**May 21, 2015**

**Thoughts from the TMC exploratory committee about a possible merger or affiliation with AAN**

**Starting with potential pluses of a deeper affiliation . . .**

**EXPANDED REVENUE OPPORTUNITIES**

* Foundation funding. Having a more extensive network of media outlets, spanning both those with national reach and others with concentrated readerships in metro areas around the country, should increase the appeal of special editorial projects to philanthropic funders and increase access to foundation funding for both groups. This funding would benefit both individual members and the 501c3 AAN/TMC org.
* Sponsorships. Increasing the number of media organizations in a single or joint association will make exhibiting and sponsoring conferences more appealing to companies who want to market their services to media. The joint digital conference in 2015 apparently sold out exhibitor space (though it wasn’t great space . . .).
* Access to expertise with an expanded range of revenue models. Many TMC members have expertise in creating successful membership programs and cultivating foundation support; many have been successful in building digital businesses that generate revenue and have great reach and profile within their communities. AAN members have expertise in putting on profitable events and other entrepreneurial business development. An association between the two organizations should create more opportunities for sharing mutually beneficial expertise.

**MORE EXTENSIVE MEMBER BENEFITS**

* Services. AAN and TMC currently offer a modest range of services to members. AAN has an ad network and is developing a mobile ad network. TMC has brokered inexpensive access to PR databases and a sophisticated email marketing system (WhatCounts). Potential of negotiating for other services such as Chartbeat. There would be a value to members in being able to access services from both organizations and expanding the range of services.
* Grants. TMC has for the past 5 years consistently given out over $100,000 per year in re-grants to members, primarily for editorial initiatives. We anticipate that adding metro weeklies will increase foundation interest in a combined organization and lead to more money to re-grant.
* Joint conferences. The joint 2015 Digital Conference appeared to our TMC group to be successful in terms of both content and connections made. It’s our impression that members of both groups found value in being together. This could be built on substantially.
* Advocacy. AAN employs an attorney to respond to help shape response to problematic legislation; as a 501c6 AAN can lobby on behalf of members. TMC, currently under a 501(c)(3) organization, has become a leader in media policy and an advocate for independent media in policy discussions. Combining these two strengths should result in an organization with more power to advocate effectively for the health of the independent press.
* A presence on both coasts. East coast and West coast offices would make in-person meetings with members, funders, sponsors, advertisers, and members more feasible.

**GREATER SOCIAL AND POLITICAL IMPACT**

* Collaboration. There is an opportunity to work together more regularly to cover complex stories. Charter schools, for example, exist locally but are part of a national conversation involving families, teachers, politicians, and state/federal data. To really cover these stories we need local journalists, national beat journalists, investigative data journalists, and info graphics talent. (There is a track record of successful AAN/TMC collaborations and “editorial shares” such as the 2013 collaboration around Plan B contraceptive, a 2014 share project between 14 AAN papers and the *Hightower Lowdown* around the impact of Amazon on main street business, and this spring’s promotional collaboration around #blackspring.)
* Content shares. If TMC and AAN were affiliated, we could establish more sophisticated systems for coordinating content sharing, e.g., through an editorial list serve and/or the AAN syndication service. This could have implications for cost saving as well as increased reach for individual stories.
* Increased Reach. AAN outlets would be able to more easily partner with TMC’s national and broadcast outlets to give their stories greater reach. TMC outlets would be able to ensure that stories with place-specific content reach readers in that place.
* Impact measurement. TMC has had a special program focus on measuring story impact and is at the forefront of efforts for developing tools to do so. Assessments of impact are of increasing interest to philanthropic funders.

**OTHER EFFICIENCIES?**

* Staffing. Both AAN and TMC appear understaffed for what they need to do. As we understand it, two AAN staff members (plus a management company) produce three annual conferences, manage an ad network, maintain sponsor relationships, communicate weekly with members, negotiate deals for new services, etc. TMC’s 1.25 staffers run a conference, coordinate editorial collaborations, create promotional news feeds for members, negotiate for new services, etc. While a merger or affiliation would not add staff, it could allow for greater efficiency in getting things done, relieving duplication and taking advantage of complementary skill sets.

**BACKGROUND ON THE MEDIA CONSORTIUM**

Strengths

* The Media Consortium has grown from 40 to 75 outlets over three years.
* TMC has ended each year since 2011 with a positive fund balance.
* Over 85% of members pay dues. Dues range from $250-1000 per year for full members to $75-150 per year for associate members.
* With foundation support for its efforts, TMC has been a pioneer in the field of impact measurement. The organization has a reputation for influential collaborations such as 2015’s #BlackSpring coverage.
* TMC’s Exec Director has been effective at negotiating group rates for services that benefit TMC members such as the Cision PR database, Chartbeat web analytics, and WhatCounts email marketing. She says further expansion is possible.
* The Media Consortium's Executive Director is increasingly invited to small retreats where policy governing the independent news ecosystem is made. Most recently, she helped organize a 30-person retreat on the future of independent media at the Rockefeller Brothers Fund’s Pocantico Center.

Concerns about TMC’s future

* The Media Consortium's income relies heavily on funding from three foundations. Beyond funding from those foundations and member dues, we have not been able to substantially diversify our revenue streams.
* The Media Consortium is understaffed for what it is asked to do, and that staff is underpaid. Total budget for personnel is under $100,000/ year.
* The Media Consortium is still legally a “fiscal project” of the Foundation for National Progress (the non-profit parent of Mother Jones). That limits TMC’s ability to take out loans, sign onto legal briefs, and recruit board members.

Concerns about a merger

* Questions about whether the cultures of the two organizations would mesh
* Some concerns/questions about the AAN ED
* Unresolved questions about structure, governance
* Can we ensure that combining organizations would actually result in a stronger organization, that the “on paper” benefits to members will materialize, and that the benefits are greater than the *tsuris* of combining?