The Media Consortium was founded in 2006 to respond to the bankruptcy of the primary trade association for independent print magazines; to the digital revolution in journalism; and to the re-election of George Bush despite an outpouring of articles critical of his leadership. In short, from the start, the Media Consortium’s mission was schizophrenic: half trade association, half mission-focused progressive non-profit.

Despite this unclear start, the Media Consortium received some generous seed funding which took it through 2010. During this period, the organization built up to 40 dues-paying members, hired a director and a membership coordinator, and produced a set of experiments and white papers leading up to a book, Beyond the Echo Chamber.

In 2010, the director resigned and the seed funding disappeared, with only one small general support grant to replace it. A new director was hired, and the second staff person laid off. The operating budget fell from $225K to $150K (total budget for 2013 is 275K, with the difference going to member regrants). Almost all current funds come from project-based grants, which do not go far enough to provide general support.

In part because of budgetary concerns, in part because of the IRS environment, the Media Consortium has remained a project of the Foundation for National Progress, which is the parent company of our member, Mother Jones. Being a project of FNP has given us leeway we would not otherwise have had (e.g. being able to grant money to for-profit members) but also restricts us (we are unable to have our own board or to formulate policy positions without FNP approval).

Membership has increased to 65 dues-paying members, and member commitment to the organization is strong. However, members cannot afford to pay dues that would sustain the organization. Dues currently top out at $1000/year, with only 10 members at that level. Total dues for 2014 are projected at $32,000.

To summarize, the primary problems we face are these:

* Lack of a sustainable funding model
* Lack of clarity as to whether we are fundamentally a trade association for progressive-leaning news outlets, or a mission-driven organization that focuses on strengthening and growing the progressive news sector.
* Lack of ability to take policy positions without first getting the blessing of FNP.

The Media Consortium has worked hard to address these problems.

Lack of Sustainable Funding

We have moved to project-based funding, which appears to be getting some results. However, project-based funding does not appear sufficient to provide general support.

We are working to increase our membership base to 100 outlets. However, we believe that more than 100 outlets would be a tipping point where the cost of supporting the outlets would outweigh the benefit of increased dues.

We are working to monetize our annual meeting. Through 2011, the annual meeting was covered entirely by general operating funds. We are moving to bring in sponsorships and non-member registration fees in order to at least neutralize meeting costs.

We are testing a business plan for a mission-compatible training institute that would bring in $1 million in revenue, with $150K going towards general operating expenses for the Consortium. We are doing a marketing analysis now, and will know if this business is workable by October.

We have determined that we cannot reach individual donors if we continue to look like a trade association; and we would have to take policy positions to entice major donors to come onboard.

Lack of Mission Clarity

The current director spent one year interviewing members and stakeholders to better understand mission. She has gently pushed the organization towards a more policy-focused nonprofit model, rather than a trade association model. The de facto board, called the “coordinating committee” has taken up this question as well. However, without a strategic planning process to pull in all stakeholders, it will be nearly impossible to address this problem.

Inability to Take Policy Positions

The Media Consortium, as a project of FNP, is constrained entirely by the FNP board, which is primarily engaged in nurturing and protecting Mother Jones. It will be impossible for the Media Consortium to become a player in media policy unless we separate from FNP. The question is, should we become a policy player?

Separating from FNP has distinct disadvantages. As a 501c3, it would be difficult if not impossible for the Media Consortium to grant money to for-profit media organizations or even, perhaps, to have for-profits as members. Since 25% of members are currently for-profit, that would mark a significant change.

The Media Consortium has discussed separation with FNP, and they are supportive if that is the direction we want to pursue.