



‘Blood money’ that became a force for good

By Sean Stannard-Stockton

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Like everyone who lost a loved one on 9/11 Steve and Liz Alderman were devastated when their 25-year-old son, Peter, was killed in the World Trade Center attack. Like many, they chose to honour their son’s memory by creating a foundation in his name.

Of the 303 non-profit organisations launched in response to 9/11, only 27 were still operating five years later, according to a study by the NonProfit Times. What has kept the Peter C. Alderman Foundation going is his parents’ focus on maximising the impact of their foundation through rigorous analysis. In the words of Peter’s father, Steve: “We will abandon anything that doesn’t work.”

When the Aldermans received \$1.4m from the September 11 Victim Compensation Fund, Liz thought of it as “blood money” and almost turned it down. She told me recently that she used to lie awake at night thinking about the people she wanted to kill to avenge Peter’s death. But, with Steve’s encouragement, they accepted the money and launched a private foundation to help victims of terrorism and mass violence round the world.

“Using the money for a good cause was the best revenge,” Steve told me. “The only way for us to counteract great evil was with great good.”

Today the Peter C. Alderman Foundation, in partnership with Harvard University, builds mental health clinics and provides local doctors with the tools they need to treat the emotional wounds of victims of terrorism and mass violence in places such as Cambodia, Uganda and Rwanda. Its work has attracted partners such as the US Department of Health and Human Services and the pharmaceutical company, Eli Lilly.

When I spoke to the Aldermans about their foundation, I was struck by the fact they, unlike most philanthropists who talk about the grants they have made, talk about the effect they have had. With an annual operating budget of \$500,000 they have set out to help people across the globe. Liz and Steve found that, to have the impact they were seeking, they had to identify outstanding partners and find ways to leverage their giving.

“Starting a foundation was like starting a small business,” Steve said. “Our daughter, Jane, even got her MBA when she realised that we didn’t know enough about business.” She is now the foundation’s executive director.

The Aldermans represent the vanguard of philanthropy – individuals who have recognised that philanthropy is not defined by the act of giving but by the achievement of impact. It is both an emotional act of love by the giver as well as a strategic investment in our social fabric. The Aldermans have discovered that the most emotionally satisfying philanthropy is a gift that has impact.

Unlike many relatively small foundations, the Peter C. Alderman Foundation has an in-depth strategic plan. Through its mental health clinics, the foundation has reached 65,000 people with traumatic depression. Many grantmakers simply measure themselves by the scope of their activities, but the Alderman foundation goes further and documents that it has seen 80 per cent of the people it has treated return to productive lives.

In Cambodia, where the legacy of the genocidal Pol Pot and the brutal Khmer Rouge still grips the populace, the Aldermans have proved they can treat traumatic depression. Demand has been so large that the foundation created a second clinic to eliminate the 14-month waiting list. Importantly, the Aldermans have shown they can achieve their mission cost effectively; the Cambodia clinic system provides services at a cost of \$50 a head.

The Peter C. Alderman Foundation is not the first to have a strategic plan, strong partners and demonstrated impact. But it is part of an emerging group of relatively small family foundations that are demonstrating how to use effectively these tools.

The Aldermans have shown that the most effective way both to help people and soothe their own emotional wounds is through a focused strategy and measurement of impact.

I was struck by how the Aldermans talked like seasoned social action experts with impact data and leverage statistics dominating our conversation. But, in the end, the Aldermans are grieving parents trying their best to make sense of a devastating loss. “I’ve realised that you can’t cry when you’re working on the computer,” Liz said. “You get the keys all wet.”

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