

Nonprofit journalism: The journey from anomaly to a new paradigm

By Jim Barnett / Aug. 11 / 10 a.m.

Journalism nonprofits have been operating in the shadows of major metro dailies since the dawn of the newspaper age. In 1846, a handful of New York newspapers created a cooperative to pay for dispatches from the front lines of the Mexican-American War. That effort became the Associated Press, and it remains a nonprofit.

But what once was an anomaly is becoming a business model in its own right. This is an historic time, with new nonprofit newsrooms launching every month. Many are doing the kind of difficult work that for-profit newspapers are shirking — investigative, enterprise, watchdog and explanatory journalism. It's the good stuff we need to keep democracy working.

What makes the nonprofit model compelling in these times? The main driver is the economics of the web. With the web's infinite capacity to replicate a story at a marginal cost of nearly zero, nobody has yet figured out how to make money doing expensive, risky journalism like the kind that comes from investigative desks, statehouse bureaus and foreign correspondents. The economics makes socially responsible journalism a public good — the kind of thing that we value as a society, but none of us is willing to pay for individually.

But can all the startups survive? I've been learning about journalism nonprofits for five years, and I've spent the past five months trying to cover them like a beat as I've written my blog, [The Nonprofit Road](#). I can't predict exactly which of the new nonprofits will make it. But it's a sure bet that a lot of them won't. There simply aren't enough foundation grants, individual contributions or advertising clicks to go around.

This is the lesson I've gleaned from my travels: Great journalism isn't enough. What really counts is the relationships that the nonprofit develops with its readers. Journalism is only part of the nonprofit's value proposition, and at the end of the day, it might not be the most important part.

The reader's bond

How can that be? While many newspaper subscribers feel a bond to their daily newspaper, ultimately it is another product like a toothpaste or beer. And for-profit newspaper companies treat it as such. The harder thing to do is to show readers how journalism can connect friends, neighborhoods, communities and, ultimately, a society. That's what the good nonprofits are doing. If they can reach that level, their readers' donations take on a whole new meaning. They become statements of personal values and nothing less than affirmations of self.

Andrew Donohue of [Voice of San Diego](#) underscored that point a few weeks ago. When I asked him about a member event that celebrated working people, he told me: "Oftentimes when our donors talk about VOSD, they use 'we.' It's that sense of ownership that embodies the loyalty we seek and need. Events like last night's are key to both building that ownership and fulfilling our desire to get our members together, talking, in the same room."

This doesn't mean nonprofits can forget about the hard work of running a business. I think the successful ones — those that want revenues to match their high ambitions — will develop means to leverage the value they create. To see what I mean, look at what venture capitalist [John Thornton](#) is doing in Austin, Texas. He's building his nonprofit [Texas Tribune](#) on top of the subscription base of Texas Weekly, an online, subscription newsletter on Texas statehouse

politics that he bought last month. The newsletter gives him access to an audience of lobbyists, lawyers and business people who have a vested interest in state government and don't mind spending some money to keep tabs on it.

One of the great things about the nonprofit model is that it answers to a different bottom line, so it fits neatly into a world where journalism is a public good. Nonprofits measure success not by the revenues and profits they generate, but by yardsticks such as how many people read their work, the educational value of that work and the impact it has on decision-makers.

Another great thing is that it allows journalists to build islands of credibility in a online sea of misinformation, disinformation and too much information. I've heard it said many times that in the online world, transparency is the new objectivity. The tax laws require nonprofits to disclose their major donors, and the good ones are taking disclosure to greater levels than that required by law. So there's another nice fit.

Are there flaws? Absolutely.

We're already seeing some sniping among the haves and have-nots, especially when it comes to foundation funding. Foundations like big names, and they don't like failure. So in these circumstances, it's a lot easier to write a big check to the NewsHour than to go through the hard work of checking out the bona fides of a local online startup. Community foundations can help here, but the deck is stacked against the little guys who, arguably, need help the most.

New players entering the game

Then there is the issue of how existing nonprofits — most likely, membership and advocacy organizations — will start getting into the journalism business. This might not be so scary, as I learned in reading [David Westphal's paper](#) from USC on the role of foundations. He talked to the folks at [Human Rights Watch](#), who do painstaking investigations of abuses — and view the rules of journalism as a sloppy substitute for the kind of work they do. Meanwhile, the [Kaiser Family Foundation](#) created an [advisory board of journalism luminaries](#) to oversee the work produced by its new Kaiser Health News. But would the National Rifle Association or the Sierra Club be as judicious? Maybe. Maybe not.

I do think that a lot of the problems with the nonprofit model can be overcome. But one criticism has stuck with me. It came from Ted Gup, incoming head of the journalism department at [Emerson College](#) and teacher of my first journalism class, 24 years ago at Georgetown University. Gup's take is that the nonprofit model could create a new universe of sacred cows while leaving vital topics uncovered for lack of a benefactor. If newspapers come to rely on content produced by foundation-backed newsrooms, he said, they may cede their ability to make independent judgments. "It's not Darth Vader; it's also not Joan of Arc. But we've got to be on guard...I worry about the slippery slope." How to keep from skidding into that unknown, I cannot say.

So what happens to daily newspapers? Some are having success partnering with nonprofits. The Washington Post, for instance, in one week ran three front-page stories with assists from [ProPublica](#). But can the nonprofit model save any of them? I'm not so sure. It's not that endowing a major newsroom would cost so much — it would; think billions — but the profit motive is forcing newspapers to dig their own graves. The assets of most newspapers have become so devalued that owners opt to continue cutting staff and circulation to harvest whatever profit they can. It's a death spiral, and the gravitational pull is too strong for most to get out.

But the nonprofit model has its own pull. The same kind of need that led to the creation of the Associated Press in 1846 brought together a group of journalism nonprofits at the Rockefeller Foundation's Pocantico estate in July. Participants agreed to launch the Nonprofit Investigative

News Network, which will address standards, as well as questions of scale such as administering benefits and joint fundraising. To me, the [Pocantico Declaration](#) was the surest sign that the nonprofit model in journalism has entered a new era.