Revenue sources

Most nonprofits have found that the most sustainable revenue source is small donors (less than $500/year). These donors are cultivated via email newsletters. Mother Jones (Peter Meredith, pmeredith@motherjones.com), Truthout (Joe Macare, jmacare@truthout.org) and Bitch Media (Kate Lesniak, (Kate@b-word.org) have terrific small donor programs.

That said, small donors will only bring in 40-60% of a budget. So the challenge then becomes the remainder. There are a number of strategies:

1. Philanthropy--philanthropy tends to be most effective is you report in an area prized by foundations, such as climate change. This money is very fungible; I would not build a budget around it--it's better to think of grant money as a luxury that allows you to hire temporary fellows.

2. Major Donors--an excellent long-term funding source; you find major donors from the pool of small donors. Whether you can pursue this strategy depends on your audience. Mother Jones, for example, pursues a major donor strategy, but Oakland Local cannot since Oakland is not a city full of potential wealthy donors.

3. Events, Calendars, etc. --as an outlet based in a place, Chicago Reporter has an opportunity to monetize events. Best comparable is City Limits (jarrett murphy, jarrett@citylimits.org) as well as  the Texas Observer (Mike Antares, antares@texasobserver.com) and Yes! (based in Seattle). Of course, you will be competing with the Chicago Reader.

4. Advertising/Sponsorship. Even though you are a nonprofit, you can take ads (you do have to pay tax on ads as external revenue). Whether you choose to do so is an editorial decision. Another alternative is sponsorships, which are like ads for events and special issues. The American Prospect and In These Times have been successful in getting unions to sponsor issues, but that might cross the line for an investigative paper. For straight-on advertising, City Limits is again the best comparable.  See #3 above.

5. Unique opportunities. Many outlets have found a stream of revenue by looking at what they do best. There's no model here, only examples, since the point is that the revenue comes from your uniqueness. Some examples:

Mother Jones provides circulation services to other print magazines, because they have special expertise in that

The Nation offers a cruise, building off their special relationship with celebrity pundits

Colorlines offers a biannual conference, Facing Race, which brings together activists around race/class/issues

Tricycle (a buddhist journal) has made money from an app that offers spiritual insight and book deals

Ms makes money by packaging their content for women's studies classrooms

Public News Service has a side business creating "native advertising news" radio spots for advertisers