



Embargoed until delivery
Tuesday, September 25, 2007
2:00 p.m. (EDT)

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**TESTIMONY OF KEVIN M. BROWN
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**BEFORE THE COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON OVERSIGHT
UNITED STATES HOUSE OF REPRESENTATIVES**

Chairman Lewis, Congressman Ramstad and Members of the Committee, I am pleased to be able to appear before you today as the Chief Operating Officer of the American Red Cross.

I want to thank you, Mr. Chairman, for holding this hearing today. While I have only been at the Red Cross for just a few short weeks, the issue of diversity – and of ensuring that our organization integrates diversity into all aspects of our mission and operational strategies – has been top of mind.

Today, I will focus my remarks on where we have been, lessons learned in particular from our response to Hurricane Katrina, and where we are going in the future. But before I do that, I want to address why it is important for nonprofit organizations to be mindful of integrating diversity initiatives into their organizational strategies – into recruitment, into strategies on engaging partners, and into service delivery.

The very nature of charitable organizations is to address needs – needs that, perhaps, are not met by government or social services, or that are better left with a “neighbor helping neighbor” model. Charities provide an important role in our nation – in communities from coast to coast. For the American Red Cross, our Congressional Charter mandates our mission: to help our neighbors prevent, prepare for and respond to disaster. Each and every day, our more than 700 chapters respond to more than 200 house fires and other disasters, in addition to providing first aid, CPR/AED, and other health and safety training programs to more than 11 million individuals each year. Our 35 blood regions collect, process and distribute more than 40% of all blood needed and used in the nation. Our two Service to Armed Forces Centers annually provide 650,000 emergency communications from 193,000 families to loved ones serving in our nation’s armed forces. And our international relief operations respond to an average of 30 international disasters annually.

Most Americans recognize the American Red Cross as our nation's partner in disaster preparedness and response. As the landscape of our great country has changed over the past 125 years, the American Red Cross has to better adapt to changing demographics and ensure that our organization – at every level and across all our lines of business – is reflective of the communities we serve. This includes our paid staff and management, volunteers and blood donors, and contracting opportunities.

Our mandate is not to help *some* of the nation prepare and respond – rather, our mission is to help ensure that *all* in our nation are cared for. Simply stated, our programs and services are only beneficial if those who need them can access them. All people should feel comfortable coming to the Red Cross in times of need – and we need to ensure that we inspire faith, trust and confidence in our organization.

Mr. Chairman, this hearing is timely as September is National Preparedness Month. Just last week, the Red Cross President and CEO, Mark Everson, and six of our local chapter executives participated in a roundtable discussion with Representative Bennie Thompson, Chairman of the House Committee on Homeland Security, and his colleagues on the Committee to talk about community and individual preparedness. Our chapter executives highlighted progress they have made in engaging all their constituents in preparedness efforts – many through partnerships with diverse organizations, faith groups, businesses, and local civic organizations. We know that it is often the most vulnerable communities that are most significantly impacted by disaster, which reinforces my point – in order for us to get to communities that need us, we need to reflect those communities at all levels throughout our organization.

This hearing is also timely because it is National Sickle Cell Awareness Month. Sickle Cell Anemia, which causes red blood cells to form an abnormal crescent shape, affects more than 70,000 people in the United States – mostly African Americans. One of the most common treatments for Sickle Cell Anemia is regular blood transfusions to help reduce the risk of stroke, damage to major organs that can lead to severe infections, and other complications that can arise from the disease. Many donors need blood transfusions every few weeks to help keep the effects of the disease at bay, and transfusions from blood donors of the same ethnic background are even more beneficial because they have less chance of causing complications for the recipient.

The American Red Cross collects more than 40 percent of the nation's blood supply annually. Statistically, we know that we need to improve the recruitment and retention of diverse blood donors, for a couple of reasons. The first is that only 8 percent of eligible donors donate blood each year. Secondly, donations from diverse communities help with specific needs like Sickle Cell Anemia. African Americans, for instance, are more likely to have Type O or B blood. On any given day in any Red Cross blood region in the country, there are shortages of Type O and B blood. Increased donors will help alleviate these needs and contribute to a safe and available blood supply.

For large, historical organizations, building relationships and changing the demographics of the organization take time, resources, and a solid commitment from leadership. Since Hurricane Katrina, the Red Cross has taken a hard look at our challenges with regard to reaching diverse

groups and has put some policies and programs in place to help the organization meet these challenges. We recognize we have more work to do, and with new leadership comes new opportunities.

Where We Have Been

Before Hurricane Katrina slammed into the Gulf Coast, the American Red Cross knew that it needed to implement changes that would better serve diverse communities. There seemed, however, to be some reluctance in acknowledging or discussing publicly these needs. While the Red Cross previously had attempted to implement diversity programs that were designed to enhance our abilities to serve all communities, there were starts and stops and limited progress was made.

When Hurricane Katrina hit the Gulf Coast, however, issues became exacerbated and the organization was forced to publicly acknowledge and discuss problems of race, language, and culture in ways it had never done before. Indeed, the 2005 hurricane season proved to be more than 20 times greater than anything we have ever responded to in our 125-year history – and it turned out to be a defining moment for our organization.

While I will discuss lessons learned for the Red Cross in just a moment, I want to offer some initial observations. Over 220,000 trained Red Cross disaster services workers from all 50 states, the District of Columbia, Puerto Rico and the Virgin Islands gave their talents and time to respond to Hurricane Katrina. Accordingly, our self-assessment is not a reflection on the people who donated their time, money and talents so generously. Indeed, when we turned to the American people and told them that our relief efforts were going to cost more than \$2 billion, they responded with extraordinary charitable support. When we turned to the business community and said that we needed their expertise, several corporations, working collaboratively, shared with us their talent and innovation. I know that you will join me in agreeing that the challenges that existed, and those issues that still persist, are not a reflection of the devotion and kindness of our volunteers and donors. We appreciate and value all who came to help their neighbors in need, and continue to rely on volunteers to assure we can provide services today and in the future.

That said, through our response to Katrina the Red Cross learned that there are limits to our effectiveness in addressing the needs of diverse constituencies in a vast array of communities. These constituencies included, among others, the elderly, people with disabilities, African Americans, Latinos and Asian Americans. During the relief effort, some advocacy groups observed that the Red Cross had not consistently met the needs of a diverse segment of their communities. One group asserted that the Red Cross workforce lacked diversity from top to bottom, and, as a result, was not sufficiently sensitive to racial and cultural issues. Put another way, the sense was that the Red Cross lacked “cultural competence” in its response to Katrina. Other groups reported Red Cross communication failures with minority populations, particularly in remote areas along the Gulf Coast. Another recurring complaint was that the Red Cross had not done enough before Katrina struck to foster the necessary relationships and develop agreements with local and national organizations that serve diverse populations.

We have taken this criticism to heart. As the nation's largest mass care provider, we have been successful in responding to disasters for more than a century. On larger relief efforts we have worked effectively with familiar partners like the Southern Baptist Convention and The Salvation Army. In very large events, like Katrina, many new groups step forward. In the midst of providing service during Katrina, we had difficulty helping these new groups become part of the community response. We need to improve our ability to work with these new, non-traditional disaster response organizations, and do so well before the disasters take place. This was a hard but valuable lesson for the Red Cross to learn. The Red Cross can, and must, take a lead role in helping them become part of the response.

Katrina also was a wake up call for the Red Cross that partnering is important in all disasters – not just major catastrophes. Since Katrina, the Red Cross, at the national level and throughout our more than 700 chapters nationwide, has worked diligently to create and foster strong partnerships with many new organizations that would typically not be in the disaster response business. Our chapters have been working with local community organizations - from faith groups and businesses to local civic organizations - to ensure that partnerships are in place so that organizations that selflessly step up to help their neighbors know in advance how to access supplies, resources, and expertise. For many people the Red Cross is not their first line of defense when disaster strikes. Instead it is their church, local civic group, or other community organization. Through such partnerships, Red Cross chapters are providing training and supplies to community and faith-based organizations to strengthen response efforts across the nation so that when a disaster strikes, these organizations will be better prepared to assist, and the Red Cross will be better prepared to identify and reach out to people who may need assistance. We have seen the benefit of working with these new partners in many significant responses over the past two years. I want to provide you with some recent examples:

- In preparation for this past weekend's tropical depression in the Gulf of Mexico, our Southeast Louisiana Chapter in New Orleans activated its preexisting relations with Boat People SOS, a nationally recognized group that assists Vietnamese refugees and immigrants. Boat People SOS personnel were charged with managing the Plaquemines Parish Shelter in partnership with the American Red Cross.
- In anticipation of the same storm, the chapter also activated its partnership with the Hispanic Apostolate to have Spanish-speaking volunteers on-call to provide translation services in New Orleans disaster shelters.
- On a national level, the Red Cross has worked with the American Translators Association to ensure that some 200 translators are available for deployment during disasters.
- With the landfall of the quick forming Hurricane Humberto two weeks ago, The National Baptist Convention's youth groups worked with our volunteers in Port Author, Texas to do door-to-door distribution of informational flyers while also assisting senior citizens with needed items such as ice, water and clean-up kits.

- In order to more effectively address disability related issues, the Red Cross has partnered with the National Disability Rights Network and other national disability advocates. At their direction, we have recently purchased 8,000 accessible cots and other items, including commode chairs and shower stools, which have been staged in key warehouses across the country.
- Over the past 18 months, the Red Cross has provided disaster training at several NAACP convention meetings. The objective was to increase capacity to serve diverse and vulnerable communities as well as build stronger relationships with faith-based organizations, civic organizations and special interest partners, supporting a more inclusive model of community-based disaster response.

While the work with our partners points to some progress, we understand that our collaboration must be sustained to truly benefit those we serve. Our vision for partnerships is that disaster relief organizations support one another for the common good through coordinated service. There is no market share on human suffering. Therefore, our work needs to be joint in nature and inclusive to all segments of the nation.

Where We Are Going

Earlier this year the American Red Cross underwent some major changes. In May, the President signed into law the *American National Red Cross Modernization Act* that updated the Red Cross Congressional Charter, which had not been amended significantly since 1947. Under the new charter, the responsibilities of the Board of Governors and the President and Chief Executive Officer are clearly delineated – holding management accountable for its performance and making the Board a governance and oversight board. Additionally, the Act calls for the establishment of the Office of the Ombudsman, an independent office whose doors are open to all members of the American Red Cross community, including the public. This office was created to improve the American Red Cross' ability to resolve disputes and take action on significant issues confronting the organization. The Ombudsman's first annual report to Congress will be issued in 2008. These are all important changes for the American Red Cross and I thank the Congress for its expeditious passage of this measure.

The Red Cross also has a new management team. New leadership provides new opportunities, and over the course of the past few months the issue of diversity has been discussed a great deal. While continuing an across-the-board effort on diverse partnerships, there is a recognition that we also need to build a more robust diversity program that fully integrates diversity in all of the Red Cross. For instance, we need to make further significant improvements on the staffing front and in our volunteer base.

The American Red Cross must do better in understanding that diversity is a strategy that can enhance all aspects of its mission. Successful diversity initiatives result in better client services, increased staff and volunteer talent pools, stronger and more meaningful partnerships, and increased financial and blood donations. When managers see the "business case" for diversity,

they can support and drive diversity initiatives through their operations leading to meaningful results.

The American Red Cross must be accountable for producing results. With a diversity strategy in place, and operational goals for implementing diversity strategies throughout the organization, the Red Cross will be ready to start measuring results and holding people accountable for delivering on diversity initiatives.

Why are we doing this? Simply put, America is changing and the American Red Cross must do so as well.

Conclusion

Mr. Chairman, Congressman Ramstad and Members of the Committee, this topic is important and timely – not only for the nation and the charitable sector, but also for the American Red Cross. While some progress has been made through partnership efforts, there is much more to be done. With more than 700 chapters and 35 blood regions, the Red Cross is part of every community in our nation.

We are on a path to ensure that we represent all individuals in all our communities across the nation. This journey has started with partnership, but it will not end there.

I want to close with one thought about the Red Cross and our long history. The American Red Cross, as part of an international movement, is guided by seven fundamental principles. One of those principles is “[i]mpartiality.” This principle states “[i]t makes no discrimination based upon nationality, race, religious beliefs, class, or political opinions. It endeavors to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.” The foundation of ensuring that we are representative of those we serve – and that we are a culturally competent and sensitive organization – is embedded in the principles of who we are. I think this is a very good starting point.

We have a tremendous amount of work to do, and we are going to need your help. Together, we believe we can make the Red Cross the strong, diverse and inclusive organization it should be – and that all Americans expect it to be. I look forward to working with you as we continue this journey, and I would be happy to answer any questions you may have.