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# SEEKING SUSTAINABILITY: A NONPROFIT NEWS ROUNDTABLE

## Summary & Report

By Christopher Sopher (Rapporteur)

Austin, Texas, April 26, 2010

 John S. and James L.  
Knight Foundation  
*Informed and engaged communities.*



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### **Seeking Sustainability:**

**Online Nonprofit Local/Regional News Venture Roundtable**  
**A meeting sponsored by Knight Foundation and**  
**co-hosted by Texas Tribune, Voice of San Diego**  
**and the Knight Chair in Journalism at**

**The University of Texas at Austin**  
**April 26, 2010**

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**“Seeking Sustainability” Summary & Report**

April 26, 2010 - Austin, TX



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## Introduction

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### WHY NONPROFITS

By now it is relatively common knowledge that America's news industry is undergoing profound and frequently tumultuous change. Every news organization is affected by the development of the Internet and the resulting changes in revenue streams, audience habits and community needs. Traditional media companies have been particularly distressed by shifts in the markets and business models that historically supported them—and the conversation about how to “save” or “reinvent” journalism has been largely focused on their concerns.

To a growing group of practitioners, funders and observers, however, the challenge is not saving traditional news organizations or traditional forms of journalism. The challenge is creating, strengthening and protecting informed communities and local information ecosystems, of which journalism is a necessary component.

Thus enters the nonprofit model, which allows organizations to pursue a journalistic mission without the competing demands of operating a for-profit business. Nonprofit news startups have been created in communities across the country, most with funding from major donors or foundations. The Knight Foundation alone has funded more than 200 experiments with what it calls a “build to learn” approach.

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“It isn't for us a question of finding the model, but of experimenting with a lot of different models.”



**-ALBERTO IBARGÜEN**, PRESIDENT & CEO, JOHN S. & JAMES L. KNIGHT FOUNDATION

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## Introduction

### **FINDING SUSTAINABILITY**

A decade ago, only a handful of web-based, local nonprofit news organizations existed apart from public media. Today there are dozens, each with its own structure and resources. Interest in and funding available for these initiatives continues to grow, as does the need and demand for their work as traditional news organizations reduce their scope in difficult economic times. An encouraging number have had early success in their journalistic missions: attracting wide audiences, receiving positive receptions in their communities and producing important journalism and information that would not otherwise be available.

To date, however, a majority of these organizations have relied on major giving from individuals and foundations for a large portion, or all, of their funding. Many face organizational challenges (some common to all startups, others unique to journalism initiatives) and technological barriers to innovation. The future success and longevity of these projects depend on their ability to find financial, organizational and technological sustainability.

With this challenge in mind, the Knight Foundation, in partnership with the Voice of San Diego, Texas Tribune and the Knight Center at the University of Texas at Austin, organized an unprecedented meeting of 12 nonprofit news organizations and funders, academics and researchers from across the country, focused on “Seeking Sustainability.” The roundtable took place on April 26, 2010 at the University of Texas at Austin.

This report summarizes the proceedings and topics of the meeting, and evaluates the future challenges and needs of these organizations in the years ahead.

This document also features two appendices. The first is the results of a post-meeting survey distributed by Knight Foundation to participants with their thoughts on the meeting’s outcome. The second is a series of profiles of each of the participant news organizations.

### **DEFINING SUSTAINABILITY**

Participants discussed two definitions of sustainability: as revenue diversity (or “revenue promiscuity”) and as lasting impact in the community. For most of the organizations



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present, these two definitions seem complementary but not synonymous: diverse revenue sources will allow and support lasting impact, but not guarantee it.

Nonetheless, the nonprofit model has potential to support informed communities and good journalism efficiently and effectively by allowing sponsors, supporters and readers to contribute directly to this mission rather than by supporting it through an unrelated commercial model. The challenge for the participant organizations is finding and developing the best approaches for tapping this potential and building revenue streams and technology platforms that can support the organization without reliance on major grants from foundations and wealthy individuals.

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“We are directly trying to fund our mission, rather than protect our mission.”



**SCOTT LEWIS, CEO, VOICE OF SAN DIEGO**

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## Entrepreneurship

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### KEY TOPICS

- Startup mentality
- Adaptability
- Board of directors
- Partnerships and collaboration

### INTRODUCTION

Though the organizations present represented a number of different models, all had experiences and concerns emphasizing an essential point: structure matters. Participants generally agreed that, as nontraditional organizations entering a media ecosystem, nonprofit news initiatives must be entrepreneurial, adaptable, nimble and collaborative.

Several participants suggested a “startup mentality,” wherein nonprofit news organizations think of themselves as business startups rather than as traditional philanthropic projects. This encourages a focus on revenue generation and self-sufficiency, innovation and experimentation and a willingness to rethink plans if market conditions change.

Participants also discussed the best structure and role for a nonprofit news board, the benefits and challenges to partnerships, the potential for monetizing partnerships and the importance of adaptability.

### STARTUP MENTALITY

“We need to think of ourselves as entrepreneurs in the traditional sense, to create



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## Entrepreneurship

sustainability,” said Peter Osnos, cofounder and vice chair of the Chicago News Cooperative.

Organization representatives and funders discussed the danger of focusing too myopically on a traditional “journalistic mission,” which could inhibit or prevent innovation, flexibility and adaptability by encouraging new organizations to invest most of their resources in fairly conventional approaches to their work.

Participants generally agreed that nonprofit news initiatives should take a broader view of their community information mission and be willing to experiment and take risks with new ideas, leveraging the inherently greater flexibility these organizations enjoy over traditional news companies. Indeed, many of the organizations are already doing so in various ways that will be examined throughout the remainder of this report.

### **STARTUP MODELS**

Participant organizations generally fell into one of two models: (1) starting with strong funding and principal support, and therefore with the ability to better address organizational, technology and content challenges at the outset; or (2) starting with limited resources and limited ability to address these challenges, but still with significant journalistic talent and/or community interest.

Organizations from these two models have had very different experiences during the startup phase, but the roundtable discussion suggested that they face surprisingly similar challenges and opportunities in the years ahead: financial sustainability, revenue generation, technological barriers, adaptability and so on.

Organizations also differed in their development of partnerships, connections and community engagement. Profiles of the organizations indicate that success at forming such connections early was not strongly correlated to financial resources; many organizations that started with limited financing were still able to develop strong partnerships with traditional media and community groups. This suggests that an organization’s ability to do so is more related to its leadership, business model and visibility.



**STARTUP MODELS: EXAMPLES**

**Voice of San Diego** started as a hybrid of the two models. Chairman Buzz Woolley funded the first year of operation directly, allowing VoSD to hire staff, develop its model and mission and begin producing content. VoSD credits this early funding support with its ability to build a promising news organization and raise funds for continuation. Woolley noted that it would have been difficult “to go around with hat in hand to raise money for something no one had ever done before.”

**Texas Tribune** is more closely aligned with Model 1, thanks to early support from several major donors and a highly successful pre-launch fundraising campaign. This financial capacity allowed Texas Tribune to build a high-quality content management system (CMS) and website and to recruit top talent for leadership and editorial positions.

**Chicago News Cooperative** started with limited financial resources but, thanks to the connections of its founders, was able to recruit talented journalists willing to experiment with new ideas—which Osnos and O’Shea credit with giving the project early energy, enthusiasm and a focus on innovation. “We started with nothing,” said cofounder Jim O’Shea. “I don’t recommend that.” CNC also began with an important partnership with the New York Times, which provided distribution for CNC’s work and momentum for the continuation of the project. “We would not have gotten off the ground without [it],” said O’Shea.

**Huffington Post Investigative Fund** began in partnership with a well-known publication and found several early supporters and funders. However, executive director Nick Penniman noted that many funders are primarily interested in the impact the organization’s stories have, rather than in the growth and longevity of the organization itself, which presents a long-term fundraising challenge.

**Oakland Local** started with just \$8,000 in funding. The initiative was organized as a “Silicon Valley startup,” where the project would be developed for six months before going into wide release. During this early phase, Oakland Local focused on collaborating with other organizations in the community and on building its product and reputation. Most of its staff are volunteers, and writers are paid as freelancers. Founder Susan Mernit says the challenge now is finding financial sustainability and building infrastructure to support the volunteer and freelancer model.





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**California Watch** began as a project of the Center for Investigative Reporting focused on investigative and accountability journalism about state and local issues in California. Like CIR, California Watch emphasizes content partnerships with other media outlets, where California Watch will edit and reshape its stories to fit as many publications as are interested. California Watch estimates that at least 50 news organizations have published its content over the past nine months. Though California Watch is charging partners for stories, the revenue currently being generated is only a small part of the organization's total budget.

### **ADAPTABILITY**

A recurring focus and concern for news organizations and funders was adaptability: how will these initiatives stay responsive to technology and community trends? The inclination of many projects and editors is to focus on journalism, content quality and traditional news roles, but as history has unfortunately demonstrated this can often cause news organizations to get left behind by changing community needs and habits—particularly in the evolving digital age. Knight Foundation President Alberto Ibarguen noted that funders can contribute to this problem: their emphasis on the community- or issue-specific mission of a news project can draw attention and resources away from innovation and experimentation.

Buzz Woolley, Chairman of the Board at Voice of San Diego, recommended that organizations find investors and board of directors members who are willing to critically evaluate the organization's progress and suggest new ideas. Woolley cautioned against the common attitude of: "I've got my plan and I need to prove that it works." Being willing to change course is important, even after an organization's startup phase.

Conversation focused on the dual challenges of a "nimble team" and "nimble technology." Most of the organizations present recognized the importance of flexibility and adaptability and have made efforts to hire staff who meet this standard. Participants expressed more concern about having flexible technology platforms: as discussed later in this report, most participant organizations have small or no dedicated technology staff, which makes major changes to a website or technology plan difficult. Several organizations currently in their startup phase reported that they were making deliberate efforts to hire technology staff to address this concern.



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## Entrepreneurship

Several participants discussed the challenges of changing community needs and technology trends. For example, web traffic data has consistently shown that increasing numbers of news consumers use search engines, social networks and other indirect sources to find news content, rather than individual homepages or “portal sites.” This presents a tremendous challenge for organizations and personnel used to a hub-and-spoke web system with a highly curated front page, and for technology platforms still organized around this model.

The problem for most organizations is not recognizing the need for technological adaptation but rather having the expertise and resources to understand the best approach and pursue it effectively.

### **ORGANIZATION BOARD: RECRUITMENT**

Session leader Buzz Woolley suggested that organizations should focus on a board with a “diversity of experiences,” recruiting members from outside the traditional journalism world.

Several newer organizations expressed concern about being able to recruit new board members while simultaneously focusing on building the organization’s core competencies. Older organizations suggested growing the board slowly and making deliberate, strategic choices rather than trying to add members quickly.

Woolley said that Voice of San Diego searches for “board members with talent,” who have specific skills or experience that could help address an organization’s needs—such as technology development, fundraising or entrepreneurship—even if the board member has no journalism background.

### **ORGANIZATION BOARD: EDITORIAL INFLUENCE**

Discussion also focused on a board’s potential influence on the editorial direction of the nonprofit organization. Several participants questioned whether board members from the local community might attempt to influence or interfere in editorial decisions that could affect them or their financial and political interests. Though this concern is not unique to nonprofit news initiatives, these organizations’ focus on investigative journalism may be more likely to create conflicts of interest with local board members.



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Other participants responded that they avoid this problem by establishing clear boundaries between the board and editorial staff of the organization. For example, Woolley described an understanding between Voice of San Diego and new board members that they cannot control or influence editorial content directly. Instead, they may approach the chair of the board with their concerns, who will relay them to the CEO.

### **PARTNERSHIPS**

Nearly all the participant organizations have made deliberate and continuing efforts to find partners in traditional media and elsewhere who can publish their work, assist with reporting and development and provide organizational or financial support.

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“The value in the work that we do is in the secondary and tertiary distribution of our content.”



**EVAN SMITH, CEO, TEXAS TRIBUNE**

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Texas Tribune’s Evan Smith described the necessity of such partnerships to avoid what he called the “tree falling in the forest problem,” in which a nonprofit organization produces excellent journalism but only a small group of people ever see it because of limited distribution. Smith said that some partners were initially skeptical but that the Tribune was flexible enough to make collaboration work. Texas Tribune has partnered with NPR, public radio and public television stations across the state, and pushes traffic to other media outlets through its “TribWire” links on its homepage. “We can be magnanimous,” said Smith, thanks to the nonprofit model.

Several other organization representatives said they had encountered similarly skeptical media partners who viewed a potential relationship from a “win-lose perspective” and failed to recognize the benefits of cooperation. These organizations expressed an interest in better tools and processes to improve collaboration.

Discussion focused particularly on partnerships with public media such as local NPR stations and public television. Because they share a nonprofit model and a community information mission, public media and nonprofit news initiatives are natural collaborators.



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Yet participant organizations reported mixed success; each found a different level of interest in collaboration at local public outlets. Chicago News Cooperative, for example, established an early partnership with the local public television station (WTTW), which cofounder Peter Osnos credits with providing essential early financial and organizational support.

Osnos articulated the future challenge: how do nonprofit organizations create an environment where established media (like WTTW) see a startup like CNC as a potential partner rather than as opposition?

The potential for monetizing these partnerships is discussed in the next section.



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## Revenue

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### KEY TOPICS

- Texas Tribune: a case study
- Memberships
- Public media model
- Advertising & Sponsorships
- Pricing content
- “Wackiest revenue ideas”

### INTRODUCTION

“We all recognize we’ve got a problem,” said session leader John Thornton, chairman of Texas Tribune. That problem: “weaning” nonprofit news organizations off major gift philanthropy from individuals and foundations. Though each participating organization had a different financial portfolio, all currently rely heavily (or entirely) on grants from wealthy individuals and foundations to sustain operations. It is in the mutual interest of nonprofit news organizations and major donors to find financial sustainability without depending on these sources—sources which are not likely to maintain current levels of giving for years into the future.

In his presentation, Thornton likened startup nonprofit news initiatives to small startup technology firms, where venture capital funding is similar to major giving at a nonprofit. No startup business expects venture capital funding to sustain the business long-term, and thus there is an early focus on developing strong products and revenue streams.

Thornton articulated an important distinction between two types of funding: “revenue”



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## Revenue

and “equity.” Revenue is earned income from memberships, special events, sponsorships and advertising. Equity is startup capital and grants from wealthy individuals and foundations. To be sustainable, organizations must have both and must understand the distinct uses and intentions of each. Major gifts should provide the “runway to build a sustainable business model.”

There was general agreement with Thornton’s suggestion that nonprofit news initiatives should reach a level of financial sustainability where they are “seeking, but not assuming, foundation support.”

### TEXAS TRIBUNE: A CASE STUDY

To help focus the distinction between revenue and equity, Texas Tribune divides its financial portfolio into what Thornton calls the “balance sheet” and “income statement.” The balance sheet is the total financial health of the organization including major gifts above \$5,000. Texas Tribune considers these gifts as equity, to be used for investments in the structure and development of the organization. The income statement, by contrast, is the earned income that runs the Tribune on a day-to-day basis.

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“We want to get to a point where we can go to a major philanthropy and rather than simply say, “help us,” [we can] say “help us do this.”



**JOHN THORNTON**, CHAIRMAN, TEXAS TRIBUNE

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Thornton described the Tribune’s roughly \$2.3 million budget, about two-thirds of which comes from major giving above \$5,000. The Tribune collected or received pledges for most of this funding as a part of its highly successful pre-launch fundraising campaign.

The Tribune seeks three primary revenue sources to augment major giving: memberships, corporate support, and earned income. The Tribune has approximately 1600 paying members today, with about 1400 of those signing up before the publication’s launch. Memberships start at \$50 (or \$10 for students). Thornton said the pre-launch membership drive was surprisingly successful, relying heavily on personal connections and direct asks.



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The Tribune has a one million dollar goal of total membership revenue, based on 10,000 members giving the current average of \$100 per year. However, Thornton noted that this is the revenue area where the Tribune has made the least progress toward its goal after six months in operation.

Corporate website and events sponsorships represent the second revenue source. The Tribune currently has about 80 site sponsors at a price of \$2,500 for a one-year display sponsorship, with placement and time varying by amount donated. Thornton credits low cost and low barriers to participation with the sponsorship program's success. "That's equivalent to an expense account lunch," he said. Texas Tribune also hosts special sponsored events with various high-level guests, many hosted in collaboration with the Lyndon B. Johnson Presidential Library. Corporate sponsors support a series of events, all of which are free to the public.

Finally, the Tribune has several efforts to generate revenue through specialty publications and content. Texas Tribune purchased and revamped a popular newsletter on public policy news, and now offers subscriptions at a relatively low price to interested parties (many of whom work in or around state government in Austin). The Tribune plans to expand this effort into a series of niche publications that "overlap with our reporting, but that we can charge for," such as environmental policy or law and politics. Though some of the content may eventually be made available for free on the Tribune's main site, premium subscribers will receive the content early.

### **MEMBERSHIPS**

Most of the participating organizations have some system for membership or small donations, with varying specifics and varying levels of success. Discussion focused on three topics: how to best recruit or locate "members," what benefits or incentives these members should be given, and what forms of engagement will encourage members to stay active and renew their support each year.

Several organizations reported success with pre-launch membership drives, which leveraged positive press coverage and community interest. As mentioned earlier, Texas Tribune orchestrated an extensive pre-launch campaign, including a highly successful launch party. The forthcoming Bay Citizen in California's Bay Area organized a similarly successful membership drive where early supporters are invited to the May launch party.



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Other organizations recruited members or donors through regularly scheduled fundraising campaigns. For example, the Gotham Gazette conducts a biannual drive in June and December, during which a donation popup appears on the site's pages. The Gazette also uses its e-mail and subscriber lists to promote the campaign, which its editors estimated raises between \$30,000 and \$35,000. All participant organizations maintain some type of donation feature on their sites, but there was general agreement that these features are not particularly lucrative without a deliberate outreach effort.

Notably, participants said their members donate in exchange for a service (journalism and information) rather than to support the nonprofit or the mission generally. Scott Lewis, CEO of Voice of San Diego, noted that VoSD donors say in testimonials and research that they donate to “pay for a service they feel that they owe money for.” Several other organizations echoed this experience, which suggests that these nonprofit initiatives have much in common with public media.

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“Overwhelmingly [our donors] don’t say they give us money, they say they pay for a service they feel that they owe money for. One of the things I’m most frustrated with is newspapers that say people won’t pay for the service they provide, when in fact they’ve never asked.”



**SCOTT LEWIS, CEO, VOICE OF SAN DIEGO**

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Lewis said Voice of San Diego has a membership renewal rate above 80 percent, despite a relatively simple system for donor management. A renewal letter and e-mail is sent every year, with Lewis reaching out to larger donors personally.

Many participants were challenged by the question of what benefits or incentives members and donors should receive, and whether organizations should group members into “tiers” or “levels” based on their financial contributions. Voice of San Diego invites members to monthly “member coffees,” where they can share their feedback and frustrations about the organization with editors directly. Donors over \$1,000 are also given the ability to help fill extra ad space with advertisements for their favorite nonprofit organizations. Lewis said VoSD is also considering other member giveaways, such as an





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## Revenue

educational curriculum about local issues or a booklet guide to San Diego.

At Texas Tribune, members are given priority access to special events but no other immediate perks. Chicago News Cooperative plans to act as a “community agent” on special topics, such as local schools, and offer members access to this detailed content (such as performance information, review and school coverage). Several participants expressed concern that giving too many benefits to members would become expensive and distracting.

A majority of organizations suggested they focus on engagement as the primary benefit for membership and as a tool for encouraging recurring donations and loyal readership. Engagement topics are discussed in more detail in the next section.

### **PUBLIC MEDIA MODEL**

The discussion of membership also focused on the similarities between startup nonprofit news initiatives and public media such as NPR and PBS. Public media outlets and community groups such as ballets and symphonies have long histories of successful membership support campaigns that blend fundraising drives with membership benefits and special events.

Several participants discussed the feasibility of fundraising drives that interrupt the news service to push listeners to contribute, as they do in public media (with the incentive that additional donations will end the interruptions more quickly). Participants also considered the success of local classical music stations in several cities, which have thrived on a similar listener-supported model.



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**ADVERTISING & SPONSORSHIPS**

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“We’ve all pretty much shot the CPM model. We’ve got to go look for something more robust.”



**JOHN THORNTON**, CHAIRMAN, TEXAS TRIBUNE

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Most participant organizations reported using advertising, rather than sponsorships, to generate online revenue. However, participants agreed that the current CPM (cost per one-thousand views) method for pricing advertising is disadvantageous to niche and community news organizations, because it tends to reward volume rather than the targeting or impact of an ad. The well-known result is that prices for online display ads, almost universally measured in CPMs, are far too low to provide a significant portion of most organizations’ budgets.

Nonetheless, several organizations did report success with a particular niche of online display advertising focused on local events and organizations. For example, Oakland Local offers both display advertising and sponsorships: advertising for short-term community needs, such as promoting a community event, sponsorships for organizations wanting a sustained presence. Gotham Gazette also offers advertising for local events and classifieds, geared mainly to the publication’s niche audience of political and policy professionals in New York City.

Participants were generally more positive about site and organization sponsorships, which can offer a more distinct value to sponsors than simple display advertising. Paul Bass, editor of the New Haven Independent, explained this idea as “branding.” Because the organization is smaller, the Independent cannot provide what advertisers expect in CPM display ads: high numbers of views and clicks. It can, however, provide distinctive branding and visibility to a defined audience. The Independent charges \$15,000 for a site sponsorship which appears on every page. Bass reported that the model has attracted strong interest from local businesses such as real estate companies and community colleges.

Voice of San Diego uses a similar model, offering \$5,000 and \$10,000 annual sponsorship



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levels that include a package of advertising, branding on specific site features and content, and sponsorship of special events. For example, a local restaurant continually sponsors the site's "Fact Check" feature, which provides the restaurant with unique branding and VoSD with funding for a particular project.

These experiences suggest that while CPMs may be too low for display advertising (as currently priced and sold) to sustain organizations by itself, nonprofit news initiatives with well-defined geographic or demographic audiences may be able to sell targeted advertising more effectively than other news sites. The discussion also suggested that these organizations need better methods for pricing, marketing and selling advertisements against the highly desirable niche audiences they attract.

### **PRICING CONTENT**

Though every organization had experience with partnerships, few had made efforts to monetize them or to form commercial relationships that could provide sustainable revenue.

California Watch, which charged for its content from launch, has been successful at placing content and finding interested partners. "I've been stunned by our ability to get our content out," said Center for Investigative Reporting Executive Director Robert Rosenthal. Because many news organizations no longer have the capacity for long-form investigative reporting, many are willing to pay California Watch or CIR to run a version of their work instead. To make this relationship work, California Watch has produced as many as six different versions of a story to include local information or fit it into a publication's space constraints. Depending on the size of the outlet and the work required, California Watch has charged between \$100 and \$500 for printed and television stories. To date, this revenue represents a small fraction of California Watch's total budget. Editorial Director Mark Katches said they are considering a subscription model with higher prices, and are optimistic now that the organization has established credibility and consistency in the state media ecosystem.

Other participant organizations described similar experiences and shared the concern of charging too much too early and not being able to find commercial partners. Participants also discussed the tension between charging for each piece of content (by the story or graphic) versus charging for a package or a subscription; charging for individual content is



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likely to generate more revenue but is also more likely to make partner organizations “feel nickel-and-dimed.”

Organizations were highly interested in the potential of a trade organization, such as the Investigative News Network, to assist startups with partnerships and commercialization of content.

### “WACKIEST REVENUE IDEAS”

Session leader John Thornton called for the “wackiest” ideas being considered for generating revenue. Among those suggested:

**Special events**, such as discussions with high-level guests (like those described earlier at Texas Tribune), community forums focused on a particular issue, or fun events such as the annual MinnRoast hosted by the nonprofit MinnPost.

**Monetizing press releases.** J-Lab’s Jan Schaffer suggested geotagging and organizing press releases and event information and putting this content behind a paywall, providing a valuable service for local nonprofit groups, politicians and businesses and saving the news organization from having to rewrite the press releases as “stories.”

**Specialty publications and niche content development.** The St. Louis Beacon’s Nicole Hollway suggested that nonprofit news organizations could develop high-touch, high-value sponsorships that use alternate delivery methods and detailed, niche information to produce specialty publications and specialized audiences.



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## Engagement

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### KEY TOPICS

- “The new museum”
- Creating internal community vs. pushing content into the stream
- Measurement and metrics
- Comments
- Engagement and quality

### INTRODUCTION

Like “sustainability,” “engagement” has the frustrating quality of being such a flexible concept that it is difficult to standardize or evaluate uniformly across news organizations. This is particularly true for nonprofit news initiatives, which exist in every variety of scope and model. Each organization has distinct levels of need and ability to foster communities and engage them in the organization’s work. For some, “engagement” is frequent, substantive participation from community readers through comments, user-generated content and use of news features. For others, it is high traffic and readership of content through partner organizations.

The discussion of engagement suggested several conclusions:

1. All organizations are challenged by the tension between producing quality traditional journalism and serving as broader guides to topics and community issues, particularly given limited resources.
2. The movement of audiences away from portal sites and homepages to search engine- and social network-driven content discovery demands new approaches



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## Engagement

to building and engaging audiences, and a rethinking of old approaches such as comments.

3. Better tools and metrics for measuring engagement are needed.
4. Involving the community in the editorial process can provide ideas, improve quality and increase engagement and loyalty.

### “THE NEW MUSEUM”

In his introduction, session leader Scott Lewis, CEO of Voice of San Diego, discussed his approach to engagement through the analogy of a museum. “One of the things we did when we first started was erect a museum with all these exhibits, and just set it there. And if you walk into a museum and walk around yourself, you can get a lot from it if you take the initiative ... but if you actually had a guide, if you actually had someone cultivate a conversation with you about what you’re seeing ... then you’ve achieved engagement with that topic.”

Lewis discussed the opportunity technology provides news organizations (and nonprofits in particular) to engage communities in topics and provide “civic education” by supplementing traditional journalistic approaches with background information and explanatory features. This use of context lays the foundation for an audience that understands ongoing topics and can therefore engage with them. For example, Voice of San Diego began a partnership with the local NBC affiliate to create a series called “San Diego Explained,” which unpacks complex or opaque topics in short video news segments. Past topics have included the local debate over medical marijuana and the balancing of the city’s budget. Lewis said this combination of context, partnership and engagement has been surprisingly popular and successful.

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“We can’t just put something up on the wall and expect people to figure it out ... We take it as our responsibility to bring people along; if we put something up on the shelf for 24 hours, they know that it went up there, they know the backstory, they know what they can do and what they can look forward to.”



**SCOTT LEWIS, CEO, VOICE OF SAN DIEGO**



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## Engagement

Though Voice of San Diego built its reputation and popularity on its investigative journalism, the ongoing challenge is developing tools and methods for fostering sustained readership and participation. Lewis said doing so will help VoSD with revenue generation and strengthen its value statement to community members and potential sponsors.

### **CREATING INTERNAL COMMUNITY VS. PUSHING CONTENT INTO THE STREAM**

Several participants discussed the tension between wanting to create their own communities of audience members and wanting to push their content into the outside information stream. Though different organizations had different opinions on the ideal balance between these goals, the most evident conclusion is that both are possible and, in most cases, necessary. Each news organization, whether it exists at the local, state or national level, is likely to have its own niche geographic or issue audience from which it could build an internally engaged community. However this cannot be done at the expense of attention on effectively pushing information to the outside world.

Texas Tribune Director of Technology Higinio Maycotte said the Tribune made the right decision deciding not to “silo” its content by keeping it only on its site. Realizing that “content lives in the stream,” the Tribune distributes its work onto a variety of outside portals such as Digg and Reddit, where stories will receive thousands of views and thousands of comments. Though Texas Tribune and its funders would ideally prefer this activity to take place on the Tribune site, Maycotte acknowledged the benefits to readership and impact that result from being “magnanimous.”

Statewide organizations expressed an interest in creating engagement through localization, opening community bureaus and special sections or partnering with local media to build distinct geographic audiences. For example, California Watch discussed its interest in hiring community managers and creating local content through partnerships, such as with ethnic media networks in San Jose.

### **MEASUREMENT AND METRICS**

All participant organizations were dissatisfied with the available tools for measuring audience participation and engagement online. Most web measurements are focused on usage (views, unique visitors, pages per visit, time on site, bounces and exits), rather than on engagement (What features are people interacting with? Which portions of a page are



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## Engagement

they reading or clicking? What do they share or discuss?). In other words, current tools largely tell site managers what users see, not what they do.

Measurement is further complicated by the “information stream.” It is much harder for organizations to measure usage and engagement of their content on outside portals such as Reddit, Twitter and Facebook, and nearly impossible to easily (or affordably) collect all these data into a single analysis of a piece of content.

Participants expressed an interest in tools and approaches that would allow them to better push content into the information stream and then measure its impact. Several were also interested in analyzing non-Web metrics: the social return-on-investment from a piece of investigative journalism, the community value of the organization, the progress it makes toward its information mission, and so on.

### COMMENTS

Comments were a source of concern and disagreement among participant organizations. Participants were unanimous in their interest in using comments to foster discussion, but consensus did not emerge on the best way to do so.

Texas Tribune’s Evan Smith described the “two poles” of comments: the “Wild West,” where comments are completely unregulated and there is no effort made to restrict or edit the discussion, and “Gitmo,” where no comments are allowed and readers “take what you get and like it.” No participant organizations operate at either pole, focusing the question on how much staff effort should be devoted to curating and regulating the comment environment.

A handful of organizations have open comments that are later reviewed by a staff member. For example, the St. Louis Beacon allows anyone to comment but sends a list of comments to the editor, who reviews them and removes those deemed inappropriate. Editor Margaret Wolf Freivogel reported that a high level of discussion takes place on the Beacon site even with an open comment system.

Several organizations required simple registration for comments. Others required registration with additional personal information; for example, Voice of San Diego requires the full names and contact information of people registering, and their profiles are visible





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## Engagement

when they post comments. Lewis said this decision was made in an attempt to “raise the level of discourse” and build a standard of trust equivalent to that used in letters to the editor or quotes in reported writing. Lewis reported this system has reduced the back-and-forth arguments taking place in the comments section. Texas Tribune uses a similar model, requiring registration but not heavily editing comments. Smith reported that this depressed the overall number of comments but improved the focus of the conversation.

By contrast, the New Haven Independent heavily edits its comments, removing those deemed inappropriate but also those editors feel do not contribute to the conversation, such as insults or derisive remarks made from one commenter to another. Editor Paul Bass said this has focused the conversation and increased participation from users who previously did not make comments.

### **ENGAGEMENT AND QUALITY**

There was general agreement among participant organizations that community engagement benefits the journalistic mission of nonprofit news initiatives. Participants highlighted experiences where investing in engagement generated tips and story ideas, substantive discussion online and in the community, assisted reporting or provided user generated content. Most organizations had made deliberate efforts to involve audience members in the editorial process; fewer had tried other approaches to engagement such as special events and community forums. Nonetheless, the message was clear: the audience and the community are important but often underutilized resources.

Several participants emphasized the value of bringing readers into the reporting process and making journalism more transparent and accessible. For example, Voice of San Diego Editor Andy Donohue described the success of a reporter who went online after completing an investigative series and wrote a blog post explaining the questions that went unanswered in his work; as a result, he received new ideas, tips and answers from readers.

Others discussed the benefit of asking readers to give ideas and suggest questions of interview subjects. For example, Gotham Gazette’s Councilpedia asks users to help do research and provide information on campaign finance in New York City elections, which carries the dual benefit of increased engagement and crowd-sourced information. Nick Penniman of the Huffington Post Investigative Fund suggested monitoring the online



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## Engagement

conversation across an organization's site and outside information networks in search of information and ideas. He described one story about a homeless woman where online commenters expressed an interest in helping; Huffington Post provided her contact information and readers were able to raise money to help her save her home.

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“Unless we can really become community organizers and see people as resources who can help improve our reporting and get involved in issues, I think we will not succeed in the end.”



**NICK PENNIMAN, EXECUTIVE DIRECTOR**, HUFFINGTON POST INVESTIGATIVE FUND

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Observers asked if a focus on engagement diverts news organizations from their journalistic mission by placing too much emphasis on web traffic and page views at the expense of seriousness and impact. New Haven Independent Editor Paul Bass responded that although metrics can sometimes be a distraction, the engagement and participation of the audience is “so central” to a nonprofit news organization’s community mission that it “must be a priority,” for the reasons described above. Other participants echoed this sentiment.



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## Technology

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### KEY TOPICS

- Incorporate vs. innovate
- Technology capacity
- iPad, iPhone and mobile apps
- Technology and business models
- Collaboration and frameworks

### INTRODUCTION

As discussed earlier in this report, the relentlessly changing paradigms of the digital age require news organizations to be technologically nimble and adaptable, ready to respond quickly and effectively to changes in community needs or audience habits. Nonprofit news startups have a unique potential to do so thanks to their structure and mission, but are also more constrained than other news organizations by limited financial and personnel resources.

Participant organizations had diverse technology platforms and approaches, but were nearly united in their concern about having the necessary technological capacity to stay adaptable. This suggests there is significant room for innovation and collaboration, a potential that is discussed in more detail at the end of this section.

### THE DISCUSSION ON TECHNOLOGY SUGGESTED SEVERAL CONCLUSIONS:

1. Organizations must balance innovation (developing new tools or exploring new uses for existing technology) and incorporation (implementing existing technology into



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## Technology

- the organization's work)—most focus on incorporation.
2. There is significant unexplored potential for technology development or expansion on the “business” side of nonprofit news organizations to help generate revenue and monetize content and information.
  3. Participant organizations had very limited technology staff capacity. Nearly half had no dedicated technology staff, several had just one, and only a few had more than one. Even those organizations with dedicated staff reported that their staff spent much of their time on day-to-day technical operations and staff support rather than on long-term planning or development.
  4. Participants were unanimously interested in continuing conversations and potential collaboration on technology development and support, perhaps through a nonprofit news “trade organization.” Participants were more skeptical about sharing technology platforms and direct technology development partnerships.

### **INCORPORATE VS. INNOVATE**

In his introduction, session leader Evan Smith, CEO of Texas Tribune, asked participants to discuss how they set their priorities between innovation and incorporation. Most organizations expressed an interest in innovation but were constrained by limited resources and personnel capacity, and thus focused primarily on incorporating existing technologies and approaches into their work.

Scott Lewis of Voice of San Diego suggested that organizations focus on using existing “brilliant and beautiful” technologies and adapting them to fit individual needs. Lewis described VoSD's acquisition of an iPhone app, which was developed by an independent company and licensed to VoSD for a small fee (considerably less than what it would have cost to develop the application in-house or have it custom-built by a development firm). Other participants echoed this idea: nonprofit news organizations have more need for assistance finding and integrating existing technology than they do developing new technology.

Several organizations reported interest in technologies that were not available, or not available in an easy-to-incorporate form. For example, participants were interested in data applications but organizations without technology staff were skeptical of their ability to customize the tools to their sites.



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## Technology

### **TECHNOLOGY CAPACITY**

As noted above, participants had very limited technology capacity, particularly in personnel. Only half of the twelve participant organizations had any dedicated technology staff, and only a few had more than one.

Organizations with technology staff discussed the challenge of deciding what technology needs to prioritize with limited time and resources. Many reported having to focus on day-to-day maintenance of servers and sites, rather than on long-term planning. Texas Tribune's Higinio Maycotte stressed the value of "human development" as an unexpected but important need: helping journalists learn to "position their content in the stream" through search engine optimization, headline writing, social networks and so on.

Organizations without technology staff discussed the difficulties of trying to incorporate existing tools without in-house expertise. For example, several participants reported that even when using open-source, publicly available tools for compiling and displaying data, they encountered problems with the acquisition, editing and delivery of data files and with customizing tools to work within their platforms.

Participants from both types of organizations expressed frustration with outsourcing the development of content management systems, sites and other technology tools. They described problems with development firms that did not fully understand the organization's needs or context, or developers who responded slowly to requests for changes and updates. Discussion also focused on the tendency of externally developed content systems to restrict innovation and adaptability by forcing organizations to think within the constraints of limited web platforms.

### **IPAD, IPHONE AND MOBILE APPS**

Participants generally agreed that despite the excitement and potential of mobile platforms—and Apple devices in particular—developing custom applications is too time-consuming and distracting to be worthwhile to most organizations unless they can license an exciting platform.

Several organizations stressed that mobile applications, like any other tool, should be viewed as a way to reach audiences and deliver content, and that in many instances developing compelling web and mobile web sites may be sufficient, rather than spending



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## Technology

limited time and resources to develop native applications for each mobile platform. For example, Evan Smith of Texas Tribune said the Tribune planned to use its mobile applications as a “shell” for helping users access its website rather than as an entirely separate interface.

### TECHNOLOGY AND BUSINESS MODELS

Participants discussed the potential of technology development for strengthening business models and generating revenue by providing additional value to sponsors and advertisers, helping organize contacts and fundraising efforts, building partnerships with other organizations and potentially licensing technology tools.

For example, New America Media’s Julian Do described the development of a database and search tool for local businesses that will attract sponsorship and advertising from businesses in the community while also generating traffic for New America Media’s content. Texas Tribune described its work on a back-end tool for managing fundraising contacts to assist its development staff.

Several organizations discussed the possibility of licensing technology tools for resale to other news organizations as a way to generate revenue. Other participants responded with concern that the demands of commercializing and licensing a technology product would be overwhelmingly demanding and therefore distracting to the organization’s core mission.

### COLLABORATION AND FRAMEWORKS

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“We’re not inherently in competition with each other ... the most important thing is that we view ourselves as a fraternity or sorority of sorts. Independent of whether we’re able to work together directly, that’s going to make us all better.”



**EVAN SMITH, CEO**, TEXAS TRIBUNE



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## Technology

A majority of the meeting's discussion of technology focused on the possibility of collaboration and partnership between the participant organizations, with the goal of "offloading costs and sharing benefits."

Participants agreed on the importance of technology collaboration to avoid duplicating efforts and expenditures. Such collaboration is made difficult, however, by the diversity of technology platforms and capacities present in the nonprofit news field. Most organizations reported using Drupal and Django, but several others used custom or licensed platforms. Participants expressed concern that, even for an app or tool built for collective use, they would need support to customize and implement it into their site. There was also agreement on the value of collaboration to provide support for implementation and incorporation of technology. Several participants suggested a "roving technologist" who could work remotely with nonprofit news organizations on human development and technology implementation through a trade group such as the Investigative News Network.

Participants were more hesitant about direct partnerships for the development of technology platforms. Because of regional and contextual differences in the structures, missions and needs of organizations, representatives were concerned that too much collaboration would prove impractical and inefficient. Texas Tribune Chairman John Thornton recommended "baby steps."

Participants reached the conclusion that more conversation and discussion should follow on the topic of technology collaboration, with, at the minimum, an agreement to share information and best practices.

Jan Schaffer, director of J-Lab at American University, noted that "big, early investments" in technology seemed to produce "big, early payoffs" for nonprofit news initiatives. "If that's true," replied Ibargüen, "we should probably be concerned by the show of hands, that most of the room falls on the side of not very much investment in technology."



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## Conclusion

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The nonprofit news organizations present at the roundtable are doing encouragingly well at executing their core journalistic and community information missions. As Knight Foundation President Alberto Ibarгүйen noted at the meeting’s conclusion, participant organizations were universally optimistic about their opportunities and their futures—a notable and welcome contrast to the conversation taking place in other parts of the news media world.

However: financial, organizational and technological sustainability are serious challenges, especially as many nonprofit news initiatives seek to transition away from reliance on major giving to self-sufficient revenue models. Innovation, fresh thinking, risk-taking and experimentation are needed.

As University of Miami Vice President Joe Natoli noted at the meeting’s wrapup session, “there are no silver bullets.” Natoli stressed a focus on business model development and on defining an organization’s value statement: what makes your work unique?

Observers also suggested that nonprofit news organizations should: focus on elaborating their community mission to supplement their journalistic one, and therefore improve their value statement to non-journalism groups; and emphasize new approaches to journalism such as context and civic journalism, rather than simply producing high-quality “old-world” journalism.

Participants agreed most strongly that the conversation should continue, particularly on the topics of business models, revenue and technology. Most organizations were highly interested in collaboration and the possibility of joint support on these topics.





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## Conclusion

### POINTS OF CONSENSUS:

#### ENTREPRENEURSHIP

- Sustainability flows from diversity: of revenue, of approaches, of efforts to create journalistic and community value
- Structure matters: organizations should use a “startup mentality” and be adaptable and flexible, leveraging major giving as a “runway” to building a sustainable model
- Organizations should recruit boards of directors with diverse experiences and expertise, with members who are willing to be critical and suggest new approaches
- Partnerships are important for early credibility and impact; flexibility can make traditional media organizations more likely to agree
- Organizations need more staff and support capacity for business development and revenue entrepreneurship, either in-house or potentially through a shared trade organization

#### REVENUE

- Memberships are a powerful way to encourage donations and engagement simultaneously, but organizations should provide some benefits or incentives in return, looking to symphonies, public media and other such organizations for examples
- Fundraising campaigns can be successful if driven with the right mix of engagement, press coverage and excitement; public media experiences suggest best practices
- The CPM model for advertising disadvantages niche and community news organizations by rewarding volume over targeting or impact; better models for pricing and selling online advertising are needed. Currently CPM display ad prices are too low to make advertising a sustainably large portion of most organizations’ revenue streams
- Given this, sponsorships may hold more promise and offer more value to advertisers
- Special events (such as guest speakers or community forums) have the potential to become a strong source of revenue for community news organizations. However, few of the participants had experience organizing such events and among those that did only a handful had attempted to monetize them



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## Conclusion

### ENGAGEMENT

- Organizations must balance their practice of traditional journalism with a broader community information role that encourages experimentation with new formats and approaches; most organizations must do both effectively to be relevant and successful.
- News organizations must emphasize pushing content “into the stream” rather than containing it on a proprietary site
- Better metrics and tools are needed for measuring engagement, especially across distribution platforms
- Comments are useful for encouraging discussion; the best moderation approach depends on the community and the discussion
- Investments in engagement can provide valuable benefits in journalism work

### TECHNOLOGY

- For organizations with limited resources, innovation is difficult while also focusing on incorporating existing technologies into journalism work
- More support for technology implementation is needed either as dedicated staff or shared intra-organizational resources
- Dedicated technology staff need systems to help them focus on longer-term development or planning along with day-to-day functions
- Collaboration and conversation should continue in pursuit of the best ways for nonprofit news organizations to work together on technology issues

### UNRESOLVED QUESTIONS

- Can a “turnkey” model for nonprofit news initiatives be developed, so an organization can be created easily wherever there is interest and funding, without reinventing the process each time?
- What is the most effective way to evaluate the progress and success of these nonprofit organizations and their specific journalistic and community information missions?
- How can nonprofit news organizations foster an environment where traditional media organizations view partnerships as beneficial rather than competitive?
- Can content be monetized effectively? What is the best way to do so, and what prices should be charged?



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## Conclusion

- What is the most effective way to structure a membership model with benefits and incentives?
- How can organizations effectively balance traditional journalism functions with community engagement and broader information roles, all while staying adaptable to changing trends?
- How can news organizations leverage the changing relationship between journalist and reader from a one-way, static delivery to a two-way conversation? What approaches to engagement and technology recognize and maximize this?
- How can organizations with limited or no dedicated technology staff be nimble and incorporate existing technology effectively?
- How can organizations with limited or no dedicated business staff effectively develop new revenue models and work to monetize content and services?

### **FUTURE NEEDS:**

- A continuing conversation amongst nonprofit groups, particularly focused on these three topics: business models, revenue and technology
- Shared or organization-based support for developing business models and revenue streams, and for experimenting with new revenue sources such as speciality publications and pricing content
- Shared or organization-based support for technology experimentation and improvement, particularly the implementation of existing technology and approaches into organizations' platforms

Several ideas for addressing these needs in future meetings and through future collaboration are discussed in the post-meeting survey in Appendix A.



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## Participant Feedback Report

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### I. INTRODUCTION

The Seeking Sustainability: Online Nonprofit Local/Regional News Venture Roundtable was sponsored by the John S. and James L. Knight Foundation and co-hosted by the Texas Tribune, the Voice of San Diego and the Knight Chair in Journalism at The University of Texas at Austin. 42 individuals attended the roundtable discussion, including representatives from 18 nonprofit news organizations.<sup>1</sup> Participants were asked to complete a survey that sought to understand their satisfaction with the event, how they might apply what they learned and what they believe would be useful next steps to support the emerging field of online nonprofit news ventures. The survey findings will be used to further refine future gatherings.

### II. PARTICIPANTS

The survey was sent to all participants; a 52% response rate (n=22) was obtained.<sup>2</sup>

### III. OVERALL EXPERIENCE

The Seeking Sustainability roundtable was well received by participants. All respondents agreed that it was a worthwhile investment of their time to attend the meeting. The majority of respondents agreed that the content was useful and that the meeting provided them with new ideas for their organizations.

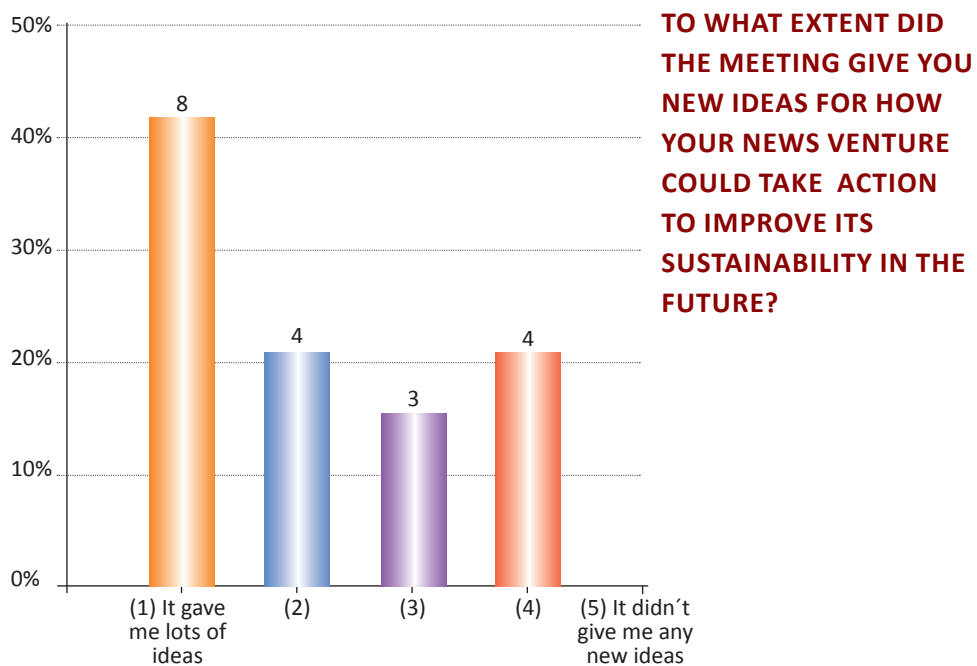
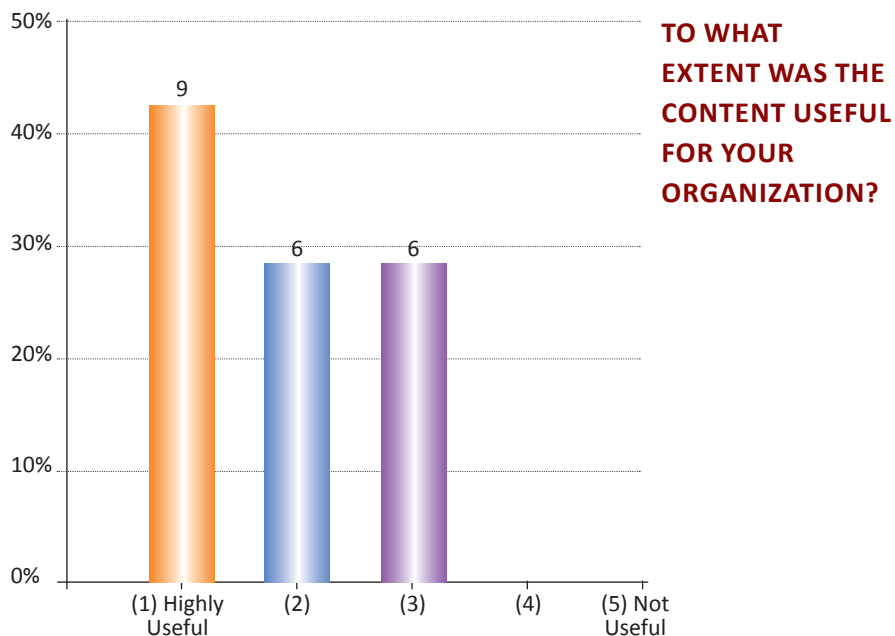
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<sup>1</sup> Total attendee number does not include Knight Foundation staff and consultants, and UTA staff.

<sup>2</sup> Not all respondents completed all survey questions.



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**Participant Feedback Report**

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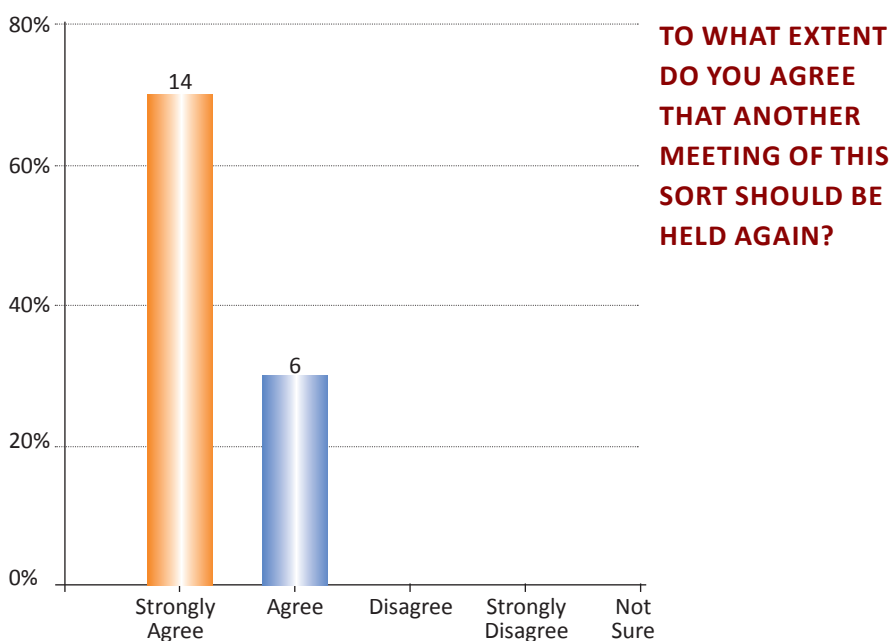
## Participant Feedback Report

- A greater understanding for the importance of multiple revenue streams including membership support. One person said, “The need to achieve diversified revenue and sustainability is a virtuous circle because it drives the organization toward relationships that also increase its credibility, its reach and its influence.”
- The importance of engagement with readers.
- The importance of building a news and technology network.

Additional items mentioned included: the creation and use of databases similar to those employed by the Texas Tribune; structuring a board of directors like a venture capital board; and maximizing early technology investments at the launch of a news venture. One respondent described that “the best general benefit (from the meeting) was a better understanding how we compared to others.”

### IV. FUTURE MEETINGS

Ninety percent of survey participants answered that they agree or strongly agree that a similar meeting that held in Austin should take place again. Of these respondents, 50% agreed that another meeting should be held six months from now, while 47% answered that another meeting should take place a year from now.



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## Participant Feedback Report

### (a) Topics for Discussion:

Respondents were asked to describe the topics that they would like to see addressed at future meetings.

- Twelve respondents said they would like to discuss **business issues and revenue streams**. One person said, “Almost everything about doing business online is different from traditional businesses. A look at best practices for generating revenues and effective management of online businesses (doesn’t have to be online media) would expand the horizon, to think outside the box.” Another meeting participant said “...the conference’s focus on sustainability was smart and necessary. These should be continuing topics of conversation.”
- Four people mentioned **the importance of sharing technology**. One person said that technology was a difficult topic to reach consensus on and that great benefit would be derived from additional conversations on this subject.
- Additional topics mentioned included: **audience building and membership, news product experiments and content, support that the Citizen’s Media Law Center and the National Freedom of Information Coalition could provide nonprofit news ventures, the role of the Investigative News Network**.

### (b) Future Participants:

Respondents were asked to describe the kinds of individuals/organizations that they would like to see included at future meetings. Answers included:

- **Representatives from the technology field** (n=4). One person said, “It would be useful to have more...technology developers/consultants on hand to discuss the practical implications of the topics that were discussed.” Others mentioned individuals involved in social networking, and those with expertise on adapting news applications to various content management systems.
- **Collaborators with nonprofits news organizations** (n=2). As one individual described, “for those of us that collaborate with news outlets, I would love to hear from their perspective how they feel these efforts are going – what works and what doesn’t.”



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## Participant Feedback Report

- **Business people and experts involved in:**

Successful online business companies, esp. retail	Online market & demographic research
Online advertising	Content syndication
Online audience engagement & community-building	Cause marketing

Other responses suggested including:

- Lawyers involved in nonprofit earned income and donation structures
- Public radio and TV organizations from communities with new nonprofit news organizations
- Representatives from legacy media, news startups and magazines
- Online and offline community organizers
- Political thinkers (liberal and non-liberal) concerned about the decline of journalism, media reform and the state of politics

Some participants listed specific individuals and/or organizations that they would like to see attend future discussions. Suggestions included:

- Jack Shafer; Cyrus Krohn, Microsoft online services, former publisher of Slate; Steve Proctor, San Francisco Chronicle; Joel Kramer, MinnPost; Richard Tofel, ProPublica; Karen Gadbois, New Orleans Len; Sandy Close, New America Media; Bob Moser, Texas Observer; the Sacramento Press; Max Linsky, founder of longform.org.

### (c) Future Logistics

Respondents were asked to provide feedback on the logistics, facilities and organization of the meeting to improve future discussions. Recommendations included:

- Smaller groups to facilitate dialogue and more chances for sidebar conversations
- More structured ways to learn about other sites, including developing and sharing common data and benchmarks
- Involving news ventures more in developing the agenda and inviting guests as steps towards creating a 'trade' organization
- Short keynote talks to provide more focus





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## Participant Feedback Report

On the Austin meeting, respondents commented that:

- The opening night party was a useful icebreaker and good networking opportunity
- Austin is a difficult city to travel to given that lack of direct flights
- It was useful that the hotel and conference were held under the same roof

### V. NEXT STEPS FOR THE FIELD

Eleven respondents described what, in their opinion, would be the most useful way to support the continued sharing of information among nonprofit news ventures. Answers included:

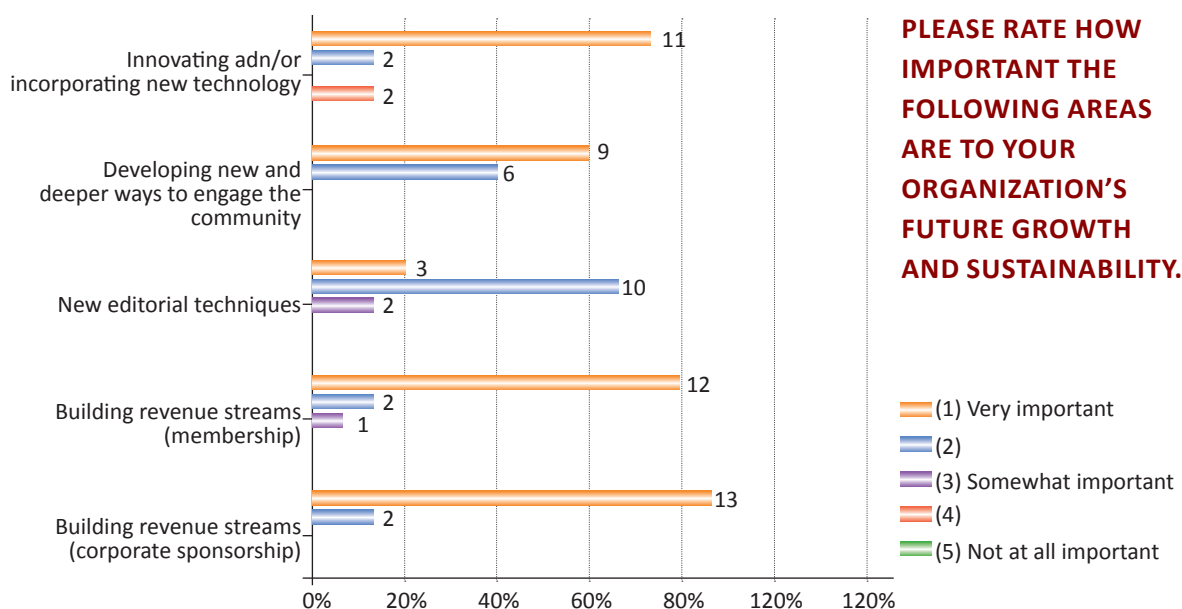
- Hosting regular meetings and quarterly conference calls
- Establishing informal subcommittees to share information on particular topics, e.g. membership, which would then report out to the whole group at annual or biannual meetings
- Regular surveys of the group to provide updates on each organization
- Creating labs or centers housed within each media organization that is focused on working on a particular issue and tasked with sharing their results with all nonprofits news ventures
- Gathering information on what people in communities think about these new nonprofits news organizations
- Creating a listserv or online forum

In a follow up question, participants were asked specifically whether a listserv or online forum for non-profits news ventures to exchange ideas would be useful for their organization. The majority of respondents agreed it would be useful or highly useful (n=14).

Participants were asked to rate what areas are most important to their organization's future growth and sustainability. The majority of respondents answered that developing membership packages (n=13) and growing corporate sponsorship (n=12) are the most important areas, followed by new technology.



## Participant Feedback Report



Respondents also listed the following areas as very important for their future sustainability:

- Additional revenue streams related to ancillary products and services, events, high-end donors and foundations, advertising, newsletters for specific interest groups, and syndication
- Determining ways to measure project 'success' and 'impact'
- Legal expertise on tax-exempt organizations and the affect of lobbying prohibitions on nonprofit news organizations

Participants were asked to describe how the areas they mentioned as most important to their organizations could be best addressed.

- On the subject of **revenue streams and additional sources of funding**, respondents elaborated that they would like help with:
  - National matching dollars to attract multi-year local donors
  - Fund drives similar to NPR's
  - Funding for full-time development positions



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## Participant Feedback Report

- Benchmarking information on corporate sponsorships, including price points, benefits and how to avoid conflicts
- Advice from corporate marketing executives about trends in advertising in an ad-resistant culture
- On **membership**, respondents suggested it would be useful to hear about best practices from nonprofits that really do this well and efficiently, including advice from social media experts and fundraisers. Others suggested it would be useful to understand how to package and offer benefits that make a difference to members, in a way that engages and motivates them.
- On **engaging the community**, respondents mentioned the need to develop new ways to engage audiences so they become invested in their news services and then donate. Others referenced the importance of research to better understand audiences.
- On **sharing innovation and technology**, respondents suggested the need to have regular update on all innovations relevant for effective management and delivery of content, and how they can be implemented.
- Others suggested that **updates on new editorial techniques would be valuable**, including new and better ways to deliver content to more people. One respondent suggested it would be useful to hear from younger people and experiments in other countries regarding new editorial practices and ways to engage audiences.
- Others mentioned the need for sharing best practices and developing case examples to be presented for future discussions



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## Appendix B: Organization Profiles

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- Bay Citizen
- California Watch / Center for Investigative Reporting
- Chicago News Cooperative
- Connecticut News Project / CT Mirror
- Crosscut.com
- Gotham Gazette
- New America Media
- New Haven Independent
- Oakland Local
- St. Louis Beacon
- Texas Tribune
- Voice of San Diego

The following profiles are from the results of a survey distributed to the participants at the Austin “Seeking Sustainability” meeting. The answers were written by the respective staff of each organization.



## Bay Citizen



location: **Bay Area, CA**

founded: **May 2010**

web: <http://www.baycitizen.org>

twitter: **@TheBayCitizen**



### **PARTICIPANTS AT AUSTIN MEETING**

Lisa Frazier, President & CEO

### **PART 1: OVERVIEW QUESTIONS**

#### **1. What is the purpose and focus of your organization?**

The Bay Citizen's mission is to enhance civic and community news coverage in the Bay Area, stimulate innovation in journalism, and foster civic engagement

#### **2. How are you different from "traditional" media online?**

We will be leveraging technology more fully to deliver a two-way civic engagement dialogue on and offline. We are also building an R&D pipeline that traditional media companies are unable to foster.

#### **3. What is your financial sustainability plan?**

Achieving sustainability requires an investment of time, resources and capital over 5 years. The economic model is a hybrid model of public broadcasting membership model and traditional for-profit media revenue streams.

#### **4. What are your most reliable sources of revenue? N/A**

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**5. What are two technological innovations - or services made possible by recent technological innovation - that you've introduced in the delivery of news and information to your readers?** N/A

**6. How effective are you in getting your content to people?** N/A

**7. How do you measure your success?**

We will measure our success through multiple lenses - investors, community and employee. It is important to identify the impact we are having via social ROI for philanthropic investors as well as Marketing ROI for corporate sponsors

**8. What do you hope to learn or get out of the Austin meeting?**

Meeting representatives from other organizations like ours, deeper understanding of existing challenges and identifying opportunities to support each other

## **PART 2: DETAILS ABOUT YOUR ORGANIZATION**

**1. What is your technology platform?**

Django based content management system

**2. Do you share technology platforms and costs with other organizations?**

We aspire to do so

**3. How many full-time journalists (journalists or editors) do you have?**

We will have 15 by next month

**4. How many part-time journalists or freelancers do you retain?**

We do have some freelancers working but given our pending start-up status longer term needs are yet to be defined.

**5. What is the percentage breakdown of revenue by sources?**

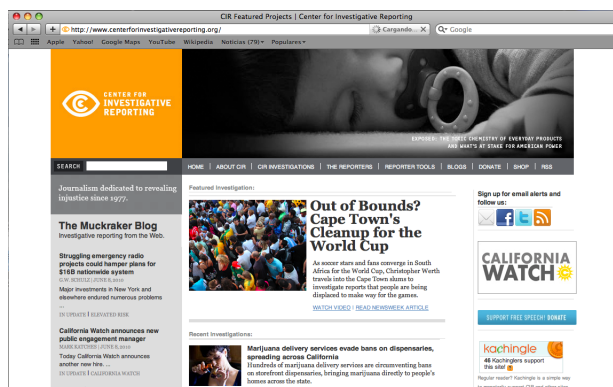
Majority high-networth donations have been the focus of our fund raising efforts to date - this represents ~97% of our revenues

**6. Without foundation support, what would your organization look like?**

Without foundation support, we will dramatically slow our path to sustainability and limit our technology and innovation investments.



## California Watch / Center For Investigative Reporting



location: **Global (CIR), California (California Watch)**

founded: **1977 (CIR), 2009 (California Watch)**

web: <http://www.centerforinvestigativereporting.org/> <http://californiawatch.org/>

twitter: [@CIRonline](#) [@californiawatch](#)



### **PARTICIPANTS AT AUSTIN MEETING**

Mark Katches, Editorial Director, California Watch

Robert Rosenthal, Executive Director, Center for Investigative Reporting

### **PART 1: OVERVIEW QUESTIONS**

#### **1. What is the purpose and focus of your organization?**

The Center for Investigative Reporting (CIR) and California Watch are a nonprofit and independent investigative reporting organization that exposes injustice, waste, mismanagement, wrongdoing, questionable practices, and corruption so that those responsible can be held to account and so the public can be armed with the information needed to debate solutions and spark change. California Watch is a project of CIR. CIR focuses on national and global issues while California Watch focuses its work on California. The team at California Watch pursues in-depth, high-impact reporting on issues such as education, public safety, health care and the environment. California Watch reporters also produce stories that hold those in power accountable, while tracking government waste and the mispending of taxpayer resources.

They place a major emphasis on solution-oriented reporting intended to have an impact on the quality of life for Californians and our communities. We plan to engage the public by building and creating interactive tools that make it easier to connect with leaders and

### **“Seeking Sustainability” Summary & Report**

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## California Watch / Center For Investigative Reporting

decision makers about key issues. And we offer searchable databases through our Data Center and other resources, links and guides that enable anyone to do their own basic watchdog reporting. Nearly all of these strategies are employed on all CIR stories, but its projects may involve direct “one off” media partnerships with such organizations as Frontline. CIR has also just finished, among other ongoing projects, a major documentary called “Dirty Business: Clean Coal and our Energy Future” which is soon to be distributed nationally.

### **2. How are you different from “traditional” media online?**

We distribute our stories as widely as possible through collaborative relationships with local and regional news organizations and through social media. California Watch has established working relationships with California news organizations of all kinds – newspapers, online publications, television, radio, ethnic media and other new forms of media – to help localize and distribute our reporting. We also publish unique, original content on our Web site that isn’t available anywhere else.

CIR follows a similar model. For example we have an ongoing project looking at the Carbon offset, Cap and Trade issue. Those stories, by a CIR staff reporter have appeared in Harpers and Mother Jones magazines. There is also a co-branded website called Carbon Watch on the Frontline site. Frontline will air a story with CIR on May 11, and NPR’s Market Place has done a two-part series with CIR.

### **3. What is your financial sustainability plan?**

We are developing a diverse, multi-faceted approach at California Watch. It includes generating revenue from the sale of our content, from advertising and corporate sponsorships; from individual donors, and larger foundations. CIR is also following that model which also includes membership and exploring social networking as a potential source of support.

### **4. What are your most reliable sources of revenue?**

We sell our content to news organizations throughout California, which helps generate income and defray the costs of our reporting. But that revenue is still very small and currently our most reliable source of funds comes from foundations, several of whom have made multi-year commitments. We realize we must develop multiple streams to sustain us, and that the quality of our work is our most valuable asset that we must do a better job of leveraging.

### **5. What are two technological innovations - or services made possible by recent**





**technological innovation - that you've introduced in the delivery of news and information to your readers?**

We are frequent users of social media via Facebook and Twitter and we rely heavily on Flickr for our use of creative commons photography. Internally, we use Google Docs and Google Calendar to help organize our work. We have experimented with crowd-sourcing on a limited basis and would like to do more.

**6. How effective are you in getting your content to people?**

California Watch has distributed to news organizations 17 stories and published more than 500 blog posts since January. We've had more than 50 news partners who have worked with us or have published our work. Our stories have reached at least 13 million newspaper subscribers, and millions more on TV, radio and online. We have collaborated with local TV stations in Los Angeles, Sacramento and San Francisco. We have a strong partnership with KQED Radio to share (50-50 split) a reporter and co-brand radio stories produced by reporter Michael Montgomery.

We have partnered with New America Media to translate stories into Spanish, Vietnamese, Korean and Chinese. La Opinion in Los Angeles has printed nearly all of our stories, translating them into Spanish and allowing us to redistribute that translation for others to use on their sites. We edit multiple versions of our stories to emphasis local content, and we work collaboratively with other news organizations on select stories to highlight local examples and other content that appeals to regional audiences. We produce stories at different lengths that can be used by news organizations with varying news holes. We think our distribution model is one of the things that makes us unique.

We've also created more than 20 searchable databases on our site that help drive traffic to us every day. By blogging 5-8 times each weekday, we are creating a vibrant website that helps complement our enterprise and investigative reports. CIR has a different distribution model. The example of our carbon offset work shows our ability to use a core reporter as an example of how we reach varied and large audiences with highly respected media partners. We also work directly with major news organizations.

**7. How do you measure your success?**

For California Watch success looks like this: Stories that make a difference and change lives. To do that, we hope to achieve the broadest distribution possible for all of our major stories. All of our major stories include a "React and Act" component that helps engage citizens to address issues raised by our reporting. For CIR it is also about reaching an audience and also getting results when we reveal information that has not previously



been brought to light. We have a strategy of pushing all of our stories out to a variety of bloggers, and we have found that this greatly expands the audience and impact of our work.

### **8. What do you hope to learn or get out of the Austin meeting?**

California Watch is a new and ambitious model, and a key part of CIR. By focusing on state and local coverage we are partially meeting a tremendous need. The distribution has been surprisingly successful, now we have to work on sustaining that, creating a strong brand and marketing strategy and look to find ways to sustain the work. We feel that we've tasted early success with California Watch. We're proud of what we're accomplishing and the direction we're headed. But we also have lots of key decisions to make to better define and implement a sustainable business model. We are hoping to learn from our colleagues and peers and take home new ideas and approaches that will help us achieve greater flexibility in the way we generate revenue. Part of the success of California Watch grows from the strong and highly credible brand and values that CIR created over 33 years. CIR must be sustained to support and integrate with California Watch. This is a challenge as well as we create strategies for sustainability that do not compete or conflict. We hope to make clear to others what we are doing, share our ambitions and enthusiasm and educate others about what we are doing. We will share best practices with the hope that together we can be part of the solution for high quality journalism in this transformational period.

## **PART 2: DETAILS ABOUT YOUR ORGANIZATION**

### **1. What is your technology platform?**

We publish online using a Drupal-based content management system. But we collaborate with newspaper, radio, TV and online partners, as well as university journalism schools and ethnic media outlets. We publish audio, video and text as well as multimedia, interactive databases and graphics.

### **2. Do you share technology platforms and costs with other organizations?**

We share with CIR many of the same administrative and management staff. When we collaborate, we emphasize cross-linking and posting to drive traffic to our partners – and vice versa. We publish and broadcast our work online. We charge most of our partners for our content but offer “trades” or discounts when they offer services to us in exchange. For example, our recent story about the questionable spending practices of more than 225 nursing homes in California resulted in collaboration with the Orange County Register,



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**California Watch / Center For Investigative Reporting**

which produced three graphics and photography for the package. In exchange, the Register was able to purchase our material for reduced rate. Several other news organizations ran some or all of the photos and graphics.

**3. How many full-time journalists (journalists or editors) do you have?**

Today, California Watch employs eight full-time reporters, editors and multimedia producers. But we have posted four more full-time positions. We have a very diverse staff in terms of gender and race. Overall, CIR and California Watch has a staff of 22 and that will soon be 26.

**4. How many part-time journalists or freelancers do you retain?**

We have three additional part-time employees on our California Watch staff today. CIR employs several other part-timers. We are likely to hire at least one more. We have worked with more than a dozen freelancers and about 75 university journalism students since launching in the fall of 2009.

**5. What is the percentage breakdown of revenue by sources?**

Today, probably 90 percent of our revenue comes from foundations. The rest comes from two major individual gifts, small and mid-level donations, content sales and advertising. Our goal is to reduce our reliance on foundations over time but in the next three to five years we will be greatly dependent on them. We would like to reduce our reliance on foundations but it is very unclear whether we will ever be totally self sustainable. The arena is very fluid though and discussion are now on the table that were not out there even two years ago.

**6. Without foundation support, what would your organization look like?**

CIR would probably still be here. But California Watch would not exist. We launched California Watch with the generous support of the John S. and James L. Knight Foundation, the James Irvine Foundation, and the William and Flora Hewlett Foundation. We have since raised hundreds of thousands of dollars from other foundations, including the California Endowment, and additional sources. CIR is also funded for the most part by foundations. CIR and California Watch are now working aggressively to come up with a business plan. One trend that has helped is that some foundations are now more comfortable with multi-year core support grants.



## Chicago News Cooperative



location: **Chicago IL**

founded: **October 2009**

web: <http://www.chicagonewscoop.org/>

twitter: [@chicagonewscoop](https://twitter.com/chicagonewscoop)



### PARTICIPANTS AT AUSTIN MEETING

James O'Shea, Editor

Peter Osnos

### PART 1: OVERVIEW QUESTIONS

#### 1. What is the purpose and focus of your organization?

To create a sustainable public service news organization.

#### 2. How are you different from "traditional" media online?

We intend to develop social networking sites organized around an interest in the news.

#### 3. What is your financial sustainability plan?

We hope to create a membership organization in which citizens and readers will pay to join. We are also exploring the possibility of becoming a L3C under Illinois law, which would allow us to attract program related and/or private investment.

#### 4. What are your most reliable sources of revenue?

At this juncture, foundations, individual donations and revenue from a traditional news organization for which we provide news.



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## Chicago News Cooperative

### **5. What are two technological innovations - or services made possible by recent technological innovation - that you've introduced in the delivery of news and information to your readers?**

Twitter and Facebook.

### **6. How effective are you in getting your content to people?**

We are effective getting content to a targeted local audience,

### **7. How do you measure your success?**

By circulation advances from our print partner and website visits.

### **8. What do you hope to learn or get out of the Austin meeting?**

I hope to learn more about revenue generation and the successful practices of other parties.

## **PART 2: DETAILS ABOUT YOUR ORGANIZATION**

### **1. What is your technology platform?**

We are now using Word Press but our true platform is under development.

### **2. Do you share technology platforms and costs with other organizations?**

We are in partnership with WTTW, Chicago's public television station, and we are sharing technology and best practices with the Texas Tribune.

### **3. How many full-time journalists (journalists or editors) do you have?**

We have 7 full time journalists and 10 part-time journalists.

### **4. How many part-time journalists or freelancers do you retain?**

We retain about a dozen free lance journalists.

### **5. What is the percentage breakdown of revenue by sources?**

We get 50 percent of our funds from foundations, about 15 percent from high worth individuals and 35 percent from a print customer who pays us for content. We are in a start-up phase for which we have funding, but are exploring various options for philanthropic support and investment.

### **6. Without foundation support, what would your organization look like?**

We would not be able to expand into the digital arena without foundation support.



## Connecticut News Project / Ct Mirror



location: **Connecticut**

founded: **2010**

web: <http://www.ctmirror.org>

twitter: [@ctmirror](https://twitter.com/ctmirror)



### **PARTICIPANTS AT AUSTIN MEETING**

James Cutie, CNP COO, CT Mirror

### **PART 1: OVERVIEW QUESTIONS**

#### **1. What is the purpose and focus of your organization?**

The Connecticut News Project, Inc. is an independent, non-partisan, non-profit news organization created to reinvigorate coverage of Connecticut's state government, public policy and politics. Our primary goal is to ensure that the people of the state are better informed about their government and its activities, so they can more effectively participate in the development of public policy and hold officials accountable for understanding and addressing the state's needs. We will achieve this goal through original and reliable reporting presented on our website, [www.ctmirror.org](http://www.ctmirror.org), and distributed through various other platforms and technologies.

#### **2. How are you different from "traditional" media online?**

no advertising, no subscriptions, distribute simultaneously to other outlets

#### **3. What is your financial sustainability plan?**

Move to foundation/underwriter/donor supported model

## **"Seeking Sustainability" Summary & Report**

April 26, 2010 - Austin, TX



**4. What are your most reliable sources of revenue?**

Currently, Foundations

**5. What are two technological innovations - or services made possible by recent technological innovation - that you've introduced in the delivery of news and information to your readers?**

Facebook, Twitter, Google Translator

**6. How effective are you in getting your content to people?**

So far so good. 8 daily newspapers, 1 college newspaper, web sites, reprints, cross promotion with NPR etc.

**7. How do you measure your success?**

Google analytics, syndication pick-up, geographic reach etc.

**8. What do you hope to learn or get out of the Austin meeting?**

On-going relationships; best practices, actionable deliverables

**PART 2: DETAILS ABOUT YOUR ORGANIZATION**

**1. What is your technology platform?**

Drupal

**2. Do you share technology platforms and costs with other organizations?**

No

**3. How many full-time journalists (journalists or editors) do you have?**

Five

**4. How many part-time journalists or freelancers do you retain?**

Three

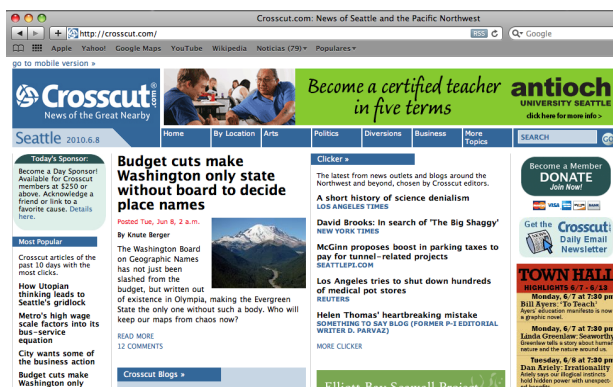
**5. What is the percentage breakdown of revenue by sources?**

Foundations are virtually all of it at the current time.

**6. Without foundation support, what would your organization look like?**

We would not have launched on January 25, 2010.





location: **Seattle, WA**

founded: **2007**

web: <http://www.crosscut.com>

twitter: [@crosscut](https://twitter.com/crosscut)



## PARTICIPANTS AT AUSTIN MEETING

David Brewster, Editor/Publisher

### PART 1: OVERVIEW QUESTIONS

#### 1. What is the purpose and focus of your organization?

Crosscut.com is a three-year-old daily web magazine published in Seattle and covering the broader Northwest. It strives to produce and find the best journalism in the region each day and has a broad range of interests, like a general magazine. It is nonpartisan, in the sense that its writers often express analysis and opinion but the site has no editorial stance and plays many points of view with equal emphasis.

Crosscut Public Media is the publisher, a nonprofit entity. Crosscut.com began as a for-profit venture but shifted on Jan 1, 2009 to a new nonprofit group.

#### 2. How are you different from “traditional” media online?

Crosscut aims to publish the best writing it can find, and is aimed at people who like to read good writing (thoughtful, knowledgeable, analytical, shaped into stories or essays, attention to tone) on the Web. It might best be described as a daily magazine. Its readers tend to be influential, open-minded, grown-up, eager for good data and challenging points of view. It embraces the nonprofit world of journalism for the public good and works





enthusiastically with local foundations, their missions, and generous donors who care about the fate of local journalism.

### **3. What is your financial sustainability plan?**

We pay attention to three revenue streams: membership and individual donors; advertising and underwriting; and grants. Future areas of growth appear to be conferences and syndication or other forms (like newsletters) of paid content.

### **4. What are your most reliable sources of revenue?**

**5. What are two technological innovations - or services made possible by recent technological innovation - that you've introduced in the delivery of news and information to your readers?**

### **6. How effective are you in getting your content to people?**

Current figures: MUVs 62,000. MPVs 260,000. Newsletter subscribers 2,700. Annual members 600. Average member donation (excluding high end), \$90.

### **7. How do you measure your success?**

### **8. What do you hope to learn or get out of the Austin meeting?**

## **PART 2: DETAILS ABOUT YOUR ORGANIZATION**

### **1. What is your technology platform?**

### **2. Do you share technology platforms and costs with other organizations?**

### **3. How many full-time journalists (journalists or editors) do you have?**

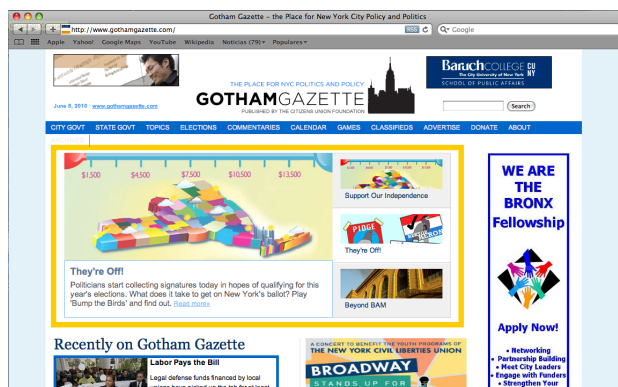
### **4. How many part-time journalists or freelancers do you retain?**

### **5. What is the percentage breakdown of revenue by sources?**

### **6. Without foundation support, what would your organization look like?**



## Gotham Gazette



location: **New York, NY**

founded: **1999**

web: <http://www.gothamgazette.com/>

twitter: [@gothamgazette](https://twitter.com/gothamgazette)



### **PARTICIPANTS AT AUSTIN MEETING**

Gail Robinson, Editor in Chief

Dick Dadey, Executive Director

### **PART 1: OVERVIEW QUESTIONS**

#### **1. What is the purpose and focus of your organization?**

Gotham Gazette is a non-partisan site on New York City policy and politics. Our aim is to inform New Yorkers about key issues in their city and state in the hopes of helping them be more informed and engaged citizens.

We are published by Citizens Union, a long time good-government group in New York City.

#### **2. How are you different from “traditional” media online?**

Our policy and politics emphasis, and the way we approach these issues, set us apart from more general local news sites. We are more likely to focus on an issue than on a specific news event or person. And our election coverage again is characterized by looking at issues in the campaign along with the more conventional discussion of personalities, polls and fundraising.

#### **3. What is your financial sustainability plan?**

“Seeking Sustainability” **Summary & Report**

April 26, 2010 - Austin, TX



**4. What are your most reliable sources of revenue?**

Individual giving is the most reliable source currently. As foundation funding has declined, Citizens Union Foundation has increased its general fundraising activity and dedicated a portion of that income toward publication of Gotham Gazette.

**5. What are two technological innovations - or services made possible by recent technological innovation - that you've introduced in the delivery of news and information to your readers?**

About two years ago, we introduced "Who's Running for What," a database that allows readers to search for candidates in local races by searching for the incumbent, a candidate in a give race, or the office itself. In the months since then, we have continued to build out this service, updating it for every election cycle, adding new features and keeping it current. We are not aware of another service quite like this.

In January we launched a redesign of our site, incorporating our blog in our home page, emphasizing our own original content, making better use of visuals and organizing the site by subject area. Most importantly, the redesign marked GG's evolution from a site that posted most content on Monday a.m. to one that features new, original content throughout the workweek.

Later this year, we will unveil Councilpedia, our crowd-sourcing project on money and politics, funded by the Knight Foundation. The pilot is already available. Let me know if you'd like a look.

**6. How effective are you in getting your content to people?**

Not as effective as we would like. Marketing has proved a thorny problem for us, partly because of our limited resources. In addition, the local on-line news scene in New York has become crowded, with blogs and other media increasingly reluctant to cite other sources, which they see as rivals. (One mainstay of Gotham Gazette continues to be, that we do link to many other sources, serving partly as a portal site.)

Marketing -- and increasing traffic -- is one of our key goals for the coming year.

**7. How do you measure your success?**

Traffic, and the quantity and quality of reader comments. Certainly the success of our reader fund drives is an indicator. And we try to gauge how much our stories get referenced in other sources and how much they shape other coverage and the discussion of New York issues.



**8. What do you hope to learn or get out of the Austin meeting?**

We hope to get ideas from what other people are doing -- both in the area of financial sustainability and technological innovation. We also hope to make connections that could lay the groundwork for future cooperative efforts and for more informal exchanges of ideas and information.

**PART 2: DETAILS ABOUT YOUR ORGANIZATION****1. What is your technology platform?**

A homegrown content-management system

**2. Do you share technology platforms and costs with other organizations?**

No

**3. How many full-time journalists (journalists or editors) do you have?**

Three

**4. How many part-time journalists or freelancers do you retain?**

Difficult to say. We have eight to 10 journalists who write for us regularly -- several articles a year. Then many more people write one or two pieces for us, either news features or op-eds. We also have about a dozen interns a year who provide articles.

**5. What is the percentage breakdown of revenue by sources?**

Users/viewers donors: 49%

Ads 8%

Foundations 40%

Corporate 2%

**6. Without foundation support, what would your organization look like?**

Gotham Gazette's current budget could be cut roughly in half. Given how stretched our resources already are, it would have a huge impact on our ability to serve our readers.



## New American Media



location: **National (projects in New Orleans and San Jose)**

founded: **1996**

web: <http://news.newamericamedia.org/news/>  
<http://www.nolabeez.org/>



### **PARTICIPANTS AT AUSTIN MEETING**

Julian Do, Project Manager, New American Media / New Orleans & San Jose Beez

### **PART 1: OVERVIEW QUESTIONS**

#### **1. What is the purpose and focus of your organization?**

New America Media is a non-profit national association of ethnic media dedicated to bringing the voices of the marginalized - ethnic minorities, immigrants, young people, elderly - into the national discourse. NOLA Beez and San Jose Beez, also non-profit, are NAM's online media projects aimed at helping ethnic media in New Orleans and San Jose developing their online presence and presenting these collective voices.

#### **2. How are you different from "traditional" media online?**

NAM is both generator and aggregator of content of news concerning ethnic communities, young people, and elders.

NOLA and San Jose Beez hub sites are ethnic-media driven, focusing on hyperlocal and ethnic-community news and information. As networks of ethnic media, NAM and the Beez projects also provide members with journalism and multimedia training and online technical assistance.



**3. What is your financial sustainability plan?**

NAM's sustainability plan is to have revenues generated from marketing activities and syndication as the dominant source of income. For the Beez projects, sustainability plan is to leverage local ethnic audience reaches to generate revenues from local advertisers and sponsorship programs from both private and government sectors (i.e., social messaging on energy, health, education).

**4. What are your most reliable sources of revenue?**

For NAM at the present: grants and marketing

Both Beez projects are still under incubation with fund from Knight and contribution from NAM.

**5. What are two technological innovations - or services made possible by recent technological innovation - that you've introduced in the delivery of news and information to your readers?**

- 1/ Customizing news packages to meet the needs and preferences of media members.
- 2/ Encouraging and facilitating content exchange

**6. How effective are you in getting your content to people?**

Moderately successful but the trend is on the increase as more members are picking up content from NAM and Beez projects' for publishing on their sites.

**7. How do you measure your success?**

In terms of content delivery: tracking web traffic and readers' participation; numbers of stories get picked up by media members. In terms of revenue generation: value of marketing contracts as well as total money pass on to media members through ad campaigns.

**8. What do you hope to learn or get out of the Austin meeting?**

To learn about the different business models and ideas for revenue generation that can be adopted for both NAM and the Beez projects.

**PART 2: DETAILS ABOUT YOUR ORGANIZATION****1. What is your technology platform?**

The Beez projects are using a custom micro-framework/library written in Python. We will also be deploying other websites using the Django and Pylons frameworks. When our in-



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## New American Media

house Python micro-framework has been tested and debugged, we will release the source code under an Open Source license.

### **2. Do you share technology platforms and costs with other organizations?**

Sharing technology platforms and costs with other network members is one of the goals and these will be offered during the expansion phase.

### **3. How many full-time journalists (journalists or editors) do you have?**

NAM has one managing editors and 6 associate editors for different beats. All contents are produced by the editors and contributors from the network around the country. Each Beez project one part-time editor. All contents are contributed by media members based in New Orleans and San Jose.

### **4. How many part-time journalists or freelancers do you retain?**

None

### **5. What is the percentage breakdown of revenue by sources?**

Grants & Contributions: 58%; Marketing & Ad Revenue: 40%; Others: 2%.  
Beez projects: 60% from foundation; 40% from NAM.

### **6. Without foundation support, what would your organization look like?**

NAM would have to downsize to perhaps nearly half.



## New Haven Independent



location: **New Haven, CT**

founded: **September 2005**

web: <http://www.newhavenindependent.org>

twitter: **@newhavenindy**



### PARTICIPANTS AT AUSTIN MEETING

Paul Bass

### PART 1: OVERVIEW QUESTIONS

#### 1. What is the purpose and focus of your organization?

Publishing local professional, not-for-profit news websites in local communities in Connecticut.

#### 2. How are you different from “traditional” media online?

We are completely local. We are not-for-profit. We cover breaking news and analysis in New Haven and five Naugatuck Valley towns intensively, continuously during the weekday, with a special focus on neighborhoods, government, school reform, nanotechnology, and criminal justice.

#### 3. WHAT IS YOUR FINANCIAL SUSTAINABILITY PLAN?

We are building on a base of regional institutional and charitable donors to seek three-year, five-figure annual commitments from a network of local high-net-worth individual donors; partnering with a print Spanish-language weekly to develop a fundable “bilingual newsroom of the future” experiment; and developing new approaches to reporting and promoting civic

### “Seeking Sustainability” Summary & Report

April 26, 2010 - Austin, TX





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**New Haven Independent**

debate on a couple of key issues (including education reform, nanotechnology) for which we hope to raise larger, longer-term foundation support jointly for our two main sites.

**4. What are your most reliable sources of revenue?**

About a dozen foundations and larger local institutional and individual donors.

**5. What are two technological innovations - or services made possible by recent technological innovation - that you've introduced in the delivery of news and information to your readers?**

An interactive crime map. A self-serve community calendar and "Flyerboard" social-networking bulletin-board service for events.

**6. How effective are you in getting your content to people?**

Over five years we've seen readership grow 25 percent a year, pretty steadily.

**7. How do you measure your success?**

The impact we make in our community, the diverse and thoughtful discussions we spark and host through our reporting and strict moderation, the quality of our stories.

**8. What do you hope to learn or get out of the Austin meeting?**

Ideas for obtaining funding, especially a) support for reporting beats; b) a long-term development position; and general sharing of experiences and strategies with colleagues in other cities, and possible collaborative raising of money.

**PART 2: DETAILS ABOUT YOUR ORGANIZATION****1. What is your technology platform?**

Expression Engine.

**2. Do you share technology platforms and costs with other organizations?**

No

**3. How many full-time journalists (journalists or editors) do you have?**

Six

**4. How many part-time journalists or freelancers do you retain?**

Six



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**New Haven Independent****5. What is the percentage breakdown of revenue by sources?**

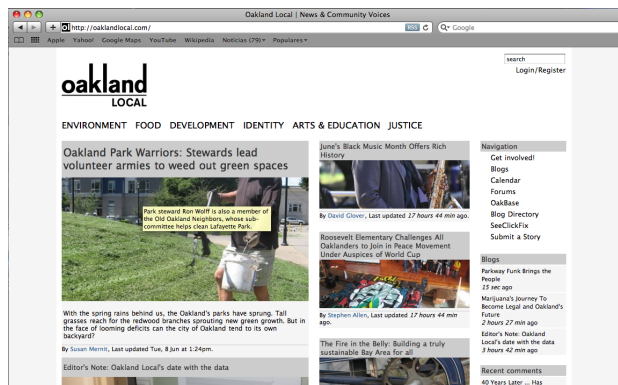
Roughly 2% ind. donations, 3% ads (incl. legal notices and flyerboard), 75% foundations, 5% high net worth individuals; 15% institutional sponsors.

**6. Without foundation support, what would your organization look like?**

It would be considerably smaller. We are aiming to decrease the percentage of foundation support to 50% for years 6-8 and dramatically increase the percentage of support from high net worth individual donors as well as smaller donors.



# Oakland Local



Location: **Oakland, CA**

Founded: **October 2009**

web: <http://oaklandlocal.com>

twitter: [@oaklandlocal](https://twitter.com/oaklandlocal)



## PARTICIPANTS AT AUSTIN MEETING

Susan Mernit

### PART 1: OVERVIEW QUESTIONS

#### 1. What is the purpose and focus of your organization?

Oakland Local is an independent, nonprofit community news and information hub, connecting community and news that launched on October 19, 2009. Our site combines original investigative and feature reporting with community news and information from 35 Oakland non-profit organizations and community groups and many engaged citizens. We are a voice of independent journalism and community service for a city where too many people go unheard, too many issues uncovered and we train community organizations and nonprofits to tell their stories.

#### 2. How are you different from “traditional” media online?

Centered on topics including environmental justice, food distribution, transportation, development & housing, and gender & identity, Oakland Local publishes information from local non-profits and community organizations within a range of Oakland neighborhoods. Oakland Local has over 35 local nonprofit and community partners. Our partners contribute community news and events to the site on behalf of their organizations we



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## Oakland Local

help these groups improve both their news literacy and their social media skills through informal, free, hands-on trainings and brown bags. We also support individuals who come to the site to post community news, blog, share events, participate in our forums and comment.

### **3. What is your financial sustainability plan?**

We are 7 months old and started without an operating budget. However, we all have lots of business experience and we are building a revenue portfolio that will include advertising, sponsorships, donor/members, merchandise, and training, along with grants & fund-raising.

### **4. What are your most reliable sources of revenue?**

Advertising and training.

### **5. What are two technological innovations - or services made possible by recent technological innovation - that you've introduced in the delivery of news and information to your readers?**

We are mobile first and doing development work and research to improve delivery and interaction on "crappy cell phones." We integrate seamlessly with Twitter and Facebook and other social media tools. We also have an innovative tool for porting in partner newsletters in Drupal (yes, that is three.)

### **6. How effective are you in getting your content to people?**

Very. We are 7 months old, had an budget of \$17,000 in 2009, and reach 45,000 local people a month via our site, 2,800 via Facebook. 10-30% growth every month.

### **7. How do you measure your success?**

Set goals through metrics, also measure interaction and diversity--we want to represent all of Oakland, including low-income and people of color communities.

### **8. What do you hope to learn or get out of the Austin meeting?**

Best practices for revenue-building and sustainability and a network to work on projects with to improve economic viability.



**PART 2: DETAILS ABOUT YOUR ORGANIZATION****1. What is your technology platform?**

Drupal.

**2. Do you share technology platforms and costs with other organizations?**

We are not on a platform with anyone else; we share knowledge freely.

**3. How many full-time journalists (journalists or editors) do you have?**

None, everyone is volunteer, up to 3/4 time.

**4. How many part-time journalists or freelancers do you retain?**

We have 3 core founders, and about 8 core staffers, along with another 15 regular writers and non-profit posters.

**5. What is the percentage breakdown of revenue by sources?**

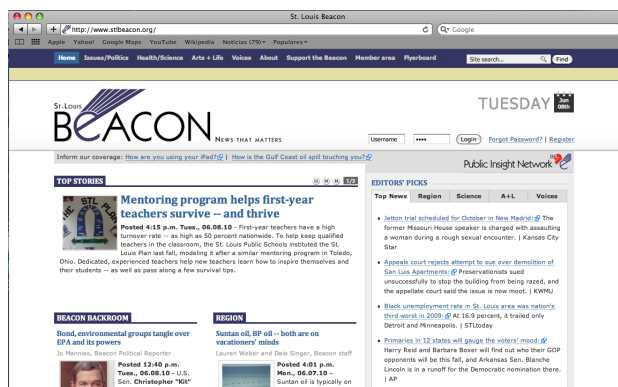
(users/viewer donors, ads, foundations, high-networth donations, ancillary products, charging) This is N/A for us because we have not implemented most of these programs yet, just starting.

**6. Without foundation support, what would your organization look like?**

We use our foundation support right now to pay writers and editorial support, mostly (calendar, database); We'd have less new content and a smaller team. Foundation support has helped us jump start and have an impact we could never have had, but we don't have anything--yet--going to an operating budget, which is a mixed blessing.



## St. Louis Beacon



location: **St. Louis, MO**

web: <http://www.stlbeacon.org>

twitter: **@stlbeacon**



### **PARTICIPANTS AT AUSTIN MEETING**

Margaret Wolf Freivogel, Editor

Nicole Hollway, General Manager

### **PART 1: OVERVIEW QUESTIONS**

#### **1. What is the purpose and focus of your organization?**

The St. Louis Beacon provides news that matters to people in the St. Louis region as well as a place to thoughtfully discuss it. We are building a sustainable engine of regional information and engagement that informs citizens to action through journalism, technology, live events and partnerships.

#### **2. How are you different from “traditional” media online?**

We are not just online media. We aim to meet people where they are with our content - online, in person, via partnerships, using advanced technology.

#### **3. What is your financial sustainability plan?**

We are currently seeking a capital investment of \$5 million over 4 years which will enable us in year 5 to be self sustaining with projected income breakdown as follows: 58% ad/sponsorship; 28% membership (small donors); 10% foundation support; 3% events; 1% other products



**4. What are your most reliable sources of revenue?**

Currently, large donors.

**5. What are two technological innovations - or services made possible by recent technological innovation - that you've introduced in the delivery of news and information to your readers?**

Because of our resource limitations, we've been unable to implement any of the innovations we see as opportunities. However, technology as it supports delivery, targeting, info-gathering and iterative processes (editorial, donor-related, sponsorship/ad related) is at the center of our overall strategy. Ad-network/behavioral tracking technology has exciting implications for the delivery of reported content, the editorial process and building donor/sponsor relationships. Geo-location also offers opportunities to integrate quality reported content into daily activities.

**6. How effective are you in getting your content to people?**

Given our current structure, we consider ourselves successful. In the past year our content has been delivered online, in print, as the audio tour to localize a traveling museum exhibit, as the base for an ongoing informal community discussion series, as the local component for a commercial TV station's Black History Month tributes, and more.

**7. How do you measure your success?**

Currently we use basic web stats to measure comparative growth. Attendance at events and fundraisers. Word of mouth from community stake-holders. Recognition by local and national organizations.

**8. What do you hope to learn or get out of the Austin meeting?**

Further understand and demonstrate the Beacon's place on the spectrum of regional news initiatives

**PART 2: DETAILS ABOUT YOUR ORGANIZATION****1. What is your technology platform?**

A very poorly constructed Joomla site initially implemented by a volunteer. We also use Salesforce, VerticalResponse and the Public Insight Network. We invested in a needs analysis for a next gen site and planned for a Drupal core with majority custom overlay. We're only using Salesforce at about 5%. It would remain and be integrated and leveraged. We foresee a number of cloud or service-based (ominture) technologies integrated into our ultimate site.



**2. Do you share technology platforms and costs with other organizations?**

No

**3. How many full-time journalists (journalists or editors) do you have?**

Twelve

**4. How many part-time journalists or freelancers do you retain?**

2 part-time and a pool of 100 freelancers

**5. What is the percentage breakdown of revenue by sources?**

small donors 6% (<1500)

large donors 69%

Ads & Sponsorships 1%

Foundations 15%

Events 10%

**6. Without foundation support, what would your organization look like?**

Today, we would supplement with large donors. Over time, see answer to #3 above, likely shifting the 10% to events, sponsorships and other products.





# Texas Tribune



location: **Texas**

founded: **2009**

web: <http://www.texastribune.org>

twitter: [@texastribune](https://twitter.com/texastribune)



## PARTICIPANTS AT AUSTIN MEETING

Evan Smith, CEO

John Thornton, Chairman

Higinio Maycotte, Director of Technology

Michael Sherrod, Publisher

## PART 1: OVERVIEW QUESTIONS

### 1. What is the purpose and focus of your organization?

TT exists to help the people of Texas make more informed decisions in their civic lives and to help people outside Texas better understand Texas issues that have national significance.

### 2. How are you different from “traditional” media online?

We have taken great pains to not simply reconstruct a newspaper on line. We believe the list is long, but it is headlined with the depth of our multimedia content and our data products. The result has been engagement (pages per visit) which is 40-60% above the average newspaper site.

### 3. What is your financial sustainability plan?

Two parallel efforts. The first is to build the balance sheet by raising \$4-5mm in major gifts (foundations and wealthy individuals above \$5k) over the next three years. The second

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is to build an income statement which has three roughly equivalent pieces: membership, corporate sponsorships, and specialty publications. We target getting each of these to a \$1m business within the next 3-4 years.

#### **4. What are your most reliable sources of revenue?**

Currently, our most reliable source is major giving. On the three business lines mentioned above, we are anywhere from 15-35% of our target after 26 weeks of publication.

#### **5. What are two technological innovations - or services made possible by recent technological innovation - that you've introduced in the delivery of news and information to your readers?**

We believe our data products are unique in the industry. 29 databases, keyword searchable, 10GB, growing rapidly. We also believe that the technology we've developed in election coverage is groundbreaking, we are the only outlet in the state that presents live election results in a way that is easily digestible by the readers (for example, providing live county by county results graphically and making the content embed-able by others). Additionally we are working on a variety projects that include a real time video analysis platform focused on the upcoming legislative session, searchable by keywords and synchronized with change analysis of the physical bills themselves.

#### **6. How effective are you in getting your content to people?**

Our destination site traffic has far exceeded our expectations: 200k uniques in March vs. a target of 150k in December. Our syndication and secondary distribution efforts have been very successful, although credible metrics for this are harder to come by. We recently had a very successful collaboration with Newsweek, in which we controlled the cover story (and they agreed to do the cover in TT yellow!) Our collaboration efforts with the major Texas dailies are making progress, but we've been regarded with an abundance of caution.

#### **7. How do you measure your success?**

This is the most difficult question, and this format limits detailed discussion. But three categories: consequential, innovative content; robust, growing, engaged readership; and rapid progress toward financial stability which does not require major giving to sustain.

#### **8. What do you hope to learn or get out of the Austin meeting?**

We're relatively new on the block. We're primarily interested in learning about other organizations' success particularly in revenue generation.



**PART 2: DETAILS ABOUT YOUR ORGANIZATION****1. What is your technology platform?**

Our primary technology bet is Django + Python, all open source and hosted on Amazon's EC2 where we leverage S3 and other cloud based services to manage our media assets. The management of all of these services is centralized through RightScale. We use Java based Solr to drive search.

**2. Do you share technology platforms and costs with other organizations?**

We are in discussions about sharing tech costs with other organizations, but have not consummated anything. We have actually shared code now with one other non-profit news organization and are in discussions with a second. We are intending on co-developing a public release of this code to other news organizations (regarles of size) as an open source platform for disseminating news.

**3. How many full-time journalists (journalists or editors) do you have?**

We have 12 full-time journalists

**4. How many part-time journalists or freelancers do you retain?**

We have 6 part-time/freelance journalists/videographers/photographers

**5. What is the percentage breakdown of revenue by sources?**

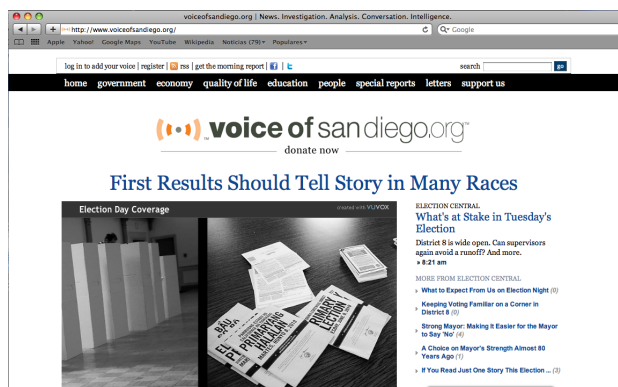
This year (our first) 2/3 of revenue will come from major donors. Roughly 15% specialty pubs and 10% each corporate sponsorships and memberships. Long term goal is 0% major giving for base expenses, with an equal split between the other 3.

**6. Without foundation support, what would your organization look like?**

Without foundation support, our efforts to build our balance sheet would have to rely entirely on wealthy families.



## Voices Of San Diego



location: **San Diego, CA**

founded: **2005**

web: <http://www.voiceofsandiego.org/>

twitter: [@voiceofsandiego](https://twitter.com/voiceofsandiego)



### **PARTICIPANTS AT AUSTIN MEETING**

Andrew Donohue, Editor

Scott Lewis, CEO

Buzz Woolley, Chairman of the Board

### **PART 1: OVERVIEW QUESTIONS**

#### **1. What is the purpose and focus of your organization?**

To consistently deliver ground-breaking investigative journalism for the San Diego region. To increase civic participation by giving residents the knowledge and in-depth analysis necessary to become advocates for good government and social progress. We don't do a story unless we think we can do it better than anyone else or no one else is covering it.

#### **2. How are you different from "traditional" media online?**

We do not need to be everything to everybody. We can focus on adding value through investigative reporting. Additionally, we do not feel that we must be the ones to disseminate our content. As a nonprofit, our mission is to get maximum impact for our stories, so we can partner with traditional media to spread stories further.

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**3. What is your financial sustainability plan?**

We are passionate about diversity of revenue. We have a plan for growing each of five different sources of revenue, particularly our syndication, corporate/community partners, and individual memberships.

**4. What are your most reliable sources of revenue?**

Currently, high-networth donors and foundations. We understand that neither is a complete long-term strategy, which is why we are constantly trying to diversify revenue.

**5. What are two technological innovations - or services made possible by recent technological innovation - that you've introduced in the delivery of news and information to your readers?**

1. Social media tools like Facebook and Twitter to disseminate content, engage readers, and get instant feedback; 2. Registering users and allowing outside blogging on our website to solidify our position as the place to go for intelligent conversation about San Diego issues.

**6. How effective are you in getting your content to people?**

We use our website, social media tools, a daily email blast, online advertising, and partnerships in local television and radio to get our content out. All of those sources are increasing our audience rapidly, but we are cognizant of the need to further expand our reach and impact. We are in the process of hiring an Engagement Editor who will be charged with exponentially expanding our readership.

**7. How do you measure your success?**

By the quality of the stories we produce, the impact that it has on policy-making and discussion in San Diego, the number of loyal readers (those who read 1 time per week or more) who engage with our website, the number of people who register to participate in our discussions and debates, and our ability to attract revenue.

**8. What do you hope to learn or get out of the Austin meeting?**

Build relationships with others for the purpose of ongoing sharing of ideas and what works and doesn't, and generally learning from the august group assembled about what is working to increase sustainability.



**PART 2: DETAILS ABOUT YOUR ORGANIZATION**

**1. What is your technology platform?**

TownNews.com

**2. Do you share technology platforms and costs with other organizations?**

Not specifically our website, but the company (TownNews.com) does websites for hundreds of newspapers across the country and so the costs to us of upgrading our technology, increasing functionality, and making our site ever more dynamic are minimal.

**3. How many full-time journalists (journalists or editors) do you have?**

Nine

**4. How many part-time journalists or freelancers do you retain?**

Five on a regular basis

**5. What is the percentage breakdown of revenue by sources?**

8% users/viewer donors, 9% ads, 62% foundations (including grants and gifts from community foundations like San Diego Foundation and the Jewish Community Foundation), 17% high-networth donations, 4% syndication, 0% charging users for content for personal use

**6. Without foundation support, what would your organization look like?**

We would have less content and thus less impact on our region. Specifically, we would have at least two fewer full-time reporters, we would have a smaller budget for freelancers, and we would be far less sophisticated in our marketing and development efforts as grants have allowed us to build capacity in this area. We would also lack the IT upgrades that have made our website more functional and more searchable.



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## Appendix C: Participants

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- **Rosental Alves**, Professor, UT Austin
- **Richard Anderson**, President, Village Soup
- **Paul Bass, Editor**, New Haven Independent
- **David Brewster**, Editor and Publisher, CrossCut (Seattle)
- **James A. Cutie**, CNP Chief Operating Officer, The Connecticut Mirror
- **Dick Dadey**, Executive Director, Gotham Gazette
- **Tracy, Dahlby**, Director, University of Texas at Austin School of Journalism
- **Julian Do**, Project Manager, New America Media/New Orleans & San Jose Beez
- **Andrew Donohue**, Editor, Voice of San Diego
- **Lisa Frazier**, President and CEO, The Bay Citizen
- **Margaret Wolf Freivogel**, Editor, St. Louis Beacon
- **Hernán Guaracao**, CEO, Al Dia News
- **David Haas**, Chair, William Penn Foundation
- **Nicole Hanrahan**, Senior Consultant, Community Wealth Vanguard
- **Rod Hart**, Dean, University of Texas at Austin College of Communication
- **Nicole Hollway**, General Manager, St. Louis Beacon
- **Brant Houston**, Knight Chair, University of Illinois
- **Feather Houstoun**, President, William Penn Foundation
- **Alberto Ibarгүйen**, President, John S. and James L. Knight Foundation
- **Mark Katches**, Editorial Director, California Watch



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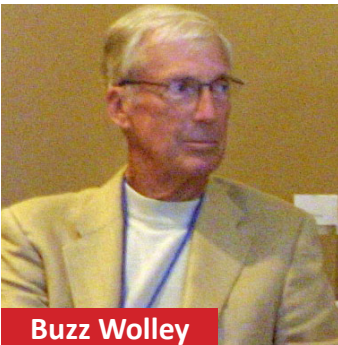
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- **Gara LaMarche**, President, The Atlantic Philanthropies
- **Scott Lewis**, CEO, Voice of San Diego
- **Lori McGlinchey**, Senior Program Officer, Open Society Institute
- **Michele McLellan**, Fellow, Reynolds Journalism Institute, Missouri School of Journalism
- **Susan Mernit**, Editor and Publisher, Oakland Local
- **Joe Natoli**, Vice President and CFO, University of Miami
- **Eric Newton**, Vice President, John S. and James L. Knight Foundation
- **Jim O’Shea**, Co-founder and Editor, Chicago News Cooperative
- **Peter Osnos**, Co-founder and Vice Chair of the Board, Chicago News Cooperative
- **Mayur Patel**, Director of Strategic Assessment and Assistant to the President
- **Vikki Porter**, Director, University of Southern California Knight Center
- **Gail Robinson**, Editor in Chief, Gotham Gazette
- **Jack Rosenthal**, Senior Fellow, The Atlantic Philanthropies
- **Robert Rosenthal**, Executive Director, Center for Investigative Reporting
- **Jan Schaffer**, Executive Director, American University J-Lab
- **John S. and James L.** Knight Foundation.
- **Michael Sherrod**, Publisher, Texas Tribune
- **Josh Silver**, Executive Director, Free Press
- **Evan Smith**, CEO, Texas Tribune
- **Christopher Sopher** (Rapporteur), Senior Morehead-Cain Scholar, University of North Carolina at Chapel Hill
- **John Thornton**, Chairman, Texas Tribune
- **Steven Waldman**, Senior Advisor to the Chairman, *Federal Communications Commission*
- **Buzz Woolley**, Chairman of the Board, Voice of San Diego





Appendix C: Participants



**Buzz Wolley**



**Evan Smith**



**Alberto Ibarguen**



**Scott Lewis**



**John Thornton**





Design

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