanic population and 90 percent of the city’s poorest population. In that swift moment Katrina sent a 30-foot wall of water that washed over the entire peninsula. Half of the housing stock was destroyed in that instant and everything else was damaged beyond livability.

What we were talking about a little earlier was that I had been on the city council before, but in July 2005 I had just come back after 10 years. In August here we are with Katrina and everyone is looking to you for answers that you simply just don’t have. All that you can do is pray to God that somebody sends some help and you wake up and you realize that it’s not coming. Not from the sources that you would count on. In our area, although we had complete and utter devastation, FEMA got to us eight weeks after the storm and then the Red Cross arrived three days later. If not for the Salvation Army that came in several weeks before them, things could have been a lot grimmer.

So when you hear me talking, you’re going to hear me talk about our perspective on how to survive and how to make it without the help of those other organizations. I sometime tell people that we were the Alamo. That became our Alamo because the cavalry didn’t come. No time, no way for eight weeks. All we had was ourselves to depend on. And with God’s help, a lot of people who just got fed up with the bureaucracy and tired and frustrated at the slow pace of the help that was coming. So after praying and crying so much and for so many nights – people just started coming in by the droves.

I only have ten minutes so I want to hit a couple of these points that were brought up. Does philanthropy make a difference? Take it from somebody who knows – absolutely so. Because what you do in making these gifts, particularly to
the small NGOs, is that you provide them with the opportunity to do what they know needs to be done. All too often, we see this even in the states’ responses and the federal government’s responses to these kinds of situations. They look at it from the top down and start saying, ‘Well what we ought to do is this’ and ‘What we should be doing is this.’ But imagine this point – you go out and you want to build your dream home. Here is a guy who has never laid a hand on a saw, who hasn’t driven a nail and knows nothing about architecture. But he’s going to come and tell you what you need to do to build this house. That is as stupid as it gets. Now if I step on somebody’s toes I’m going to apologize to you upfront, but I don’t know any other way to be. I’m too old, too tired and too frustrated to be any other way but direct.

What we saw was stupidity at the highest levels. What we continue to see is frustration at how slow the pace is. The philanthropists came in, and uniquely enough, to my surprise, that most of them came in with the idea to ask ‘Can you tell us what we need to do?’ Do you know how revolutionary that is? I didn’t know it at the time, but for people who have been in this business a lot longer than I have, that was an evolution that took place in Katrina. No longer did you come in saying ‘You need to do this and I’m only going to give you money for that, and this is how you need to make it work.’ People came in because of the destruction and not knowing what to do said, ‘Can you tell me what to do?’

I got my organization started through a grant from a group called Oxfam America. Now I’m going to tell you, we are talking about divine intervention. I know without a shadow of a doubt that God put me here. I ran an election against an incumbent. Started two weeks before, got everything I ever needed, along with ninety-two percent of the vote. I kept asking God, ‘When is this other shoe going to drop because it can’t be this easy?’ August the other shoe dropped, but one of the first divine appointments I had was with Oxfam America. They had never done a local disaster. I met two gentlemen from there, one a Hispanic young man name Alejandra and an Irishman Kinney Ray, who had this heavy brogue accent. They had been down in the area for about a week trying to figure out what to do. Nobody could tell them what to do.

I came back after raiding a store, covered with mud and carrying can goods from a feeding shelter that we had set up. They started talking to me and they were telling me their frustrations. After about two hours of talk I told them I said, “Look, understand that I’ve never had a problem telling anybody what to do. If you really want to know, this is what we need to do.” And I don’t know these guys from Adam. Well they looked at our poor little feeding kitchen and said, “Well you know, can $10,000 dollars help you?” And I’m looking at them and thinking that they must think I’m stupid. I said, “You want to give me $10,000?” They said yes and that they could have it here by tomorrow. Yeah right. But I had been praying and I prayed, and then he says that I could take $12,000 dollars to start this organization. Now I know you smokin’ something and it can’t be tobacco. (laughter) But at the end of the day, the pastor who was running the feeding kitchen and I thanked them and went on about our business.

Two days later we talked and wondered if there might be some truth in what they said. I called the bank and they had it there. And with that $10,000 that we used for the feeding kitchen we were able to feed thousands. With that $12,000 I was able to start an organization with myself and two volunteers that over the last five years we’ve case managed well into over 7,000 people. We’ve cleaned out well over 4,000 homes. We’ve rebuilt, in terms of rehabbing, over 780 homes and built 75 new. All of that came from that one start and a generous grant from Oprah’s Angel Network that allowed us to do something that we thought would never be possible – to make a difference.

So does philanthropy make a difference? Absolutely. Does the model need to change? Unquestionably. You can’t do this in the old ways any longer. You need to find partners who have the ability to motivate and operate. Those are the folks that you really need to start targeting because I come from a different perspective, and Bill (Schambra) was telling me that he thought my comments in the journal¹ were unique. I know in the nonprofit world we are supposed to help everybody, we’re supposed to do it for them – I don’t believe that. The only way that we’re ever going to make a difference is to prepare people to make changes themselves.

I get in trouble with a lot of people when I use this analogy, but don’t blame someone for kicking you if you are walking bent over with a sign on your back that says ‘Please kick here and I will pay you $20 dollars if you kick hard’. You want to create change – then teach the people in these communities to take the sign off of their back, stand up straight and to look at people squarely in the eye. Then the next time someone wants to raise a foot to kick, you tell them ‘I will tear it off

and beat you with your own foot.’ I guarantee you that with that notion people will start making a difference. How do you do that? Train them to work and do it for themselves. We can’t depend on the government, we can’t depend on others, but with your help we can make a real difference in teaching people how to fish. Because I’m sorry, but there is not enough of you, there’s not enough money in government to feed everybody everyday. Everybody needs to go out and learn to fish and help build the communities that we serve. I want to thank you for inviting me. As I said, I’m a politician so I can go on, but I passed my two minute mark and I think it’s time for me to sit down. Thank you. (applause)

STEPHEN BRADBERRY: Good afternoon. I’m Stephen Bradberry with the Alliance Institute from New Orleans, Louisiana. I would like to thank you all for coming out. Plus I would like to thank the Hudson Institute for having me here to speak today. To answer the question – Does philanthropy make a difference? Even at the incredibly small percentage that you spoke of earlier Lenore (Ealy), it really does. Being a long time community organizer I would say that funding for organizing goes probably further than most other dollars that you can put towards the recovery effort. And that is not to say that services and supplying money for people to gut and rebuild homes is not necessary. Or that advocacy efforts are not necessary. But I do think that the piece that Bill (Stallworth) alluded to towards the end, in terms of teaching people to take control of their own destiny, certainly yields a much greater return.

As an example, I believe that it was either in late January or early February in 2006, then President George W. Bush said on national television that he was not going to put anymore money for Gulf Coast recovery because his 2005 Community Development Block Grant money should be enough to cover it. As serendipity would have it, the organization that I worked for at that time, Acorn, had already been planning to bring people up to DC to support recovery issues. These were people who had been displaced over many years in local community organizing on how to address their city council members and how to deal with things at the local level; whether it be the local housing agency, a healthcare agency or their local schools. And although they had been displaced across the United States, because we had a national network we were able to bring 500 people to DC one week following that statement.

The week following our visit, President Bush signed $19 billion more dollars for Gulf Coast recovery. The money that was used to bring those people up was no where near that $19 billion dollars that was given out. I think that we can all be pretty sure that that $19 billion dollars would not have been put forward had people not been prepared to come forth and speak on their own behalf about the issues that were concerning them and what it was that they wanted from their government following the hurricane. Keep in mind that it was February 2006, which was only a relatively short time after the hurricane.

As Bill (Stallworth) pointed out, Red Cross didn’t show up until 2 months after the hurricane and when they did show up Rita had already hit. That meant that they were now dealing with two hurricanes. This is why that I think that philanthropy needs to look at situations in terms of disasters and why it’s necessary to begin to build networks with local groups and local organizations that are already working with people on their local issues. I can tell you that in Baton Rouge, where I had to stay at the time, if it got too busy at the Red Cross station; they closed shop and moved to another location. You then had to drive around and find them. When they finally got a place that was big enough to handle the numbers, they had the National Guard out to provide protection with M-16s. I guarantee you that had those funds been directed to organizations that were used to working with those communities, not only would they have been able to provide the services sooner but certainly in a more humane manner.

Other things that occurred that were particularly bothersome was that foundations have a habit, and I’m not trying to knock anyone, but foundations do have people that want to push their own agenda. A lot of foundations saw this as an opportunity to move their own agendas. So I would say, maybe two weeks after the hurricane I was on the phone with various funders seeing what we could get to help us at that particular time. Fortunately I worked for a national organization, which meant that I was able to get up and running relatively quickly. We had an office fortunately in Baton Rouge that I could move into. We had funds available to make sure that we could have phone service so we could reach out to our membership and the like. But at this particular time, rather than hear what our needs and desires might have been to assist at this particular point, the continuing question was ‘Who are you collaborating with?’

Now while we may have had some sort of stability, the majority of organizations in the Gulf at that particular time were small organizations who had just gone through the hurricane. They did not have offices setup. They had not been able to pull their records together and many of them were still trying to find staff. This was all in addition to dealing with their own personal tragedy.

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So in terms of looking towards the future, I think that those types of considerations need to be put in place. Particularly in the immediate aftermath because it takes a tremendous amount of personal, I don’t want to say strength necessarily, but personal energy to be able to rise above one’s own personal tragedy to assure that we can help those that we were hired to assist throughout whatever occurred. And to then be asked to cut out a chunk of that time to try to figure out how to do what is perhaps the most difficult thing to do in the nonprofit sector, and that is to build a collaboration or coalition, was very much a disservice to those of us who were on the ground.

One of the things that I do agree that was unique, is what Bill (Stallworth) talked about with Oxfam coming in and asking ‘What can we do?’ Another group that I would like to speak about in that same fashion, which was more towards the intermediate stage, was the Gulf Coast Fund (www.gulfcoastfund.org); which is under Rockefeller Philanthropy Advisors. They did a survey to find out who was doing work in the region, who was respected, who was known for actually having accomplishments and who was affiliated with other networks. Then they interviewed those people and got recommendations from them. Next they set up an advisory board made up from those people in the region who would help to determine how the money would be dispersed. Thereby assuring that those dollars, as much as possible, would go to groups that were actually working with people in the region. A lot of times these were organizations that didn’t have their 501(c)(3) or didn’t have the capacity to write a top shelf proposal that would qualify for a big grant. Nevertheless, it was those small $10, $20 and $30 thousand dollar grants that went a long way towards helping poor people along the Gulf Coast of the United States.

As we look towards the long term, there has been a lot of work done in the region. I think perhaps the most remarkable thing, yet the least known, has been the development of collaborations and coalitions that span the region. And the reason that they came about, more than any other, was the lack of a federal response. That it was a state response that we got and as a result of that, in each one of our states, we suffered. For instance, in Mississippi they were able to get waivers so that money that was supposed to go towards bills, districts and housing was able to be used on the port and other programs. In Louisiana waivers were given that allowed money that was supposed to go to the hardest hit parishes, to be used in parishes that were not directly affected by the storm. In Alabama till this day, people still do not have housing from the federal money that was brought down to the state.

Had there been a federal piece in there, I am going to have to throw this out not just because the RFK Center is here and they’re helping me on a human rights piece, but had the United States had in place a policy for internally displaced persons, then a series of actions would have kicked in that would have assured that people could not just be dispersed anywhere and everywhere across the United States. That they would have had to been housed as closely to their homes as possible. They would have been allowed back home as soon as they could. They would have had a role, a definite role, by law to play in the rebuilding process. Not only were the waivers given but in Louisiana people were not allowed to participate in that first vital election that followed the storm. Even though the United States can make provisions for people from other countries to participate in their local elections back home but that same right was not granted here in the United States.

Our State Department assures certain rights for people who went through what we went through in other countries, but those same rights are not given here within the United States. So there have been groups, there was the Equity and Inclusion Campaign (www.equityandinclusion.org) which worked across the region and on federal legislation. Smaller groups, such as the Gulf Coast Civic Works Campaign (http://gccwc.wordpress.com), worked on many of the human rights perspectives – including money for infrastructure, money for public works, money for reforestation in Mississippi and coastal redevelopment. But none of those things will continue to come about if we continue to look at the situation as state-based. There really needed to be a federal response to this situation and the only way that would have come about is, going back to my initial piece, had we made sure that people across the region were trained in how to speak for themselves on their own issues. Our ability to go up there one time following the storm may have gotten $19 billion dollars but our inability to continue that has created the situation that we are in now. And with the BP oil disaster that just occurred, our plight has worsened. We have not yet figured out a way to get back on track. (applause)

TONY PIPA: Thanks for having me here today and I’m honored to follow local leaders like Bill Stallworth and Stephen Bradberry. And also to be on a panel with a storytelling economist who can connect the human side to the analytical side. You’ll have to forgive me if I’m a little scattered today. I started a new appointment at USAID a couple of weeks ago, so my head is still spinning a little bit. But I’m here today in my own personal capacity as a volunteer and an independent

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philanthropic consultant with five years worth of work on the Gulf Coast after Katrina, including helping to start the Louisiana Disaster Recovery Foundation (http://www.louisianahelp.org). We got under way about eight days after the storm and I’ve continue to do work, Bill (Schambra) mentioned the report with the Aspen Institute2, continue to do work with Oxfam America and a collaborative of funders in Central City, in New Orleans. I’m going to draw on that and I’m going to try to put a philanthropic frame around the remarks that you just heard Bill (Stallworth) and Stephen (Bradberry) offer.

So when I think about the question of whether philanthropy really matters and whether it makes a difference in disaster recovery, to me I think about where that difference can be. When you have a large-scale disaster, especially on the scale of Katrina, it’s potentially a game changer. Even President Bush in his remarks immediately following the disaster talked about the longstanding racial discrimination in the region and what it meant for outcomes for certain groups in that region and that this was then an opportunity to make a giant leap forward. There had been a lot of work over a long period of time to make progress, but the disaster sort of opens a window of opportunity. Philanthropy to me can be the stimulant to actually try to get you to that leap forward.

Now how to think about that and where to deploy dollars so that that might happen? I think that the local response after Katrina really demonstrates the power of local action. Local leaders, local organizations, local knowledge. So in the report that I did for the Aspen Institute, I looked at what was happening in the first 100 days after the disaster. We have a very command and control structure in place for a federal disaster response. However as you heard, it didn’t really work. Neither FEMA nor the Red Cross was there and actually it’s even unclear whether that’s where people would have turned to anyway. What people turned to was their local faith-based groups and their local organizations that they knew and trusted. When I looked at databases analyzing where people were sheltered at after the storm, there were as many people in what we were calling ‘pop-up shelters’, which just organically came about, at churches, at nonprofits, as there were in Red Cross, Salvation Army and FEMA-sponsored shelters. I think that is enormously important. It shows the power of that local context and what can happen.

The difficulty is that those groups were not disaster-response groups. There were your local groups and they didn’t know where their money was going to come from. They were already under duress, as Stephen (Bradberry) was talking about. They just knew that they had to respond. When they went to plug into a system to try to become more organized in their response, they found that there was really no system that was open to them plugging into. It was a system that is a very command control system – it wasn’t set up for this decentralized type of response. It’s important to note that we need to find ways to be able to take that local action, connect it, network it and help utilize its strengths and be as effective as possible. And right now, at least in immediate disaster response, we’re not there.

On the other hand I would say that the response and the recovery also point out the limits of local and philanthropic action. There has been an enormous amount of volunteer work, an enormous amount of philanthropic work, an enormous amount of nonprofit work and yet five years after the storm you still have about 60,000 blighted properties in New Orleans. So we have to reasonable about what we can expect. But it is also that the nonprofit and philanthropic response is going to replace a larger response, that’s probably a public response, whether it’s federal, state or local. What we need to do is balance that tension and make them work better together. It would be good to have a conversation about that and think that through.

The other thing that I would say is not only does that tension exist, but it’s not always acknowledged that there is power in the local action, so it’s not always supported that well. I think that a lot of philanthropies went in thinking that they needed to devise a strategy that was going to get them a big win or a quick win. Thinking that there was a big opportunity to make a large leap forward, I think what they were missing in trying to think that through is the power of supporting action at the local level. It’s much messier, it’s much harder to do, it’s much harder to build that capacity, but at the end of the day, and I think that is where the balance is between immediate outcomes and long-term legacy is, it’s leaders like Stephen (Bradberry) and Bill (Stallworth) and their local communities that are going to continue to work on these issues for 10, 20, and even 30 years. Our desire in philanthropy is to think about what is the outcome that we’ll get, what is the difference that we’ll make and how can we measure it right now. I start to worry about the larger frame of understanding – about how investments in people and organizations like this will have an enormous amount of impact over the long term. And if


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we’re not thinking about that then we don’t make our investments that way and we short change what could actually occur.

I think that the other you heard in both of their remarks is how important the support for advocacy is. Both in terms of the actual advocacy itself – getting people in front of policymakers, getting people in front of others with resources, helping to influence decisions and resources that are being divided, but also then connecting those folks. You heard a mention of the Equity and Inclusion Campaign, which is a three state coalition. I know the Steps Coalition (http://www.stepscoalition.org), which is a coalition on the coast of Mississippi that Bill (Stallworth) is a part of. They were extremely important in influencing what was called phase 2 of Mississippi’s state plan to deploy resources for homeowners. They actually got the maximum grant for low income homeowners during negotiations raised from $50,000 to $100,000 dollars. That’s huge and that came directly from their local voices and their influence. So I think that if there is going to be a recovery that’s inclusive in its benefits, then philanthropic support for that type of advocacy is critical.

Data is incredibly important and incredibly hard to come by in a response and recovery situation. I wish we had had more of it. It has to be creatively done. In Louisiana and Mississippi there wasn’t even great baseline data to begin with, but then data about who was where and helping to inform public decision-making was very difficult to do. The work that Brookings has done with the New Orleans Data Center has been extremely critical to help give tools to local leaders and to help influence the conversations that need to be influenced.

I think that the final thing that I would say is that there is a lot of talk in philanthropy about ‘scaling up’ right now and how to have impact on a large scale. From my perspective, in a recovery situation and in a disaster response situation like this, to me there is the question of scale and how do you make sure that you’re having impact on a broad rather than a deep or very targeted community. I also think we have to start to talk at greater length about time and about long-term. We’re at five years out at the recovery right now. I think that any local leader would have told you that we’re about halfway through. Yet a lot of the philanthropic support is starting to dry up. From a philanthropy point of view they see themselves as having made a long-term commitment. They made a 3, 4, 5 year commitment to the Gulf Coast. Well let me tell you – long-term is not long enough.

You do have a lot of local action that has created a civic infrastructure right now in both Louisiana and Mississippi that is exponentially greater than what it was better the storm. You have local organizations and local leaders that are engaged at a civic level. I would say that New Orleans has one of the highest levels of civic engagement of any city that I’ve been to in the country. And they are at a very important point of making extremely important decisions as a city, as states, about where they will go from here in the recovery. So they are poised at a very important time and yet the support when they might need it, to be critically engaged in those decisions is drying up and they’re looking and scrambling for ways in which they can ensure that they stay strong so they can stay involved. I think that that’s very important and it’s actually the thing that worries me most right now about the recovery. I would hope that we could take what we’re learning about the recovering in New Orleans and actually create this into a larger discussion in the philanthropic community about what long-term commitment really means and about what long-term commitment can really do. So I’ll leave it at that.

(appause)

EMILY CHAMLEE-WRIGHT: I may be a storytelling economist but I am an economist, so I come prepared with my PowerPoint. First of all, thank you very much for coming today and thank you to Claire Morgan and Dan Rothschild who are in the audience today, who have been critical, along with Lenore Ealy, in the success that we’ve had in developing the Katrina project at the Mercatus Center. One of the principle goals of the project was to think about how it is that communities can engage in a successful rebound, post-disaster. But with an eye towards a broader picture, which is to say, if we understand how it is that civics society can successfully respond in the wake of disasters, do we learn about how the social order works more generally as well? Even under ordinary times, you think about what a disaster is, a catastrophic disaster wipes out, at least for a time, all of the social systems that we usually take for granted and it is in a post-disaster society that we can begin to see the reweaving of that civic fabric. So perhaps there is a lot to learn there about the social order works generally,; in addition to how it works post-disaster.

Now what we’ve heard from our panelists this afternoon is that indeed philanthropy matters. My focus is going to be more particularly on the question of how it matters. With an eye towards what some might call civic leadership, I’ve called

3 http://mercatus.org/gulf-coast-recovery-project
social entrepreneurship, I’m not sure it’s really important to carve out these specific definitions in a finely honed way, it’s just simply this idea that actors on the ground who see the landscape in a way that adds value. That’s what regular entrepreneurs do. They see the world in a different way than the rest of us do and they recognize that through creative action that they can generate greater value at the end of the day. That’s what social entrepreneurs do as well. Now social entrepreneurs they can be community activists, they can be political leaders, they can be ordinary citizens, they can be pastors in the local church. Those roles do not mean that necessarily they are playing the role of social entrepreneur but it means that anyone within any of these roles could play the role of social entrepreneur. But I would say that that could also go for someone who runs a small restaurant and is able to get back to a post-disaster environment very, very quickly. That person could also be a social entrepreneur. So I’m using this word intentionally in a very broad and loose way.

So one of things that we’ve heard from the panelists this afternoon is how important social entrepreneurs, first actors in the community, provide essential goods and services. This is typically the role we think of for any kind of effective philanthropy, is that either directly or through people on the ground, effective philanthropy will make sure that faith-based organizations, for example, will have the resources that they need to offer those shelter services on the fly. That when the Salvation Army comes in way in advance of the Red Cross with cleaning supplies, food and clean water; that’s a critical thing. The Oxfam story and one of the things that I appreciated in particular from what Stephen (Bradberry) was saying, was how important it is to tap local knowledge. That there may be small local organizations that aren’t particularly slick or professional, may not have that 501(c)(3) status, but have the local knowledge. So if they have access to resources, they know where to direct them in a productive way and those are critical questions.

In addition, I also want to consider the coordination function that civil entrepreneurs can provide. In particular, the idea here is that the amount of resources that are coming directly from philanthropic organizations is not that great. What it can do though, potentially, is tap the resources that are embedded within civil society, tap the capacity for recovery and rebuilding that exists within a neighborhood community.

(Directing attention towards PowerPoint) This Father Vien Nguyen of the Mary Queen of Vietnam Catholic Church. This is in New Orleans East. It’s about 15 miles to the northeast of central or downtown New Orleans. Within two years of the storm the Mary Queen of Vietnam community was almost completely back in terms of its residents. They had ninety percent of their residents back home and living in their houses when New Orleans was still at 45 percent. So they were a very successful community. What allowed for that success were the social networks that radiated out from the Mary Queen of Vietnam Catholic church. Pre-Katrina was critical – there was a ready made template for effective community action already in place. So someone like Father Vien could tap that template that had already worked so well in providing pastoral care on a neighborhood grid system and assistance for the elderly and the children in the community. All of that work had been done pre-Katrina. So just by fixing the church first, before anything else happened in the community, it became the coordination hub for supplies that were needed immediately when people came back. Also, given the authority that was invested within Father Vien, all he needed to do was to say that it was time for people to come home and they started making their plans to return. They may not have been able to come home right that second, but they started orienting their own activities towards that move back. These habits of association, the norms of authority that were vested in this community pre-Katrina, were critical post-Katrina.

We’ve talked a little bit about tapping the capacity of residents and businesses within the community. However another thing that social entrepreneurs can do is that they can tap the capacity of people on the outside. There are folks who are beyond the Gulf Coast region that haven’t had their home destroyed. It’s a critical point that some of the people that residents would turn to first are also people who’ve had personal tragedy and lost their own homes and businesses. It can be very difficult for local people to provide a robust response very, very quickly. So it’s important to also tap the capacity of people who are in a position to give something outside of the affected region as well. Most often what we think about are the large organizations that have a lot of financial resources at their disposal. However, I’m also thinking of the Spring-breakers – the people who had literally not much to offer in terms of expertise. College students don’t have much to offer in terms of financial resources and yet we think about an organization like Common Ground⁴. What is it that they are analytically doing?

Common Ground is one of the organizations that organized and hosted spring break and church group teams that would come down for a week at a time to engage in that first round of gutting houses and cleaning up debris in a neighborhood. This was critical as a first surge, a first sort of push to get beyond that horrific scene that Bill (Stallworth) described where your entire neighborhood is in ruins. If you see a small army of college students coming in though, perhaps that is a signal to you that maybe there is some hope here. That’s the first thing. And secondly those services are very, very valuable. Gutting services are expensive. So by tapping that capacity, even though they had relatively little expertise and very little in the way of capital, that was something that was very valuable to people on the ground.

The problem is that those Spring-breakers have no connection to each other, for the most part. Even if they got together on their campuses and said, ‘Hey, let’s go down and do something.’ They don’t know what to do or where to go. They can’t coordinate themselves. So they are ready, eager, willing and they really want to help, but how? They need an organization like Common Ground to provide that coordination piece that makes their willingness and ability to give something effective. It’s not enough to want to do something, you’ve got have to match that desire with a coordination capacity. That also goes for micro-philanthropists as well. That a lot of us may not have $10,000 to give to rebuild a kitchen, but we might be willing to give $100 or $200 dollars. But where do we send the check? Who do we give it to? The online presence of Common Ground and many others that tap the micro-philanthropy movement that was really helpful in the wake of Katrina.

Now from the economist’s perspective, the fundamental problem in a post-disaster environment is the ‘collective action problem’. Imagine that post-disaster scene in which your beautiful, well-kept neighborhood is now wrecked and you are mourning its loss. On one level you would do anything to get it back and yet you know that your own individual effort will be meaningless if no one else comes back. I may be willing to endure the costs of rebuilding but only if you all are willing to come back to. So what I might do if we’re in the same neighborhood, I might wait to see if some of you come back first. Then if you do come back then I’ll jump in too. But here’s the problem – while I’m waiting for signals from you all that you’re going to come back, you’re waiting for signals from me that I’m coming back.

In addition, think about the Katrina Diaspora and how dispersed it was. I knew that Amy lived across the street from me but I can’t remember what Amy’s last name is and I don’t have her cell phone number because all I did was cross the street before when I wanted to talk to her. I never needed her cell phone number, so I don’t now how to get in touch with Amy now. So when we think about the collective action problem this is the essential piece that needs to be overcome if we’re going to see a successful rebound and recovery. So a critical question is it that how is it that social entrepreneurs can play a role in that piece as well.

(Directing attention towards PowerPoint) This is Alice Craft-Kerney. She is a registered nurse who was on a pretty standard professional career track for an accomplished registered nurse. She then gave it all up post-Katrina to establish the Lower Ninth Ward Health Clinic\(^5\). The Lower Ninth Ward Health Clinic was the first facility of its kind in the lower ninth and it was put up against astonishing odds. It opened a year and a day after Katrina hit New Orleans. Now let’s think about, from that collective action problem, what something like this does. First of all, it sends a very powerful signal to those waiting on the sidelines. When Alice Craft-Kerney starts the Lower Ninth Ward Health Clinic it sends a signal to us that there are people reinvesting in this community. That means that maybe I’m not a complete idiot or fool if I reinvest as well.

We don’t need to persuade people that it’s worth it to come back home. One of the things that our research on the Katrina project has shown is that in the Lower Ninth Ward and other Ninth Ward communities that the sense of place among returnees was astonishingly high. People were driven and committed to returning to their home because they perceived New Orleans, their communities in particular, as the place in which the good life could be lived. So we didn’t need to convince people that it was a good thing to come back, but we did need to convince people that others would be willing to reinvest as well. So this very visible sign was an extremely important signal that helped to solve the collective action problem. The fact that it is a health care clinic meant that maybe it could be a potential tipping point if you are a sixty year old resident – since now that this facility had returned to your community, you might be able to make a go of it. In the absence of health care though you wouldn’t be able to and you’d be staying in Houston. So this could be the tipping point for a lot of residents to come home.

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\(^5\) http://www.l9whc.org/
One of the things that happened with the Lower Ninth Ward Health Clinic though is that the day that it had its grand opening it was shut down because they didn’t meet zoning codes. It was considered a commercial enterprise in what was zoned as a residential neighborhood. They had one handrail on their wheelchair access ramp rather than the required two and their exit signs weren’t lighting up the right way. So they were shut down and it took about another five and half months before they were able to reopen again.

Now we will get back to that part of the story here in a second, but it is important to bear in mind, when we think about public policy that taps the capacity of civic entrepreneurs to be effective, what should we be thinking about? The first thing that we need to recognize is that we need in our public policy to let entrepreneurs of all kinds, both for-profit and nonprofit, to come back as soon as possible. When we think about the Lower Ninth Ward, as a case in point, perhaps the intention was just about issues related to safety, but people were kept out of the neighborhood. If you’re kept out of the neighborhood you can’t start the process of providing services to others who might be willing to accept the cost of coming back early on. It’s very difficult terrain to navigate. You need service providers to come back, but you’re disallowing people to come back if you’re telling them that they have to leave before it gets dark. Well they can’t engage in the kind of entrepreneurial action that renders a community a livable community.

Another issue related to this is one of the themes that has been said here this afternoon – is how important presence is. In order for a community to be active and effective, the community has to actually be present. In order to engage in the political process and in the recovery planning process, people have to actually be back. However access restrictions were a part of the problem there. You have this sort of brutal catch-22, since the reason that people weren’t coming back was because the basic services hadn’t been brought back online yet. Officials don’t want to allow people to return if there isn’t adequate electricity because it’s going to be a dangerous place. So why can’t we get the electricity turned back on? Well, we can’t get the electricity turned back on because we can’t really justify direct services to that community because no one is back yet. It seems to me that we have something of a brutal circle that we need to break if we are going to allow people to come back and tap the resources both within the community.

Then my last point here is that, and it goes back to this question about what kind of regulatory environment do we want to have post-disaster, a lot of the regulations that might make sense pre-disaster, things like child-teacher ratios in daycare centers are put in place to keep childcare centers safe and to make sure that we don’t overload teachers with to many kids at one time. That’s reasonable. That makes sense to me. But in the wake of disaster is that same calculus the calculus that we want operating. Zoning laws are fine to have but in the wake of a disaster when we’re having to recreate and rethink an entire community, are we really going to let zoning laws inhibit the return of an anchor organization, like a health care facility when health care facilities are almost completely absent to poor communities in the hardest hit areas of New Orleans. That’s what I mean by regulatory preparedness, where we think about how we can trigger a less cumbersome regulatory environment. Let’s have that plan in place pre-Katrina and it gets triggered with a gubernatorial declaration of disaster so that entrepreneurs of all kinds – both for-profit and civic entrepreneurs – can engage in the activity that allows them to tap the resources both within and beyond the community. Thank you very much. (applause)

LENORE EALY: Thank you everybody. There is a tension here in part of the discussion that I hope that I can invite the panelists to probe and explore a little bit. The tension arises with a comment that Stephen (Bradberry) made about the political process and in the recovery planning process, people have to actually be back. However access restrictions were a part of the problem there. You have this sort of brutal catch-22, since the reason that people weren’t coming back was because the basic services hadn’t been brought back online yet. Officials don’t want to allow people to return if there isn’t adequate electricity because it’s going to be a dangerous place. So why can’t we get the electricity turned back on? Well, we can’t get the electricity turned back on because we can’t really justify direct services to that community because no one is back yet. It seems to me that we have something of a brutal circle that we need to break if we are going to allow people to come back and tap the resources both within the community.

LENORE EALY: Thank you everybody. There is a tension here in part of the discussion that I hope that I can invite the panelists to probe and explore a little bit. The tension arises with a comment that Stephen (Bradberry) made about the necessity for greater federal involvement in the recovery process because of some of the political and corruption issues at state and local levels. Of course that never happens at the federal level either. (laughter) So there’s a little bit of a tension there and I want us to push on that because clearly a federal response is required in something like this and how do we learn.

It seems that a lot of learning that takes place in this post-disaster period, people are learning how to do things but one of the things that people really had to learn how to do, and Emily (Chamlee-Wright) has given us a couple of examples and Stephen has talked about this, is how to interact with the bureaucracies. Tony (Pipa) gave us an interesting metaphor, which is that there really was no plug and play capability, so when those local groups did what they were doing and then thought that they could go and approach FEMA or whatever agency they went to approach, there was no avenue of approach. No USB port where any nonprofit could come up and talk. So I’d like our panelists to think about what it is that the federal government should be learning. We were talking about how the people have been spending a lot of time learning how to interact with the federal government. How does that policy need to change?

WILLIAM STALLWORTH: There is clearly a lesson to be learned all the way around about how to get away from this notion of how to have one point of entry. The federal government’s response and the NGO environment plug into the Red

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Cross and the Red Cross takes care of everything else. It’s not the Red Cross’s mission by a long way. What we need to have happen is to deal with this model in a more appropriate setting. Decentralization is important. I liken this to what government does when they try to train our soldiers for battle, particularly the Marines who are pretty structured and go through a rigorous training exercise. That training exercise is centered around this – you follow orders and in the absence of orders you improvise. You learn how to adapt, read your environment and learn from it. The federal government needs to take that same lesson as it relates to these other groups. Teach them how to improvise, how to become stronger, how to deal with these multiple issues that are affecting us. Everything from advocacy, to how to build a community, to how to get around a zoning act, how to train people to come together as a group to help themselves. That’s where the bang for the buck is and that’s where we have to go to.

STEPHEN BRADBERRY: There are two sides that I would like to address. In terms of what the feds have begun to learn, particularly in a disaster the size of the 2005 hurricane season, that the Stafford Act was no where near what was necessary for what they had in store. There has been a lot of talk in terms of overhauling it, which is why I even spoke of the terms of displaced persons as a model. After the storm a lot of people spoke about the need for there to be a Marshall Plan put in place. I would always say that the Marshall Plan was a US plan for a foreign country and that we should look at a US plan. The New Deal was a plan that dealt with a similar situation. And I wasn’t proposing that we put the New Deal back into action the way that it had been put in at that time, but there are several aspects of it that fall in line with the United Nations’ guidelines for internally displaced persons and promoting economic development through the public works programs and the infrastructure programs.

On the people side, in terms of affecting and engaging government, what has happened over the last past decades is that we have gotten more and more further away from belonging to organizations. The Saguaro Fund did a very good study and found that people are now more isolated as individuals than at any time in our history. As a result of that people are now less engaged in the political process. Their study showed that belonging to any organization, even a bridge club, increases the likelihood that an individual will be more politically active than someone who is not participating. So on the one hand, there does need to be from the federal side a look at what needs to be the response that they have set in place and how will that play out. And on the people of it, a look at how do we get people reengaged in organizations. Once again, it doesn’t have to be a socially active organization that pushes for legislative change. It can be belonging to a flower club or even a bridge club. In fact there was the book Bowling Alone that is based on that study. Even belonging to a bowling league can help to improve our situation.

TONY PIPA: First of all I would say “Here, Here” to a potential reform of the Stafford Act. The real mismatch right now is between federal policy as it is defined by the Stafford Act and what public expectations are for the federal role in a disaster. As Bill (Stallworth) mentioned, it also creates an architecture that is very centralized. Right now the federal government is focused on doing, rather than supporting and facilitating what is happening at the local level. I would go even further and draw the connection to what Stephen (Bradberry) has just said as well – that it’s not set up to react to ideas that are emerging from the ground. In doing my study about the response in the Aspen paper, I was shocked that there was no formal avenue a even few months afterwards for federal agencies to be asking local leaders, ‘Okay, what happened? Why weren’t we there? What do we need to change? What would be helpful now as the recovery starts to roll out?’ This goes to Stephen’s idea about the Gulf Coast Civic Works and the work that they were doing there.

I would also say that from the federal perspective, there was money that went through to the local leadership. We did CDBG funds (Community Development Block Grant), which is then at the discretion of the states and the municipalities. It’s up to them to make the decisions on how to do that. Obviously I think there was common agreement that we needed resources that only the federal government could provide. We needed it on that scale because of the scale of the disaster. So I would say yes, but I think that the government needs to set the parameters and stay true to those parameters. They provided waivers within those CDBG funds, which enormously changed what those funds could be applied toward and made it very difficult for local leadership at the community level to influence decisions on how those funds were spent. Stephen (Bradberry) mentioned in his remarks the diversion of $600 million dollars to the Gulfport, rather than housing for those who needed it and didn’t have the resources to rebuild, because that waiver was in there. So I think that we need to be very clear about what the parameters are and how the money gets spent at the local level. In addition we have to hold

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7 http://www.aspeninstitute.org/sites/default/files/content/docs/NSPPNonprofits%2520and%2520Katrina.pdf
to account that the money gets spent that way. The federal government can be much clearer about what data they require and support the gathering of that data, to see if that accountability is coming true.

EMILY CHAMLEE-WRIGHT: I agree with what Tony (Pipa) has just said. That if what we are talking about is giving $600 million dollars to either a state or local government and holding them to account to what it’s supposed to be used for. That makes a lot of sense since there are clear issues regarding problems associated with accountability. On the other hand I would completely flip the logic when it comes to resources that go to individuals. We think about the money that was deployed for a FEMA trailer, estimates run anywhere from $80,000 to $130,000 dollars for the cost and maintenance of every FEMA trailer. Imagine what people could have done with those resources if we had just cut them a check. They could have bought their own trailer, maybe one that didn’t have formaldehyde in it. They could have bought one of the small, little cottages that allowed them to stay there while they rebuilt their larger home.

They could have relocated and this is a controversial topic. Part of what the Louisiana Road Home Program was attempting to do was sort of use the funding that it had in its hands to leverage a tipping point, so that people would come back to Louisiana and not go elsewhere. If what we are really trying to do is to assist people who have been harmed by a disaster and we’re committing a good deal of resources to assisting them, maybe we ought to let them have the agency that they need to make good choices for themselves. It may very well be that they’re not in a good position to live a good life in New Orleans without the resources, such as hospital facilities, that they might need. It might be better for them to leave the state. So if we trust individuals, I think that we do need to be cautious about how much trust we extend to governments, but I think that we can extend a lot of trust towards individuals to make good choices with the assistance that we provide them.

LENORE EALY: Thank you for raising the trust issue. It was one of the things that I had written down to talk about. Emily (Chamlee-Wright) you used the phrase ‘habits of association’ in your talk and I wanted to come back and talk a little about that and the issue of trust. We can add to now the phrase ‘habits of decision-making’. I would like talk about how do we build this trust and how can philanthropy play a role in building that trust. We’ll talk about this for a second and then we’ll open it up for the audience.

WILLIAM STALLWORTH: There are two things that we have to be really mindful of. In a disaster, especially of this magnitude where we worked with literally thousands of people, very often decision-making at its best is still not very good, whether on the federal side or on the individual sides. Let me ask you all a quick question. How many of you have ever actually built a home? Alright, two. How many people would know how to begin to build a home? Two. Imagine now that you have literally hundreds of thousands of people who need their homes replaced and no way of beginning that process. The money that was given in those early days, we had to be more realistic about. People are going to have to make choices – the choice between do I stay in this tent or do I find a hotel?

What I think really has to happen, what we’ve been talking about all along, develop the capacity for groups on the ground to be able to come in and say, ‘Look, let us help you. We know that you need to do this. This is where the need really is.’ We have to get these apartments built. We have to get homes built, because the FEMA trailer issue is the stupidest, dumbest, ignorant thing that the government could possibly do. And I don’t want to get too passionate about it (laughter), but for the money that they spent trying to bring in a trailer, relocated on a site at this person’s home and get them in – we could have built a home for them. The Stafford Act doesn’t provide for anybody to be better off than they were before the storm. There is simply no way that you can go back and build another shack for somebody. You have to build them a reasonable home. And I think that Stephen (Bradberry) was absolutely right. That what the Marshall Plan did for all those countries that we went and beat up – here’s money, build your industry and build your homes, build your everything else. This is what needs to happen when we look at these disasters today. So it’s very important that we put the choices back in the hands of people but also provide them the tools to get them to where they need to be and that’s something that was missing.

EMILY CHAMLEE-WRIGHT: The Marshall Plan a metaphor that gets used in economic development a lot in terms of how we might want to think about assistance to poor and developing countries. So it’s a natural one that we go to in thinking about a place that has been devastated or impoverished, and what can we do if we marshal resources to a concentrated effort to make things better. There’s a lot of ways in which that makes sense. We need to recognize though that there is a distinction between a plan that we have to overhaul an organization or a company, even a complex one, and an entire city. And I think that there are things that government can do very well – one of the important things that it can
do is get the garbage out of the way. That is absolutely critical. Getting the storm debris out of the way is one of those things that taps that capacity within communities themselves. In fact, in places like St. Bernard’s parish and places like the Ninth Ward, there is a tremendous amount of knowhow about construction, but they can’t deploy it if there’s a big oak tree that keeps them from going into their house. They can’t move the oak tree out of their way but government can.

However instead of getting the oak trees out of the way, what a lot of official effort was spent doing was to come up with the most perfect, beautiful plan on how the city was going to be recreated with a lightrail system and a brand new theater-arts district. We were going to have a nice walkable city model for the new urbanism plan – it was going to be beautiful. Problem is that no one was getting the oak tree out of the way. And as long as the oak tree wasn’t gotten out of the way, as long the water wasn’t turned back on, as long as the electricity wasn’t turned back on, people couldn’t begin the process of rebuilding to the extent that they were capable. So I do think that planning, as a metaphor, is important but we need to be clear about what’s the scope and capacity of government to plan. Getting the basic services back online, removing the debris, those are things that government can do that can be so critical because it allows us to tap that capacity within civil society. If we focus too much on getting the perfect redevelopment plan that’s going to wipe away all the bad stuff that was there before, I don’t think that we ever do it.

LENORE EALY: Thanks. I’d like to open it up. There’s a question in the front.

Q: Hi, my name is Denise Byrne and I’m the head of Friends of New Orleans. Since Katrina I have been going to New Orleans several times a year to meet with leaders of local organizations and leaders within the neighborhoods and surrounding parishes. I just want to comment on a couple of things. First, you asked – what should federal government be learning from this whole experience? From our opinion at Friends of New Orleans, basically we had one problem at the beginning. When I first started meeting with neighborhood leaders it was all about complaining about the mayor. That soon changed as the federal money started coming down the pipeline. I got an earful in every part of town, in every parish that I went, because the money was being held up at the state level. So I think that the federal government needs to learn how to distribute the money and not necessarily go through the state to do it and that’s still a huge problem, by the way.

The other thing that federal government needs to learn – immediately after the disaster, and again this has been repeated with the oil spill, I can tell you that one of the main things is that no one knew who was in control. That was right at the beginning. Who is in control and who has the authority to make the key decisions? That’s been a big problem with BP all over again. In terms of private philanthropy, what we’ve been observing is that the national organizations and national nonprofits that were raising the lion’s share of the private dollars, left soon afterwards to go back to their headquarters. That’s where the bulk of the money was going. They were not establishing staff on the ground, they weren’t investing in building local capacity and that was a huge problem that we saw right away. Another problem was that large foundations setting up very restrictive funds. For instance, the bulk of the money coming in from the big foundations, such as Ford and Rockefeller, is all for housing.

I’ve been meeting with neighborhood leaders and parish leaders from one end of the place to the other and every time I ask them what are the three things that they are really concerned about, the top two always includes safety from storms because the region still does not feel safe. They don’t feel safe with the new levies and they don’t feel that coastal wetlands protection has taken place enough for them to be safe from storms.

Number two, which is a really big one by the way, there’s a huge gap in the funding for mental health. This is a region still under stress and after the BP spill I can tell you that the suicide rates are off the charts. So it’s domestic violence and substance abuse. And the last thing, and Tony (Pipa) touched on this, is that a lot of the leaders feel that funders are leaving to soon. I think that some of you that are funders have seen incredible models coming out of New Orleans and southern Louisiana that can be wonderful for the rest of the nation and the city can really take off now, but the funding and the funders are drying up. Also advocacy training is a huge need. I keep getting leaders coming up to me and asking for advocacy training. They don’t even know how to go to Baton Rouge and advocate for themselves.

Q: Bill Dunns. I have to emphasize the last of a funding vehicle to efficiently and effectively get money to local organizations on the ground. Nonprofit space is a competitive space. A lot of national organizations had preexisting relationships that allowed them to raise an enormous amount of money in the immediate aftermath. They were doing good

8 http://www.friendsofneworleans.org/
work but there were also a lot of local organizations doing heroic work at the local level that didn’t even have fundraising capacity or were already overcapacity because of all the work that they were already doing to begin with. Thinking that through I think is really important.

I would also say that we have to realize, and you talked about bottlenecks happening even with government resources, no government, whether federal, state or local, set up with programs at the capacity necessary for the amount of resources that were necessary to be deployed well in the aftermath of Katrina. We have to be reasonable. For example, New Orleans had to lay off half of their workforce a week after the storm – three thousand people. So the government needs to think about what kind of capacity they need to have in place before a storm, not just for immediate disaster relief, but also for recovery. FEMA is supposed to be out of there within a couple of months after a storm. For the longer recovery, how do they ensure that they have the capacity to continue to deploy the resources well?

LENORE EALY: Bill (Stallworth) did you have a response?

WILLIAM STALLWORTH: First of all I want to give a shout out to the government of Biloxi, Mississippi on the Gulf Coast. We are still there too. (laughter) I know that everybody always thinks about New Orleans but we’re still there too. There are some great models out there. However one of the things that I’m looking at is this whole notion of large corporations. I met with a national director of the Red Cross a little while after the storm. We were sitting in my office and we were talking about the fact that they had raised $2.2 billion dollars and they were here to help. I was really excited and then he noted that now they only had about $100 million left. And I’m trying to get my head around what they did with $2.2 billion. But the issue is that we have got to be able to put this money into the hands of those folks that can a difference. Those federal models still don’t take that into account. They’re looking at how to get some assistance to the state or a city, so that they can do the things that they do. Cities do streets, storm drains, they do police protection, but they don’t do people. Never have, never will be able to do people well at all. We have to make some real significant changes to the infrastructure, so that these organizations are now at the table, helping to make decisions and are part of the playing surface. They are part of the team, because as anybody who is on the Gulf Coast will tell you real quickly – we are still waiting on the federal government to get a lot of the stuff down here. But nonprofits, church organizations – those are folks that made a difference and saved the lives. They have to be at the table.

LENORE EALY: I want to follow that up just a moment because you mentioned Oxfam as the initial seed money for your program and that is not a small organization. And it was one of the large recipients of foundation support during the recovery process. What made it different than the Red Cross?

WILLIAM STALLWORTH: One – they were there. Two – they were willing to find folks that didn’t have an organization. I didn’t have a 501(c)(3) or anything else. It was just that I was out there on the ground trying to do something and so were these other folks. They said, ‘Here is some money. Will it help seed you?’ This whole impact about philanthropy is this – does it make a difference? Well think about a blasting cap and a stick of dynamite. As long as that blasting cap is not there you can throw it all over the place but stick that blasting cap in there and you can do a whole lot of damage. That’s what I see.

TONY PIPA: Just to reemphasize in formal authority verses formal process – in formal authority local leadership is extremely important and to find that you need people on the ground. Oxfam had people on the ground and kept people on the ground.

Q: Milton Grenfell, I’m a local architect and I was a volunteer with the CNU (Congress For The New Urbanism)9 project right after the storm in Mississippi Gulf Coast. First off, there is a strange myopia about this whole discussion. Historically this is not new. Disasters are part of human life. Cities have wiped out by earthquakes, hurricanes and tsunamis since time immemorial. Andres Duany, who led the CNU effort on the Mississippi Gulf Coast, and I were talking three years after the hurricane in New Orleans. He said, “You know, this a really odd situation. New Orleans is a flatline. Every other city, disaster studied in history has had a certain acceleration and rebuilding after the event. New Orleans hasn’t.

9 http://www.cnu.org/node/1440
What’s different? What I’m hearing here that is different is that everybody here is talking about how to be a more effective beggar. Those other disasters, people didn’t think about they could get money, they got to work. Can’t get oak trees out of a city street! I was in a hurricane in Charlton, North Carolina and we had oak trees all over the neighborhood. You could barely walk. We got out there with chainsaws and handsaws and pickup trucks and we got them out of the way inside of a week. We need government to get oak trees out of the way? This is an extraordinary discussion. I think that the most useful thing that has been said is what you said about the social capital. Bowling Alone, that is a big part of the problem. You don’t know how to work with people because you’re not used to it.

A second thing is this kind of look for help sporadic quality in our country now. We’re so used to being told that there is a liability risk to actually doing anything that nobody does anything because you’re afraid of getting sued. That the handrail won’t be right or the sign won’t be right. You know it is preposterous that we’ve become so hobbled by government regulation and fear of liability that people are afraid of doing anything. So I think that’s a huge problem in our nation.

Also we are risk adverse. We used to have a can-do spirit and now it’s like what can’t I do to possibly avoid being sued or hurt. So I think that’s there social capital, there’s government bureaucracy and there’s fear of risk. Which we do have an overly risk adverse society. I think that those are the things that make us unable, unlike societies throughout time, to cope effectively deal with disaster. Until we get those fundamentals right, we can sit here and rearrange the deck chairs, but we’re not really going to solve the real problem. Getting more money from XYZ is not the issue; it’s how you rebuild as a city. And they didn’t do it with other people’s money once upon a time. They did it with their own resources. Chicago, San Francisco, Charleston.

STEPHEN BRADBERRY: Actually I agree with a lot of what you said. However I do think that there are some things that are often not taken into consideration when comparing what happened across the Gulf Coast to other disasters. Probably at the forefront of that, in regards to people’s response, particularly people from the poorer parts of New Orleans, since that’s where a lot of the focus tends to be. Number one – people survived the hurricane and people following the hurricane went about the business of rebuilding. The hurricane hit on the 29th of August. The levees broke on the 30th and 31st. It was two days following when the levees broke that people were then ordered to leave the city. The people who were not able to leave on their own, were forced to leave. On the news we were shown people being drug out of their homes. Those people were the people that you then read about who went through the trauma of the convention center and the Superdome.

Those same people were then bussed and flown all over the United States without being given information on where they were going. There were many stories of families that were split up because the bus stopped right here and he’s gone that way and I’m on another bus. At some point my bus will turn off and go in a different direction. So a good portion of the city’s poorest people, and unfortunately a lot of times when we are talking about the recovery effort we are talking about those neighborhoods. And the odd thing about it is that these city services that have had the hardest time coming back were staffed by those people. So for example, although we talk about the Lower Ninth Ward, the Ninth Ward as a total is the largest ward in New Orleans and it comprises what is known as New Orleans East, which is where 70 percent of New Orleans teachers live. Those people were not allowed to come back to the city and in fact the Ninth Ward as a whole was one of the neighborhoods that the mayor did not open up of his own accord. If you recall, he said at the time that the city was safe in certain neighborhoods, but this was not one of them.

So on top of the mental trauma and the things that you spoke about, in terms of people being risk adverse and being scared of government, they also had this displacement piece that they had to deal with. The anger that you’re speaking about needs to be expressed toward those people who were very much about the ‘not in backyard syndrome.’ Saying that people could not come and put trailers in their backyards or in parks in my neighborhoods. A big part of the fight in New Orleans that is not often discussed is wet verses dry. The entire planning process, the discussion was about money going to wet neighborhoods or dry neighborhoods. That same discussion can probably be spread across the entire gulf. Because there were questions about whether money should go to places where people were already back in the dry areas or are we going to help those people to come back who lived in the wet areas.

So it’s not a matter of apathy and in a lot of cases it’s not even a matter of begging because the overwhelming majority of people who didn’t get the money that they needed to rebuild their home, or the people who I work with and that Bill (Stallworth) works with, really don’t want a government handout. They really didn’t want anything more than what was necessary for them to go about the business of rebuilding their lives. People were not trying to get one over, were not
trying to rip off the system, and that was the big failure of the Road Home Program in assuming that every person who
came through the door was going to try to get more than they deserved and go off and set up a home in Hawaii or Florida
or California.

WILLIAM STALLWORTH: Now I don’t necessarily agree with what you said because basically it’s not a matter of
abetting because in the Gulf Coast we went to work the day of the storm. People pulled stuff out of their own homes and
we really worked together. When Andrew and the group came together at the casino, they were closed off from everyone
that was affected by it. They then came up with these wonderful plans. I knew that they weren’t going to work because
unfortunately nobody bothered to come to the people that actually owned the land. Nobody came and asked them what
they wanted to see happen. It wasn’t that the plan didn’t have good qualities. It was that there was no input from the
people that were affected. State leaders are going back to their homes where nothing was affected and they are trying to
tell someone here who doesn’t have a home what they ought to do. One of things that happened was that another plan said
‘I’ll tell you what, young lady you give me your property. Sir you give me your property and young lady back there you
give me your property. We are going to hire a developer to build condominiums and after he builds them you can come
back and buy one of those condominiums.’ Would you that? How stupid is that?

LENORE EALY: Which does come to that question of trust. Now Martin you are going to be the last question.

Q: Martin Morse Wooster. You mentioned the difference between the Salvation Army’s performance and the Red Cross’s
performance. So I’m wondering what did the Salvation Army do right and what lessons can the Red Cross learn so that
the next disaster they’ll do a better job?

WILLIAM STALLWORTH: Well, the Salvation Army came a couple of weeks after the storm and they literally brought
in food, cleaning supplies and Papa Johns pizza. Now I don’t mean any harm, but when you’re just scrappin’ around for
food and you can’t find none - I’ve never been so appreciative of Papa Johns pizza in my life. (laughter) I mean it was
really good. They came there with the mission that they had to do something. We couldn’t wait on all the money to be
raised, but we’re going to take what we have and come here and we’re going to try to find a way to plug in and see how
we can help. And to that notion – food, clean up and they opened up their facilities so that groups could come in start
working out of there.

That helped for awhile. Now don’t get me wrong – the army later went back to being the army and they have their own
territorial issues but for that period of time they set aside all of the rules and did what everybody said needed to happen.
Roll up your sleeves, get to work. We’ve got a problem here. It’s about triaging. It’s about taking care of the wounded on
the battlefield. Pull them in and save them. Don’t worry about the color of their skin; don’t worry about what is going on
in their lives. Save the patient – that needs to be number one.

STEPHEN BRADBERRY: One thing that is not very well known is that and is often not spoken of is that the Red Cross
had pulled out from the below the I-10 a few years prior to Hurricane Katrina. So when the storm hit they did not have the
capacity to provide services. Whereas the Salvation Army was already on the ground.

EMILY CHAMLEE-WRIGHT: Another parallel that I think we can learn from is FEMA verses the Coast Guard – in
terms of the federal government’s performance in natural disasters, relief and rescue operations. Actually the National
Guard came out looking very, very good. So that is another type of question that goes to the point of Martin’s question.
Steve Horowitz has done some work on this with regards to the Katrina project and I think that it is illustrative. It’s that
same theme of when it really counts that we have to follow the rules in general, but in the moment allowing people who
are on the ground to make quick judgments, to use their discretion and with the confidence that it’s not going to be a CYA
mentality. That was what allowed them to be very effective. If they had pursued the official rule book, the Coast Guard
would not have saved nearly as many lives. So I think that there is a lesson here about how rules and protocol are
important but also some flexibility in discretion by the people who are on the ground is critical.

TONY PIPA: I want to challenge the notion, because it went unchallenged, that there hasn’t been an acceleration in New
Orleans. Eighty-five percent of the city is back, unemployment is lower there than in the rest of the nation. Also for
greater context, this recovery is now happening in the worst economic recession since the Great Depression. I think we

http://mercatus.org/gulf-coast-recovery-project

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have to give it some context. And I think what we were talking about was not to be better beggars but to ensure that systems are in place to build on that resiliency and make it accelerate even faster.

LENORE EALY: I hope that you weren’t coming today to get the final lessons learned because I think that we can tell that this is an ongoing learning process in which we’re all engaged. I don’t think that we are at the end of this conversation by any means. So I thank all the panelists and I thank you for attending today. (applause)