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YOU Inc. and Dynamy will merge at end of June



Donna Truex, left, president of Dynamy, has a toast with Georgia Griffith, vice chairman of YOU Inc. (RICH DUGAS)

By Danielle M. Williamson TELEGRAM & GAZETTE STAFF
dawilliamson@telegram.com

WORCESTER — With only a \$1 million budget, Dynamy Executive Director Fred Kaelin doesn't have much wiggle room when, say, health insurance costs for his employees jump 10 percent or enrollment in his education programs decreases.

Mr. Kaelin and his colleagues began planning for Dynamy's future last fall, sharing ideas about how to keep the struggling nonprofit afloat. He believes the Sever Street-based organization could have survived another year, maybe two, but not without significant challenges.

So, Dynamy began looking for a merger partnership. Mr. Kaelin found one in the much larger YOU Inc., which will take over Dynamy at the end of the month. The

respective boards of directors announced the merger yesterday, and have been praised by philanthropic groups that donate to both organizations.

“Dynamy programs will be delivered in exactly the same way, but with security,” Mr. Kaelin said this week. “I’m so excited about being able to keep doing the work we’re doing, but with more confidence.”

Founded in 1969, Dynamy runs two programs: a tuition-based internship year for high school graduates before they start college, and a youth academy, a four-year leadership and college access program. A second program site is in Santa Rosa, Calif.

YOU Inc., a \$30 million operation with 600 employees, provides youth education and counseling services along with residential care.

“We benefit in the long run if we’re part of a broader effort to provide to families,” said YOU Inc.’s president and chief executive officer, Maurice J. Boisvert.

According to Mr. Boisvert, YOU Inc. will be able to offer Dynamy in-house technology services (the organization had been spending \$20,000 annually on consultants) and other “backroom services.” Dynamy will keep its 10 full-time employees and lose a part-time bookkeeper, whose duties will be taken over by existing YOU Inc. staff. Refinancing the mortgages at the three apartment buildings Dynamy owns will also yield savings.

Dynamy expects to save about \$50,000 each year.

“Dynamy would have faced more challenges being independent,” Mr. Boisvert said. “This will actually position them to be stronger and better going forward. Instead of being in a mode of looking to meet the challenges of the day, they can start planning how to be stronger in the future.”

As chairman of the Stoddard Charitable Trust and trustee of several private foundations, Warner S. Fletcher observes with keen interest the actions of local nonprofits he has supported.

“From a foundation’s perspective and as a taxpayer, especially in these times, I applaud a collaboration merger where it makes sense,” Mr. Fletcher said in a phone interview. “In the for-profit world, businesses learn very quickly they have to make the bottom line balance out, or they disappear. Sometimes, in the nonprofit world, businesses can be a little slower to deal with that reality.”

Mr. Kaelin said that while Dynamy wouldn’t have gone under if YOU Inc. hadn’t stepped in, it was becoming more of a challenge to expand services. The organization didn’t have extra money for advertising, and therefore was having difficulty spreading the word about its programs.

“With enrollment being down in our internship program, we wouldn’t have had the

resources to put into marketing," he said. "The merger is really well-timed."

Ann T. Lisi, executive director of the Greater Worcester Community Foundation, praised Dynamy for undertaking "a very thoughtful process."

"Today's environment requires nonprofit boards and executive leaders to be open to restructuring as an option to strengthen programs and services," she said, adding that this isn't the first consolidation she's seen in recent years, and she expects there will be others.

While the merger won't necessarily save the foundation money — it's contributed \$10,000 to \$15,000 annually to Dynamy — philanthropists can feel more comfortable knowing that the organization is on solid ground, she said.