

BREAKING NEWS

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<http://www.wsj.com/articles/new-york-alzheimers-chapter-splits-from-federation-1448936499>

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New York Alzheimer's Chapter Splits from Federation

Group rejects proposed consolidation into a nationwide, legal entity.



Lou-Ellen Barkan at the offices of the Alzheimer's Association's New York City chapter. *PHOTO: KEVIN HAGEN FOR THE WALL STREET JOURNAL*

By **MELANIE GRAYCE WEST**

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For many years, a friendly division of work within the Alzheimer's Association called for the New York City office to deliver programs and the national office in Chicago to lead advocacy efforts and promote funding for major research.

That division is now headed for a total split.

On Monday, the New York City chapter of the Alzheimer's Association formally rejected a plan that would have consolidated the local office into one nationwide, single legal entity.

'If we consolidate there are huge risks. '

—Stephen Casper, New York City co-chairman

Leaders of the New York City chapter say the consolidation plan would have dissolved the local board, taken the organization's assets and jeopardized programming that supports caregivers and

individuals suffering from Alzheimer's disease, among other changes.

The local chapter leaders say they tried to reach a middle ground with the national office to continue with what is known as a federation or umbrella model common to many large organizations.

That arrangement, among other things, has meant the New York City chapter operates mostly independently but contributes 40 cents of every dollar of unrestricted donations to the national office. In return, the local organization uses the Alzheimer's Association name and logo, enjoys a national presence and benefits from some economies of scale.

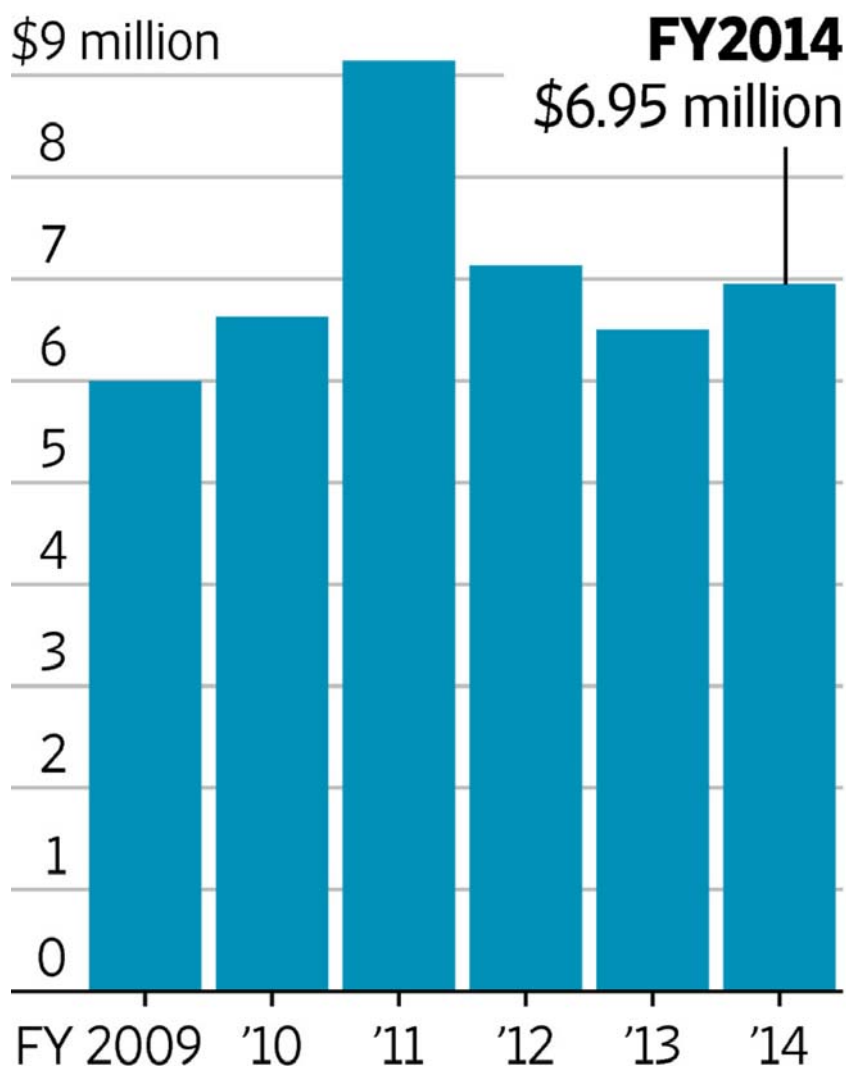
The federation model, according to Lou-Ellen Barkan, the president and chief executive officer of the New York City chapter, "worked for a long time."

"Except, on one day, we got up and realized that on a net basis, we were paying something between \$400,000 and \$500,000 a year over and above what we were getting back from national," said Ms. Barkan.

Stewart Putnam, chairman of the national Board of Directors for the Alzheimer's Association, said he was disappointed by the New York City chapter's decision but

Local Funding

Revenue raised by the NYC Chapter of the Alzheimer's Association



Note: Fiscal year ends June 30

Source: Internal Revenue Service filings

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remains hopeful the 53 other independent chapters nationwide will remain affiliated.

Mr. Putnam said the national leadership, with input from all the chapters, decided the single structure was the best way to execute on a strategic plan, meet the public threat of a disease that affects 5 million Americans and ensure that programming was unified across the country.

“The demands of the disease really requires us as a leading organization in the field to make sure we are doing everything we can to perform effectively as possible in all aspects of our strategic plan,” said Mr. Putnam.

When asked if the national organization would now open up a New York City office of the Alzheimer's Association, Mr. Putnam said the organization “intends to serve every part of the country.”

A decision to split from the national organization has long

been a topic of discussion, according to Ms. Barkan, but the idea gathered steam in the past year.

The national board of the Alzheimer's Association approved its consolidation plan on

Oct. 17 and gave its 54 independent chapters until Jan. 15 to sign on, with a final merger to take place by next summer.

A vote to disaffiliate by the board of directors of the New York City chapter of the Alzheimer's Association was approved on Nov. 18. Over the past few weeks, staff at the local office have been speaking with major donors and planning a new website, brand, logo and name.

On a recent visit to the New York City office, all of the promotional materials with the Alzheimer's Association logo were gathered in a conference room to either be donated or destroyed. Until a new name is revealed, the local chapter will be known by a legal name, Alzheimer's Disease and Related Disorders, New York City, Inc.

Stephen Casper, a co-chairman of the New York City chapter, said the board reached its unanimous decision to disaffiliate after exhaustive business planning. He said operating as a separate organization was in the best interest of local clients who desperately need help.

However, said Mr. Casper, the move isn't without risk.

"But we think that, on balance, there are risks no matter which way we go," said Mr. Casper. "If we consolidate there are huge risks."

A local organization that breaks away from its parent risks competition with the national organization, possible confusion among donors and the challenges of a rebranding, according to Naomi Levine, a professor with the George H. Heyman, Jr. Center for Philanthropy and Fundraising at New York University.

But, said Ms. Levine, there is also a risk of alienating clients, volunteers, committed donors and board members by dissolving a local chapter into a national structure.

"There's no doubt in my mind that people can make an argument for centralization... and you may save money on the surface and that appears very good," said Ms. Levine. "But you lose something when you take away the opportunity for a local chapter to do their own thing."

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