

A group of five diverse children are captured in a moment of joy and excitement in a park. They are all looking upwards, reaching out with their hands as if trying to catch something or reaching for a goal. The children are dressed in casual summer clothing, including t-shirts, tank tops, and jeans. Two of the children are wearing face masks. The background shows a lush green lawn, trees, and a residential neighborhood with houses and a sidewalk. The overall atmosphere is one of community and shared happiness.

REPORT
FOR AMERICA

Community News Funds

Local foundations lead the way
with a pivotal new strategy for
community journalism

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Watch: We created a [video](#) to accompany this report.

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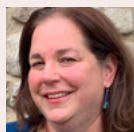
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Cover photo by Ben Brody

Executive Summary

A common fund for local news is bringing more donations, more donors and more hope in many U.S. regions. Community foundations are in the front seat for this newest answer to “What does the local news crisis really need?”



JAN-MICHAEL / RFA

A pivotal plan for a \$300,000 community fund for local news has grown from a partnership between a community foundation and a daily newspaper in rural northern Michigan. It began meagerly enough with a \$20,000 ask.

The Traverse City Record-Eagle had to raise that money from their community in 2020 to help fund its new Report for America Corps member.

A local foundation leader learned of the need. He asked Nate Payne, Traverse City’s editor, what he needed to raise. Payne — new to donations and historically funded by advertising — offered a modest

answer of \$20,000. The foundation leader said that could be raised in a few hours and a few phone calls.

“What do you really need?” he asked.

What Nate needed – and what newsroom leaders across the country need – wasn’t a quick fix. It was to dramatically re-envision the way the community supports local news – and not just through a single one-time grant. Local news needs support through multiple grants from multiple donors for multiple years into a single community fund. It was a nod that local journalism is a part of the fabric of the community worth investing in.

Community foundations have long played a role in philanthropic support for journalism. From 2009 to 2021, 153 community foundations invested \$124 million in 3,815 “journalism, news and information” grants to 700 recipients¹. As Report for America has grown since its 2017 start, we too have seen more community foundations respond to the local news crisis with more participation each year.

Foundation participation continues to grow. But the U.S. news crisis far exceeds the amount contributed so far by these crucial institutions. Local news needs a new level of foundation engagement – something that grows beyond incremental granting and becomes sustained partnerships between local news and local foundations.

In Report for America’s work with local newsrooms, a game-changing pivot is happening in some U.S. news ecosystems: Community foundations and newsrooms partnering on a local level to create what we call Community News Funds (CNF) for sustained service to local news.

Community News Funds are simple in concept and construct. They create a single permanent fund or destination to support local news in the community and then recruit multiple funders, ideally for multiple years. Oversight of the funds includes the newsroom and the foundation but can grow into an advisory council over time, as well as other local news outlets.

We see Community News Funds as an important development as it shows that more philanthropy leaders no longer view journalism as largely the responsibility of the commercial media, or a short-term problem that can be solved with temporary grants. Rather, they have come to view news as an important civic function, worthy of ongoing philanthropic support, akin to a

We Define a Community News Fund (CNF) as:

A fund created by a partnership of foundation(s) and newsroom(s) to create long-term support for the local news ecosystem.

Community News Funds include the following characteristics:

- They involve a partnership between a foundation, typically a community foundation, and at least one newsroom. CNFs often start as a fund to support one newsroom and grow into one that supports the broader larger news ecosystem;
- Foundations leverage their civic leadership position to solicit multi-year donations from more local institutional and individual donors;
- Foundations support newsrooms through back-office support and help build a newsroom’s fund development skills;
- Foundation and newsroom staff create a philanthropic and news plan, work together to build their community’s understanding of the local news crisis and establish the newsroom as a worthy philanthropic pillar in the community;
- CNFs go beyond relying just on the fundraising efforts by a single newsroom.

¹Community Foundations & Media: Funding Data from 2009–2021, by Media Impact Funders, June 2021.



From January 2009 to 2021

153

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\$124

million in

3,815

"journalism, news and information" grants to

700

recipients



hospital, a library or a school. Therefore, they seek to recruit a wider variety and volume of donors into a focused structure that will sustain journalism in the long run.

The CNF structures we explored are as varied as the newsrooms and foundations. Often, the community foundation has embraced local news as "horizontal" funding rather than a solo "issue" itself. It believes strengthening local news will help other local priority areas (health, criminal justice, environment, etc.). While community foundations often provide the initial support, they eventually leverage other funders to create the larger, more sustainable Community News Fund. On average, each foundation brought in more than five new donors in the first year of its CNF. This report also looks at nearly 2,000 grassroots Report for America donors in the last 18 months, and classified them into two categories — "mission-driven donors" who embrace a newsroom mission such as community information, watchdog reporting and democracy, and "connection donors" who feel an allegiance to their local newsroom for a set reason.

The trend is incipient, but the examples show great promise. We examined 10 cities for this report. We did deeper case studies into 7 CNF areas which, in the last 3 years, have generated more than \$15 million in philanthropy for local news. Those areas are: Traverse City, Mich., Lancaster, Pa., Fresno, Lexington, Seattle and statewide efforts in Pennsylvania and California. Other communities in the report are New Haven, Conn., Rappahannock, Va., and Fauquier County, Va. From these places, we interviewed leaders from 14 foundations and 17 newsrooms to identify best CNF practices. The CNFs represent rural and urban communities, for-profit and nonprofit newsrooms. Across these communities, the story is the same: When residents are engaged and informed about the news revenue crisis and invited to help solve the problem, funding emerges, new voices participate in local journalism, and newsrooms become a recognized pillar of the community.

BEN BRODY / RFA, DATA: MEDIA IMPACT FUNDERS

Creating CNFs will present challenges. Many foundations have bylaws or practices that direct their funds exclusively to non-profit entities and avoid for-profit ventures, news or otherwise. That will need to change in many communities as for-profit news organizations are and will continue to be the only or most significant provider of local news in most U.S. cities. Newsrooms, meanwhile, should expect CNFs to hold them to certain standards of quality and impact, while

still maintaining complete editorial independence between funders and news decision making. CNFs may desire more collaboration among newsrooms for the sake of efficiency, thereby compelling newsrooms that had previously competed with each other to now share in some efforts. For-profit newsrooms will eventually need to create a development staff position to partner with community philanthropy leaders.

The Recommendations of Report for America Looking Ahead

We strongly recommend that all community foundations consider the creation of a Community News Fund to catalyze local news support. Foundations and their leaders are beacons in communities who are relied upon to identify the community's most important needs and strategies to address them. To be successful, Community News Funds should:

- *Encompass multiple funders of varied giving levels*
- *Pursue multi-year contributions with a fund goal of 6- and 7-figures depending on the community size*
- *Demonstrate and articulate that the community (not merely the newsroom) is the beneficiary of improved local news*
- *Direct funding support to more than one newsroom where feasible to better serve an entire community*
- *Create a steering committee of civic leaders that eventually grows to become a board of governance for fund expansions and dispersals*
- *Strongly consider an approach that provides support to more than one potential news organization*
- *Ensure with local news partners that the community benefits from a wide range of types of reporting (investigative, hyperlocal, features etc) and targets of coverage (health, education, environment, criminal justice, economic development etc).*

Local news will remain in crisis for the next several years as ad-supported news continues to shrink, for-profit and national ownership groups redefine themselves, nonprofit newsrooms launch and evolve, and local civic leaders come to understand the impact of declining daily local news. The partnerships that create Community News Funds signify that factual, timely and professional local news is a pillar in a community and offer an effective way for foundations, corporations and residents to preserve local news for the sake of the places they call home.

We invite you to contact tfranko@reportforamerica.org and join the conversation for this concept.

Case Studies of Community News Funds

We interviewed newsroom, foundation staff and community leaders across the country and selected 7 communities that demonstrate different ways that states, regions, and communities have come together to generate support for local newsrooms, engaging the community in the process.

Traverse City, Michigan



California Statewide



Seattle, Washington



Fresno, California



Lexington, Kentucky



Pennsylvania Statewide



Lancaster, Pennsylvania



Traverse City, Michigan

"Investing in local media is investing in the community and trying to improve the quality of life for all people in the service area. My motivation, and I think the Community Foundation's motivation, is really to protect and preserve one of the most important institutions in our region and our communities."

David Mengebier, President, Grand Traverse Regional Community Foundation



Collaborators:

Grand Traverse City Regional Community Foundation, Traverse City Record-Eagle, and a local philanthropist.

Years Working on community supported journalism:

2 Years

Philanthropic Activities:

Crowdfunding, community foundation support, local funders meetings

Community Engagement Activities:

Listening tour, attending civic events, meeting with donors and conducting donor follow-up

Background

In 2020, Nate Payne, Executive Editor of the Traverse City Record-Eagle, started talking with his publisher, Paul Heidbreder, about how they could use philanthropic funds to diversify the paper's funding base. Three papers in northern Michigan had closed in as many years, and Payne was committed to ensuring that that didn't happen to the Record-Eagle. This same year, the Record-Eagle secured a Report for America corps member, Kaye LaFond, who was hired to do deep dives into local and state data sets to support his work and others. Per RFA program requirements, newsrooms are responsible for raising a minimum of 25%, in this case, \$9,750, of the salary through local philanthropic funds. In their first year of the program, Payne raised \$17,000. This served as an impetus to put journalism philanthropy into action. Payne and Heidbreder reached out to the local community foundation, Grand Traverse Regional Community (GTRC) Foundation.

They were met with an unusual response from GTRC Executive Director Dave Mengebier: "You

should be asking for more money." This recognition of the importance of local journalism and the role that the Community Foundation could play in being a catalyst for change started their local journalism philanthropy work.

Heidbreder, Mengebier and Payne spent time soliciting guidance and support from a retired journalist in the community who has a strong interest in ensuring the paper's future. The four began meeting regularly. Payne used these discussions to frame his [case for support](#). In 2020, their first year of fundraising, a local donor contributed \$1,000 and contributed the same amount in 2021. Payne ran a crowdfunding campaign that raised about \$8,500, followed by an end-of-year email campaign that raised \$5,550. Looking forward to 2022, the Record-Eagle has a solid commitment from two foundations; one for \$10,000.

Dave Mengebier, Executive Director of Grand Traverse City Regional Community Foundation says, "We seek partners who understand and value the role local journalists play in a healthy

democracy, partners who will commit to supporting our efforts to build a sustainable model for local journalism in northern Michigan. It's an investment that directly fuels service journalism where the need is growing and covering topics that have gone underreported. We seek partners who will help ensure we can match RFA's generous investment with local support, partners who will help us break the mold for funding local journalism."

Assets

Reflecting on his community's assets, Payne cited:

- *An engaged community with a commitment to local journalism,*
- *A supportive publisher who was open to philanthropy in diversifying his newsroom's business model,*
- *A publisher who was also well connected and willing to use these connections to raise funds,*
- *A community foundation willing to introduce the newsroom to other funders;*
- *And most importantly, a quality newspaper.*

Mengebier echoed Payne's thoughts on collaboration, "It's really important to be able to partner with community foundations or some other philanthropic organization in your community because we know so many donors and all of the foundations in the area. By not reaching out, you're just starting from Ground Zero, right? In this case, you know, we have 1,000s of donors in our donor base. We have almost 60 Donor Advised Funds. We have our own unrestricted grant-making that we can make. We have strong connections with other funders in the region because we collaborate a lot. So having a partner that has that network already, I think is, is really, really key." Mengebier felt that the foundation and newsroom should play to each other's strengths.

The newsroom is a critical community pillar and essential to community well-being. The quality and consistency of the product was solid. The

foundation and the paper had worked together in the past, and Mengebier attended the Knight Media Forum and was knowledgeable about the journalism crisis.

When discussing journalism philanthropy challenges, Payne talked about how cultivating donors was a slow process and to set expectations accordingly. Payne and Mengebier agreed that an 18-month donor cultivation process was a reasonable timeline. They both noted how important it was to set this expectation early in the process for staff and the board. Additionally, Payne cited how important it is to have a clear policy on how newsrooms keep donations and grants separate from editorial decision-making.

Mengebier identified two challenges he faced when starting the process: the first was some board members' reluctance to fund journalism, and the other was the board not wanting to fund a for-profit business. Shifting these paradigms took time. Mengebier had to convince his board and the funding community that "if you want to have healthy, resilient, thriving communities, which is part of our vision statement, then there are certain institutions that are really important to exist in your community. This includes having a newspaper, you know, along with things like having a community library, and, and a vibrant arts and culture community."

Nate Payne, Executive Editor, Traverse City Record-Eagle says, "There are a lot of reasons we do this job, and almost none of them have to do with, you know, getting rich or being famous. A lot of times, it's really thankless. But in the end, we all believe that what we're doing is worth saving. There's just not enough time not to act and having that belief to say, 'You know what, I'm on a cliff, but what do you have to lose?' You have two options: You're gonna jump and cross and land on the other side and be ecstatic that you made it there, and you'll be better for it. Or you're gonna stand there, and the cliff is gonna crumble beneath you anyway. Two years ago, I told my staff we're in an extraordinarily difficult time for local journalism. We're all here because we believe in what we do."



You know, I would rather go down swinging than say that I sat back and watched it fall.”

Strategies

Payne identified the following strategies that make their CNF collaboration work.

- A solid case for support was the first essential step to reaching out to donors and foundations.
- A community listening tour to identify community needs, desires, and desired beats is a critical activity.
- Honest and frequent communication with the community about what’s needed and what the plan is for the paper.
- A paper that is consistent, high quality, and provides opportunities for the community to voice their concerns, share community news, and have a say in the future of the paper.

Funder strategies employed to make this partnership happen are:

- Community Foundations are “the connective tissue” of a community. Tap into your community foundation’s expertise in fund development, grant writing, and knowledge of the donor base and foundation community.
- Mengebier echoed Payne’s belief that the key to successful fundraising rests in a [solid case for support](#). He noted that this is a great way to connect

and engage your community foundation in local journalism philanthropy. Start with technical assistance, ask and engage them in the process rather than starting with a request for funding.

- While community foundations can’t replace the funding lost from advertising revenue, they can leverage their community connections and ability to convene donors and colleague funders. In August 2021, Mengebier produced three information sessions in which seven funders participated to learn about journalism philanthropy. These meetings resulted in commitments from two foundations. The group has set a goal of raising \$300,000 over the next three years.

The Traverse City local journalism philanthropy team charted a deliberate, long-range plan for funding. Starting with a solid case study, they went to the community and large donors to educate and engage them in the process. From here, the Community Foundation leveraged its network to convene colleague funders to learn more about the journalism crisis and their plan to stave this off in Traverse City.

Traverse City is an excellent example of a community that values local news, a newsroom’s openness to changing how it has traditionally done things, and community donors and foundations coming together to establish a long-term, sustainable plan for its newsroom’s future.

California Statewide

"I've been involved in the family business (BVN) for 20 years, and 20 years ago I knew philanthropy was a need because the funding model wasn't sustainable. I knew, especially as a small community publication that has a history of calling out disparities and calling out discrimination within our region, that the traditional advertisers weren't necessarily going to advertise with us."

Dr. Paulette Brown-Hinds, Publisher, Black Voice News



Collaborators:

[Black Voice News](#), [Media In Color](#), [CalMatters](#), [Inland Empire Community Foundation](#)

Years Working on community supported journalism:

3 Years

Philanthropic Activities:

Media in Color's [Sustainability Lab](#) provides technical assistance to newsrooms to help with digital transformation through a series of 10 workshops that help newsrooms with grant writing, membership development, and how to find funding regionally.

Community Engagement Activities:

Black Voice News is currently holding virtual events but hoping to hold in-person events and programs soon. They use different platforms (YouTube, Facebook, Instagram, Twitter, a website, and two weekly newsletters to communicate with readers and donors).

Background

Three years ago, Black Voice News (BVN) decided it needed to diversify its revenue streams but it was a move that publisher Dr. Paulette Brown-Hinds saw coming years before. "I've been involved in the family business (BVN) for 20 years, and 20 years ago I knew philanthropy was a need because the funding model wasn't sustainable. I knew, especially as a small community publication that has a history of calling out disparities and calling out discrimination within our region, that the traditional advertisers weren't necessarily going to advertise with us. I knew when I inherited the publication that there's no way we could continue trying to scrape by with advertisers, that we needed something different."

BVN's fund development efforts have proven successful both with foundations as well as with donors. In the last two years, BVN has raised \$580,000 (including a Google News Initiative Innovation Challenge fund for \$300k, two Facebook Journalism grants for \$200k, a Knight Foundation tech grant for \$20k, a utility company grant for \$20k, and \$30k from 89 individual donors). Brown-

Hinds also was selected as a 2021-22 JSK Fellowship Stanford University that comes with \$85,000 in support. Looking forward, as chair of her local community foundation, she is working with the CEO and board to establish a CNF for Southern California's Inland Empire, which will serve newsrooms in Riverside and San Bernardino counties.

Around the same time as BVN started its philanthropy efforts, Brown-Hinds helped launch Media in Color, a statewide initiative to support journalism in communities of color. Media in Color is a partnership with the Latino Media Collaborative and CalMatters. Its signature project is their Sustainability Lab. To date, the Lab has run two cohort groups with programming focused on digital transformation. Media in Color also launched the [Creators Lab](#) in partnership with the Center for Community Media at CUNY. The program runs aspiring media entrepreneurs through a 100-day program on how to develop local news organizations to fill the news and information gap for California's communities of color. Future plans include building on research projects like Los Angeles community media mapping,

supporting the development of media roundtables, and doing advocacy work within regional areas. This initiative is funded by the California Health Care Foundation, California Community Foundation, California Wellness Foundation and the James Irvine Foundation.

Brown-Hinds said, “The funders that we work with are not traditional media funders. Like us, they are interested in investing in the acceleration of digital transformation for media in communities of color because much of their own work as foundations rely on the production and dissemination of quality information. They see these community news organizations as an essential part of healthy information ecosystems.”

Hinds-Brown and Christen Irving, BVN’s Director of Revenue & Audience Engagement, identified the following assets, challenges, and strategies for their work:

Assets

- Having Facebook as an early donor seemed to encourage other national donors to contribute. “Grants seem to attract the interest of other funders,” Brown-Hinds said about their initial foray into fund development.
- Hinds-Brown and Irving both noted Report for America staff providing technical assistance as an important resource.
- Hinds-Brown sits on numerous state and local committees and boards. Having strong community connections and understanding of the funding landscape and the paper having a strong history of service to the community gave them a great foundation from which to start fundraising.

Challenges

- BVN has traditionally had a small core staff and worked with contractors for their reporting. In the last few years, the paper has brought in full-time staff which helped with fund development efforts. Committing to fund development staff has been important to the growth of BVN.
- Learning how to express the need for philanthropic support to BVN has been a new experience for both the paper and the readers. While it seems obvious,

Irving noted that “expressing the need – that’s one of the things we didn’t realize was important at the beginning of our philanthropy work. We would always convey the stories or talk about whatever the issues are for the community. Our gaze was so outward focused that we didn’t really take an internal look at our own value. We kind of assumed that people saw it. We had to be more overt in identifying why we needed philanthropic support and how we would use the funding.”

- Brown-Hinds noted that it’s challenging to get advertising dollars if your newsroom is calling out community disparities. Traditional advertising dollars aren’t going to be a revenue stream that you’ll be able to count on.

Strategies

- BVN takes the approach that their work is a dialogue between readers and the paper and actively seeks regular ways to engage readers in their week and solicit feedback and suggestions for future endeavors. BVN conducts regular audience engagement surveys to hear from their readership and identify important coverage areas.
- Irving notes that it’s important to understand you are working with multiple audiences who respond to different platforms and that it’s important to tailor your message accordingly. Along with the multiple platforms, using and discussing metrics to assess how you are reading your audience and adjusting based upon this information will help grow your audience, and that it’s important to take a few risks and experiment with different styles and marketing approaches.
- Irving also felt that letting the readers know more about the staff, their work, and their motivation was an important step in turning readers into donors.
- Finally, Brown-Hinds discussed the importance of data reporting and digital mapping and how funders were interested in supporting this kind of work not only for the community, but also to fulfill their own missions.

From community surveys to the Sustainability Lab to regional media roundtables, BVN and Media in Color are taking a collaborative approach to their journalism, fund development work, and actively engaging media colleagues, donors, and funders to work together to build a sustainable local news ecosystem in California.

Seattle, Washington

"The sustainability of local journalism has never been more important and there has never been a greater need. I think this country having local journalists on the streets of their community reporting on what is going on there is critical. Community supported journalism is a path to help ensure that you can have those journalists telling those stories. Never losing sight of the kind of virtuous role that funding ends up happening in creating coverage within the community and moving it forward."

Kati Erwert, Senior Vice President of Product Marketing and Public Service, The Seattle Times



The Seattle Times

Collaborators:

The Seattle Foundation and The Seattle Times

Years Working on community supported journalism:

10 years total; 4 years collaborating with The Seattle Foundation

Philanthropic Activities:

[Education Lab](#), [Project Homeless](#), [The Seattle Times Investigative Fund](#), [Traffic Lab](#), and the [Mental Health Project](#)

Community Engagement Activities:

Market surveys, Listening tours, Meetings / Presentations at Local civic groups, Public campaigns, Events

Background

The Seattle Times has led the national charge for community-supported philanthropy. According to Kati Erwert, Senior Vice President of Product, Marketing and Public Service, the paper "faced the same crisis" as the rest of the industry in 2008 with the shift in revenue and the recession. This prompted discussions with staff about how to diversify the paper's funding streams. Erwert said the paper's foray into philanthropy started in 2011, when publisher Frank Blethen asked if there was a viable way to seek funding from corporations, individual philanthropists and foundations to support expanded coverage. The idea had germinated when the Times engaged in a public service campaign with a number of partners to stop the defunding of higher education in the state legislature.

That work led to conversations with the Bill & Melinda Gates Foundation about the possibility of a dedicated project to focus more deeply on

challenges in public education, including lackluster outcomes and racial inequity. Together, they formed a partnership with Solutions Journalism Network, and the Education Lab was born. Education Lab, Project Homeless and The Seattle Times Investigative Fund are housed at The Seattle Foundation. Funding for Traffic Lab and the Mental Health Project are housed at The Seattle Times.

Following the success of their first lab, The Seattle Times has garnered institutional support to create and sustain Traffic Lab and Project Homeless, as well as support from more than 800 donors to create the Investigative Journalism Fund, which supports six staff on the investigative team. The vast majority of the revenue for the labs comes from institutional donors, with The Times averaging 10 to 12 institutional donors a year. Staff estimates that approximately 25% of crowdfunding donors and 50% of institutional donors make multi-year gifts. Ten years after launching Education Lab, The Seattle Times has 27 staff members supported by philanthropic or

community funding, working on four lab projects and investigative reporting, with a collective annual budget of \$2.5 million.

Seattle Foundation has played a critical role in the development of The Seattle Times' philanthropic efforts. Currently, Seattle Foundation serves as the fiscal sponsor for The Seattle Times. This entails financial reporting, tax compliance, paying invoices, and oversight.

In addition to administrative support, Erwert noted that "The Seattle Foundation has been an invaluable resource to us, both as champions of really understanding what we do and seeing how it aligns with our shared values in terms of democracy as well as fearlessly jumping into a new endeavor."

When describing The Seattle Times-Seattle Foundation's partnership asset, challenges, and strategies employed, Erwert, Dizon and La Monte Guillory, Seattle Foundation's Managing Director, Marketing & Communications, identified the following assets, challenges and strategies for how they've grown their philanthropic work:

Assets

- As one of the early leaders of the community-funded journalism movement, The Seattle Times had to convince both funders and their own newsroom that this was a wise course of action. To do this they established an editorial independence policy. Erwert and Dizon both noted how important it was to have buy in early on from the newsroom about doing philanthropic work. Making sure everyone was aware of and had an opportunity to weigh in with thoughts and concerns and how to safeguard that independence was important. Additionally, development staff have regular meetings with the lab and newsroom staff to keep teams apprised of programs and activities and to track deliverables.
- Both Dizon and Erwert said that having a publisher willing to go out and raise funds and use their social capital to promote journalism was important.
- In 2017, The Seattle Times hired a development staffer to focus on their philanthropic work. Investing early

on in this position proved fruitful and worthwhile. In their first three years of this work, they secured additional grants and donors.

- Having a great paper and consistent quality news was the most critical asset noted by both Erwert and Dizon.

Challenges

- Historically, newspapers have been very uncomfortable talking about the problems with the business model and the challenges and headwinds.
- Being clear and concrete about the need and how donations will be used is critical. Erwert notes, "Newspapers need to talk about why what we do is important. We just assume that everybody knows why it's important."
- Erwert noted that grant reporting requirements can be time consuming, so planning to commit staff resources to this early in the philanthropy process was important.

Strategies

Erwert, Dizon, and Guillory identified seven local journalism philanthropy strategies for their work:

- First and foremost, buy-in from the top leadership and board is critical.
- The second is alignment with community needs and priorities, which evolve from conversations and listening sessions with local leaders, organizations and others.
- The next strategy was getting the newsroom on board. A lot of work and conversations went into developing newsroom buy-in for the benefit of community funding. The journalists had a lot of questions about how this would work. Together, teams collaborated to address concerns about the firewall between news and funding, as well as outlining how community engagement efforts would enrich the breadth and depth of their journalism.
- One of the key parts of creating that firewall was developing a specific statement of principles around the paper's editorial integrity, which includes transparently listing funders every time related content is published. That's key to building and maintaining community trust.

- Once the organization was on board, it was necessary to ensure a feedback loop between the funders and the newsroom to ensure sharing and reporting results and impacts to funders, as well as to gather any feedback or story ideas from outside partners and funders.
- Identifying key community stakeholders and current donors who were willing to reach out to colleague funders was important. As Guillory puts it, “You need some kind of muscle; some third-party advocate or someone with that sort of specialty to actually open the door to another funder. Once the door is open then you can have that perspective conversation.”
- Finally, Guillory notes the importance of risk-taking and sharing the good and the challenging, “You have to take some risks, and Seattle has been willing to do that to take some risks because they know the impact on humanity without taking that risk. If we’re not willing to share both our successes and challenges and failures, we won’t be able to overcome this very critical crisis that we’re facing. I believe it all points back to humanity and humanity being a team sport.”

Looking forward, The Seattle Times has \$1.1 million

from the Ballmer Group Foundation to create a two-year project focused on mental health issues. [The Seattle Times Investigative Fund](#) is a partnership with Seattle Foundation and other funders “to ensure the future of local investigative journalism and protect and expand the ambitious, rigorously reported work that has a direct impact on our community.” Kristin Dizon, Director of Development for Community Funded Journalism at The Seattle Times noted, “Our goal is to build one of the largest local investigative teams in the nation to increase our ability to engage the public, call for accountability, and explore solutions to make a difference for the people of our region. We are at \$1.7 of a \$2 million goal.”

The Seattle Times and their partners started the lab movement and engaged the philanthropic community in local journalism in new and innovative ways. The other newsrooms that participated in the study often referenced Seattle and how they paved the way for their work. The staff’s generosity in sharing lessons learned, templates and participation in studies like this sets a tone and expectation of collegial collaboration for the community supported journalism movement.



Fresno, California

"People are starting to understand community-supported journalism, so continuing to focus on this issue is really important. We're getting momentum, It feels like people are starting to think about what it would mean to their communities if local journalism went away."

Gretchen Moore, formerly of the Central Valley Community Foundation



Collaborators:

Central Valley Community Foundation, [Fresno Bee](#), [Vida en el Valle](#), [Valley Public Radio](#), [Radio Bilingüe](#), and [Fresnoland](#).

Years Working on community supported journalism:

3 Years

Philanthropic Activities:

Primarily grant writing and small crowdfunding activities

Community Engagement Activities:

Community surveys, community listening tours, and community conversations

Background

In 2019, the Central Valley Community Foundation (CVCF) established the [Impact Media and Measurement Fund \(IMMF\)](#) which supports "issue-specific solutions journalism (workforce development, education, economic mobility neighborhood quality, and environmental stewardship), community networks and voices, and community measurements and accountability." The IMMF provides funding for six distinct projects: Education Lab, FresnoLab, Co-Lab, The Big Tell, Neighborhood Champions, and Branches & Roots. The three labs are all based at the Fresno Bee.

IMMF is a blend of a few structures designed to meet the goals of each fund. Education Lab is solely a Fresno Bee project focused on education, FresnoLab is a partnership with The Bee and FresnoLab (a policy/research nonprofit) focused on land/water, and Co-Lab is a partnership with The Bee, Vida en el Valle, Valley Public Radio, and Radio Bilingüe all working to explore how communities of color have been impacted by the pandemic. In addition to generating in-depth, long-term reporting on a topic, the labs often include community engagement activities such as surveys, listening tours, and conversations. The Big Tell, Neighborhood Champions, and Branches & Roots all focus on "lifting diverse voices and sharing community stories" and are not considered labs.

To date, IMMF has raised nearly \$2 million from 9 foundations and 14 individuals in support of the three labs as well as three other projects: The Big Tell, Neighborhood Champions, and Branches & Roots.

CVCF staff administers the IMMF, which is a designated project within the foundation. Designated projects are aligned with the foundation's mission and a percentage of the funds raised goes to support the foundation's administration of the fund. In return, the foundation provides the point of contact for funders, manages grant administration, coordinates with grantees, facilitates all grant reporting, and ensures compliance with IRS regulations and grant reporting requirements.

One important feature of the creation of the IMMF was the commitment to metrics and measuring social change as a result of the journalism produced. CVCF has a [Theory of Change](#) that illustrates "community change and transformation advanced by the Impact Media and Measurement Fund."

CVCF's commitment to addressing issues of trust and DEI is important to note. Trust building with communities that are underserved and represented was a key element in the labs at The Fresno Bee. Joe Kieta, Editor at The Bee notes, "I do think that there are a lot of communities of color, what you would call disadvantaged communities in Fresno, and the region, who don't have much recognition or a connection

to Fresno Bee's content. Residents might be very skeptical of the media and have not necessarily been open to talking to us, or sharing their stories, or building that trust. What we really want to do with these reporting labs is to help break that down and to tell those stories.

A good example is this series of stories that we did about an apartment complex through our FresnoLab earlier this year. It took a lot of time to get people to trust us to be able to talk with us to tell us their stories. If we didn't take the time to build that trust and to get people to talk to us, we never would have been able to do that story. This community-level journalism would not have happened without philanthropic support. That's a direct result of the philanthropy and the emphasis that we placed on this type of work. I think we've made inroads but we still have a ways to go. I still think that there are large portions of our community that maybe aren't reading us, or don't know about what we do, or don't have that connection and we really need to build that connection and continue to diversify our newsrooms."

Kieta and Moore identified the following assets, challenges, and strategies they used to establish and sustain their work:

Assets

- The foundation's willingness to be flexible and find a way to make a good idea work.
- The newspaper leadership's willingness to reach out and make a connection with the community foundation was essential to launching a successful partnership.
- As long-standing community institutions, the newsroom and the community foundation were familiar with each other because of prior coverage and shared community projects.

Challenges

- Kieta noted that newsrooms are "busy doing journalism and don't necessarily have time to fundraise for the work" and encouraged newsroom leadership to make time for fund development planning, research, and fundraising.
- Along with setting aside time to fundraise, Kieta

noted the importance of newsrooms being willing to take a risk on spending money to fund development staff/consultants.

- Moore noted tracking the impact of the labs beyond click rates and page views as a challenge for community supported journalism.

Strategies

- Kieta noted the importance of a good working relationship with your host community foundation "that was really there at the beginning. CVCF served as our fiscal sponsor for all of our projects and have been instrumental in making our lab work happen."
- A pre-existing relationship and a successful experience with grant management was also noted as an important factor in successfully raising funds. Fresno Bee has received funding from the California Endowment for a position that is celebrating its 31 years of existence.
- "Money attracts money" was the sentiment Kieta expressed when talking about bringing in other funders. Kieta shared that when one funder gives a grant it's like a seal of approval to other funders. Their investment reduces some of the reticence and risk that other funders might be feeling.
- Diversifying the newsroom has been an important step to building trust within disenfranchised communities. In the last three years, the Fresno Bee has added positions to the newsrooms so that the newsroom reflects the race, gender, and languages spoken by the region they serve.
- Finally, IMMF is committed to telling stories about and from the community. Moore noted that the CVCF was committed to sharing impactful community stories from Fresno that are overlooked and ensuring a wide array of voices are represented in local news.

The Impact Media and Measurement Fund represents a true collaboration among funders, journalism, and the community. The partnership has metrics and evaluations in place to track their progress, labs established based on what the community wants to learn more about, newsrooms that are working hard to reflect and report on their diverse community, and funders who are willing to try new things to support these community ventures.

Lexington, Kentucky

"High quality, daily, local news and information is fundamental to a healthy, robust democracy. Effective civic engagement is dependent on informed, engaged residents. And, without strong local journalism, that becomes much more difficult. I think of our foundation's investments in local news and information as small, but mighty. During the pandemic, investing in a journalist focused on health reporting has made a difference to both the health of individuals and the health of the community."

Lisa Adkins, Blue Grass Community Foundation's President and CEO



Collaborators:

Blue Grass Community Foundation, CivicLex, Lexington, Herald-Leader, CivicLex, RadioLex, and Key Newsjournal & Key Conversations

Years Working on community supported journalism:

4 Years

Philanthropic Activities:

Established Blue Grass Civic Journalism Fund, grants, planning for a journalism philanthropy gathering with other regional funders

Community Engagement Activities:

Our Voices series, support and mentoring for paper/radio, community programming with CivicLex

Background

Lexington got its journalism philanthropy started in Miami, Florida, where Lisa Adkins, President/CEO of Blue Grass Community Foundation, has attended the Knight Media Forum annually since 2010. Here, Adkins connected the dots between social justice, vibrant communities, and quality local news. Since the Knight Media Forum, Adkins has worked to convince other grantmakers to invest in local journalism, and here's her pitch "Investing in local journalism is critical if you care about the health and vibrancy of your community. If you are looking to enhance civic literacy and community engagement. If you care about the quality of local government, local schools, and local public institutions, then investing in local journalism is simple, cost effective strategy."

Blue Grass Foundation and the local paper, the Herald-Leader, had a long-standing, positive relationship, so when Peter Baniak, editor and general manager of the Lexington Herald-Leader,

approached Adkins for funding to support the Report for America's first corps member year, the steps were natural, and the foundation laid for a good relationship. Baniak describes the first steps in the fundings as "So my first thought on starting to look for matching funding for RFA was our Community Foundation. That was the first place that I thought we have a long-standing relationship with the Community Foundation, it hadn't really extended to kind of philanthropic funding for journalism but they know about this kind of work." What started as an initial investment of \$9,000 from Blue Grass Foundation for the Report for America match, has evolved into the creation of the Blue Grass Civic Journalism Fund.

The Blue Grass Civic Journalism Fund is housed at Blue Grass Foundation and serves as the fiscal sponsor for the Herald-Leader's grants as well as providing administrative support for programming. Adkins encouraged Baniak to reach out to CivicLex, a county-wide nonprofit focusing on creating



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opportunities for civic engagement and community dialogue. A collaboration between the Herald-Leader, Blue Grass Community Foundation, CivicLex, RadioLex, and Key Newsjournal & Key Conversation, which was originally slated to be a listening tour, the plan pivoted when COVID hit and the plan and became a series called “Our Voices.” [“Our Voices”](#) is a 5 part Op-Ed series focused on health, housing, economic opportunity, education, and law enforcement. CivicLex recruits writers from communities across Fayette County, and Herald Leader’s editorial staff works with writers to hone their pieces. Blue Grass Community Foundation provides financial and administrative support for the project. Baniak says “Bringing new voices to the editorial page and seeking out original voices personal about, people can share their personal experiences with race and racism in our community, around topics like housing and economic opportunity, education, health care. I think those have been really interesting. They brought voices to the editorial page. The real measure of success of that, to me, is that several of the folks who have participated in early rounds of that project have come back to us and say, hey, I want to write something else not related to the project.”

Lexington had several significant assets to build from to launch this new fund. Baniak noted that the paper had a solid reputation and circulation and the desire to do hyper-local news. Adkins noted the following assets that helped build the collaboration: mission alignment, the community’s desire for hyper-local news, and that investing in journalism offers a strong return on investment.

Baniak noted the following challenges when building awareness and funding for local journalism philanthropy:

- *Establishing and maintaining connections with donors*
- *Embarking on journalism philanthropy projects take extra work, and staff time is limited*
- *Because journalism philanthropy is a relatively new funding area, the future is uncertain, and it is difficult for newsrooms to add this into their long-range budget plans.*
- *Managing multiple funders and reporting requirements requires time and expertise.*

When discussing challenges that foundations face when starting a journalism philanthropy initiative, Adkins noted:

- *Shifting expectations-helping board members, colleagues and the community think of a for-profit newsroom as a worthy, eligible charitable investment*
- *Community perspectives on the political orientation of the newspaper*

Strategies

- *Setting up a fund through the Community Foundation made it easier for the paper to be eligible for nonprofit funding.*
- *The Community Foundation assumes the administration for contributions and grants, which simplifies the process for the Herald-Leader, allowing it to focus on reporting and not administration of charitable funds.*
- *By partnering with CivicLex, the paper did not have to be experts in grant writing but relies on the nonprofit for this skill set.*

Pennsylvania Statewide

"People want to help, and I think that that's really important to remember in all of our fundraising efforts is that this is a pivotal time in our industry. People want to make a difference, and they want to do good things, and as fundraisers, we're helping them do something really remarkable with their resources, something they wouldn't otherwise be able to do. We're giving them an opportunity to participate in democracy, and that's really, really exciting both for us and for them."

Annie McCain Madonia, The Lenfest Institute for Journalism's Chief Advancement Officer



Collaborators:

Lenfest Institute for Journalism, Spotlight PA, 8 Pennsylvania community foundations, more than 20 other regional and national institutional funders, and more than 3,000 individual donors, [The Philadelphia Inquirer](#), [PennLive/The Patriot-News](#), [TribLIVE/Pittsburgh Tribune-Review](#) and [WITF Public Media](#)

Years working on community supported journalism:

3 Years

Philanthropic Activities:

Local, regional and national grants, meeting with community foundations across the state, membership drives, two newsletters

Community Engagement Activities:

Listening sessions virtual civic events, reader panels, and live interviews; meeting with donors and conducting donor follow up; partnering with news outlets across the state; hub and spoke model

Background

In 2018, [The Lenfest Institute](#), in partnership with The Philadelphia Inquirer and other newsrooms in Harrisburg and Pittsburgh, set out to establish a newsroom to focus on state government and that would "serve as a collaborator and resource to all newsrooms in the state to help uncover and enhance stories of statewide importance that otherwise would go unnoticed or untold."

To do this, The Lenfest Institute wanted to create a philanthropic network to support the work of Spotlight PA. The Lenfest Institute's Director of Advancement, Rebecca Forman, describes this as "So the idea initially was how do we create this fully philanthropically funded newsroom? How do we leverage our position at The Lenfest Institute, our relationship with The Philadelphia Inquirer, partnerships across the state to engage other funders across the state to bring people together and to think about better serving Pennsylvanians."

It's not about ownership. It's not about somebody's bank account. It's not even necessarily about size, although Spotlight has grown exponentially. It has grown because there's been more and more need for journalism. But how do we create something that lifts all boats and is not intended to be a competitor?" This new model of reporting the news and being community-centric has pulled together 79 newsrooms with a partnership agreement between newsrooms and Spotlight PA to share Spotlight PA's investigative reporting free of charge. Additionally, Spotlight PA produces two free newsletters, "[PA Post](#)" and "[The Investigator](#)," to engage its readership regularly.

Spotlight PA launched the newsroom in the enviable position of having the first 18 months of the project fully funded. To build a self-sustaining model for Spotlight PA, Madonia and Spotlight PA's media partners traversed Pennsylvania, meeting with funders and civic leaders to share the story of

the crisis in journalism and how Spotlight PA was poised to ensure there was quality statehouse and statewide news to help stave off misinformation. Forman said, “But what was important to us was to create something that was a new kind of model – philanthropically funded, built on the assets Pennsylvania has, which is many news organizations across the state, but not reliant on them.” This resulted in \$2.6 million to give Spotlight PA an 18-month runway to build the newsroom. In 2019 when Spotlight PA published its first stories, the newsroom was staffed, had a clear plan for strategic partnerships it wanted to pursue, stories it wanted to cover, and had a full-time development person in place to run membership drives, write grants, and build and sustain donor relationships.

Spotlight PA has received support from eight community foundations and more than 15 other institutional funders across the state and nationally to support their investigative reporting work in Harrisburg. Currently, Spotlight PA has an editor in chief, a deputy editor, an assistant editor, 9 investigative reporters, a tech director, an events coordinator, and a development director. Its operating budget in 2021 was \$1.4 million. With this established base of funders, Spotlight PA’s next phase of fund development includes a hub-and-spoke approach. Joanna Zuckerman Bernstein, Spotlight PA’s development director, describes this next phase as “Our big plan is to create a hub-and-spoke model. We would like to bolster local journalism in communities that are deemed to be news deserts or could use more news resources. We would create bureaus in different communities around Pennsylvania where we would have three reporters and an editor working on local issues that concern that city, town, region, county, with an eye to stories that have a statewide angle, or that can be relevant statewide, that we would publish through our network. So it’d be available to all of our partners.” Spotlight PA will also assume all of the administrative responsibilities associated with the expansion into new communities.

Strategies The Lenfest Institute and Spotlight PA Employ:

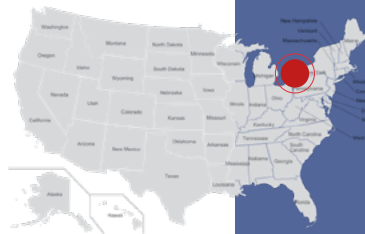
- From its inception, Spotlight PA staff knew it was important to have a baseline of data to evaluate their work. Spotlight PA developed a [tracking form](#) to collect information on the impact of their reporting on the communities, region, and state.
- Two newsletters, [The Investigator](#) and [PA Post](#), to keep readers and contributors informed and engaged in both Spotlight PA’s investigative work as well as plans for the future expansion.
- The Lenfest Institute takes a collaborative funding approach when reaching out to donors and foundations. They found this an effective strategy in their early days when they began raising funds collaboratively with WITF Public Media, which was simultaneously raising money for a similar journalism effort, PA Post. It’s not a “fund us or them” approach; it’s that you can support both entities.
- Once The Lenfest Institute was able to get one community foundation to support the project, they were able to use this commitment to leverage other community foundations to sign on.
- The Lenfest Institute and Spotlight PA focus their fundraising around the need and impact of local journalism on the health of a community.
- Framing a donation to investigative reporting, The Lenfest Institute and Spotlight PA discuss how an investment in statehouse coverage is actually a savings to communities and residents.

The Lenfest Institute-Spotlight PA partnership demonstrates how collaborative fundraising increases funds raised, expands the scope of communities benefiting from their work, and builds a sustainable funding network that is actively working to engage more communities and funders in their work.

Lancaster, Pennsylvania

The thought of being a news desert is terrifying. If we lose our local newspaper, what we lose is our watchdog; that people are really watching what our elected officials are doing, and making sense out of sometimes some senseless actions and exposing them to sunshine.

Susan Eckert, Board of Managers, Lancaster County Local Journalism Fund



Collaborators:

[Lancaster County Community Foundation](#) and [The Steinman Foundation](#)

Funding:

\$500,000 start up grant from The Steinman Foundation, \$11,000 from 90 donors from an [Extraordinary Give](#) event, and \$9,000 from about 250 donors in a round up/donate campaign on LNP's invoices to subscribers and advertisers.

Years Working on community supported journalism:

Less than a Year

Philanthropic Activities:

[The Extraordinary Give](#)

Community Engagement Activities:

Outreach to the journalism community to let them know about the Lancaster Local Journalism Fund, holding focus groups to hear from the community and let the community know about the fund, and outreach to current media donors.

Background

Lauren Frick, senior grant administrator and corporate secretary of The Steinman Foundation and member of the Board of Managers of the Lancaster County Local Journalism Fund (LCLJF) said that during a strategic planning process about three years ago, "The Steinman Foundation determined that they wanted an area of focus for the foundation be local journalism and media literacy." They established a relationship with [Lenfest Institute](#) and received initial funding from The Steinman Foundation. After a year, they realized the scope of the project was getting big and would benefit from a local sponsor. They looked to long-time collaborator Lancaster Community Foundation to host the LCLJF and decided to establish a limited liability corporation (LLC) that would be housed within the community foundation. The decision to create an LLC was made because it provided the fund with the most flexible structure. What's the motivation to do all of this? Eckert says, "We want the community to

understand that we exist. We are here to protect local journalism at a time democracy is so critical. We have to produce lifelong learners and we need local journalism."

Structure: The fund is governed by a group of seven volunteers on the Board of Managers who are responsible for setting policy, raising funds, outreach to the community, and allocation of funds. The Board of Managers all have deep roots in media and a tie to Lancaster County.

The Lancaster County Community Foundation is the fiscal agent but has no decision making authority. The community foundation provides the tax acknowledgment letters, controls the bank account, completes the tax reporting, and cuts checks for the fund. The partnership is detailed in a Memorandum of Agreement that both parties signed and the LCLJF pays an administrative fee to the Lancaster Community Foundation.

The LCLJF is in its first year and the board of managers has spent this time writing grant policies,



rolling out grant applications, and soliciting grant ideas. Since January 2021, they have made one two-year reporter position to expose local hate groups and extremists in Lancaster County. Additionally, the group supported an event to bring Heather McGowan, a futurist who has worked with author Thomas Friedman, to come to Lancaster to speak about the importance of local news and media literacy.

Frick and Eckert identified the following assets, challenges, and strategies for their burgeoning fund:

Assets:

- LCLJF benefits from support from The Steinman Foundation and a partnership with the Lancaster County Community Foundation who was willing to consider a different funding relationship, the LLC, to support local news.
- Eckert and Frick both noted the diversity of skill sets within the board of managers as an integral part of

their success. The group has “a solid understanding of the crisis in news funding and admiration for journalists and all of the board members have ties to Lancaster County.”

- Local news and media literacy are part of The Steinman Foundation’s strategic plan so there has been mission alignment from the beginning of the project.

Challenges:

- Relying solely on volunteers to launch the LCLJF is challenging. Eckert noted that they could see staff down the road but for now, they need to establish a plan for the funding, build community trust and let the local media community know about the funding.
- For the media literacy portion of the fund, LCLJF hasn’t identified the mechanism for how they will roll out this portion of the project.

Strategies:

- Eckert noted that LCLJF “Needs to justify ourselves before we invest in infrastructure. Importance of engaging with the community. Investing because we are listening to them and in their interest.
- They are planning focus groups to find out what the community would like to know more about that they don’t have enough information about and how LCLJF can we assist?
- LCLJF marries support with local media with media literacy.
- The LNP[Lancasteronline newsroom and foundation attended the Knight Media Forum together.

Frick said in five years she’d like LCLJF to be described as “thriving, growing, supported by the community, as well as by the foundation, and a household name throughout the community.” Sparked by a philanthropic interest to address the local new crisis and a desire to address media literacy, LCLJF is fueled by volunteers with a shared vision for social change. Their collaborative, community based model is one for other communities to watch and learn from.

Case Study of Donors to Local Newsrooms

“Democracy will die without responsible journalism.”

—donor to the Detroit Free Press, Detroit, MI

In the sections above we look at how newsrooms and community foundations are building community news funds. The third leg of the funding collaborative stool is donors. What motivates donors to contribute and what are their priorities? Our study was an opportunity to learn from donors what they know about the crisis in funding for local journalism and what issues and specific journalists they want covering in their communities. The results affirm an understanding of the critical role local news plays in the vitality of a healthy community and the connection of this work to help stem the tide of fake news and misinformation on the national level.

To learn what donors were thinking, we looked at 18 months worth of comments made through crowdfunding campaigns. RFA newsrooms have the option of running a crowdfunding campaign through a News Revenue Hub portal. When donors contribute, they have an opportunity to comment on why they are donating. Below is a summary of the text analysis from the 1,953 donors who contributed a total of \$451,698 to 78 local newsrooms. The comments are from September 2019–March 2021. One important point to note is that a comparison between the language used by repeat donors and one-time donors was made, and the word choice was essentially the same for both groups.

Key Findings from the Donors

- Local newsroom donors can be put into two

categories, mission-driven donors who are motivated by the newsroom’s mission and connection donors who feel an allegiance to their local newsroom because of connection with a cause, staffer or location.

- Donors appreciate knowing that a donation made locally will help stem the national tide of misinformation.
- Donors wanted to contribute because they became aware of the newsroom’s financial need and wanted to help.



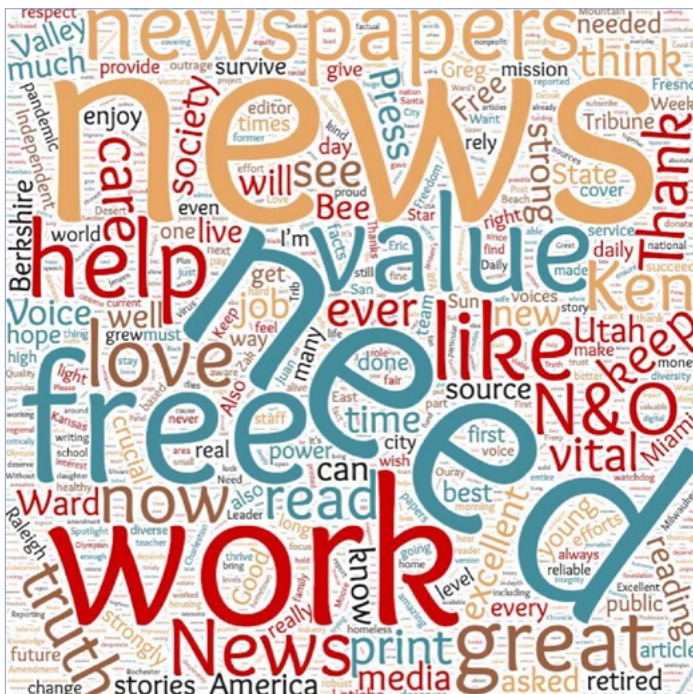
KT KANAZAWICH | RFA

So what's the motivation behind the donation?
The themes of connection, trust, and engagement
echoed throughout the donors' voices of this study.
The top 10 words used by donors were:

- | | |
|---------------|--------------|
| 1. Journalism | 6. Reporting |
| 2. Support | 7. News |
| 3. Local | 8. Need |
| 4. Want | 9. Important |
| 5. Believe | 10. Press |

Other notable words used frequently and their ranking are democracy (14), community (15), and love (29). Below is a word cloud that illustrates the most commonly used words.

The text analysis of donor comments identified two major themes, **mission** and **connection**. **Mission-driven** donors were motivated by the newsroom's mission and made their contributions because they support a big idea that the newsroom represents, such as democracy or free press. **Connection-inspired** donors felt an allegiance to their local newsroom because of connection with a cause, staffer, or location.



Within each of these themes, 12 sub-themes emerged:

Mission

Democracy
Free Press
Truth
Checks and Balances
Diversity of Votes
Investigative Journalism

Connection

Local/Important/Specific
Geographic Area

Support

Connection/Staffer/RFA

Specific Issue

Asked to Donate

Saving Print Journalism

“I believe that robust investigative journalism is critical for a healthy democracy.”

Donor to Mountain State Spotlight

Mission

Mission-inspired donors wrote about their desire to support newsrooms during uncertain political and financial times. They also expressed a desire to help the newsroom's mission and ensure the Fourth Estate is preserved. Comments like "You need me. I need you", "We support those who work to make the truth known," and "We need an ethical fourth estate now more than ever" were commonly expressed sentiments.

Donors were also supportive of journalism as a tool for government checks and balances. My local newspaper is critical to maintaining public knowledge of behind the scenes legislative and commercial transactions that are antithetical to the well-being of the citizens of a democracy,” “Having a local paper reduces corruption and bad governance at my city hall and county seat” and “Independent investigation is extremely important to hold people, corporations, and governments accountable!” demonstrate a clear donor

commitment to funding investigative journalism. Going along with this acknowledgment was the need and appreciation for investigative reporting that “supports both democracy as well as check and balance” and “encourages more independent investigative reporting of state government and its allies in corruption against the public interest.” Donors want to support newsrooms that are providing insight and oversight to local and regional governments. They want in-depth reporting that is truthful, trustworthy, and provides an unbiased look at important issues facing their community.

Finally, diversity of voices was identified as a motivation for supporting local news. Donors noted, “I want to see local news remain, with diverse voices by reporters,” “I want to support local journalism and hear more from BIPOC communities,” and “I want to see local news remain, with diverse voices by reporters” as a primary reason for making a financial contribution.

Democracy, truth, and a diversity of voices chart an ideological vision for what readers want for their homes, communities, and newsrooms. These big ideas are what keep people returning to their local newsrooms for information about the community they live in, what role they want to play in it, and what they envision for their future. The donor comments also indicate a growing understanding of the financial crisis that newsrooms face and the philanthropic role they can play in saving their local newsroom.

Connection

In 1892, Ida B. Wells wrote, “The people must know before they can act, and there is no educator to compare with the press.” One hundred and twenty-nine years later, the sentiment is still accurate and echoed by donors who have contributed to RFA newsrooms across the United States to keep local newsrooms a vibrant educator in communities.

The connection comments, similar to the mission comments, reflect donors who want to effect change. The observations demonstrate how



The Democrat and Chronicle is crucial to our connection with the community.”

Donor to the Democrat and Chronicle,
Rochester, NY

The word “support” was by far the main reason cited for donating to a newsroom, with 638 donors noting it as the reason for their donation. “I think The Fresno Bee is a very important voice in the Valley. Local papers should be supported, especially in this troubled time,” “I believe in the value of news organizations, and I support local news.” and “I believe that it is very important to keep readers aware of local news stories, and also important to develop and support the reporters that research and write the stories,” are all comments indicative of the donors’ support of local newsrooms.

Donors connected local news with a healthy and engaged community, as reflected in the following comments, “Accurate knowledge of events encourages civic engagement,” “Excellent local watchdog journalism is essential to a healthy, vibrant community,” and “I appreciate the opportunity to learn about neighbors in Appalachia from local voices.” Connection to community was noted by donors who live in the newsroom community and those who had moved away from the area but wanted to keep a connection to the region. Some examples of this are, “The Observer helped me get my bearings when I moved here two years ago, and I want it to survive to orient the next newcomers,” “I’m a retired high school librarian and really appreciate these efforts” and “I appreciate the reporter and as a Southside resident really appreciate having a Southside reporter.”

Several donors contributed to the newsrooms to support entry-level journalists, “I want to keep independent newspapers alive with a diverse



DEE DWYER / RFA

group of young, eager reporters,” “young women reporters are necessary!” and “We need to put some fresh, new mindsets into journalism. The last few decades of reporters have brought too much bias and corruption.” Many donors cited specific RFA corps members as the reason for their contribution “Kyle’s (Pfannenstiel) work to cover health care during the pandemic has been invaluable to Idaho. I appreciate the stories he is producing and is grateful the Post Register has him!” “I want to help Becky Jacobs stay in Utah. She’s an excellent reporter doing a great service to all Utahns by highlighting women’s issues in Utah.” and “Love (Jake) Podmore’s stories. Without exception, they’re informative and cover issues we’d otherwise likely never hear about.”

This connection and commitment to journalists continue with contributions spurred by loyalty to specific non-RFA journalists. Of particular note were the 43 comments garnered for Ken Ward Jr. and the staff’s work with their start-up paper Mountain State Spotlight (MSS). This donor dubbed “sustained outrage movement,” sparked comments such as “The news must be covered on the state and local level,” “Outrage must be sustained,” “WV without sustained outrage dies in darkness. West Virginia deserves better than

the paid-for politicians and business-first policies it’s got now, and revealing hard truths through sustained outrage is the only way to affect the seismic change we need. Give ‘em hell.” The comments reflect a commitment of funds and support for Ward’s “sustained outrage” rally cry. As noted by this donor, “I trust Ken Ward Jr. and find hope in the truth!”. MSS is clearly filling a critical community need, and readers are lauding these efforts through donations. In the 18 months’ worth of comments analyzed, MSS’s sustained outrage campaign connects to donors. They see and value the newsroom’s role in watchdog journalism, stories that are WV specific, and stories that delve deep into critical issues such as poverty and the coal industry. MSS has successfully translated this donor energy into increased readership as well as philanthropic support.

Former journalists, journalism majors, and parents of journalists were also generous contributors to newsrooms. “I’m a retired journalist and think local and regional journalism is the best kind there is,” “Willy Week gave my daughter her start in journalism” and “I founded and ran a local publication back in Newark and know all too well how much work it takes for a team to report and author these stories daily. We love and



BEN BRODY / RFA

appreciate the work this team does in uncovering the ground truth in this community.” The esprit de corps of journalists is strong and so too is their philanthropic support for their colleagues’ work.

Donations were also inspired by readers connecting to coverage of a specific issue. This past year COVID coverage was essential, and donors stepped up to acknowledge the critical role newsrooms played in keeping communities safe and informed. “I appreciate that the N&O is making critical NC coronavirus coverage available to those who can’t afford paywall (I am a digital subscriber).”, “I appreciate the access to balanced coverage of the COVID-19 pandemic. The Desert Sun staff is providing an invaluable service to the community during the CoronaVirus pandemic. Thank you”, and “Thank you to Raleigh News & Observer, which is my main source of reliable, applicable COVID 19 info daily!” documents the important service newsrooms played in helping communities through the pandemic.

Other issues also prompted poignant comments and donations. Of particular note was the coverage of women’s issues by the Salt Lake Tribune, which elicited these comments, “I am a woman in Utah,

and I want things to change for women in Utah,” “We need insightful journalism. We need to make conversations about women the norm, not a special focus,” and “I’m a sexual assault nurse examiner and see the need for this reporting to be done.” Coverage of women’s issues in Utah has a clear audience willing to provide financial support to continue this critical work.

There is a deep affection for print journalism and a desire to save this medium. Thirty-five donors noted a desire to save print journalism. Here are some of their comments: “I believe having a local hometown print newspaper is vital to a democratic society and a caring community.”, “I could not survive without my local daily print newspaper (now the Desert Sun).”, “I have been reading a local daily print newspaper for 65 years.” and, “I think print newspapers are essential to our democracy, and local reporting can’t be replaced any other way.”

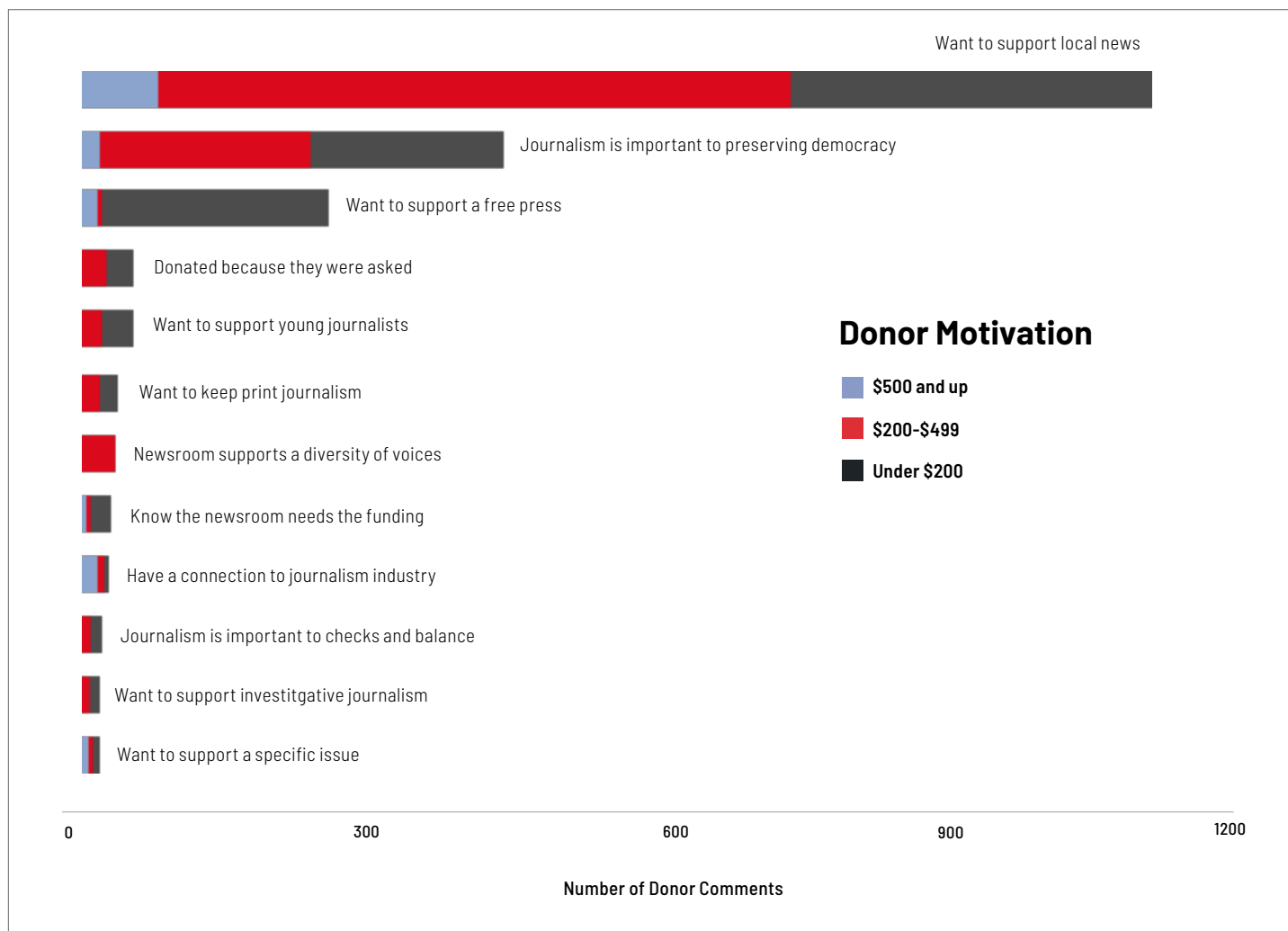
Finally, 54 donors answered the question “why we donated” directly and responded by saying “YOU ASKED.” Clearly, donors wanted a way to participate in supporting local newsrooms and voiced their support. Additionally, they were

called to philanthropic action because their local newsrooms shared their funding challenges and engaged them in a solution to help save local journalism. Donors rose to the occasion with their support. Comments such as “You asked, and you deserve to be supported,” “The N&O asked me to, and I value its continuing journalism,” and “Because you asked and I like to keep receiving the paper.” Donors were particularly moved to action when a particular news person made a donation appeal as demonstrated by these comments “I love this model for journalism. Also Ken Ward Jr asked me too ;-),” “Asked to give and I appreciate Nando” and “The N&O asked me to, and I value its continuing journalism.” These donations build upon the commitment and mission-driven donors and demonstrate a groundswell of appreciation and support for local news. Educating donors

about the changes to funding for local journalism and giving them an actionable way to address the issue has proven to be a reliable way to diversify newsroom budgets. It’s also important to note that while the donations were made to local organizations, there was a strong sentiment that this type of investment would have national payoffs and connect to a wave of national fake news and misinformation.

Donation Motivation

We were interested in learning if there were any correlations between the size of a donor’s gift and the motivation behind their donation. To do this, we broke donors into four categories: repeat donors, \$500 and up donors, \$200-\$499 donors, and under \$200 donors. The overall ranking for the first four themes — Support for local newsrooms,



desire for local information, democracy, and truth – were the same for all four groups.

A few notable differences between donor groups were:

- The \$200–\$500 donors were less interested in supporting a free press and more interested in diversity of voices represented in their paper.
- The \$200–\$500 and the \$200 and under donor groups were interested in supporting young journalists, but the \$500 and over donors did not note this as a motivation.
- The \$200–\$500 and the \$200 and under donor groups had a connection to the journalism industry (e.g. former journalist, relative who was a journalist) but this was not noted as a motivation for the \$500 and over donors.
- \$500 and over donors were more motivated to contribute because of a specific issue (e.g. health, education, employment, environment) and this was less of a donation motivation for the \$200–\$500 donors.

Key Takeaways

As reported in RFA's 2020 annual report, [Local News Philanthropy: Strong Signs of Positive Movement](#), the total amount donated to Report for America newsrooms grew from \$861,000 in 2019 to at least \$4.6 million. What's even more remarkable about these donations is that the average donation was \$68.84 and "In 2020, our local newsroom partners fundraising in communities that score at the top of the national poverty index performed virtually the same as those fundraising at the bottom of the index...we saw that individual donors made up nearly half of all dollars raised; the vast majority of those grassroots donors gave under \$100."

In listening to our newsrooms' donors, we identified five lessons learned from their comments and their contributions:

1. **Educate and Engage** – Newsrooms cover a variety of critical issues, but they aren't always great about

covering the financial challenges happening to local newsrooms. However, it's clear that educating readers on the crisis in journalism funding and providing them with a way to donate educates and engages the readers and often results in a new donor to community supported journalism.

2. **Make the Connection** – When a reader connects to an article or a particular author, make sure there is an opportunity to support their work. For example, using crowdfunding links at the end of articles has proven to be an effective and subtle way to shore support for newsrooms.
3. **Mission-Driven** – A mission statement in the masthead is essential, ensuring the newsroom's mission runs throughout its work and inspires readers to become donors.
4. **Local Donation** – National Movement–Creating a marketing strategy that connects how a shift in local coverage addresses fake news and misinformation on the national level has proven an effective strategy for engaging donors.
5. **Make the Ask** – Community supported journalism is new to many newsrooms and, at times, an uncomfortable and unfamiliar role for newsroom staff to take on. Take heart in seeing how other newsrooms have succeeded and diversified their financial future. This has resulted in new newsrooms, new beats, and a resurgence in local news coverage. As demonstrated in the comments above, readers want to be invited into the process of helping to save and support local newsrooms.

Local newsroom donors voiced their support and backed that with their financial contributions. The collective comments reflect a desire to change the national and local media landscape and ensure that communities have access to quality, trustworthy news.

Building a Community News Fund

The activation of a Community News Fund is multi-faceted, accounting for the needs of civic leaders, local media, and the public being served. This section highlights the paths taken by 20 Report for America partners.



The thing to remember about the work that we're doing as an industry, and the work that we're doing fundraising, is that a rising tide lifts all boats. There's plenty of money to go around. There's plenty of information to go around and by collaborating together and thinking differently about the way we work together, we can build stronger media ecosystems.

Annie McCain Madonia,
Chief Advancement Officer, Lenfest Institute

Landscape of Philanthropy Participation in Local News

In the last 10 years, philanthropy has been identified as a way to help newsrooms lessen their funding gap and [community foundations](#) are an essential partner in this endeavor. As reported by Media Impact Funders in their **Community Foundations and Journalism Report**, “In 2009, data show that 26 U.S.-based community foundations gave \$2.6 million in journalism grants. By 2014, that number had more than doubled to \$6.5 million. In 2018, 80 community foundations gave \$26.3 million—an increase of 1,000% percent since 2009.”² Community foundations are a catalyst for changing the financial and programmatic future of newsrooms in the United States.

For the report, we looked at trends within the newsrooms we worked with and noticed more interest on the part of community foundations to help newsrooms raise funds and to increase their communities’ and donors’ understanding of the local news crisis. From January 2019 through October 2021, 35 community foundations made 77 grants totaling \$1,046,323 to 39 Report for America newsrooms. Grants ranged from \$250-\$100,000 with an average grant of \$21,353. Five gifts were from donor advised funds (DAFs) which total \$34,000 with an average gift of \$6,800. In 2019, six grants were made; in 2020 18 grants were made. In 2021, 33 community foundations made grants to RFA newsrooms for a total of \$782,668. The average grant was \$ 23,717.21.

In this section of the report we look at how the Community News Funds (CNFs) were created. As discussed earlier in the report, the CNF approach aims to recruit donors and foundation gifts to a single fund in order to establish a dependable stream of philanthropic support for local newsrooms. These CNFs are new concepts, and

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1000%

DATA: MEDIA IMPACT FUNDERS

in just the last 3 years, the seven communities we studied raised more than \$15 million for local news. CNFs in this report averaged 6 foundation and 4 corporate gifts per year. Five of the seven communities estimated they had multi-year commitments for about half of these gifts.

Newsrooms continue to have limited capacity to raise money. While newsrooms have made impressive fundraising gains in a short period of

² Media Impact Funders. Community Foundations & Journalism: Funding Data from 2009-2019

time, the effort put into identifying donors and grants, applying for funding, running crowdfunding campaigns, administering these funds, and maintaining donor and foundation relationships is challenging. For four of the 10 communities studied, a newsroom staffer, typically the editor, was the lead development person. This is a stressor for the staff member who is doing this work on top of their newsroom commitments. It's also putting a novice fundraiser in charge of an activity that is at the core of a newsroom's financial health.

Community News Funds are the next phase of journalism philanthropy. CNFs build on past allocations, deepen the collaboration between the newsroom and foundation, and help integrate local news needs into the social fabric of the philanthropic community. We want newsrooms to be viewed as pillars of the community and supported philanthropically the same way libraries and hospitals are. At the core of a thriving Community News Fund is the foundation's ability to leverage its resources and connections, both within its organization and externally, to increase philanthropic support for local news. Community foundations don't have the financial means to fund entire local news needs but they do have the tools, connections and expertise to grow the local news philanthropic funding base. CNFs increase funding for newsrooms and ease the stress of fund development work. This combination leads



SILAS WALKER / RFA

to sustainable and systemic change both for the newsroom and the community. While the structure and activities associated with a Community News Fund vary based upon the newsroom's needs and the foundation's policies and practices, we've identified best practices from both newsrooms and foundations.

The How: Setting up a Community News Fund

How do the Community News Funds start and what sparks community engagement? In the case of Spotlight PA and Media in Color, from the beginning of their work there was a focus on philanthropy. Lenfest Institute and CalMedia provide the philanthropic home for the respective newsroom but work closely with community foundations across their markets to identify funding opportunities, apply/recruit funders to engage communities, and manage donations. In

New Haven, the community foundation initiated a discretionary fund after some long term media partnerships and investments proved successful. In Lancaster, a group of community members with strong ties to media and a foundation created a CNF that is now housed at their local community foundation. In Lexington, Seattle, Fresno and Traverse City the newsroom reached out to their community foundation to create a funding structure to support local news.

Newsrooms noted their motivation to reach out to their community foundation centered around:

- *The need to find new funding for their newsroom;*
- *The need for advice on how to start philanthropic work in their respective communities;*
- *Technical assistance for fund development activities;*
- *Fiscal management of the funds and the need for back-office assistance.*

For newsrooms, it's helpful to think through what the first meeting with community foundation leaders will look like. Mike Lupo, formerly of the Atlanta Constitution Journal, developed this [useful outline](#) to prepare for a successful newsroom-community foundation meeting.

How are newsrooms framing their ask to community foundations? We identified five key areas of focus for this meeting.

1. **Data** – Collect data about your newsroom. What are your circulation numbers? How have the numbers changed in the last 5 years? How have your staffing numbers changed in the last 5 years? What communities are included in your geographic area? How have issues changed as a result of your work? How has your coverage area changed? Are you using different types of media to engage the community (newsletters, texts, social media, etc.)?
2. **Community Engagement** – How do you engage your readers and the community in your work? What programs do you host, e.g. do you work with local schools, community listening tours, involvement with local civic groups?
3. **Success Stories** – In the last 3 years, how has your newsroom affected change in the community, e.g. change in municipal policy, COVID coverage, reporting on local schools, etc.?
4. **Diversity Equity and Inclusion** – Address how your newsroom is incorporating Diversity, Equity, and Inclusion into its work.
5. **Democracy and fighting the tide of misinformation**



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Address how your newsroom provides accurate, timely, fact-based information on critical local and national issues.

Much of this should be included in a case for support that can later be reviewed and revised with the community foundation staff. [Traverse City Record Eagle](#) and [Tampa Bay Times](#) shared examples of material they used to introduce funders to community-funded journalism.

For foundations, the motivation to collaborate focused on:

- *An understanding of how newsrooms align with their mission and address multiple priority funding areas for the foundation;*
- *An understanding that a vibrant newsroom is essential to a healthy community. Report for America has created this [fact sheet](#) for prospective foundations and donors to illuminate the need for philanthropic support and to demonstrate how it has been successfully implemented in communities across the United States;*

- *In all of the communities studied, at least one newsroom or community foundation leader attended the Knight Media Forum. Participation in the Knight Media Forum is free for all community foundation leaders and has become an important motivator for foundations to invest in community supported journalism.*

Community News Funds adapt to meet the needs, abilities, and personality of the newsroom, community foundation, and the community it serves. Some factors to consider when starting a CNF are: On average, local CNFs supported two newsrooms with of the CNFs expressing a desire to expand their reach to additional newsrooms in the coming years. Statewide CNFs – Spotlight PA and Media in Color – supported an average of 6 newsrooms and both have plans to expand their scope in the future. Four of the CNFs support more than one newsroom.

When it's time to formalize the foundation-newsroom relationship, the newsroom(s) and foundation signs a memorandum of agreement that outlines each partner's responsibilities. Administrative fees for serving as a fiscal sponsor vary greatly. Some community foundations will

waive fees for a start-up and, as the program grows, charge their standard fees which can range between 1%-5%.

Here are examples of newsroom-foundation agreements: [Central Valley Community Foundation](#), [Foothills Forum](#), and [Rappahannock Media](#)

Key issues to consider when developing a Memorandum of Understanding are:

- *Outlining what services will be provided and what fees are associated with these services*
- *Stating the editorial independence policy (explored more in-depth below)*
- *Outlining newsrooms and foundation staff responsibilities*
- *Designating any reporting requirements*

Back-Office Support

Foundation leaders identified the following back-office services they provided to newsrooms:

- *Ensuring mission alignment between the newsrooms and the foundation*
- *Managing a grant calendar that includes applications, reporting, and regular contact with funders*
- *Converting assets*
- *Tax compliance and reporting*
- *Writing checks to program collaborators*
- *Running crowd campaigns*
- *Tracking donor information in a database*
- *Generating reports when needed*



ANTHONY VAZQUEZ

What's Challenging

We identified nine common challenges that newsrooms and foundations encountered when creating a Community News Fund: **philanthropic capacity, mission alignment, editorial independence, funding a for-profit, fiscal sponsorship of a for-profit, staffing, return on investment, expectations, and risk-taking.** In this next section, we outline these concerns and how the newsroom-foundation collaboration addressed the issue.

Philanthropic Capacity

One of the first questions we had, when we began this research, was “can community-supported journalism happen in any community? Is the wealth of a community an important factor in the sustainability of the work?”

Of the 10 communities we studied, 6 of the 10 communities had a poverty rate higher than the national average (11.4%). This is consistent to a 2020 finding by our colleagues Lauren McKown and Jimmy Martinez. In a study of [income of local newsroom givers](#), they found, “Our local newsroom partners fundraising in communities that score at

the top of the national poverty index performed virtually the same as those fundraising at the bottom of the index.” We believe the wealth of a community is not a determining factor in establishing community-supported journalism.

Within the scope of this project, we do not see the wealth of a community as a determining factor in whether or not a community was able to establish a CNF. However, we are cognizant that increasing numbers of communities across our country are total philanthropy and news deserts that might struggle to even begin this process. These are communities that might struggle to find a local newsroom to make a grant to, or the money to support the grant with. This area of need is tremendous, important, and in need of creative thinking and innovation.

When creating a CNF, we encourage foundations and newsrooms to think about what communities in their region aren't served by local news outlets and how a CNF could help address this news desert. Additionally, we encourage foundations and newsrooms to think about how to engage newsrooms serving underrepresented and



There are two planks of funding for foundations: the first is the foundation's mission (initiatives, projects and response to community needs); the second is civic democracy and vision of community and engaged citizenry.”

Doug Root, Vice President of Communications for The Pittsburgh Foundation

⁴ [2020 Poverty Projections Initial US Policy Response to the COVID-19 Pandemic's Economic Effects Is Projected to Blunt the Rise in Annual Poverty](#)

⁵ [Even without deep pockets, Main Street shows up to support local news - Poynter](#)

underserved communities in news collaborations that build on a region's philanthropic assets to address news deserts.

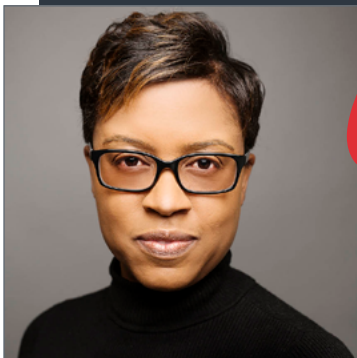
Mission Alignment-Horizontal Funding

Foundation leaders identified mission alignment as a challenge when thinking about how to fund newsrooms. The paradigm shift that seems to help funders see how the investment aligns with their work is to look at it as **horizontal funding**. Rather than trying to fit journalism into one "bucket" priority issue area that a foundation might have, consider journalism as an issue and investment that cuts across all of the foundation's priority areas. Doug Root, Vice President of Communications for The Pittsburgh Foundation, said, "There are two planks of funding for foundations: the first is the foundation's mission (initiatives, projects and response to community needs): the second is civic democracy and vision of community and engaged citizenry." Mission funding is a bucket or themed funding, and civic democracy is horizontal funding. Newsrooms are a horizontal funding investment. By investing in local news, foundations support all of the causes they support through their mission funding. Schools, hospitals, service non-profits all rely on local news to bring important issues to light and engage the community. Funding local news means that community foundations are laying the base for an engaged, informed community.

Editorial Independence Policy

Newsrooms and foundations agreed that it

is important to establish a firewall between philanthropy and journalism. As Kati Erwert, Senior Vice President of Product Marketing and Public Service at The Seattle Times said, "The idea of taking money from an organization that has a significant amount of influence on the community is still the first question that we get when anybody talks to us about what it's like to do funding and how does it work? The first thing that they ask is, 'How do you maintain your editorial independence?' From the start, it is important to be very clear about what the editorial independence guidelines are. Make sure people understand funders don't have access to stories before they publish – they don't even know what those stories are. Usually, we share key themes with funders but they don't approve stories and funders don't have special access to reporters....Ensuring that we maintain that editorial independence is, and was, the foremost challenge. We get fewer questions about it now; but it was something that the newsroom really had to try on and get comfortable with and to see it in practice before we could move it forward." This comment touches on one of the significant challenges identified by collaborators when starting fund development work: an editorial independence policy that both the newsroom and funders are comfortable with. Foundation leaders, board members, and newsroom staff that we interviewed all noted the need for a clear editorial independence policy. This policy was an important first step in getting foundations to sign on to help



“

I knew when I inherited the publication that there's no way we could continue trying to scrape by with advertisers, that we needed something different.”

Dr. Paulette Brown-Hinds, Publisher of Black Voice News and co-founder of Media in Color.

support community supported journalism. Fresno Bee, Spotlight PA, The Seattle Times and Traverse City all have an editorial policy in place; other newsrooms like New Haven Independent do not have a formal policy in place but take any issue on a case by case basis. Central Valley Community Foundation shared their contract agreement with newsrooms, which includes their [Editorial Independence policy](#) (Exhibit B, page 10).

Funding a For-Profit

Shifting both funder and community members' views of for-profit newsrooms as a worthy charitable organization was a challenging pivot. Lisa Adkins, President and CEO of the Blue Grass Community Foundation, voiced the following sentiment that her colleague community foundation leaders echoed, "I would say it's important to invest in local journalism. If you care about the health and vibrancy of your community; if you are looking to drive civic literacy, community engagement; if you care about building a more

informed and engaged community, and if you really care about the quality of local government, and local schools, and local public institutions – then investing in local journalism is a great way to target these issues." To make this pivot, foundation leaders noted the importance of a strong case for support (discussed in greater detail in the next section), having a foundation leader who is currently funding local news champion your cause, and demonstrating community support for your newsrooms as three important strategies to convince funders to support local news. Report for America has created this [fact sheet](#) for prospective foundations and donors to illuminate the need for philanthropic support and to demonstrate how it has been successfully implemented in communities across the United States.

Community foundation leaders currently supporting journalism were unanimous in their emphatic belief that an investment in local news is an investment in their community's health and well-being.

Fiscal Sponsor for For-Profit Newsrooms

A significant hurdle community foundations face when partnering with newsrooms is the issue of funding a for-profit organization. Seven of the 9 CNFs we studied were for-profit newsrooms and it was necessary for them, in the early stages of the partnership, to determine who the fiscal sponsor would be for the philanthropic funds.

Gretchen Moore, formerly of Central Valley Community Foundation said, "fiscal sponsorship is where community foundations get hung up. I think it is because they are concerned about the IRS restrictions and that can be really scary and sometimes the regulations are very tough to figure out. Because most local news is for-profit, it raises a lot of red flags for folks. But there is room in the IRS code that all community foundations can make grants to for-profits. They just have to use [expenditure responsibility](#) – which means you track that the dollars are only used for charitable good or charitable purposes, which local news is. It's an added layer of fiscal responsibility...and that



Misinformation is winning the information war....The trickle-down effect of misinformation, if not addressed, will be the biggest war we've ever faced."

LaMonte Guillory, Managing Director for Marketing and Communications at Seattle Foundation

kind of unlocked it for us. We actually do have the tools to do it.”

Here’s the Central Valley [grant agreement](#) – includes media specific work product and proprietary rights, media liability insurance requirements, and expenditure responsibility.

Another CNF model to consider is how Lancaster set up its CNF. They created the [Lancaster Local Journalism Fund](#) as an LLC housed at the Lancaster Community Foundation. There is a board of 7 volunteer directors who manage and allocate the funds.

Proper Staffing for Development

When creating a long-term plan for community supported journalism, thinking about staffing is essential. For 4 of the 9 CNFs interviewed, the editor is also the chief development officer and this is not a sustainable staffing model. When raising funds for a newsroom, the focus is on how to sustain journalism efforts and maintain staff, but this conversation must also be tied to how to create and sustain funding for the structure. Identifying staff or consultants who can do development work is an important investment to make in the sustainability of a newsroom’s fund development efforts. When surveyed about how much time they committed to fund development, RFA newsrooms said that they spent, on average, 8 hours a week on fund development. RFA nonprofit newsrooms have development teams ranging in size from 2-10 people. So as for-profit newsrooms begin doing development work, it’s vital to prioritize funding for development staff. The Seattle Times shared an example of a [newsroom development staff job description](#).

Traditionally, community foundations support local news financially through: grants, discretionary funds, donor advised funds, crowdfunding, community fundraisers, and fields of interest funds. These funds are often blended to support newsrooms for different purposes from different donors. It is important to note that several of the funders said the vast majority of their funding was in donor advised funds that had specific funding restrictions associated with it.

Growth of Donor-Advised Funds

In the last 10 years, community foundations have experienced a shift in their funding streams. The National Philanthropic Trust’s [2020 DAF Report](#) outlines the increase in Donor Advised Funds (DAFs), “For the tenth consecutive year, there was growth in donor-advised funds (DAFs) in every key metric. Most notably, grantmaking from DAFs to qualified charities totaled more than \$25 billion in 2019, a 93 percent increase since 2015. The same rapid growth trajectory also applies to contributions to DAFs, which totaled \$38.81 billion in 2019. This represents an 80-percent increase in contributions since 2015.”⁶ Community foundation leaders noted this shift means less grant funding and foundation discretionary funding. With community funds limited and/or restricted, newsrooms and community foundations have identified new ways to increase funding to newsrooms. These activities engage new donors, educate the community about the funding crisis in journalism and build a sustainable philanthropic network to support local news.

Return on Investment

Horizontal funding can also be framed in return-on-investment terms. Lisa Adkins, CEO of the Blue Grass Foundation, describes her investment into local news as “it is such a high impact for that kind of investment. There aren’t many ways where you can have a \$19,000 investment (referring to a grant given to support the Herald-Leader’s RFA corps member) and impact the geography of not just one community, not just a region, but the readership across the Bluegrass and Appalachia, Kentucky. The Lexington Herald-Leader is the daily newspaper across a broad geography. In terms of ROI, there are very few \$19,000 investments that offer the same reach and impact.” Erwert shares the The Seattle Times’ perspective on why investing in local news is worthwhile. “It’s good business to be investing in local news; community-funded journalism is also really good for business. We have and generate subscriptions in accordance with this coverage (discussing their [Education Lab](#)). So adding 20

⁶ Donor Advised Fund Report. National Philanthropic Trust. 2020

journalists to the room that are writing more stories provides us with the opportunity to drive subscriptions, which allows us to continue to do this kind of journalism and expand our newsroom.”

Expectations

Foundation leaders noted that partnering in local news needs shouldn't be viewed as a one-time investment. Similar to libraries and hospitals, local news needs a long-term commitment to funding. Lisa Adkins of the Blue Grass Foundation said, “I think philanthropy is going to be part of the permanent landscape.” In the case of The Community Foundation of Greater New Haven, they have been supporting local news for 15 years and now have the fund as a discretionary line item in their budget. In Traverse City, Michigan, the Grand Traverse City Regional Community Foundation has committed \$10,000 to help launch the CNF for their region.

The benefits of using a local community foundation include: access to donors through the community foundation's donor advised funds, influence across a myriad of community groups, and leadership among colleague funders and major donors. Support from a community foundation is not always financial, but can be technical and administrative. Community foundations can provide assistance in grant writing and fund development activities such as crowdfunding and event planning. Talking about how long it takes to set up a viable community-supported program and how long foundations will support the program are important expectations to set early on in the process. On average, it took newsrooms 18 months to secure grants and have an established stream of funding coming in from events and crowdfunding.

Taking Philanthropic Risks

Community foundation leaders talked about how investing in local news might, at first, seem risky. Overcoming the perceived challenges of funding for-profit, horizontal funding, or creating an editorial independence policy around fundraising were obstacles that community foundation leaders

found solutions to and demonstrated successful investments in communities, regions, and on a state level. LaMonte Guillory describes Seattle Foundation's long-term commitment to the *The Seattle Times* as, “Seattle happens to be one of those markets that are ahead of other markets and you're going to need leaders to use some risk capital. To be a thought leader means you have to take risks. Seattle has been willing to take some risks because they know the impact on humanity without taking that risk.” Lizzy Hazeltine, Fund Coordinator for the North Carolina Local News Lab Fund at the North Carolina Community Foundation, echoed this sentiment, “You've got to take risks and we (funders) have to do that because what's the alternative? As a funder, I'm backing other people and taking risks. Yes, there's a reputational risk for a foundation if something goes wrong. But other people are bearing more of the direct risks of these experiments. For foundations, taking a risk can be the first step in transforming a critical community challenge.” Other risk examples include 1) Pittsburgh Community Foundation funding a journalism project that didn't succeed and then three years later, funding a new journalism initiative; 2) The *Seattle Times* starting their [Education Lab](#); 3) Grand Traverse Regional Community Foundation providing one of the first lead gifts to the Traverse City Record-Eagle. The result is that each of the communities have an active newsroom, committed funders, and a local news donor base that is increasing.

“Knight has been a leader in the philanthropic sector on these issues, building the case for philanthropic investment in local journalism.”

Lisa Adkins, CEO of the Blue Grass Foundation

What's Working

Once the paradigm shift has been made and foundations and communities see newsrooms as worthy of philanthropic support, they can move on to establishing a CNF. Below we identify strategies newsrooms and foundations used to establish their CNFs.

Community Foundations as Community Catalysts

The core activity, and a defining feature of a Community News Fund, centers around a **community foundation's willingness to be an advocate for local newsrooms**. We identified several activities where community foundation staff served as a catalyst for bringing new funders to the newsroom:

- *Serving as a fiscal sponsor for for-profit newsrooms*
- *Providing in-kind/cash seed funds for the Community News Fund that leveraged/prompted additional funders to join the Community News Fund*
- *Serving as a community advocate when funders question Editorial Independence policies and the need to fund a for-profit organization*
- *Hosting a gathering of DAF fund holders to learn more about Community News Funds*
- *Inviting colleague funders to a meeting(s) to learn more about Community News Funds*
- *Naming the fund and creating a field of interest fund, web page, and marketing material so donors, current and potential, see the coordinated effort*
- *Press releases when a new foundation joins the fund*
- *Speaking/inviting the newsroom to civic events like Rotary Clubs and local funding coalition meetings*



Donation Motivation

In looking at what motivated foundations and corporations to contribute, foundation staff report that there are two categories of donors:

- **Local Connection Donors** – *These donors were motivated to donate because of a connection to a local issue, reporter, and the desire to keep local news viable.*
- **Mission Motivated Donors** – *These foundations and corporate donors were motivated by the newsroom's mission and made their contributions because they support a big idea that the newsroom represents, such as democracy or free press.*

It's important to note that these two motivations aren't mutually exclusive. A commitment to local news to help stem the tide of misinformation is an important connection to make to donors and funders. Additionally, the same themes emerged for individual donors as outlined later in the report.

When noting what motivated foundations to donate, Kati Erwert, Senior vice president of product, marketing and public service for The Seattle Times, said "Foundations wanted to invest

in lifting up those issues (education, land use, housing). Foundations wanted to rally around the topic – I think that was very much the case of the project homeless where we had foundations coming to us saying, ‘Hey, would you consider doing this? This is a crisis in our community and we really care about this.’ I also think that they see an informed populace and media literacy and the importance of a functioning vibrant democracy through quality, independent reporting.’ ”

Specific strategies noted by foundation staff to generate donations were:

- *Demonstrating community interest and commitment to an issue through surveys and market research.*
- *The publisher met with key community stakeholders and foundation leaders to discuss local news.*
- *A request that is a collaboration with other community organizations and includes multiple newsrooms.*
- *Several collaborations studied for this report included BIPOC newsrooms that partnered with larger newsrooms that had the capacity to manage a larger project.*
- *Addressing plans for sustainability of the project.*
- *Outlining an [outcome model](#) for the project that aligns with both the project goals as well as mission alignment of the foundation.*

We also asked why donors and foundations were hesitant to contribute. Grand Traverse

City Regional Community Foundation CEO and President David Mengebier said, “I would say there are a variety of reasons they didn’t act to give. One was local newspapers are for-profit, so not the usual grant recipient; non-alignment with their giving focus, newspapers are taken for granted (until they’re gone), but mostly, this is a new issue and field for funders so they’re still getting their heads around it.” Finally, Rebecca Forman, Director of Advancement for the Lenfest Institute, noted that “some funders just wanted to see some reporting in action before making a commitment.” Donors who initially said “no” came back with a “yes” after seeing Spotlight PA in action.

Case for Support

One of the first steps in the fund development process for newsrooms is to write a case for support. David Mengebier, President and CEO of Grand Traverse City Regional Community Foundation, said: “The biggest challenge (of the early fund development process) is really nailing your case statement. In the narrative, you explain why you want to raise your money to inspire people and create a sense of urgency. It’s not easy to put together and it takes a lot of time and effort because you also want to have others weigh in on what you’ve written. You want to vet it with prospective donors and see whether it is something that really triggers their interest.” Traverse City Record-Eagle shared their case study which they used to introduce funders to community-funded journalism. The common



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Kati Erwert, Senior vice president of product, marketing and public service for The Seattle Times

themes among these examples are to A) outline the crisis in journalism, B) demonstrate how you'll use the funding and the impact it will have on the community C) note who else is investing in community-supported journalism.

Focus on Institutional Giving

Newsroom and foundation leaders agreed the highest return on time invested in fund development was institutional giving. Time spent on foundation donor relations, applications, and grant management has a much higher return on investment than events and crowdfunding. Gretchen Moore, formerly of Central Valley, noted where she felt the greatest ROI on fund

development time was, “foundations are where the available dollars were and that’s basically where the bulk of our effort went into.”

Establishing a Runway

Both the established and emerging Community News Funds aimed to have 12-18 months of funding in the bank before launching a new initiative (newsroom, lab, program). Only a few of the newsrooms we interviewed had this setup. But it was a goal for all of the partnerships. Newsrooms and foundations felt this goal was important for funders to know to demonstrate sustainability as well as internally for staff to know that funding was stable.

Productizing

Feedback from the community through surveys and listening tours has initiated new, innovative types of journalism. From themed-based labs to op-ed series to collaborations with community groups and other newsrooms, these activities have brought new voices, often from underrepresented groups and communities, into the newsroom. An added benefit to this work is that it is a way for newsrooms to package/productize their work so donors and foundations can contribute to a specific effort. Some notable examples of this are The Seattle Times’ 27 staff members supporting six labs and projects of their community-funded journalism. Gretchen Moore, formerly of Central Valley, describes setting up the first lab with The Fresno Bee: “What would that look like? How could we set this up? Community foundations are infinitely flexible in how we can attract dollars and grant them. We have a lot of tools at our disposal. It took a little creativity to build [Fresnoland](#) (a news lab about living in Fresno) – which is a designated project. For us, this means it’s more than just ‘we have dollars coming in and dollars going out.’ It’s a priority for our organization. We have a project manager who actually works with funders and grantees who make sure that this is connected to other parts of our work. So it’s not just transactional. We’re (the foundation) really involved in the actual process. We have six local



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Dave Mengebier, President and CEO of Grand Traverse City Regional Community Foundation



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Lizzy Hazeltine of North Carolina Local News Lab of North Carolina Local News Lab

news projects right now. Some are labs and some are storytelling because we realize also it's not just traditional journalism; it's really local voices for us; changing that local narrative is so important; lifting up voices that we don't always hear from; introducing parts of our community to other parts of our community."

Some other notable examples of this include:

- [The Seattle Times' Education Lab](#)
- [Ripple Effects](#) – A collaboration between Piedmont Journalism Foundation, Foothills Forum, Rappahannock Media, and Piedmont Media
- [Our Voices](#) – A collaboration between Lexington Herald-Leader, Key Newsjournal & Key Conversations, and RadioLex

Diversity, Equity and Inclusion

Several of the funders interviewed noted that investing in local news was an effective way to address Diversity, Equity and Inclusion (DEI) issues in their respective communities. Lizzy Hazeltine of North Carolina Local News Lab Fund said: "Equity in funding is when everybody has what they need to thrive. We know this is going to be different based on whether you have access to resources and whether your basic needs are being met. This requires a hard look at the consequences of historical harm to starkly marginalized communities. It's complex. When we're talking

about community-based news, all news and information should serve communities' needs. It should provide people with the information they need to make informed decisions about their lives and ultimately it should lead to healthy, thriving communities." Foundations looking for a practical way to implement this type of vision can look to the [Council on Foundations' Ten Ways for Community Foundations to Consider Diversity and Inclusive Practices.](#)

Collaboration

Looking at Community News Funds as more than a fundraising endeavor is an important idea to embrace. While community foundations are often the first seed money for community-supported journalism, it is the technical assistance and network opportunities that are the most important. Community foundations serve as a catalyst for getting the community-supported journalism movement going. An example of this is in Traverse City, MI when the Grand Traverse City Regional Community Foundation pledged \$10,000 to the Traverse City Record-Eagle's three-year campaign. The community foundation then hosted three information sessions for other regional funders to learn more about the crisis in journalism as well as newsrooms. The meetings resulted in \$20,000 with the hopes for more gifts in the coming months.

Community foundation leaders can champion the cause of local news and help shift the paradigm of newsrooms being worthy of philanthropic

investments. In six of the communities interviewed, community foundation leaders introduced the newsroom to other donors and funders. The warm introduction paved the way for an understanding of the critical funding need on the part of the foundation and an introduction to a funder who might have been unlikely to respond to a cold call.

Community Engagement

Early on in the community-supported journalism process, newsrooms conducted community engagement work to hear from their community and their needs and expectations. Newsrooms conducted community engagement activities and listening tours to understand the topics their communities wanted to be covered. It was also a vehicle to reflect and build trust within communities that may have gone unreported and under/misrepresented in the past. Many of the newsrooms conducted listening tours in conjunction with community civic groups. Foothills Forum conducted a [community survey](#) to learn more about “a full range of interests, issues, concerns, and levels of satisfaction.” The result was

a remarkable 42% return rate. Findings from the survey were used to determine beats and identify ways to engage the community.

Programming

Community foundations were also helpful in connecting newsrooms to civic organizations that could assist with programming. Just as the community foundation helped build a newsroom staff’s fund development capacity, civic organizations helped expand newsrooms’ outreach into the community, particularly underserved and underrepresented communities. Good examples of this type of collaboration are CivicLex, RadioLex and Key Newsjournal & Key Conversations, Lexington Herald-Leader’s [Our Voices Project](#), The Seattle Times’ [Project Homeless](#), and Fresno Bee’s [Education Lab](#), [Fresnoland](#). Labs, in particular, serve a dual purpose of addressing community needs and desires and also a way to create a specific journalism “product” that funders and donors can rally around and support philanthropically.



Peter Baniak from the Lexington Herald-Leader describes the [Our Voices project](#) collaboration with [CivicLex](#), [Key Newsjournal & Key Conversations](#) and [RadioLex](#) as “a really focused, one-of-a-kind opportunity to bring new voices to the editorial page. We are seeking out original voices so people can share their personal experiences about race and racism in our community. We focus on topics like housing, economic opportunity, education, health care, policing and race. The project brought new voices to the editorial page. The real measure of success is that several of the folks who have participated in early rounds of that project have come back to us and say, ‘Hey, I want to write something else not related to the project.’”

Reporting & Evaluation

Reporting the progress of a project was identified as a key activity by CNF partnerships. Having information on hand to share with donors and funders that clearly documents the successes of a project and plans for the future. Annica A. Keeler, Development and Community Relations Director of the Tampa Bay Times shared their [Impact Report](#) which provides readers with story highlights from the year and how they have created change in the community, testimonials from staff and donors, and photos.

Newsrooms noted the challenge of reporting requirements and specific metrics for evaluation. Thinking about goals for evaluation work and establishing a tracking system to capture desired data should be one of the first activities foundations and newsrooms do together. As newsrooms begin to reach out to regional and national funders, the evaluation requirements and expectations grow. While circulation numbers and web analytics are critical inputs, it is not the information funders want to learn from newsroom evaluations. Funders are interested in learning how stories affected change in a community, how reader engagement has changed, particularly as it relates to communities of color, and how these numbers are changing longitudinally. Lindsay Green-Barber, founder and CEO of [Impact](#)

[Architects](#), and a leader in the field of evaluation work for newsrooms identified the following best practices for journalism evaluation work:

- CapRadio’s [Place & Privilege](#) community engagement, reporting, and evaluation
- ITVS comparative case study of [Indie Lens Pop-Up Program](#)
- Most significant change analysis of CIR’s collaborative [Rape in the Fields](#)
- Resolve Philly’s [impact measurement](#)
- City Bureau’s [Mission Aligned Metric](#)

These examples build off of the traditional metrics newsrooms have used to assess their work and provide a deeper, more comprehensive look at the effect local news has within its community.

Knight Media Forum

It is important to note that at least one member of the CNF communities studied attended the Knight Media Forum. Participation in the Knight Media Forum is free for all community foundation leaders and is clearly an important motivator for foundations to invest in community-supported journalism. In Lexington, when Peter Baniak approached Blue Grass Community Foundation’s Lisa Adkins, there was an immediate, shared understanding of the issue and challenges because Adkins had attended the Knight Media Forum. Adkins had this to say about her experience with the Knight Forum and how it informs her work “Knight Media Forum presents the best ideas, the most current information on the impact of local and national journalism, and the rapidly evolving issues at the intersection of journalism, technology and social media. Knight Foundation has been building the case for more than a decade that high quality, local news and information is key to informed, engaged communities, which are essential to a vibrant democracy. Knight has been a leader in the philanthropic sector on these issues, building the case for philanthropic investment in local journalism.”



ANTHONY VAZQUEZ / RFA

Bottom Line

When asked what he would say to peer community foundation leaders who were reticent to invest in local news, Will Ginsberg, President, and CEO of The Greater New Haven Community Foundation and 15-year investor in local news said, “I run a Community Foundation and on the most fundamental level, our job is to build and strengthen this community. I have a view that community is all about connection. It’s all about what people have in common. People who happen to live in the same place; pass each other on the road. What connects people and these towns: a community. It’s a sense of common destiny, a sense of a shared past, a sense of common challenges, a sense of common opportunities, a sense that by working together, on whatever it is, we can add value for everybody. One of the things I think that connects people is the news. Community foundations need to fund impact and change in their communities and local news and information helps drive that information and change.” Ginsberg’s comments echo all of the foundation leaders who participated in this study who cited journalism as a way to keep their communities

educated and engaged about critical community issues that cross-cut all of their foundation’s goals and investments.

LaMonte Guillory, Managing Director for Marketing and Communications at Seattle Foundation, frames the motivation for community foundations investing in local news in much more direct and stark terms. “We’re in the middle of an information war and we’re losing at a very rapid pace. The amount of misinformation that is being digested amongst the American people has created some very negative outcomes. Misinformation is winning the information war. We’re losing and it is having some very serious, harmful effects. The trickle-down effect of misinformation, if not addressed, will be the biggest war we’ve ever faced.”

Lastly, Piedmont Journalism Fund Board of Directors member and storied newsroom leader Bo Jones voiced what all newsroom and foundations leaders said was the key to setting up a sustainable philanthropic program for newsrooms, “Begin and end with great journalism and a great staff.”

Conclusion

Community News Funds are the intersection of philanthropy, local journalism, and sustainable community news and information. This philanthropic collaboration helps install local news as a pillar in a community and identifies ways foundations, corporations and residents can play a part in local news not only surviving, but flourishing.

Based upon the findings from the communities we studied, we believe the following strategies are vital for creating a successful Community News Fund:

Community Foundations as a Catalyst for Change

— A newsroom(s)-community foundation partnership begins with a goal of diversifying funding for local news. The newsroom(s) builds a case for support and the foundation staff act as catalysts to build donor and community awareness around the need to support local news.

Successful foundation roles include: Convening various roundtables of funders and donors to share the crisis in local news; Recruit and retain multiple funders of varied giving levels with a goal of a multi-year pool of funds that surpass several hundred thousands dollars and perhaps stretch into 7-figure sums; And create a steering committee of community leaders who will advise the fund and evolve into an allocations committee.

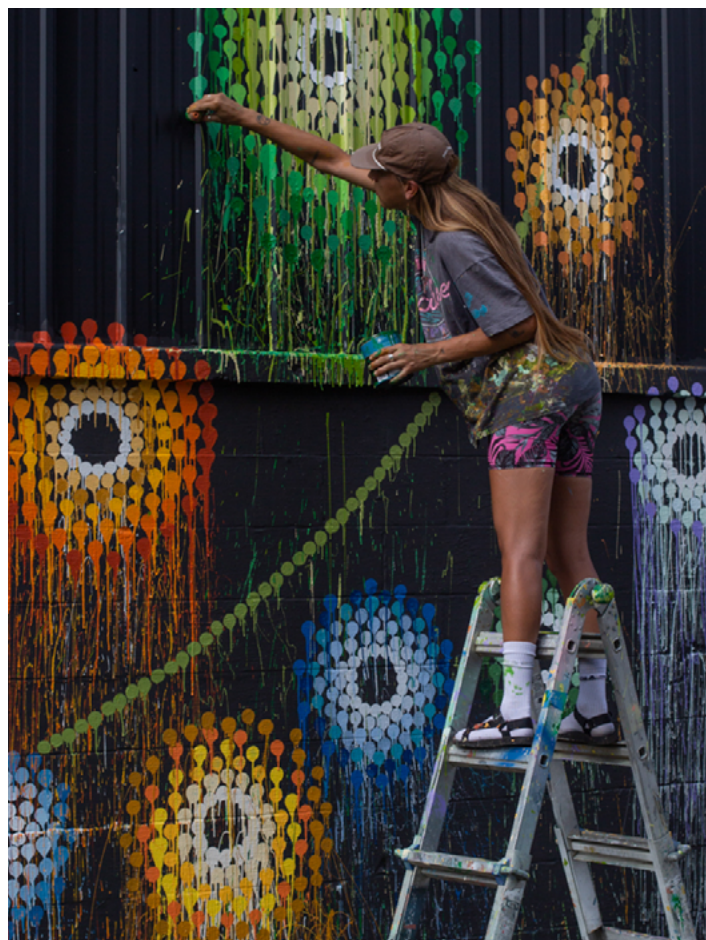
The ultimate goal of the CNF is to ensure the vitality of the local news ecosystem.

Community Engagement & Innovative Programming

— For a successful CNF, newsrooms and foundations work together to build community awareness of, and engagement in, the local news

crisis. This can be done through community events, community programming collaborations with other civic groups, and other newsrooms. These programs have proven to be successful in reaching out to underserved and underrepresented communities and establishing creative ways of bringing new voices into local news.

Creating labs to focus on critical, long-term issues such as housing, the environment, and education



BEN BRODY / RFA

have also proven to be an effective strategy to engage community members in local news. Labs have been an important “product” that newsrooms use to recruit new institutional giving, corporate sponsorships and community donations. By engaging the community in these new endeavors, the newsroom connects to two key motivations to donate: a desire to support local news and a donor’s desire to support a newsroom’s mission to the community.

We also encourage community foundations to consider supporting start-up funding for development staff or consultants. We have seen this as a critical turning point for newsrooms to get successful grant writing and fund development activities underway and is important to the success of a newsroom establishing philanthropy as a sustainable funding stream.

The Future of Funding for Local News — The crisis in local news has brought monumental changes to newsrooms across the country. Newsrooms have had to evaluate where and how they will invest their resources and identify new revenue streams. In the midst of this crisis, philanthropy is a promising source to help stabilize the industry. Positive changes demonstrate the tenacity of newsrooms to find new and creative ways to serve their communities.

In this report, we’ve highlighted newsrooms, foundations, and their communities that have taken an active role in supporting local news. While these col-

laborations may differ in structure and partner composition, the end goal is the same: Save local news.

We hope this report serves as a rallying cry for civic leaders, especially in the foundation and philanthropy spaces, to have frank conversations about why local news is essential to a healthy, vibrant community and why this is the time for critical investment.

When building a Community News Fund, we hope newsrooms and funders will reflect on who should be at the table. Identifying and inviting newsrooms in philanthropy desert communities to collaborate is at the heart of “a rising tide lifts all boats” approach. It will ensure that all communities can benefit from CNFs, not just those with philanthropic resources and infrastructure. The CNF funding paradigm and programming perspective is an opportunity to engage and invigorate communities to reflect on the importance of local news and media literacy.

Finally, we hope that as newsrooms, funders, civic leaders, and communities across the country develop CNFs, that they’ll share their stories with us so that we can continue to document the remarkable work being done to save and sustain local news.

Report for America wants to help make community funds in U.S. communities. Email Todd Franko, director of local sustainability, for more information: tfranko@reportforamerica.org



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