

# Out of Print

## The Case for Philanthropic Support for Local Journalism in a Time of Market Upheaval

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The New York boroughs of Brooklyn and Queens are home to a combined total of about 5 million people — slightly more than the population of Ireland. And yet Ireland, with 4.7 million residents, boasts eight daily newspapers, including two broadsheets, and dozens of regional and local papers, most of them with newsrooms devoted to continuous coverage of Irish communal life, economics, politics, and business. New York City, roughly twice the size of Ireland, and with a metropolitan population nearly the size of Australia's, has no major citywide daily newspaper devoted primarily to its civic affairs, much less to the more localized news of constituent boroughs like Brooklyn and Queens. One slender daily covers Brooklyn five days a week; there is no equivalent in Queens.

Ireland is just one of several possible comparisons. New Zealand, with roughly the same population as Ireland or as the combination of Brooklyn and Queens, has more than a dozen newspapers. Costa Rica, also with roughly the same population, has at least four dailies in Spanish, several in English, and at least two fully staffed online news sites. Denmark, with only slightly more people (5.6 million), has some three dozen papers. Israel, with 8.5 million people, almost exactly the same as New York City, has more than a dozen national dailies. The list could go on.

The comparison is imperfect, of course. All these other examples are nations, with national leaders, institutions, and industries that need to advertise and be covered from within their national borders. Still, New York City's power over the quality of its residents' lives, and the complexity of its politics and economy, surely warrants a level of local coverage that is at least a healthy fraction of what's available in less-populous places.

Yet as matters stand, an American metropolis larger than 134 members of the United Nations is at best a sideline for three or four major newspapers that bear its name but whose primary interest lies elsewhere. *The New York Times*, New York's flagship paper, has been paring back its Metro section steadily for years, to the point that its shrunken city desk — the number of reporters covering city affairs has fallen by half in the past 15 years<sup>1</sup> — is barely capable of producing two or three in-depth stories on city policy a week, out of a total of perhaps four

dozen metro stories of all kinds. Stories of more local significance, about neighborhoods and borough-level events, have almost disappeared. “Community coverage,” former Public Editor Liz Spayd wrote in 2016, “is out.”<sup>2</sup>

In Albany, where the state government is one of the least transparent in the country, news bureaus have been scaled back severely in the past decade and now are barely able to report on official acts of the governor and Legislature, much less to probe, investigate, or even verify most official pronouncements.

Nor do New York’s ostensibly local, citywide tabloids — the *Daily News*, the *Post*, and *El Diario* — devote much reporting to public issues around New York City or from Albany, despite storied histories (at least for the *Daily News*) as powerhouses of gritty state and local coverage as recently as 20 years ago. The *Daily News*, once the prime source of information on municipal affairs — mandatory reading in every city agency, political club, and union headquarters — now has just two reporters in City Hall. Its former editor-in-chief, Arthur Browne, told the *Daily Beast*’s Paul Moses that “the state of local reporting in New York City is at the lowest depth that I have experienced since I started as a reporter in 1974.”<sup>3</sup> (In late 2017, the Tronc newspaper chain acquired the *Daily News* for \$1, plus assumption of the paper’s liabilities. What the new ownership will mean for the *News*’s local reporting is unclear at this point.)

Neighborhood online publications, once thought to be the salvation of local coverage, have largely failed to find a sustainable business model. The respected local-news websites Gothamist and DNAInfo, which briefly seemed poised to fill some of the void in New York City neighborhood coverage, closed suddenly in November 2017, after their employees voted to unionize.

The sharp decline of local journalism in New York mirrors a comparable retreat nationwide. While the news workforce has plunged everywhere, and at every level, since the financial crisis and recession of 2007-08, the downswing in local journalism has been steeper and more widespread — leaving critical gaps in ordinary residents’ ability to understand and participate in the communal life of their towns and cities. The great sources of revenue for local news — classified advertising and promotions from big urban retailers — have largely migrated to online providers like Craigslist and Google. While the creation of online editions for major papers has stanching some of the revenue hemorrhage, it has largely favored national, sports, and entertainment reporting, which draw the biggest audiences. Even there, the competition has been brutal: In 2017, Google and Facebook alone took in more than 60 percent of all digital ad spending in the United States.<sup>4</sup>

The result has been a creeping silence, an enormous blank where local news used to be. And the first casualty has been residents’ ability to understand how their states and localities function.

Imagine a recent arrival in New York — or even a native equipped with just the rudimentary civics education available in New York public schools<sup>5</sup> — who plans to stay, vote, and

participate in civic affairs. How would such a person know, for instance, which agencies and public officials control the subways, the schools, the libraries, or the waterfront? How would she understand New York's peculiar court system, where the Supreme Court is not supreme and separate courts wield enormous power over housing, parental rights, drug abuse, and other matters? (And, with few journalists assigned regularly to any of these courts, how would such a person know what is happening there or why it matters?)

Understanding such things is critical to understanding how public functions work, or don't work, in the life of 8.5 million city residents and nearly 12 million suburbanites. It's a necessary part of citizenship: knowing whom to credit or blame — where to turn for answers, where to express views, whom to support at the ballot box — for any given aspect of local life. But in the news-starved environment of New York City and State, most residents can now learn about these things, if at all, only by meticulously following the sporadic breadcrumb trail of local print and online reporting, or, if they're diligent, from the more detailed publications and websites of civic organizations.

As local news coverage in New York shrinks, fewer and fewer people are able to follow the breadcrumbs. And the result is harmful to metropolitan cohesion and democracy. The lack of a steady diet of local civic information, research shows, both depresses voter turnout and leads to less-informed voting. But the consequences run far beyond the ballot box. Awareness of local news has been shown to increase civic engagement — volunteerism, participation in neighborhood groups and projects, interaction with local leaders — and the loss of local journalism outlets has been shown to dampen participation in civic affairs<sup>6</sup>.

Up to this point, we have been discussing mainly a shortage of *explanatory* journalism — stories that describe what is happening and why. But that decline underlies a scarcity of *investigative* journalism — articles that shine a light on undisclosed activity or suppressed information, providing citizens the means to hold powerful people and organizations to account. Investigation is time-consuming, risky, and expensive; it requires a high level of journalistic skill and sometimes particular kinds of technical mastery (ability, say, to process and analyze large amounts of data, or to decipher scientific or bureaucratic documents). Yet the cost of maintaining a credible investigative capacity is rarely offset by whatever additional revenue it might attract.

Compared with the extra website clicks generated by a celebrity profile or a White House scandal, a report on abuse of official power or negligence in some aspect of public safety or sanitation will attract an audience that is geographically much narrower and less appealing to advertisers. But without such investigative capacity, a city resident has no way of penetrating official secrecy or uncovering improper behavior by public officials. And wayward public officials have little reason to fear exposure. This is a recipe for unaccountable government.

In 2017, the *Daily News* shared the Pulitzer Prize for Public Service with the nonprofit news organization ProPublica, for an exposé on police abuse of a city ordinance that allowed the police to evict people summarily from their homes or businesses. The police were using the law

to harass and punish hundreds of families and businesses, many of them entirely innocent and most of them immigrants and minorities. Regular shoe-leather reporting initially uncovered a few such cases, but it was only by scouring volumes of police data — a technical challenge at which ProPublica excels — that reporters could demonstrate that the practice was common and widespread.

The stories resulted in an overhaul of the law and new protections for thousands of mostly low-income New Yorkers. Yet *Daily News* former editor Arthur Browne estimated that the massive investigative effort — a dozen major stories, plus interactive maps and data summaries and profiles of the victims — may have drawn no more than \$300 in additional ad revenue.

As an exercise in dogged reporting, this was a triumph. As a business model for a news industry capable of vigorous, probing local journalism, it looks more like a dead end.

Newspapers are not the only source of local news, of course. But until recently, they have been the foundation, the informational baseline to which others added, whether online, on television, or on radio. Newspapers set a standard for what citizens needed to know to understand their surroundings and evaluate their government. Other news outlets could presume that their readers, viewers, or listeners had access to that basic level of information, and could then try to enrich it or at least reinforce it.

That presumption is gone, and it is unclear whether it can ever be fully resurrected. One way to fill at least part of the resulting void may be to expand nonprofit journalism.

### *Is the unraveling of local journalism a fitting target for philanthropy?*

It's possible to argue that all of this is just the result of economic disruption in a profit-making industry, likely to sort itself out over time with an as-yet-undetermined roster of winners and losers. Most major news outlets are, for now, for-profit businesses, a fact that prompts the question: Why should foundations inject tax-exempt money into an ongoing realignment of private markets?

The answer is that the disappearance of state and local news coverage is not comparable to other market casualties — the ebb of vinyl LPs or neighborhood bookstores, for example. Journalism is a public good, a necessity for the survival of democracy and for the pursuit of a just and healthy society. Its endangerment constitutes a textbook case — literally — for intervention by philanthropy. Textbooks routinely base the justification for tax-exempt charities on the need to correct market failures affecting the public interest — including circumstances in which a wide public derives an important benefit from services for which most do not pay.<sup>7</sup> An industry in which prize-winning investigative local journalism, costing hundreds of thousands of dollars in aggregate, generates just \$300 in revenue clearly fits this description. The market has failed to compensate the providers of an indispensable public service.

The first and most obvious remedy for failures of this kind might be government. But because Americans tend to be wary of government funding for news organizations (sometimes, but not always, for sound reasons), a solution is unlikely to come primarily from the public sector. The resulting gap is therefore a summons to philanthropy.

To make matters even more compelling, the shrinkage of local reporting may be creating a vicious cycle: fewer local stories lead to a less-informed readership, which then grows less interested in local news, thus further reducing the incentive to report local stories.<sup>8</sup> Evidence is plentiful that this decline in information contributes to a corresponding drop in civic engagement and an increase in political rancor, as more and more of the coverage and commentary on local affairs is left to activist media, ideologically oriented outlets, and their increasingly partisan, “news junkie” audiences.<sup>9</sup>

### *Can foundations really strengthen local journalism?*

In a slow trickle, some foundations are coming around to the view that their missions — whether those be education, health, social equity, or expanding economic opportunity — depend at least partly on an informed citizenry. A very small number have embraced journalism as a strategic focus, though the trade blog *Inside Philanthropy* identified no more than three dozen funders with an ongoing commitment to journalism.<sup>10</sup> Some institutions on the list have roots in the industry, like the Knight, Pulitzer, Scripps Howard, Gannet, and McCormick foundations. But many of the others fall under a very permissive definition of “journalism” that includes support for such arts as documentary filmmaking and long-form nonfiction.<sup>11</sup> One recent estimate puts the total contribution to journalism by foundations at \$150 million per year — about one-quarter of one percent of total foundation grants.<sup>12</sup> Few of the foundations in this tiny core support *local* journalism specifically, though a handful of community foundations — most famously the San Diego and Greater Texas foundations — have stepped into this area in recent years.

Most foundation support for journalism, however, has been focused not on the practice itself, but on deepening coverage of particular issues — for example, the Henry J. Kaiser Family Foundation for health; Alfred P. Sloan for science; Ford for social justice. Some of the reporting covered by this kind of support may be local (everything happens someplace), but only incidentally so. The vast majority of it is national and international in scope, dedicated to increasing the attention the news industry pays to the topics in question. This branch of philanthropy is neither likely nor intended to buttress news reporting *per se* as a requisite part of a free society. If anything, it takes the news media as a given and seeks only to influence the way those media cover certain topics. Still, as a source of ongoing revenue, it can play a helpful role.

At least one-third of the funders on the Inside Philanthropy list focus mainly on cultivating journalistic talent — “human capital,” in the philanthropic patois — either by making grants for education and training programs or by granting fellowships or awards to outstanding journalists. This, too, is bound to have some benefits for local journalism, by educating or

supporting some reporters who may work local beats or by generally enriching the talent pool from which local media recruit. But it also runs the risk of overpopulating or over-resourcing a field where career opportunities are shrinking fast.

Another popular approach focuses on innovation, particularly new media and new uses of technology for gathering or disseminating news. The John S. and James L. Knight Foundation, the nation's leading journalism funder, sets its sights on "innovative approaches to the use of technology to advance the practice of journalism and inform community."<sup>13</sup> Pierre Omidyar's Democracy Fund — one of very few national funders with a specific emphasis on local journalism — focuses on the "funding of, collaboration with, and highlighting of innovators, leading outlets, and researchers that are working to improve local news in communities around the country."<sup>14</sup> In 2016, media entrepreneur H.F. (Gerry Lenfest) donated his Philadelphia news properties and \$20 million to create the Lenfest Institute, which has already attracted over \$26 million in additional philanthropic support and is serving as a living laboratory for innovation in local journalism.

On one hand, this pursuit of technical innovation can place foundations where most of them prefer to be: at the leading edge of systemic change. And some amount of technical updating is plainly key to any lasting success. On the other hand, predicting where technology may lead is a volatile and technically demanding business, requiring an exceptionally high tolerance for risk, the ability to read and interpret fast-changing trends, and the agility to adjust quickly when predictions prove wrong.

Thus far, the major innovations in state and local news have come not mainly from foundations but from individual donors and social entrepreneurs. The most highly regarded of these, the *Texas Tribune*, was the creation of investor John Thornton and two veteran Texas journalists. The *Voice of San Diego* similarly got its start-up money from venture capitalist R. B. "Buzz" Wooley, who backed a vision by longtime columnist and editor Neil Morgan. Although it now receives foundation support, prominently including the Knight and San Diego Foundations, it is funded mainly through subscriptions. *MinnPost*, the online newspaper in Minneapolis, has received substantial foundation support, including from the Knight Foundation and nearly all of the most prominent Twin Cities foundations, but its organizers and initial funders were four Minneapolis civic leaders.

Even nationally, individual entrepreneurs and solo donors have figured at least as prominently as — some sources say more prominently than — institutional philanthropy in creating new models for reporting and disseminating news. ProPublica, for example, was not a foundation initiative, but the creature of financier Herbert Sandler, who hired the Wall Street Journal managing editor Paul Steiger to get it up and running. New York financier Neil Barsky teamed up with former NY Times Editor in Chief Bill Keller to establish the Marshall Project. The point is not that foundations are not key players in journalistic innovation — on the contrary, ProPublica and the Marshall Project are now funded by some of the biggest names in American philanthropy, including MacArthur, Pew, Ford, Carnegie, and Knight — but that the foundations have not, in the main, actually been the innovators. Perhaps not surprisingly, innovation has

been the province of people whose careers have been built on spotting and backing creative new enterprises and who were relatively unshaken by the prospect of failure.

Instead, the most common and helpful role of foundations — when they invest in journalism at all — has largely been at the mezzanine stage: helping new ventures solidify or existing news organizations grow, build resources, form alliances, and branch out into new lines of work. One person with a long career in nonprofits and philanthropy summed up the paucity of new-venture philanthropy in this field as “a lack of appetite — and, to be honest, a lack of skill — for the risks and demands and steel nerves that it takes to back startups and play the venture-capital game, or, worse, try to start things up themselves. Foundations are much better at recognizing a good idea that’s gaining traction, that has the right leaders, and that’s ready to take the next big step. That’s worked in a lot of fields, including journalism. And it could be working a lot more.”

### *If local journalism is such a pressing issue, why aren’t more foundations tackling it?*

Even among the tiny number of foundations that have embraced local news as an explicit concern, it is hard to discern any overarching theory of change that leads from this or that grant, or project, or new idea, all the way to a stronger, more durable, more accomplished field of local news-gathering and distribution. Several people who have either raised money or given grants for journalism describe this embryonic field as a kind of “grasping at straws,” or “chasing the next shiny object” among funders who are worried about, but also baffled by, the fast-changing news industry.

That is not the kind of atmosphere in which most established foundations are comfortable taking risks. The sheer lack of a philanthropic consensus about what might work in this arena — or even of a gathering vision — surely makes funders wary of leaping into the void. Those who do, and particularly those who look for the Next Big Innovative Thing that will transform the industry, tend to take a toe-in-the-water approach. They take on brief, experimental projects with short time horizons that risk setting both the funder and the grantees up for failure. “The danger for journalism,” an editor at a major nonprofit news organization said about this kind of episodic support, “is that nonprofit models come into being, philanthropy supports them, they’re the flavor of the month, then the philanthropists move on and the journalism isn’t sustainable without that support.”

But another reason for foundation reticence in this field is both simpler and probably more widely applicable: The field itself is unfamiliar turf for foundations. “As recently as 12 years ago,” one nonprofit journalist points out, “journalism philanthropy was not necessary. So the fact that many foundations aren’t addressing a problem that’s that new isn’t so surprising. This is simply something that they’ve never done. It’s not on their list. I don’t think it’s a whole lot more complicated than that.”

Some localities pose specific obstacles for foundations. New York, for example, is the quintessential global city, and its philanthropic interests tend not to be anchored to the home

town. “In Texas,” a journalism scholar noted, “there’s a corporate sector that cares deeply about Texas. The business and civic leadership in Minneapolis lives and breathes Minneapolis. The business interests in New York — and even a lot of the donor establishment — are just not very locally minded. You see that, among other things, in the weak state of politics in the city.”

Still, it’s important to emphasize that even if the field of journalism philanthropy is small — and local journalism philanthropy is smaller still — it is not nonexistent. Foundations do increasingly make grants to strong nonprofit news organizations, and in some cases to less strong but intriguing new technologies or approaches to disseminating information and engaging audiences. What’s lacking, several pioneers in the field agree, is a clear definition of success and a compelling plan by which a well-executed grantmaking strategy could achieve it.

### *The Revson Foundation’s push to preserve a local journalism ‘ecosystem’*

One funder that has made an explicit bet on local journalism is the Charles H. Revson Foundation, which has made \$4.4 million in grants between 2008 and 2017, focused on state and local coverage in New York City. The money is intended “to strengthen and expand content, distribution, and sustainability of beat and investigative reporting ... with a focus on underreported issues and underserved communities.” Consistent with the mezzanine investor’s role, Revson has chosen as grantees “promising content providers and outlets, both citywide and community-based, who had the potential to deepen and expand their reach.”<sup>15</sup>

In a few cases, this cluster of grantees includes an attempt to preserve an endangered life form, difficult as that is (including a smattering of ultra-local ethnic and community news sites). Other elements involve experiments with the invention of wholly new capacity — especially a 2014 grant to create a dedicated New York investigative beat at ProPublica. But the foundation’s overwhelming thrust is to build on things that are *already working*: strengthening, amplifying, networking, and sustaining the elements of the New York City news industry that have demonstrated an ability to learn, adapt, grow, and weather the “headwinds of the digital revolution.” This is a classic “fortify-link-expand” strategy — strengthen organizations, help them connect with possible allies, then fund expansion of the strongest results — a strategy at which the best foundations have long excelled.

What makes this strategy a plausible attempt at fortifying a whole “ecosystem,” as Revson describes it, as opposed to saving a handful of endangered species, is the foundation’s emphasis on finding areas of strength and promise at each stratum of the news-production process, and on encouraging partnerships among organizations and across strata. The partnerships serve not only to encourage learning and information-exchange, but, more critically, to allow the various players to build on their strengths as contributors to a larger production line of information, investigation, and analysis.

One grantee neatly summarized this approach: “‘Ecosystem’ is essentially a nice word for ‘food chain,’ and journalism has a pretty well-defined food chain. You have different species living in a state where both competition and cooperation, or at least symbiosis, exist. Nutrients get



scooped up on the bottom and gradually make their way upward. We compete with the *Daily News* and the *Times*, to some degree, and with smaller, more specialized outlets, for scoops and eyeballs, and we compete for ad dollars and with nonprofits for foundation [support]. But there's also interaction, in that we often identify stories that other media then pick up."

Within the rich but vulnerable wetland of news competition and cooperation, this grantee said, smaller life forms scrounge for unnoticed or under-scrutinized stories, functioning as "the advance party, the recon mission, particularly with investigative pieces, or lower-income, outer-borough" events. Larger players, farther up the chain, digest this information and process it further — sometimes collaborating with one another — "and it eventually gets on the beat notes for reporters and even for the broadcast outlets." Revson, this insider suggests, has injected its support into both the scrounging and the picking-up strata, enabling solid but small-scale reporting to make its way into the mainstream, but also equipping the smaller players to critique, correct, or supplement the work of bigger players.

A good example of this strategy in the Revson journalism portfolio is *City Limits*, positioned in the middle of a market triangle comprising the scrappier ethnic or community-based blogs and websites, the more academic urban-affairs journals, and the larger, more general-audience outlets in newspapers and broadcast media. *City Limits* is far more professional and wide-ranging than the typical community news outlet, but it is also much more readable and inviting to a lay audience than the policy journals. It is, nonetheless, mainly a local "news-junkie's" publication, though without the partisanship and ideological sharp edges that typify that market niche. *City Limits* is surely more closely read in the city's political clubs, community boards, neighborhood organizations, and municipal agencies than on rush-hour subway platforms.

But it is precisely because of *City Limits'* detailed knowledge of urban affairs — the kind of insider savvy that used to be the pride of newspapers' City Hall and outer-borough news bureaus — that it is able to bring stories to the surface that would otherwise have gone unreported. At that surface are both the influential insiders who make information "important" (and thus sought-after) and the bigger publications and broadcasters who, at least occasionally, deliver *City Limits'* revelations to a mass audience. In that respect, the publication is a linchpin in the larger, more complex system of competition and cooperation that produces local news in New York.

Another example of Revson's attempts to intervene in the middle rungs of the food chain is its support for the City University of New York Graduate School of Journalism. Here, the focus has been partly on the School's programs for training and spotlighting hyperlocal journalists in ethnic communities and remote neighborhoods, whose on-the-ground reporting not only fills an information void in these communities but also provides elemental nutrients for larger news-gatherers up the chain. Besides training the mostly volunteer journalists who staff these neighborhood publications and blogs, the school also tries to spotlight their best work in its Voices of New York website.

Whether this will make a big difference is still unclear, given the constraints on many of the participating publications. The inherent limitations of the hyperlocal market — unpaid staff working after-hours, dependence on local advertisers who are often wary of controversy, and sometimes a basic unfamiliarity with American journalistic methods and standards — have made it challenging for CUNY to offer training sessions that neighborhood journalists can fit into their schedule and that still convey the breadth and depth of training they need. The School remains committed to looking for more ways of enriching this end of the market.

In the meantime, it has also created, with Revson support, an investigative reporting practicum for its journalism students, effectively offering them apprentice roles alongside professional journalists working on real investigative projects in New York City. The professionals get the benefit of trained assistants and researchers; the students have an opportunity to learn by doing and witnessing expert local reporting firsthand. Several of the projects on which CUNY students have worked have been both important and complex, suggesting that the program offers students top-level experience on pieces where their contribution is genuinely needed, as well as a relationship with at least one successful New York journalist. Nonetheless, even the program's organizers and participants recognize that producing better-trained candidates for a shrinking number of jobs is far from a direct solution to the crisis in local journalism.

Higher up the chain, Revson support for ProPublica, The Marshall Project's groundbreaking "We Are Witnesses" video journalism, and especially the foundation's headline \$2.3 million investment (as of mid-2017) in the newsroom of the local public radio station WNYC, represent an attempt to nurture quality journalism that has the potential to reach a sizable city audience. The 2017 Pulitzer Prize for Public Service, which ProPublica's New York journalists shared with the *Daily News*, was ample evidence that the foundation's investment can pay off in serious, consequential local reporting, at least on occasion.

Whether the occasions will become more frequent, and whether ProPublica will be able to affect the culture of investigative reporting in New York more broadly, are both too early to answer. In its first two years, the organization produced 61 stories — a rate of two to three stories a month. Considering the time and effort required to produce an investigative report (compared with explanatory reporting or breaking news), that is an impressive start. And, as an early measure of ProPublica's potential in New York, after just three years of support, winning the Pulitzer is more than encouraging.

### *Aiming higher: From more stories to real coverage*

From one perspective, the variety of points and levels of intervention is a core strength of Revson's journalism program. As one person close to the program put it, "A foundation, especially of Revson's size, can't transform the whole field, and it can't prop up a lot of things that are destined to fall apart. What you can do is try to enrich or strengthen the things that are working, but just aren't working at a big enough scale, or don't yet have the full range of people and skills they need to be successful. If they have a feasible way of staying afloat — in other words, they're not sinking, but they're not reaching as many people or doing as much work as

they should be — then the right grants in the right places can make them better, stronger, more influential. A lot of small, targeted steps to build strength at critical points in the system can, over time, have a system-wide impact.”

However, not everyone takes this perspective. A small number of the people interviewed for this report — a minority, it should be noted, but a well-informed one — question whether (as one person put it) “a reporter here and a couple of reporters there will ultimately amount to much.” The grantees, and the people they hire, are broadly respected. But the idea that this cluster of deserving organizations and well-aimed grants could “recreate” or even stabilize the “local news ecosystem” struck some observers as doubtful.

One route to a more systemic improvement in local journalism is to draw the various elements of the news system into stronger partnerships, so that they routinely collaborate on stories and beats that no one of them could cover completely. Revson has used at least its soft power as a funder to encourage that kind of partnering, and has sometimes provided grants specifically aimed at linking players for greater impact. “Still,” a grantee admitted, “partnering tends to happen project-by-project; when the project is over, the partnership kind of dissolves or fades into the background. And because it’s episodic, it doesn’t always work. So without constant pressure, which is unrealistic to expect, partnerships won’t build a major audience either.” What the field needs, in the view of this skeptical minority, is not a multitude of distinguished-but-small outlets, even if enriched with long-term foundation funding. It needs a news outlet big enough to draw regular attention, set standards, and provoke competition in local coverage from larger, commercial media.

This view may, in part, suffer from an outdated idea of how people get their news — harking to a time not so long ago when audiences were loyal to particular, dominant news outlets. In this new era, when the most widespread and influential source of news is social media, where stories are posted, reposted, excerpted, retweeted, commented on, and generally volleyed across multiple sites and networks, it is possible that a single, eminent, standard-setting source of local news would be less influential and prohibitively hard to sustain.

However, one argument for fortifying a leading institution or corps of professional local reporters has less to do with audience needs or habits, and more to do with the essential quality of the news that a healthy city requires. As more than one person noted, the episodic, opportunistic reporting on city affairs that is now typical of *The New York Times*, the *Daily News*, or ProPublica — stories that happen to erupt, or to capture the attention of an editor or reporter who otherwise works multiple beats — may make for excellent *stories*, and often do. They might even make for *multiple* stories. But they are not the same as *coverage*.

To *cover* local news, in the strictest sense, means being present *routinely* at the centers of politics, the economy, and law; knowing the players; cultivating sources; knowing which questions to ask of whom; and being ready when something unusual begins to rumble. What once made the *Daily News*, for example, an indispensable source of news on city affairs was that the paper reported on things that no one in power may have wanted reported — but that

presented themselves to some reporter who was roaming the corridors all the time in City Hall, at the City Planning Commission, or in the Bronx courthouse.

This is different from just investigative or accountability journalism; it's the kind of routine explanatory reporting that makes it possible to portray the day-to-day reality of local life, and also makes it far easier to identify an opportunity for investigative or enterprise reporting when it arises.\* As one person thoroughly acquainted with New York journalism put it, the routine news bureau "tells us how our society is working, the government, the police department, the social welfare agencies, the courts. Things that, right now, nobody covers."

Without this capacity for continual surveillance, local reporting is dependent either on serendipity, such as when a reporter happens upon an issue by chance, or on the pronouncements of elites — when reporters respond to official statements or other prompting from city officials, civic activists, or corporations. Otherwise, as a local journalist put it, "you don't know where the big stories are, or the sources for those stories. You occasionally come across a great story and you pursue it vigilantly. But you don't know what you don't know."

If the goal is more than just improving the reporting of news in New York City — if, instead, it looks toward re-establishing the kind of complete, consistent public-affairs coverage that invigorates citizenship and serves as a watchdog on power — then New York is still far from having the kind of local journalism it needs.

Recreating that standard of true, comprehensive local journalism may be an unachievable — some people preferred the word "unaffordable" — ideal. ("Nobody has found a business model for producing any amount of exclusively local journalism," as one expert put it bluntly.) But the *Texas Tribune* model comes tantalizingly close to this vision, and for now, at least, it does appear to be working, with a strong mix of subscription, advertising, and philanthropic dollars to keep it running with consistently high quality.

Short of that complete solution to the problem, however, it's hard to argue with the premise that multiple sources of expert reporting, even if fragmented or episodic, are likely to produce richer, more authoritative reporting than just one or two, and that a variety of different kinds of news-generating organizations greatly improves the odds that important stories will eventually come to light. What those multiple sources need, besides funding and talent, is what the Revson Foundation calls a "megaphone": one or more strong, well-heeled news organizations with broad reach, capable of creating content of its own, sampling from the rest of the food chain, and distributing the richest content to a big audience. Without that, each source and stratum of reporting reaches, at most, its own niche audience with boutique information —

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\* Maintaining a healthy balance between explanatory and accountability journalism ought to be a value unto itself. Because some funders prefer the high impact of investigative reporting over the more pedestrian day-to-day news, and because it can be easier to identify the results of investigative reporting, there is a risk that explanatory coverage may get short shrift. Then, as one observer pointed out, "think what that does to people's relationship to news and information. If most of what they're hearing is about dishonesty, malfeasance, and corruption, is that going to promote trust and engagement, or undermine it?"

thus compounding the problem of social fragmentation, and further restricting an understanding of local affairs to those canny enough to seek it out and piece it together.

In Revson's early years in this field, the role of that prominent, wide-reaching news source has been played by WNYC, which has received by far the largest amount of support of all the journalism grantees. WNYC's region-wide reach and popularity with a diverse audience — drawing in listeners for many kinds of programming, who may then also be exposed to its ambitious news-gathering — makes it the kind of forceful and respected source of accountability that several people considered essential. The station's strong, sustainable revenue mix, combining paid memberships, sponsorships, and grants from philanthropy, give it staying power. And its expanding digital presence, via its web site and an increasingly deft use of social media, may give it the ability to reach beyond public radio's traditional audience of informed, educated, or activist listeners. A good part of that digital expansion has been supported by Revson.

Revson's large-scale support for the station, beginning with a \$1 million grant in 2010, was essentially a bet that an already-strong New York broadcaster could build a powerhouse local newsroom and develop a web presence that would make it a valuable outlet for many sources of local reporting in and around the city. That bet has paid off in some ways.

By now, the WNYC.org website, besides being an appealing source of local news, is a solid example of journalistic collaboration. In a single week in 2017, the site offered stories and analysis that drew on the reporting of *City Limits*, *Gotham Gazette*, *Crain's New York Business*, *Politico-New York*, and independent documentary filmmakers. And the collaboration works both ways: The station reports that its own work has been picked up in influential, wide-circulation news sites including the *Times*, the *Daily News*, and *New York Magazine*.

In its seven years of Revson support, the station has more than doubled its newsroom staff, tripled its annual budget, and increased its membership base by two-thirds. Its terrestrial audience (those who listen to the local radio broadcast, rather than tuning in by satellite or internet) grew by nearly 3 percent in 2016 alone<sup>16</sup>, even as the nationwide audience for public radio remained flat. The Black and Latino audience rose by more than one-third that year.<sup>17</sup> Awards have been plentiful and prestigious.

Revson grants have directly contributed to the development of WNYC's data and digital news platforms, expansion of the local reporting staff (with an emphasis on outer-borough and New Jersey reporting), and integration of digital and broadcast news operations. This last item is in some ways the most challenging, given that it entails the cultivation of a new, digital culture in the newsroom, the integration of this new culture with the profoundly different medium of radio, and a substantial increase in effort required of reporters and editors who must now feed two different news holes at once.

As evaluator Brooke Kroeger put it in 2013, "It is a lot to ask reporters and their editors to be producing for two such disparate platforms at the same time, even when working from the

same reportage. Newsroom staffers expressed frustration with the production bottleneck and how hard it can be to get to the Web fast enough in an environment that often must privilege audio. ... Performing both functions is a challenge, especially with WNYC's outsized ambitions and its larger but still limited editorial workforce."<sup>18</sup> It is still unclear how far the online and broadcast cultures can be knit together at WNYC, but the success of that effort will ultimately determine whether WNYC can become anything like a unifying, all-purpose source for local news for a wide cross-section of New Yorkers.

The reason is that the digital platform — encompassing the web site, podcasts, digital streaming, and social media — is increasingly the only one on which younger and more tech-savvy audiences get their news. It is also a steadier platform for reaching audiences throughout the day, given that people can view or listen at any time convenient to them, rather than having to be tuned in at the time of a broadcast. Most of all, it is the only way to be amplified through the sharing/reposting/retweeting process by which news now bounces around cyberspace. It seems more than likely that, if local journalism can be reinvigorated and enriched, online news will be an essential part of the solution.

### *Is this enough? A case for aiming higher*

In trying to play a protective and constructive role in the local news business, a foundation would already be stepping into uncomfortable terrain. It would, in essence, be hoping to identify and invest in winners amid the fog of market pandemonium. That is not necessarily unwise, but it is difficult and hazardous.

Even after some 15 years of disruption in the information industry, this remains a time of volcanic change, not just in the United States but worldwide. The number of forms in which information is exchanged, and the number of channels through which it may travel, has multiplied year after year. Whether that expanding complexity is even slowing, never mind stopping, remains a subject of vigorous debate.

Still, that is an argument for caution and thought, not for retreat. The stakes are too high, and the possibilities for making a positive difference are too great, for philanthropy to throw up its hands in the face of so serious a need. If there is even a reasonable chance that a new model of local and state coverage can be built — with a prominent local news aggregator, producer, and distributor at the core — then foundations are all but duty-bound at least to consider being part of it. This is a much bigger challenge, admittedly, than just supporting a multitude of specialized news providers in the hope that some will survive and prosper, and some combination of their work will reach citizens and decision-makers. Without taking the next step, and trying to fortify at least one authoritative source of real coverage — a deep and fully rounded picture of local life — the result is likely to be further fragmentation both in the information market and in the body politic.

If commercial markets cannot sustain essential, broad-based coverage of local affairs, then a nonprofit solution must be created. In fact, the idea of a nonprofit online news source is more

than just a market work-around. The model has virtues of its own that commend it as a *preferable* way of ensuring public information, analysis, and debate. In a marketplace starved for consistent, objective local news coverage, an organization driven primarily by mission — by a mandate to provide in-depth, independent, and non-partisan reporting and commentary — would be a public benefit in its own right.

The concept has been tested and appears, so far, to be working fairly well in a few places. The nine-year-old *Texas Tribune* is the clearest example: As its website says, it's "a member-supported, digital-first, nonpartisan media organization that informs Texans — and engages with them — about public policy, politics, government and statewide issues." Its 50-person newsroom, the largest statehouse news bureau in America, is sustained with a strong mix of subscription, advertising, and philanthropic dollars to keep it running with consistently high quality. It covers a full range of topics including public and higher education, health care, immigration, criminal justice, energy, poverty, the environment, and transportation. The nonprofit news organizations in Minneapolis and San Diego have also met with reasonable success.

Perhaps the model is not yet well suited to every locality. It may need revisions as people's use of media and technology continue to evolve. But if we don't try *something* — get started, learn, and adapt — we will have been mere spectators at the unraveling of democracy at its richest and most essential level: the states and localities where public policy most intimately affects personal life.

In truth, we may need to try more than once. As the whirl of destruction and creation continues, new forms and structures will continue to emerge; most of these will fail or fade, some may thrive, and a few may even be transformative. Old forms and structures will wither away, though not all of them, and those that survive may be stronger and better adapted to succeed. As the info-tech guru Clay Shirky wrote in 2009, in a much-quoted blog post about newspapers, "That is what real revolutions are like. The old stuff gets broken faster than the new stuff is put in its place. The importance of any given experiment isn't apparent at the moment it appears; big changes stall, small changes spread. Even the revolutionaries can't predict what will happen."<sup>19</sup>

But most of the innovations that seem to be rising at the moment do not favor local journalism. Those that do expressly embrace local news, like hyperlocal neighborhood or ethnic blogs, tend to be unstable and of irregular quality, with writing and editing typically below professional standards, and usually without the ability to cover the gamut even of very local issues. They are normally only as sustainable as the interest of the people who work on them. Regional and national news web sites and online magazines are usually of higher quality, but their ability to concentrate on local affairs is limited by the market constraints described earlier.

Most nonprofit local news outlets depend on philanthropic support, and must supplement that with earned revenue — which at this point generally does not come in great amounts from local coverage. Among these, however, are news organizations that can at least maintain a

stable income from subscriptions, advertising or sponsorships, with the balance made up by grants from the few funders who currently support local journalism. That is where Revson, for one, has sought a sweet spot: backing effective producers of news of various kinds, at several levels, whose work is then distributed by others.

This is a logical theory, and it avoids the most severe dangers of trying to navigate through a market hurricane. But it presumes that the foundation can identify or cultivate sustainable, widely consumed local news sources (or at least a widely *influential* one, meaning that it is followed closely by a broad swath of people who make and influence local decisions). If such an organization doesn't exist, it will have to be created. An ambitious source of integrated, persistent, expert local reporting can, and arguably needs to be, part of the market — both to set a standard of what local news *is*, and what citizens need to know, and also to push other news producers and funders to try harder, cover more, and compete more creatively for public attention.

“I don't think we want philanthropy to maintain the kind of journalistic output that the marketplace has voted against,” a seasoned journalist concluded. “That would be good money after bad. But discovering and executing on journalism of consequence that growing audiences will flock to — will vote for if they see it in their face and if they're invited to be part of the process, using all the tools of engagement and crowd-sourcing and talk radio and social media — a heightened level of philanthropy could produce pretty powerful results for moving in that direction, without having to do the whole job itself.”

In September 2017, in an op-ed piece in *The New York Times*, Georgetown scholar Nina Jankowicz argued that a critical source of America's vulnerability to fake news and other forms of hostile manipulation of public opinion has been the decline of local journalism. A mounting distrust of both government and the news media, she wrote, “has coincided with the rise of both the adrenaline-driven internet news cycle and the dying of local journalism over the past two decades. Without news that connects people to their town councils or county fair, or stories that analyze how federal policies affect local businesses, people are left with news about big banks in New York and dirty politics in Washington. ... [T]he United States should work to systematically rebuild analytical skills across the American population and invest in the media to ensure that it is driven by truth, not clicks.”<sup>20</sup>

This is a highly idealistic vision, particularly when rendered as advice to an all-but-paralyzed federal government. But if, in place of “the United States,” she had written “American civil society” — or, more precisely, “American philanthropy” — she might have been making an irrefutable case. Expressions of dismay from foundations over hostility, alienation, tribalism, panic, and gullibility in the American body politic are widespread. If more foundations made Jankowicz's logical connection between local journalism and an informed and rational citizenry, one might expect the field to be awash in grants. But few make the connection.

Rather than wait for some revelation from the market about what is the right way for philanthropy to intervene (a revelation that might well come too late if it comes at all), it's



possible to start building now on things that appear to be working. The success of the *Texas Tribune* has shown that foundations with an appetite for risk can team up with savvy, civic minded people of means, business sponsors, entrepreneurial leaders, and strong, independent editorial teams to build diversified revenue sources that can endure. Foundations with a lower risk tolerance could start by finding one or more local news operations that are already showing strength and ingenuity, where additional support could provide the means to experiment with new sources of revenue and better methods of distribution.

The result may, for a time, be a hodgepodge of different kinds of support from different kinds of funders, aimed at many different ideas and models. But that would at least be a start, and not a bad one. To quote Clay Shirky again, the field is still too much in flux for a single idea or set of ideas to predominate, but a multitude of tentative ideas, given the time and the resources to test their potential, may be the only path to something that will succeed:

For a century, the imperatives to strengthen journalism and to strengthen newspapers have been so tightly wound as to be indistinguishable. That's been a fine accident to have, but when that accident stops, as it is stopping before our eyes, we're going to need lots of other ways to strengthen journalism instead.

When we shift our attention from 'save newspapers' to 'save society', the imperative changes from 'preserve the current institutions' to 'do whatever works.' And what works today isn't the same as what used to work. ... No one experiment is going to replace what we are now losing with the demise of news on paper, but over time, the collection of new experiments that do work might give us the journalism we need."<sup>21</sup>

Strong local journalism is inextricably tied to philanthropic mission — foundations and their grantees rely on the news media to serve as the information resource, 'civic connector' and authoritative public platform for elevating issues, policies and ideas. Excellent local journalism is both a public good and public service and its future will depend, for the foreseeable future, on publicly spirited investments.

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- <sup>1</sup> Paul Moses, “The New York Times Turns Its Sights Away from New York City,” Daily Beast, April 3, 2017, at <http://www.thedailybeast.com/the-new-york-times-turns-its-sights-away-from-new-york-city>.
- <sup>2</sup> Liz Spayd, “A ‘New York’ Paper Takes a Look in the Mirror,” The New York Times, Aug. 7, 2016, p. SR-10, accessed at <https://www.nytimes.com/2016/08/07/public-editor/liz-spayd-new-york-times-public-editor.html?mcubz=0>
- <sup>3</sup> Paul Moses, “In New York City, Local Coverage Declines — and Takes Accountability With It,” Daily Beast, April 3, 2017, at <http://www.thedailybeast.com/in-new-york-city-local-coverage-declinesand-takes-accountability-with-it>.
- <sup>4</sup> Sydney Ember, “Google Updates Policy on News Pay Walls: ‘First Click Free’ to End,” The New York Times, Oct. 3, 2017, p. B-4.
- <sup>5</sup> See, for example, the New York City Department of Education’s exhaustive curriculum for Social Studies, a range of subjects much longer on history than on civics — and one that even the Department considers impossible to deliver in practice. “It is not possible to ‘cover’ everything,” its “Note to Teachers” acknowledges. In its encyclopedic outline from K through 12, the structure and functioning of New York State and City governments occupy, at best, a three-month period in the fourth grade, somewhat less than the attention devoted to Egypt, Canada, and China: <http://schools.nyc.gov/NR/rdonlyres/82AC428B-068D-4DE1-95C2-8F7192B6D563/0/scopeandsequenceK8topbindingweb.pdf>.
- <sup>6</sup> See, for example, Dhavan V. Shah, Jack M. McLeod, and So-Hyang Yoon, “Communication, Context, and Community: An Exploration of Print, Broadcast, and Internet Influences,” *Communication Research*, vol. 28, issue 4, August, 2001, pp. 464-506; and Lee Shaker, “Dead Newspapers and Citizens’ Civic Engagement,” *Political Communication*, vol. 31, issue 1, Jan. 2014, pp. 131-148, 2012.
- <sup>7</sup> See, for example, Lester Salamon, *America’s Nonprofit Sector: A Primer*, New York: Foundation Center, 2nd ed., March 1999, pp. 11-13.
- <sup>8</sup> Rodney Benson, “Are Foundations the Solution to the American Journalistic Crisis?” NYU Department of Media, Culture, and Communication, Media Ownership Working Paper 2016-001, March 2016, p. 2.
- <sup>9</sup> See Shah, McLeod, and Yoon, *op. cit.*, and Lee Shaker, “Dead Newspapers and Citizens’ Civic Engagement,” *Political Communication*, vol. 31, issue 1, Jan. 2014, pp. 131-148. On partisanship, see Benson, *op. cit.*, p. 2.
- <sup>10</sup> “Journalism — Funders,” *Inside Philanthropy* — <https://www.insidephilanthropy.com/fundraising-for-journalism>
- <sup>11</sup> See “Journalism — Funders,” *Inside Philanthropy* — <https://www.insidephilanthropy.com/fundraising-for-journalism>.
- <sup>12</sup> Rodney Benson, “Are Foundations the Solution to the American Journalistic Crisis?” NYU Department of Media, Culture, and Communication, Media Ownership Project Working Paper 2016-001, March 2016, p. 10, at [http://rodneybenson.org/wp-content/uploads/Benson-Are-Foundations-the-Solution -March-20161.pdf](http://rodneybenson.org/wp-content/uploads/Benson-Are-Foundations-the-Solution-March-20161.pdf). For total annual giving by foundations (2014), see “Foundation Stats,” The Foundation Center, at <http://data.foundationcenter.org>.
- <sup>13</sup> Knight Foundation website, “Statement of Strategy: December 2016: Journalism” at <https://www.knightfoundation.org/statement-of-strategy>.
- <sup>14</sup> Democracy Fund website, “Our Priorities — Vibrant Media and the Public Square,” at <http://www.democracyfund.org/priorities>
- <sup>15</sup> Julie Sandorf, “Not Dead Yet: The Revson Foundation and Re-Creating a Local News Ecosystem in the Headwinds of the Digital Revolution,” June 2017, p. 3.
- <sup>16</sup> WNYC/New York Public Radio, “Report to the Charles H. Revson Foundation: Public Affairs Journalism in New York in the Digital Age,” December 9, 2016, p. 6.
- <sup>17</sup> Sandorf, *op. cit.*, p. 4.
- <sup>18</sup> Brooke Kroeger, “Report on behalf of WNYC 2010-2013 for the Revson Foundation,” May 24, 2013, at <file:///Volumes/PATRIOT/Documents/Revson-Journalism/Brooke%20Kroeger%20report%20on%20WNYC%202010-13.html>.
- <sup>19</sup> Clay Shirky, “Newspapers and Thinking the Unthinkable,” blog post, Shirky.com, March 13, 2009, at <http://www.shirky.com/weblog/2009/03/newspapers-and-thinking-the-unthinkable/>.
- <sup>20</sup> Nina Jankowicz, “The Only Way to Defend Against Russia’s Information War,” *The New York Times*, September 25, 2017, p. A-23.
- <sup>21</sup> Shirky, *op. cit.*