What Is A Life Worth?
To compensate families of the victims of Sept. 11, the government has invented a way to measure blood and loss in cash. A look at the wrenching calculus...
By Amanda Ripley

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A train barreled over Joseph Hewins’ body on a wintry evening in 1845 in the Massachusetts Berkshires. Hewins had spent the work day shoveling snow off the tracks, only to be killed on his trip back to town when a switchman got distracted. Hewins left behind a wife and three children, who were poor even before his death. His widow sued but lost at every level. Had the train merely chopped off Hewins’ leg, the railroad would have paid. But in the perverse logic of that time, when a man died, he took his legal claims with him. And so the thinking went for most of the century, until something unheard of began to happen. The courts started to put a dollar value on a life—after death.

The concept of assigning a price tag to a life has always made people intensely squeamish. After all, isn’t it degrading to presume that money can make a family whole again? And what of the disparities? Is a poor man’s life worth less than a rich man’s? Over the past 100 years, U.S. courts have crafted their answers to these questions. Forensic economists testify on the value of a life every day. They can even tell you the average valuation of an injured knee (about $200,000). But until now, the public at large has not had to reckon with the process and its imperfections. Until the terrorist attacks of Sept. 11 created a small city’s worth of grieving families and the government established science. Now the process is on garish display, and it is tempting to avert the eyes.

The calculus has several steps, Feinberg explains. First, the government will estimate how much a victim would have earned over his or her lifetime had the planes never crashed. That means a broker’s family will qualify for a vastly higher award than a window washer’s family. To estimate this amount, each family was handed an easy-to-read chart on the way to the meeting: Find your loved one’s age and income and follow your finger to the magic number. Note how readily the legal system commodifies life.

Then—and this is crucial—don’t get too excited. That first number will be boosted by a flat $250,000 for “pain and suffering”—non-economic losses, they are called. Tack on an extra $50,000 in pain and suffering for a spouse and for each child. The charts, while functional, are brutal, crystallizing how readily the legal system commodifies life.

But that’s not how it’s going to work.

Feinberg, in a black-and-white polka-dot tie, speaks in short, punchy sentences and a loud voice. He has already given the speech 32 times up and down the East coast. The main thrust: The government, for the first time ever, has agreed to write large checks to victims’ families without any litigation. The checks will arrive within four months after a claim is filed—no legal fees, no agonizing 10-year lawsuit. But every award will be based on a cold calculus, much the way courts handle wrongful death claims.

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Much has been made of the enormous charity funds raised after the attacks. Donations to those groups do funnel thousands of dollars to the victims’ families—in particular, the families of fire fighters and police officers. But overall, the nearly $2 billion in charity money is chump change compared with the cash that will flow out of government coffers. There is no limit to the federal fund, but the tab is likely to be triple the size of the charity pot. And while charity funds are doled out to a vast pool of people, including businesses hurt by the attacks, the government money will go exclusively to the injured and to families of the deceased.

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Then—and this is crucial—don’t get too excited. That first number may be quite high—in the millions for many. But you must, according to the rules of the fund, subtract all the money you are getting from other sources except charities. A court settlement would not be diminished this way, but this is not a court, Feinberg repeatedly points out. Deduct life insurance, pension, Social Security death benefits and workers’ compensation. Now you have the total award the government is offering you for your loss.
The deductions have the effect of equalizing the differences in the awards. Critics have called this Feinberg’s “Robin Hood strategy.” For many people in the room, the number is now at or close to zero. Feinberg says he will make sure no one gets zero. “Leave it to me,” he says. But nowhere will that be written into the rules when they are finalized in mid-February. Likewise, many fiancés and gay partners will be at the mercy of Feinberg’s discretion in seeking wards. Before finding out exactly what they will get—and the rules are complex—families will have to agree never to sue anyone for the attacks. “ Normally, that would be a difficult call,” says Feinberg. “Not here. The right to sue in this case is simply not a reasonable alternative.”

That’s because Congress has capped the liability of the airlines, the airport owners, the aircraft manufacturers, the [Twin] Towers’ landlord and the city of New York. In the name of the economy, the government severely restricted the victims’ rights to sue—whether they join the fund or not. It is this lack of a viable option, even if they would not take it, that galls many families.

Congress created the fund as a safety net for the victims’ families, to ensure that they maintain something resembling their current standard of living—whether they get assistance from private insurance or government money. The families see it as so much more. For the traumatized, the charts are like a Rorschach test. Some view the money as a halfhearted apology for the breakdown in security and intelligence that made the attacks possible. Others can’t help seeing the award as a callous measure of their loved one’s value. Many regard it as a substitute for the millions they think they may have got in court, had the liability been capped. When the total comes out to be underwhelming, these families take it personally. There’s a fundamental clash between the way they interpret the purpose of the fund and the way the government sees it.

After Feinberg speaks, he stands back and braces himself for artillery of angry rhetorical questions. Gerry Sweeney, whose brother died in Tower 2, Floor 105, points at Feinberg and explains why $250,000 is not enough for pain and suffering in the case of her now fatherless nephew. “Have you ever seen a 12-year-old have a nervous breakdown?” she asks. Another woman concocts an analogy to illustrate for Feinberg what it was like to talk to loved ones as they came to accept the imminent, violent deaths and to watch the towers collapse on live TV. “If your wife was brutally raped and murdered and you had to watch and listen to it happen, what would you think the right amount would be?” Finally, Maureen Halvorson, who lost her husband and her brother, speaks up from the front row in a quiet, bewildered voice. “I just can’t accept the fact that the Federal Government is saying my husband and my brother are worth nothing.” Feinberg is silent.

The more than 3,000 victims of the Sept. 11 attacks are frozen in snapshots, wide-smiling men and women in crisp suits and uniforms who like to build birdhouses on weekends and play practical jokes. In the literature of grief, they have become hardworking innocents, heroes and saints. But those they left behind are decidedly human. Some compete with others for most bereaved status; others demand an apology even when no one is listening. Some are popping pills, and others cannot leave the house. Most days, they are inconsolable. And as the rest of the country begins to ease back into normalcy, these families stand, indignant, in the way.

Already, some Americans have lost patience with them. “My tax money should not be given to someone with a $750,000 mortgage to pay who needs a set of fresh, matching towels in her bathroom every season,” one person wrote anonymously to the Department of Justice’s Web page on victim compensation. “I’m shocked and appalled and very disappointed,” wrote a Florida resident, “that some individuals are living in such a rare and well-gilded ivory tower that they feel $250,000 is not sufficient compensation. Most of us, the working people of America, make $20,000 to $40,000 per year. Where do these wealthy, spoiled, greedy folks in New York get off, pretending that what happened to them was so uniquely horrible? I’m over it. Yeah, it was unique. Yeah, it was horrible. Yeah, I sent money to help. And after reading about them suing for more money, I begin to regret it.”

It’s true that some families’ behavior has been less than dignified. The divorced parents of a woman killed in the Pentagon, who are eligible for money because their daughter left no dependents, have filed competing claims. Lawyers are now involved. Says her father: “I guarantee she loved her daddy as much as she loved her mom. I feel that I’m entitled to something.”

And it’s also a fact that these families will get more money from charities and the government combined than anyone has so far received after the Oklahoma City bombing or the 1998 bombing of the Nairobi
embassy. For that matter, if these victims had been killed in a drive-by shooting, they probably would not have received more than a few thousand dollars from state victim-compensation funds.

That fact that is lost on the public, particularly people whose relatives have died in everyday tragedies. At the Wichita Eagle in Kansas, editorial-page director Phil Brownlee has received calls and letters from locals disgusted by the families’ complaints, and he agrees. “It’s just frustrating that the goodwill demonstrated by the government seems to be deteriorating,” he says. “Now you’ve got families who are upset with what most Americans deem to be generous contributions. It’s the loss of the spirit of Sept. 11, the souring of that sense of solidarity.”

But it may not be fair to compare Sept. 11 with a street crime or even Oklahoma City. After all, these recent attacks involved an orchestrated, simultaneous security breach on four airplanes, carried out by 19 men who had been living and training on our soil. A better comparison might be past international terrorist attacks and plane crashes. Those that have been resolved—and that’s a major distinction—do show higher payouts than the average amount likely to come out of the Sept. 11 federal fund.

In 25 major aviation accidents between 1970 and 1984, the average compensation for victims who went to trial was $1 million in current dollars, according to a Rand Corp. analysis. Average compensation for cases settled without a lawsuit was $415,000. The biggest aviation payout in history followed the crash of a Pan Am Flight 103 over Lockerbie, Scotland, in 1988. Settlements ranged all over the spectrum, with a couple dozen exceeding $10 million, according to Manhattan attorney Lee Kreindler, who acted as lead counsel. Dividing the total $500 million payout over the 270 victims yields an average award of $1.85 million. However, the families had to hand about a third of their awards to their lawyers, and they waited seven to eight years to see any money. And, the families of the six people killed in the 1993 World Trade Center bombing are still waiting for their day in civil court.

In the end, most families will probably choose the fund over litigation. The Lockerbie millions are simply not a realistic possibility. It is always extremely difficult to sue the government. And the liability for the Sept. 11 attacks was capped by Congress at about $1.5 billion per plane. So while the families of those killed in the Pennsylvania and Pentagon crashes may have enough to go around, there are far too many victims in New York. “The court model works perfectly when you don’t have $50 billion in damages or 3,000 deaths,” says Leo Boyle, a Boston lawyer and president of the Association of Trial Lawyers of America, which supports the fund option and has lined up more than 2,000 attorneys to offer free help navigating its rules. Even without the caps, Boyle insists, victims could not have extracted more money by putting United and American Airlines through bankruptcy. So far, only a handful of suits have been filed.

In any event, there was no talking Congress out of the liability caps when it drafted the airline-bailout package 10 days after the attacks. The airlines could not fly without insurance, and their coverage was far short of what it would take to pay the damages. Federal Reserve Chairman Alan Greenspan privately told congressional leaders that getting the planes up again was the single biggest “multiplier” that could revive the economy on every level. So the democrats, who usually balk at limiting the ability to sue, accepted the idea of an airline bailout—as long as it came with a mechanism to compensate victims. Oklahoma Senator Don Nickles, the No. 2 Republican in the Senate and a longtime proponent of tort reform, pushed hard to limit how much the victims’ families could claim, but he did not prevail.

But once the interim rules were drawn up by Feinberg’s office—in conjunction with the Department of Justice and the Office of Management and Budget—there were some surprises. In particular, the figures for pain and suffering astonished some who had backed the fund. “The numbers are low by any measure,” says Boyle. Feinberg says he chose the $250,000 figure because that’s how much beneficiaries receive from the Federal Government when fire fighters and police die on the job. The additional $50,000 for the spouse and each child is, he admits, “just some rough approximation of what I thought was fair.” He calls the fund “rough justice.”

The American Tort Reform Association, backed mostly by Republicans, has been lobbying since 1986 to limit noneconomic damages in some suits to $250,000. John Ashcroft, head of the Justice Department, pushed for such a cap on punitive damages when he was a senator. But Feinberg, a Democrat, insists he was not pressured by the Administration to keep the numbers low.

No matter how many times tearful widows accuse him of protecting the airlines, Feinberg does not blush. A lawyer with decades of experience in the messy art of compromise (Feinberg was special master
for the $180 million distributed to veterans exposed to Agent Orange), he is accustomed to rage. “On Tuesday I get whacked for this or that in New Jersey. The next day it’s New York. It goes with the job.” But he rejects the theory that greed is a factor. “People have had a loved one wrenched from them suddenly, without warning, and we are only five months beyond that disaster. It was nearly yesterday. And they are desperately seeking, from what I’ve seen, to place as much of a value on that lost loved one as they can. So here is where they seek to amplify the value of that memory. They do it by saying we want more, as a validation of the loss. That’s not greed. That’s human nature.”

Susan and Harvey Blomberg of Fairfield County, Conn., have been to three meetings on the victim-compensation fund, even though, as parents of a victim who has left a wife and kids behind, they are not in line for compensation. The rules give preference to the victim’s spouse and children. But the Blomers come to these meetings to be part of something, to be counted. And they linger after everyone else has left. “My daughter-in-law was upset when we went to the meetings,” Susan says. “She said, ‘It’s not really about you. It’s about the widows and children.’ And I said, ‘I want more information.’ You can’t compare grief, because nobody can get inside you. But I feel like an orphan. When they did this formula, why didn’t they consider the parents? My daughter-in-law was married for five years. We had Jonathan for 33 years.”

“It’s a horrible thing that this is where our energies need to be pulled,” says Cheri Sparacio, 37, the widow of Thomas Sparacio, a currency trader at Euro Brokers who died in Tower 2. In their modest house in Staten Island, littered with the toys of her twin two-year-olds, she explains why she sees the estimated $138,000 she would get from the fund as a cheap bribe. “The government is not taking any responsibility for what it’s done. This was just one screw-up after another.” She is also worried about her financial stability: in less than a month, she will have to raise their third child. Thomas was the primary wage earner, although Cheri worked as a part-time school psychologist until Sept. 11. She doesn’t see how she can go back to work with an infant and two toddlers unless she hires full-time help. “Please, come step into my shoes for a minute,” she says, her eyes flat and unblinking. “I am not looking to go to Tahiti.”

But uptown in the apartment where Samuel Fields once lived, the fund acts like a quiet equalizer, a way for the government to guarantee that victims with less insurance emerge with basic support. Fields was a security guard for six years in Tower 1. He made $22,000 a year and lived with his family in a housing project in Harlem. On Sept. 11, he helped people evacuate the building and then went back inside to help some more. Fields never came home. Next month his widow Angela will give birth to their fifth child. Because Fields made a small salary, his family’s preliminary award is less than Sparacio’s. But his family’s deductions are also smaller. In the end, Angela’s estimated $444,010 award will probably be three times the size of Cheri’s.

In valuing different lives differently—the first part of the equation—the fund follows common legal practice. Courts always grant money on the basis of a person’s earning power in life. That’s because the courts are not attempting to replace “souls,” says Philip Bobbitt, a law professor at the University of Texas who has written about the allocation of scarce resources in times of tragedy. “We’re not trying to make you psychologically whole. Where we can calculate the loss is in economic loss.” The Feinberg plan differs from legal norms in deducting the value of life insurance and pensions. Also, it allows no flexibility in determining noneconomic damages. In court, pain and suffering would be weighed individually.

Money aside, a lawsuit can be an investigative device like no other, forcing answers about what led to a death. Some Sept. 11 families say they might file suit for that reason alone, even if they never get a dime. And for other families, there is enormous value in no lawsuits at all. David Gordinstein lost his wife, Lisa Fenn Gordinstein, on American Flight 11. “Am I sad? I’ve had my heart torn out,” he says. But he would rather devote his life to raising his two young daughters than pursuing a lawsuit. He will probably file a claim with the federal fund, which he acknowledges is not perfect. “I am proud of what my country tried to do. I think the intention is noble.”

The night before Lisa died, she slipped a clipping under the door of David’s home office, something she often did. It was a saying from theologian Charles Swindoll that read, “Attitude, to me, is more important than facts. It is more important than the past, than education, than money, than circumstances, than failures, than successes, than what other people think or say or do... It will make or break a company, a church, a home.” David read it at her memorial. And while he jokes that it’s kind of clichéd—“typical Lisa”—he says he thinks its message might help carry his family through this.