

# 12 Nonprofit News Websites

**FROM THE EARLY DAYS OF THE INTERNET**, nonprofits have played a critical role. Most of the researchers who invented the Internet were working for universities, under government contracts. Many parts of the web now operate on open source software, often created outside the commercial realm by volunteer programmers who share code freely to help build applications rather than to generate profit. Most people who blog do it as a personal avocation, not as a commercial enterprise. Massively popular online services that are set up as nonprofits include Wikipedia, WordPress, Mozilla, and BBC.co.uk.

Some significant national efforts to sustain journalism also have been set up as nonprofits. ProPublica was created by Paul Steiger, former managing editor of the *Wall Street Journal*, to finance labor-intensive investigative journalism. In its first years, the site won two Pulitzer Prizes, including one for a collaboration with the *New York Times* on the agonizing decisions made by medical personnel at Memorial Hospital in New Orleans as the flood waters rose during Hurricane Katrina. The Investigative News Network, a consortium of independent publications, was formed to promote and distribute enterprise reporting. The *St. Petersburg Times*, run by the Poynter Institute, launched PolitiFact.org, while the Annenberg Public Policy Center of the University of Pennsylvania launched FactCheck.org. These organizations joined several long-standing nonprofits that promote investigative and enterprise reporting, including the Sunlight Foundation, the Center for Public Integrity, and the Center for Investigative Reporting, which also runs California Watch. They have shown extraordinary commitment to labor-intensive and sometimes costly accountability efforts. For instance, California Watch ran a series about whether schools could withstand an earthquake—the sort of preventive journalism that could save many lives. It found 1,100 schools in need of repair. The series cost \$550,000 to produce.<sup>1</sup>

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Nonprofit news organizations have sprung up to fill reporting gaps in a number of sectors, including health (Kaiser Health News), schools (Public School Notebook, The Hechinger Report, Education News Colorado), and foreign coverage (Pulitzer Center on Crisis Reporting and the International Reporting Project), among others. The John Locke Foundation, a libertarian/conservative think tank in North Carolina, publishes the *Carolina Journal* on state and local policy. Advance Publications, owners of Newhouse newspapers, recently decided to convert its for-profit Religion News Service into a non-profit, with support from the Lilly Endowment. In its new form, RNS hopes to support local religion reporting.<sup>2</sup>

Hundreds of nonprofit websites and blogs have arisen to provide local news. The creativity and spirit of these new efforts is inspiring. Michele McLellan, a fellow at the Missouri School of Journalism, who has done a comprehensive survey of local sites, estimates that just under half of the 66 most promising sites she studied were set up as nonprofits. An even higher percentage of the larger sites were set up as nonprofits.<sup>3</sup> McLellan identifies one group of websites as the “new traditionals,” describing them as ventures that focus predominantly on original content produced by professional journalists.<sup>4</sup> Her list and descriptions (paraphrased) include these nonprofits:

- Chicago News Cooperative, founded by the former editor of the *Chicago Tribune*, focuses on public policy and politics in the Chicago metro area.
- CTMirror focuses on the Connecticut statehouse.

- >Gotham Gazette, operated by New York’s Citizens Union Foundation, uses interactive games to engage viewers in solving civic problems.
- >The Lens, an initiative of the Center for Public Integrity, does investigative news and journalism about New Orleans and the Gulf Coast states.
- >MinnPost, founded by refugees from struggling Minneapolis newspapers, hired a Washington correspondent to cover the Minnesota delegation, and offers multifaceted coverage of the state. Headlines include: “Twin Cities–Area Schools More Segregated Than Ever,” “The Big Question for Economic Recovery: Which Stresses Are Merely Cyclical and Which Indicate a Cold, New Reality?,” “New Stadiums Raise a Big Question: Is Minnesota’s Sports Industry Sustainable?,” and “The Coen Brothers Talk—Reluctantly—About Talking.”<sup>5</sup>
- > The New England Center for Investigative Reporting was founded by Boston journalists Joe Bergantino and Maggie Mulvihill. Based at Boston University’s College of Communication, it uses student journalists to develop investigative projects.
- > The New Haven Independent is a professionally staffed local news site in Connecticut, edited by Paul Bass and sponsored by the Online Journalism Project.
- > NJ Spotlight in its first week online broke a story about how an affiliate of the state’s gas company had failed to pay \$47 million it owed the state.<sup>6</sup>
- > The New Mexico Independent, with a small staff of five, covers news from around the state.
- > The St. Louis Beacon was founded and is staffed by professional journalists. It is a member of the Public Insight Network, which solicits citizen perspectives and experiences to inform journalism.
- > The Texas Tribune, with a staff of 25, has drawn attention to the overuse of passive restraints on disabled children and to the mismanagement of the workers compensation system. The site also offers databases of important and useful information, such as voting records, political contributions, and details of Texas’s sprawling prison system.
- > voiceofsandiego.org has done exposés on San Diego’s social safety net, a major real estate swindle, and other civic issues.
- > WyoFile provides public interest news about the state of Wyoming.

McLellan identifies a second group of “community news sites,”<sup>7</sup> which she says “often rely on professional journalists, but they tend to be bootstrappers who also focus on community building—actively seeking user feedback and content...and fostering civic engagement....”<sup>8</sup> Among those nonprofits she lists:

- > Chicago Talks is run by Columbia College and gets most of its content from Columbia students who focus on local stories that other outlets are not covering, including Chicago’s poorer neighborhoods.
- > The Florida Independent, published by the American Independent News Network, covers news and politics in the state of Florida.
- > Intersections: The South Los Angeles Report, publishes local news from a variety of contributors, including college students. It is supported by the USC Annenberg School for Communication & Journalism.
- > NOWCastSA.com recruits community journalists to cover San Antonio, Texas.
- > Oakland Local covers environment, food, development, identity, arts, and education and has been praised for its strategic use of social media to create community buzz.
- > Open Media Boston reports local news with a small professional staff supplemented by citizen journalists.
- > Twin Cities Daily Planet covers neighborhoods and communities, work, and economy, politics and policy, arts and lifestyle, and immigrants and immigration.
- > VTDigger.org covers Vermont with “citizens contributing the news and journalists verifying it.”<sup>9</sup>

Nonprofit organizations have assisted journalism in other ways. At Spot.us, a journalist with an idea posts a description of the proposed project, and individuals are invited to donate money through the website to help finance the reporting. The website ensures that “the reporter is not beholden to any individual donor” by “limit[ing] how much an individual can donate.”<sup>10</sup> As of March 3, 2011, Spot.us had financed about 165 stories,<sup>11</sup> including some that were picked up by Wired.com, the *Epoch Times*, and the *Texas Observer*, among others.<sup>12</sup> The Sunlight Foundation has created both web and mobile apps to help track data in government. Its Congress Android App allows citizens and journalists to read up on their representatives, follow them in the news, and even engage them on Twitter.<sup>13</sup> Sunlight Foundation’s Labs have also produced a number of ongoing government data projects, including the Fifty States Project for tracking state legislatures and the National Data Catalog for government data across all levels.<sup>14</sup> In some cases, local foundations and think tanks have actually created news operations devoted solely to covering state government. The John Locke Foundation in North Carolina created *Carolina Journal* to cover the statehouse and undertake non-partisan investigative journalism, in part because the number of reporters covering the statehouse had plummeted over the years. “In North Carolina, several TV stations had reporters. None has a bureau now. We were responding to changes in the market,” says president and CEO John Hood. Although politically conservative, Hood is now skeptical that the commercial markets will fill the gaps in certain types of local accountability journalism: “When you get to the state and local level, the collapse of the traditional business models imperils the delivery of sufficient public interest journalism—and we do believe that donor driven journalism can be a very important model.”<sup>15</sup>

Beyond these organizations, there are hundreds if not thousands of hyperlocal bloggers covering their blocks, neighborhoods, and communities that can be categorized as nonprofit sources of information, even though they may not have formally established themselves as either a business or a nonprofit.

Why the boom in nonprofit websites?

First, some of the social entrepreneurs who created these organizations believed that the types of journalism most lacking in the commercial sector—such as accountability journalism targeted at municipal government—were not likely to be re-invigorated by the commercial media. These were the so-called broccoli beats—important to the health of the body politic, but not necessarily the first thing people choose to read nor the most likely to make money for commercial media. Michael Stoll, executive director of the SF Public Press explains the rationale for his venture:

“There had been 25 reporters assigned to city hall from various different news organizations. Last year, there were five on a very good day who could be found in and around [the] city hall pressroom. At the same time, a lot of other topics such as entertainment, food, and travel have really maintained their levels of coverage, in part because those are the most lucrative areas and most tied into [the] advertising industry. The areas of core civics reporting, business reporting in terms of producers of consumer goods and retailers and [the] financial industry, people in those industries have a lot fewer eyes on them.”<sup>16</sup>

Editor Margaret Wolf Freivogel at the St. Louis Beacon recalls:

“The number of reporters has shrunk dramatically. The [Beacon’s] founders included several who worked at the *St. Louis Dispatch*. After we took buyouts, we said, ‘Wait a minute, overall reporting capacity is shrinking.’ That was the initial impulse. Just trying to increase [the] amount of reporting. We think of ourselves as [a] means for people to engage issues in community.”<sup>17</sup>

Many of these websites were started with foundation support, particularly from the Knight Foundation, which has provided grants to 200 since 2006.<sup>18</sup>

Although many are small operations, a few have attracted significant donations. ProPublica drew \$30 million, mostly from philanthropists Herb and Marion Sandler.<sup>19</sup> In 2010, MinnPost ran a surplus, in part because of an increase in advertising and sponsorship revenue. The revenue breakdown: \$309,508 in sponsorship and advertising, \$466,350 in foundation grants, \$380,724 in individual and corporate donations, \$101,466 in gross receipts from MinnRoast, and \$20,742 in other revenue.<sup>20</sup> The success of MinnPost likely offers lessons to all nonprofit websites: survival requires the development of multiple revenue streams. By December 2010, the Bay Citizen had drawn more than \$11 million,<sup>21</sup> five million of which was donated by Warren Hellman’s family foundation as seed funding.<sup>22</sup> The

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Texas Tribune raised nearly four million dollars during its first year and has made significant progress in creating a sustainable model.<sup>23</sup>

A few websites have forged successful partnerships with traditional media companies, both commercial and nonprofit. As part of its application to the FCC for its merger with NBC, Comcast promised to create similar models in four other cities in which NBC owns and operates local TV stations. The Texas Tribune, the Chicago News Cooperative, and the Bay Citizen are providing content for the *New York Times*. Journalists from [voiceofsandiego.org](http://voiceofsandiego.org) regularly appear on the local news station, NBC 7, to discuss local issues. This could be a promising model: the local TV station gets an infusion of high-quality local journalism and the web start-up gets invaluable exposure.

In some cases, nonprofit advocacy groups have decided to produce journalism. Both liberal groups (such as Human Rights Watch) and conservative groups (such as the Franklin Center for Government and Public Integrity) have financed reporting, especially on the state level. In many cases, the quality is excellent. But at the same time, some experts worry that the advocacy missions—advancing a particular cause—could sometimes conflict with the goal of providing the most accurate or fair-minded reporting.<sup>24</sup>

The proliferation of nonprofit local news websites—and the success of a handful of them—has led some to believe that the gap in journalism left by the contraction of newspapers will be filled quickly. But while there are some notable and exciting exceptions, nonprofit websites have not fully filled the gap. First, there is a problem of scale. The Poynter Institute estimated that cuts in traditional media constituted a \$1.6 billion drop in journalism spending *per year*.<sup>25</sup> J-Lab has estimated that foundations put a little over \$180 million into local nonprofit journalism outlets since 2005.<sup>26</sup> So foundations are not funding enough new journalism to replace what has been lost from traditional media.

A 2010 gathering of the leaders of 12 websites funded by the Knight Foundation featured perhaps the most innovative and sophisticated new players in the field. But together these organizations employ a mere 88 full-time journalists. That is a crucially important contribution but it is worth remembering that employment in newspaper newsrooms dropped by almost 15,000 in the last decade (with 13,000 leaving in just the last four years).<sup>27</sup>

A recent survey of 66 of the most exciting new online news start-ups delivered sobering news: half reported annual income of less than \$50,000, and three-quarters had annual income of less than \$100,000. Asked what percent of Knight Foundation journalism grantees could survive if (and when) their grants disappeared, Eric Newton of the Knight Foundation estimated 10 percent.<sup>28</sup>

The Knight Foundation’s New Voices initiative, which funded 55 hyperlocal projects, found that sites were offering great content but that most relied on volunteer labor. Jan Shaffer, who studied the projects, observed, “There is a mismatch between instilling sustainable civic demand for local news information and developing sustainable economic models. While most of the New Voices sites are exploring hybrid models of support, none is raising enough money to pay full salaries and benefits.”<sup>29</sup>

Most of the existing local news websites are not large enough to generate sufficient advertising revenue.<sup>30</sup> An analysis for the Future of Media project of Toledo, Richmond, and Seattle indicates that no nonprofit start-ups had broken into the top five (or even the top ten) in terms of traffic in those cities. (See Chapter 25, *How Big is the Gap and Who Will Fill It?*) For instance, in mid-December 2010, the St. Louis Beacon, praised for its quality, was attracting approximately 50,000 monthly unique visitors and generating 118,000 monthly page views.<sup>31</sup> By one measure, that is impressive—a larger audience than most community newspapers draw—but at an average Internet ad rate, that would generate less than \$2,000 a month in revenue. Confusion also exists as to whether nonprofits can retain their nonprofit status if they accept advertising.<sup>32</sup> (See Chapter 31, *Nonprofit Media* for full discussion of this issue.)

In all, independent nonprofit websites are providing exciting journalistic innovation on the local level—and a handful have created sustainable business models—but most either are struggling to survive or are too small to fill the gaps left by newspapers.