



Don't Patronize—Empower: Bernie Marcus makes veterans self-reliant

Bernie Marcus became a business icon by reimagining American home improvement. Rather than limiting homeowners to a smaller selection of goods at neighborhood hardware stores and professional contractors to separate wholesale outlets, he tapped into the burgeoning do-it-yourself movement in America and offered a huge array of building materials to all. His store, Home Depot, treated every shopper like a

professional contractor—goods were stacked on pallets in massive warehouses, and frills were few. But prices were deeply discounted.

Marcus and his partners opened two locations in Atlanta in 1979, then grew their business into an international empire. Needing an army of associates in orange aprons to keep the operation humming, and having a patriot's appreciation for the U.S. military, Marcus and company established veteran-friendly business practices. Today, about 10 percent of Home Depot employees are either veterans or military Reservists. If any of those Reservists are called up and paid less in the military than they would have earned at Home Depot, the company pays the difference while they are on duty.

In addition to being a serious friend to veterans, Marcus and his family have been some of the most generous philanthropists in America. Marcus gave \$250 million to create the Georgia Aquarium as a gift to the Atlanta-area workers and customers who initially made Home Depot succeed. He founded Autism Speaks and transformed autism from painful mystery to widely understood and treated condition. And Marcus made very large gifts to medical facilities in the Atlanta area and Florida.

Support for veterans and servicemembers became a priority for Marcus starting in 2007. As he throttled back his involvement in his company and became more engaged in giving his fortune away, he wanted to support veterans coming home from the wars in Iraq and Afghanistan. In a few short years, he would invest over \$40 million in assistance for veterans, with much more to come.

Advanced care for brain injuries

While touring the Shepherd Center in 2007, a nationally prominent rehabilitation hospital in Atlanta that he had been supporting for years, Marcus met a young soldier with a spinal-cord injury (Shepherd's specialty) and a traumatic brain injury (TBI). He was astonished to learn that although the soldier was stationed at a base just an hour and a half away, and had been given a prognosis of paralysis from the waist down for the rest of his life, he had been waiting months for the military to process his paperwork and discharge him to V.A. care.

The man had exited his bureaucratic limbo only because his family became involved and found the specialized services of the Shepherd Center. There the doctors were much more optimistic about his chances of rehabilitation. Within three weeks, the soldier was up and walking.

The episode left Marcus deeply moved. And agitated. Marcus Ruzek, an Army Reservist who directs Marcus's veterans' giving, explains that "Bernie concluded that the Defense Department and V.A. are failing on spinal cord injury and traumatic brain injury. He wanted to make sure that any servicemembers and veterans who needed it could have access to top civilian medical care like that offered at the Shepherd Center."

Marcus offered Shepherd \$2 million in seed funding and a challenge to build up a program where servicemembers and veterans with traumatic brain injuries could get intensive treatment. The specialists at Shepherd created what they called their SHARE initiative. It opened its doors in 2008.

When they arrive in Atlanta, SHARE participants undergo a two-week assessment of their symptoms and functional limitations, led by a team of neurologists, psychiatrists, psychologists, speech pathologists, and physical therapists. They produce a set of treatment recommendations. The patient then undergoes 8 to 12 weeks of intensive therapy. In addition to their medical treatment, participants work with recreational therapists, social workers, and vocational rehabilitation experts. The goal is improved daily functioning leading to independence. After veterans return home, a SHARE case manager orchestrates 12 to 24 months of follow-up. If more treatment is needed, the patient returns to the Shepherd Center.

The SHARE program stands in stark contrast to other forms of brain-injury treatment available to veterans. First, it is intensive and full-time—patients live in nearby apartments for months while they spend eight hours a day, five days a week, plus weekends, working on getting healthy. "In SHARE," Ruzek notes, "you're immersed." Second, the clinicians are from several fields, highly skilled in brain injuries, and dedicated entirely to SHARE, not split among different departments in a larger hospital.

The program accepts participants on a rolling basis, with space for up to ten at a time (50 patients per year). "And you're in a culture of people getting better. So the incentive to actually get better and move on and get to the next stage of your life is there," says Ruzek.

As an example of the 300 or so lives that SHARE has changed, Ruzek cites a soldier injured by a blast in Iraq. She returned home to a child, but needed a caretaker even to attend to her own needs. Her husband got frustrated and left her before she came to SHARE as a last-ditch option. By the time she had completed the program she was able to hold a job, live without a caretaker, and regain custody of her daughter.

SHARE results are publicly available. They show consistent improvement on most measures of debilitating medical symptoms—headache and dizziness, pain, PTSD and depression, and difficulty sleeping. The program also tracks positive effects like return to work or school, and personal goals met.

Despite its clear successes, Bernie Marcus was dissatisfied with one important aspect of the program. At one prominent public event, Ruzek says, his outspoken boss “got up as the keynote speaker and said, ‘You know, this is a great program. But it’s a failure because we’ve never found a way to replicate it so it can do its good for an even larger number of people.’ That has always been his frustration.”

Starting in 2010, after SHARE showed promising results, Marcus organized meetings with Defense Department officials, V.A. leaders, and the U.S. Surgeon General’s office to allow the team from SHARE to explain their work and offer to treat more veterans and servicemembers. According to Ruzek, “they all agreed it was great, and that there was no reason the government agencies couldn’t work together to get more veterans this superb care. And then all collaboration completely fell apart after the meeting.”



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The experience left a bad taste in Marcus’s mouth. In one 2015 television interview he leveled a straightforward judgment: “I think the V.A. is the most disgraceful organization in America today. If it were a private institution it would be bankrupt and closed. Our wounded warriors deserve much more than they’re getting.”

Rather than let bureaucratic incompetence stop him, Marcus trimmed the scope of his ambitions, then continued his philanthropic work to provide superior care without V.A. support. Patients continue to stream into SHARE by word of mouth referrals from knowledgeable veterans and doctors. And the program has a waiting list.

Though it doesn’t charge veterans or servicemembers anything, the SHARE program is financially stable. After Marcus covered the startup costs of setting up offices, hiring a team, and developing the

program, SHARE settled into a budget of about \$1.2 million per year. The program receives partial reimbursements from insurance companies covering about 10 percent of its costs. The rest comes from local philanthropy.

A giant end-run around government obstacles

Deeply frustrated by his experience with the V.A., Bernie Marcus stepped away from brain-injury work for several years. SHARE continued at a steady state, but no expansion was contemplated. Eventually, Marcus decided he wanted to try again to improve brain-injury treatment for veterans.

After deciding he needed someone to focus full-time on his veterans' giving, Bernie Marcus hired Marcus Ruzek in 2013. Ruzek had no background in nonprofit or foundation work, so Marcus first had him learn his values and study his giving philosophy, so he could stay true to donor intent. Then he asked Ruzek to overlay this new philanthropic knowledge with his own experience with soldiers and veterans, which included three tours in Iraq and Afghanistan, and the government bureaucracies serving them. Ruzek put together a series of grants to solid veterans' groups. (More on these later.)

Then Marcus gave Ruzek a very clear order. "I want you to make SHARE a nationwide network, and really extend it. Go big."

This would be a long-term project. As Ruzek notes, "brain injury is a complex issue, with institutional obstacles we had already encountered, so we couldn't responsibly step out and make a major grant right away." But Ruzek started talking with experts at SHARE, and others in the field, about opportunities to improve concussion and brain-injury care, in light of what was available at the V.A. and Defense Department facilities.

Ruzek visited other examples of excellent medical philanthropy for veterans, like Operation Mend, the surgery program for severely injured vets (see Case Study Nine in *Serving Those Who Served*). Ruzek met Dr. Jim Kelly, the founding director of NICoE, the medical facility launched by philanthropist Arnold Fisher and his family to create excellent brain-injury treatment through the Department of Defense (see Case Study Eight in *Serving Those Who Served*).

Kelly had been treating brain injury among accident victims, professional athletes, and veterans for decades by the time he met Ruzek. He pointed out that "85 percent of concussions heal without much being done. You monitor them, keep patients from repeating the damage, and they tend to recover." The 15 percent of patients who didn't naturally recover were a

bit of a mystery. Doctors were more focused on addressing symptoms than tackling root causes.

Early in his career, Kelly had focused on treating the much tinier number of patients suffering severe or penetrating brain injuries. He applied those principles to the patients with milder injuries, concussions, who weren't recovering, and found subtle versions of the same problems he saw in more severe brain injury. This gave him specific targets to treat.

Though NICoE had special prerogatives to cut through red tape, it was still part of the military health system, which limited its flexibility. It could only treat servicemembers, not veterans, and it lacked adequate capacity to be a national solution. Ruzek and some outside consultants he hired examined other mental-health and brain-injury clinics for veterans popping up around the country, weighing their pros and cons, but none seemed to provide the broad solution Bernie Marcus was looking for.

Then in 2015 Dr. Kelly decided that if he wanted to bring the intensive NICoE-style approach to repairing brain injuries to the maximum number of patients he would have to do that in the private sector. Exiting the military health system would make it easier for him to collaborate with other medical leaders, and allow him to serve veterans, where the lion's share of today's need lies. Working in a more flexible environment, preferably an academic medical center, would also allow him to teach, contribute to much-needed research in the field, and spread intensive approaches to concussion care more easily.

Together, Ruzek and Kelly started working on a plan to build a preeminent brain-injury clinic. It would be located on the Anschutz Campus of the University of Colorado School of Medicine, Kelly's home teaching institution. And it would offer the best concussion care for a thousand miles in any direction.

To control expenses so the program would be viable to expand widely, Kelly planned to decrease staff and share more equipment with other clinics at the hospital, compared to the NICoE model. But the integrity of his program remains the same—it lasts four weeks, focusing intently on diagnostics and development of an individualized treatment plan. Patients start their treatment on-site, and then transition to their home communities to continue rehabilitation.

Initially, the Colorado clinic will serve around 400 patients per year. Veterans will receive care alongside elite athletes, civilian car-crash victims, and injured workers. Kelly believes this will be helpful

in normalizing understandings of brain injury, and speeding and mainstreaming the recovery of veterans.

As with the SHARE program, the Marcus Foundation and Kelly are committed to ensuring no veteran will pay for care at this clinic. Their business plan calls for seeking reimbursement from private insurers and government where available, generating revenue from their treatment of private civilian cases and athletes, renting out use of their high-end diagnostic equipment to other hospital departments, seeking grants for research, and filling financial gaps with philanthropy. On an annual operating budget of \$6 million, they expect to be able to reduce their need for philanthropic support to under \$1 million annually within a period of years.

Bernie Marcus has made it clear to Ruzek that he would consider opening just one clinic, no matter how good, a failure. He wants a national network that can help thousands of veterans per year. So a plan has been launched, with backing from other philanthropists, to make Kelly's clinic at the University of Colorado a hub that works closely with SHARE and other clinics around the country. These sites will share knowledge and clinical approaches, collaborate on research, and direct patients in any region of the country to the most appropriate clinic site.

The network aims to serve around 2,000 veterans per year. A research organization has joined the alliance to manage and share the reams of data the clinics will produce. It's called OneMind, and is run, with philanthropic support, by Pete Chiarelli, former vice chief of staff of the Army.

Satisfied with this ambitious proposal, Bernie Marcus signed off on a grant to launch Jim Kelly's clinic at the University of Colorado, a commitment over \$30 million, in addition to a sizable promise to integrate other medical facilities into the network. At the same time, Marcus invested \$3.8 million to purchase a building that will allow SHARE to double its annual capacity to 100 patients, as its contribution to this burgeoning network.

Donors and service providers alike often lament the lack of collaboration between different efforts serving the same populations. Ruzek made common cause with other donors early on, sharing each revision of the plan, and looking for opportunities to work together. In Colorado, for instance, he consulted with local funders like the Anschutz Foundation, Daniels Fund, El Pomar Foundation, and Sturm Family Foundation. Nationally, he kept in touch with leaders of the Cohen Veterans Network (more on that later). As one result, patients will be freely referred back and forth between the programs focusing on mental health and those concentrating on brain injury. With donors like these

involved early on, there's a high chance we'll see sizable partnerships in the future.

Independence for the catastrophically injured

Casualty rates have declined dramatically over the last century of American warfare. In World War I, more than 6,700 fighters out of every 100,000 were injured or killed. By the time of the Iraq and Afghanistan wars that rate had dropped to 912. In the world's best-trained and best-equipped military, battlefield injuries are increasingly rare. And for those who do get injured, survival rates have increased from 64 percent to 88 percent over that same period.

The dark side of this trend is that some survivors today live with grievous physical effects that forever change the way they go about daily life. Out of about 2.5 million servicemembers deployed, the Iraq and Afghanistan wars have left about 1,600 individuals with limb amputations, 990 severely burned, and several hundred with spinal-cord injuries. That isn't an exhaustive list of life-altering wounds, but it gives a sense of the number of catastrophically injured persons meriting the nation's attention.

A substantial portion of Bernie Marcus's giving focuses on this small but vitally needy and deserving population of veterans. In particular, he has committed \$8.5 million to build 27 custom smart homes for some of our most severely wounded servicemembers and their families. He works with two charities—the Gary Sinise Foundation, and the Stephen Siller Tunnel-to-Towers Foundation—that have particular specialties in this niche.

A number of charities have given away mortgage-free homes to veterans over the last decade. Often these will be foreclosed homes donated by banks and then renovated for the recipient. Eligibility is usually based on having a V.A. disability rating of a certain level, regardless of whether the disability creates specific functional limitations like climbing stairs. These home giveaways put roofs over the heads of some veterans and their families as a deep expression of gratitude, but few were tightly targeted to the needs of veterans with the most barriers to independent living.

The Sinise and Siller organizations are different. They are aimed specifically, Ruzek notes, at “the very severely wounded population—triple amputees, victims burned over 80 percent of their bodies, those with severe brain injuries who will need full-time caretakers for the rest of their lives. The first home that Siller built was for the first quadruple amputee to ever survive a war. He happened to be from Staten Island,

New York, near where the foundation is based, and so they built his home. That's how they got started."

The small bit of good news in this sad situation, says Ruzek, is that "this population is in the hundreds. It's not thousands or tens of thousands. We look at it as a solvable problem. Every severely wounded veteran from Iraq and Afghanistan who needs a smart home to live independently can get one within the next few years."

Building each home is a major undertaking because it has to be designed to accommodate the serious limitations of the veteran. Everything gets adjusted, from ramps and elevators, to adaptive showers and oversized light switches, to cabinets and countertops that raise or lower at the push of a button. No detail is too small for these two charities. As Siller home recipient Todd Nicely put it, "the biggest things in this home are the smallest ones."



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The Siller and Sinise foundations act as project managers. They find veterans who qualify, oversee the design, raise all of the funds for the project, supervise the building process, then make sure the vet settles well in the new house.

Great effort is exerted to make sure the home creates independence and empowerment for the veteran, not a message of "we feel really bad for you, here's a house—just stay in there." Once vets get into their homes, the first question asked is how they plan to give back. They are particularly encouraged to help other vets trailing them in the recovery process.

The cost of these houses generally ranges from \$600,000 to \$700,000. This gets reduced by in-kind support from manufacturers who subsize components. For Siller houses, MasterBrand provides cabinetry, HunterDouglas does the window treatments, and Carpet One provides floor covering, among others. Separately from Bernie Marcus's giving, the Home Depot contributes both direct funding and in-kind donations to both organizations, along with volunteer time from store associates. Local donors provide further help. And the V.A. will cover up to \$70,000 for adaptive housing, though it requires a complex application that the charities help the beneficiaries put together.

By the time the Marcus Foundation and other major funders come in as the final funders, the gap needing to be filled is much reduced. The Siller Foundation, for instance, was able to complete 14 homes using just \$150,000 each of Marcus Foundation support in its last grant cycle. Says Ruzek of these two partners, “they’re each now doing 15, 16 homes a year. So this issue will be solved in a few years.”

Helping everyday vets thrive

Because Marcus Ruzek is still in the Army Reserve, and because his boss had been fairly quiet in his giving to veterans, Ruzek has often been able to experience charities for vets as a participant, without being identified as the representative of a major philanthropist, at least for a little while. He joined a number of organizations as a regular member to see what participants experience. He kept asking himself, “Is this something I think is worth my time? Is this something that could help me if I were struggling?”

In addition to looking at management and business practices, and considering whether the organization would be a good steward of Marcus Foundation resources, Ruzek developed a litmus test he considers important to the success and self-respect of veterans. He decided he would ask every potential grantee not just what it could offer to veterans, but “what it would require of them. What do you ask them to do in return? We’re trying to reinforce the fact that veterans aren’t broken, that they aren’t charity cases. Veterans are actually a great part of our society who can give back if empowered to do so. They will integrate faster, be better citizens, and recover from any setbacks more completely if you require them to put effort into their own advancement, and into helping others.”

Viewed with these sorts of factors in mind, Ruzek soon zeroed in on a number of charities that are now major players, but which were just starting to expand and professionalize when he started investigating them. These include Team Red, White, and Blue; The Mission Continues; and Team Rubicon. The Marcus Foundation played a crucial role in fueling the growth of these three from brand-new concepts of how to minister to vets, to their current positions as thriving charities of first-rank effectiveness.

“What every one of those organizations does is pull veterans out of social isolation and into a community with comrades and those who have had similar experiences. They all require hard things of their participants. And they all write their members into a larger and very inspiring story, which is the same thing that happened to them in the military,” says Ruzek.

“We found these groups to be a very, very important piece of the transition to civilian life, and of strong and balanced mental health. If you can put social supports and protective factors around transitioning veterans of exactly the sort that these organizations supply, then most of them are not going to be at risk.”

Beyond cutting checks to these organizations, the Marcus Foundation helped shape their structures. Take, for example, Team Red, White, and Blue. The basic thesis of the organization goes something like this: If you bring veterans, servicemembers, and civilians together through regular physical and social activity, their lives and relationships will be enriched in ways that will help them weather challenges.

Impressed with Team RWB’s model, and particularly with its leadership, the Marcus Foundation decided to fund the organization’s growth. Relying on volunteers, it had already grown organically to 40,000 members nationwide. The foundation offered Team RWB a \$1.3 million grant to expand across the Southeast. This paid for a marketing and branding campaign, hired staff, and more programming. The group expected 15 percent annual growth. Instead, regional membership more than doubled in less than a year, from 7,600 to 17,800. Team RWB became the fastest-growing veterans’ organization in the country, and now has over 120,000 members.

In 2016, the Marcus Foundation expanded its pilot investment with another \$4.8 million over three years. Most of this is committed to program delivery; some goes to improving the group’s technology infrastructure and evaluation capacity—it needs tools to track what’s happening at mushrooming chapters, to make sure they remain responsive to their members.

Less than a year after its first Team RWB grant, the Marcus Foundation invested \$2.5 million in Team Rubicon’s growth along the Atlantic seaboard. The money was aimed at expanding enrollment, engagement, and community impact—within this organization that mobilizes veterans to respond to disasters. Its model has two goals: Help individuals and communities traumatized by events beyond anyone’s control. And offer veterans a sense of purpose and civilian usefulness. The Marcus Foundation was impressed at its demonstrated ability to achieve both of these objectives, in a variety of mobilizations in many different places.

Last, the Marcus Foundation put substantial funding into The Mission Continues to bring that group, which organizes veterans for community-service projects, to Atlanta. After an initial \$50,000 grant to

form a local service platoon yielded double the expected participation, the foundation decided to ramp up—offering an additional \$680,000 over three years. This launched three more platoons, and funded 12 fellowships placing trained veterans in nonprofits around the Atlanta area.

By replacing the strong teamwork and purpose that many veterans miss when they leave the military, these groups help many former servicemembers shift gears to a productive civilian life. “We’re measuring through surveys that their lives are more enriched, they have greater sense of purpose, and they have a better connection into their community. The problem with a lot of veterans is that they get out of the military and their entire support network is gone. If they move to some new place, or even if they move back home, they’re a changed person and they don’t have any network to lean on. That’s what these groups offer. By connecting new arrivals with people already entrenched in the city, they also become natural referral services.”