

## **12<sup>th</sup> Annual International Symposium on Online Journalism**

**Day 2, April 2, 2011**

**Research Panel:**

**Nonprofit Journalism Online: Is the Model Sustainable?**

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**Panelists:**

- **Chair: Paula Poindexter**, University of Texas at Austin
  - **Lisa Frazier**, President and CEO, *The Bay Citizen*
  - **Gustavo Gorriti**, Founder and Director, *IDL-Reporteros*, Peru
  - **John Thornton**, Chairman of the Board, *Texas Tribune*
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**Paula Poindexter:** Good morning.

**Audience:** Good morning.

**Paula Poindexter:** Thank you! [Laughs] Welcome to Austin, Texas, those of you who are from out of town and from around the world. I'm Paula Poindexter, and I'm at the School of Journalism here at the University of Texas at Austin. Three years ago when the new nonprofit journalism model was first featured on the symposium program, there was excitement about this new paradigm and what it would mean for the future of journalism. Three years later, reality has kicked in, and the question being asked is, is the nonprofit journalism model sustainable?

Our panelists have come to answer that question. Each panelist has been asked to explain the status of their organizations in the context of sustainability both short term and long term.

I will briefly introduce our three panelists, then give the stage to them, where each will speak a maximum of 15 minutes. Once the three presentations are complete, we'll move to the stage, all of us, and then have a conversation and a Q&A.

Our first speaker will be Lisa Frazier, who is Founder, President, and CEO of *The Bay Citizen*. They cover the civic and cultural news in the San Francisco Bay area. Prior to starting up *The Bay Citizen*, Lisa was a partner at McKenzie & Company where she led the West Coast Media & Entertainment Practice.

Our second speaker is an award-winning journalist and Nieman Fellow, Harvard Class of 1987. Gustavo Gorriti—and I hope I'm....

**Gustavo Gorriti:** Yes.

**Paula Poindexter:** Is that pretty good? Very good. [He] is the Founder and Director of *IDL-Reporteros*. I need some help from you, Rosental, there. It's

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an investigative journalism nonprofit in Peru. *IDL-Reporteros* is proof that the new nonprofit journalism model is not just a U.S. thing, it's international.

Our final speaker will be John Thornton, who is the Founder and Chairman of *The Texas Tribune*. John is also a McKenzie & Company alum, and he has been a software and media investor at Austin Ventures.

Lisa, we'll begin with you.

**Lisa Frazier:** Good morning, everybody. So, the question "Is nonprofit journalism sustainable?" was quite the question. And I'll start by saying, we're trying, but we don't know yet. So, so, this is a phenomena that has -- did start a few years ago. And for us in San Francisco, the catalyst for the effort that we began is over two years old. And it started by the fact that our major metro newspaper announced it was likely to close down. So, the San Francisco area was actually shocked by that—the fact that our major metro newspaper would shut down. And in fact, what we're seeing in our area, which is not new to other folks in the room, is that there has been a major decline in local journalism. And so while there was a lot of optimism yesterday about paywalls and things like that on the national level, it doesn't necessarily flow through yet—yet—to the local level. And this is what we do at *The Bay Citizen*, is we're trying to forge the model forward.

(Do I have to be that close? Oh, there we go.)

So, *The Bay Citizen* is, actually, its mission is around cultural news. And so what I mean by that [is] our beats are on the right-hand side of this slide. And what we try to do is focus on what is core to the community, what news and information folks need to support decision-making in the community, whether that's around health awareness, whether that's around government and policy, whether that's around arts and culture and the roles that it supports.

We also have a second part of our mission which is around innovation. I was a media executive for quite some time, and what struck me was the lack of adoption of technology and how it can support the sustainability of operations in newsrooms as well as the distribution and dissemination of news. And so, it's really a two-part model. And I'm very happy to say that in partnership with *The Texas Tribune*, which you'll hear from John shortly, we have made great moves along that role as well.

So, this is what we're.... So, where do we distribute? So, just to give you a sense, *The Bay Citizen*, we started our work in 2009. We did not launch until 2010. We incorporated in January 2010. We launched our website by May 26<sup>th</sup>, so that meant between January and May we hired an entire newsroom. We're currently just over 30 people in our newsroom. We have in total around 27 people involved in editorial and technology to support it. We have our website [BayCitizen.org](http://BayCitizen.org). We have our iPhone app that we just released a

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few weeks ago. Later this year, we'll have an HTML-5 version of our site for tablets. We also produce the Bay Area section of *The New York Times*. So twice a week, we actually -- our content appears in print. And we also have a local radio relationship in the Bay Area where our reporters are on air and they're also co-creating stories.

So, this is *The Bay Citizen* by the numbers. When we started our effort, we benchmarked a lot of news organizations, a lot of innovations that were happening, and we tried to say, "Okay, where do we want to be by the end of 2010?" And this is where we ended up. What I also want to just highlight is this area—our local content partners. We are actually creating a local content network of our own in collaboration with existing media organizations in the Bay Area.

So, our fundamental philosophy is we will not solve the problem of local journalism on our own. We will not solve it on our own, and therefore, collaboration is a reality. Collaboration is what we believe in, and collaboration is what we passionately follow each and every day.

So, our partners, their content appears on our site. We pay for that content. We also hold capability or educational, lesson-learned, sharing meetings in our offices, and that's been everything from how to use Google analytics to how do you make a membership model work to a FOIA request. So, we have much more of those planned.

So, people ask me, "What is *The Bay Citizen*?" So first and foremost, we are journalism for the community. So, it is producing that content that has been missing, that we're trying to help fill that void, and that's why we hired a professional staff of reporters and editors.

The second part is technology for engagement and distribution. We have a technology team that's a team of engineers, web producers, and developers, and that is really important for us because that's how we as a digital news organization distribute and help push the engagement of our content.

And then third is the economic model for sustainability. And here we are a bit of a hybrid. We are a 501(c)(3), so we are a nonprofit. We raise money through major donations and major gifts. And by the numbers, you saw that we raised \$10-million last year. We also are a membership organization. And so by that, I mean, just like if you are a member of public broadcasting, if you're a member of an arts organization, your local museum, you pay \$50, \$25, whatever it might be, and you get membership benefits.

We also take content licensing, so *The New York Times* pays us for our content, right? So, there is a bit of a hybrid of a for-profit revenue stream involved in a nonprofit organization. The way I describe us is essentially we are a three-legged stool. These are the three legs of the stool. [Shown on the

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screen: 1. Journalism for the community. 2. Technology for engagement and distribution. 3. Economic model for sustainability.] And the reason we started with this operating model structure is that we believe that those three things need to be pushed on simultaneously in order to solve the problem of local journalism. So if one of those legs starts to fall short, we all fall over. And essentially, that's our theory.

So, what have we done? I'd like to just show you a little bit if I can get to the website. But essentially around the newsroom, we're doing a number of things. Oh, by the way, this is our Chairman of the Board. We also cover him, much to his chagrin. I'd like to just show you part of our innovation and part of the work that we're doing in order to support better engagement and use of technology. And I'm just going to feature two projects.

In our arts area, this is a literary reading guide. So, this is essentially you can play a game that basically enables you to kind of work out and find literary readings and things that are happening in the Bay Area. It's meant to be fun, it's meant to be informative, and it's meant to be supporting the culture. Now I won't ask, who's a martini, who's a PBR, and who's a cup of tea? But these are the things that we're trying to bring to the Bay citizen and the Bay Area, so that people can actually have a better understanding of things that are happening around them.

This is our Bike Accident Tracker, right? Wait a minute. So...Amy, I've lost my map here. [Amy comes up to help.] No, it's going that way. Can you open it? So, what is this? This is two years of bike accidents being reported with the Police Department over the last two years in San Francisco. Why is this important? Well, one, it's about safety. So, there were a number of people who emailed us and said that they're going to ride to work differently as a result of this type of service. We had other cities come and ask us for the backend, right, so that they too could then create something for their communities.

And I think that's what's really important when you think about not only all the social media all of us have talked about over the last day and a little bit this morning, but it's actually using technology to change the product of news, to make it more interactive.

Another one of our early examples was pertussis or whooping cough, right? There was an epidemic in California. Children were dying, and there was a lot of information, but not a lot regularly reported in the traditional media. And so a conversation between the editorial and the technology team said, "Well, wait a minute. Why can't we build a dotter app for that?" And in reality, that's what they went ahead and did. And so, what it showed was it showed by school, every school in the Bay Area, what was the non-immunization rate of children in the kindergarten year? And it meshed that with the occurrence of the disease. And so, what we found in Marin County [was] something like 7 or 8% of kindergarten children were not immunized for personal beliefs,

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and a 10X occurrence of the disease happened in that community versus everyone else. And that's the power of what this type of technology can do. And I think if I can show it to you, you'll get a sense, or you can look at it online, because you guys all have your laptops.

So, and what happens with this type of work? It then goes viral, right? It then goes out in parent and mommy blogs and things like that, and people engage in discussions about what's happening at their school. And that's part of the innovation that I think we are trying to lead around the news product piece.

There's another piece that I want to share with you that we announced two weeks—two weeks ago?—three weeks ago at South by Southwest. And this is in collaboration with *The Texas Tribune*. And this is Project Armstrong, not named after Lance, named after Louie, because this is a Django framework platform. And what it is, is we're open sourcing with the support of the Knight Foundation our technology platform, which with *The Texas Tribune* is the same. And so what we've been doing over the last year is working together our two technology teams to create not only a content management system, but the tools that go underneath that in order to [sustain] newsrooms. This is an open source platform that we'll release later this year. And H.O. here in the middle here [referring to someone in the audience] is one of the CTOs—is the CTO from *The Texas Tribune* that's leading that with Brian Kelly of *The Bay Citizen*.

And what's really important is it is a new and efficient and effective content management system, but it has a couple of other things that are really important for those on the business side, like a donation and payment platform and like integration with CRM. For us as a membership organization, managing members—remember, credit cards expire, renewals of members, all that sort of stuff. Integration into things like [SalesForce.com](https://www.salesforce.com), SugarCRM. Those sorts of things are really important to sustain the newsroom. And this is what this platform will enable to do for us, but not only us, for other organizations around the globe. And in fact, [in] the two weeks after we announced this at South by Southwest, we've had over 250 inquiries from organizations around the globe.

So, I'm just going to go back to...I'm going to go back to...I talked about the first two sets of innovation. The last one is the economic model. So, we are shameless and will copy a good idea from anywhere, right? I mean, that's what this is about. This is, we're in the trenches. We're finding new models. So, one of the things that we caught a lot of flack about for people who didn't understand is we are fundraising on street corners. So, people with clipboards [and] hat, "Do you have a moment for independent journalism?" "*Bay Citizen, Bay Citizen, Bay Citizen,*" [displayed on them]. Not only is it a great awareness model, it's a great membership acquisition model, but it's engaging the community one on one about the challenge of our industry.

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And what is really important is that we are all responsible in trying to educate the community about the role of journalism and how it has deteriorated. Because the average consumer still sees news on television, still sees the newspaper, right, still hears news on the radio. What they don't understand is that local journalism, at least in our area, the number of stories has been reduced by 60%. 60%. Not only did the newspaper get thinner, the local journalism got replaced by wires—*The New York Times* Wire, the Associated Press Wire—and so the amount of information that is now available in the local market has shrunk even further, but it's not evident to the average consumer, because they still see those news products coming out every day. They still see news on the website. And so education is really important.

The last piece that I want to talk about is, one of our founders is the Graduate School of Journalism at UC Berkeley. So, why would we have a partnership with an academic institution? Well, the same reason you're all here—to learn, to learn from others, right? It is really important that we take the greatest thinking in our area and beyond, to kind of apply the ideas to a commercial setting. So, we like to talk to not only the faculty of the J School, but the faculty of the Computer Science School and the Information School. And we're also starting conversations down in Stanford about taking ideas and projects that they're working and using *The Bay Citizen* as a test kitchen. Why can't we test it here? We have to fail fast, and that's what we will do.

So, I'm going to just touch on the last 60 seconds, because I'm sure you're going to ask me on the panel and the others, is it sustainable? We believe so, because there is a felt need. Right? This is a quote from one of our members. I like the quote, the message we got last week, which was, "You're the least irritating news source in the Bay Area. Keep on going." [Laughter] So, I'll take it! I'll take it, right?

We put the foundations in place, but this takes time. I mean, even trying to answer this question where we sit today, it's still very early in our venture. It takes time. It takes money, right? I mean, think about all the things that we need to do just like any other company. And we must experiment, and that's what we're doing. And for me, it also takes guts and stamina every single day.

So, in the end, my answer to the question [is], the community will decide if nonprofit is sustainable. The community will decide, right? We write stories about community issues. And if we serve our community well, we will be sustained by our community, because they are the ones that will be members of *The Bay Citizen*. And if they come, if we do it well, and they believe in the civic news and the news that we cover, then they will support us by making a donation. And they will be the ones in the end that will decide whether non-profit journalism works. The end.

[Applause]

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**Gustavo Gorriti:** Nonprofit journalism, is the model sustainable? But nonprofit investigative journalism, a nonprofit investigative journalism in Latin America, is that sustainable? Why are we trying to do that? Because as we understood here, we were heading to a murder scene. "Investigative journalism is being assassinated!" cried Rosental here at the discussion we had, I think, a couple of years ago. So in that sense, finding a way for investigative journalism online could be understood as murder prevention by other means.

I have been around investigative journalism for, let's say, a long time, quite a while. And I was always keenly aware of the crisis that we have, but experience has led me to believe that resilience might be greater than expected.

The longest case I had in my professional career was investigation in and later a struggle against Vladimiro Montesinos, the spymaster of former Peru's strongman, Alberto Fujimori. The investigation began in 1983 and finished with the fall of Fujimori and Montesinos's arrest in late 2000 and early 2001. And I mention this because of two reasons. First, when Montesinos's video archives were seized and partly broadcast, partly shown, the just incredible extent of corruption wasn't a matter of inference anymore in Peru. It was documented, hardcore, acted by some protagonists. And two, many of these actors continue to be some of the most powerful individuals in my country—top business and media leaders, among others.

So, this led to two findings. First, the tremendous power and ultimate effect of consistent, thorough, resilient investigative journalism. When crooks are convincingly exposed, they are doomed in the short or in the long range. Two, it was impossible to do that kind of journalism, barring a few exceptions, in traditional media in Peru as in most of Latin America.

So in 2003, I came [up] with a project, one my first projects, very ambitious of an investigative newsroom online. And the idea was that if corruption is such a big problem all over Latin America, uncompromising investigative journalism had proved to be one of the most powerful tools against corruption. And why not organize a dedicated nonprofit investigative newsroom, whose aim could be to achieve substantial reduction in the systemic level of corruption in the country?

The results: Intellectually, nobody found any fault with the reasoning. In financial terms, nobody was willing to commit any funds to it. So, I had a perfect score in fundraising failure. Zero. [Laughter]

The second chapter was three years later. I discussed the stillborn project with people at the Open Society Institute's Media Program. So if the strategic project had failed to gain support, why not a tactical meaningful effort that could be supported by committed foundations such as OSI? I downsized the

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project and called it the Bonsai Project and submitted it to OSI. They didn't find it much more exciting at all. No luck.

Only two years later in late 2009, after much budget downscaling and downsizing, the project was finally funded. And the publication that published the first investigative story in February 2010 was called *IDL-Reporteros*, or in short, [Reporteros.pe](http://Reporteros.pe).

We were and are a small outfit. Originally, we were just four journalists, five with me, a webmaster, and a secretary. We have published, nonetheless, around 2,000 investigative stories ranging from excessive corruption in the police, the military, several ministers, the Chief of the Tax Authority, the mistress of the President of the Republic himself, to exposing neo-Nazis and doing in-depth reporting on the Shining Path and on drug trafficking, among other things.

We have had a very strong impact measured both in terms of resonance, and more importantly, by results. We have been able to prove our allegations in the face sometimes of determined opposition and PR counterattacks by those being investigated. So, you can just imagine the amount of work in fact checking [and] corroboration that goes on and how difficult it is in some subjects. Still, we have managed to do it and haven't had to retract at all on any one story.

As I said, we're a very small group of journalists working on many stories at the same time, so we have to be nimble, agile, unpredictable. Do I look nimble and agile? [Some laughter] Functionally, I have to be. But we don't work with the systematic, strategic approach planned in the original IGM Project. We usually tackle stories that can be investigated in the relative short term. It is not very satisfying, but necessary, because we found very early on that [in] this online publication, we need to publish and renew content very often. Still, we have shown that you can be pretty effective within those limitations.

Regarding resources, from the start, we made intense use of especially free Internet resources. We published the scanned documents in Scribd, audios in archive.org, videos in Vimeo and YouTube. We used Facebook and Twitter even before our first publication, and we have found it to be of enormous help in spreading [our work], especially among social networks that are mostly dedicated by journalists in terms of spreading our work.

Paradoxically, on the other hand, Twitter and Facebook have not been of much help, of any help at all in finding tips for new investigations. I don't know exactly why that is the reason, but that has been the case. We do receive many tips, lots of information through more traditional means. We have dedicated email for that. We get phone calls. We get the eventual walk-in. And most of all, information comes from the network of sources that have been cultivated over the years. There is no working around that. If you want

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to have coherent results, you have to work, cultivate the resources for the long term.

And so we come to the core of the subject—sustainability. How do we sustain it? I am talking on an entirely different scale [than] the cases that have been talked about before. Our budget so far is about \$200,000 a year. We make do with that. But [Reporteros.pe](http://Reporteros.pe) exists and is able to do its work thanks to the really vital support of the OSI Media Program. Without it, if we were unplugged, we wouldn't be able to go on. That's the reality.

At the same time, there is no chance whatsoever to get advertising or sponsorship from any major Peruvian company or from any major foreign company doing business in Peru, period. And we know that support—the support we receive from OSI—is not meant to be open-ended indefinitely. So, if we are not commercially viable and if the foundation support will eventually cease, it is vital for us to be creative and find out ways to support our work without compromising our mission, which is another very important part. We have never.... We can never compromise our mission.

So, I am looking for ideas, and I came here looking for ideas, but in the meantime, I have the beginning of a project that might be of interest. I have dubbed it Fair Advertising or Fair Sponsor. You know the concept and the practice of fair trade for farming, coffee growers, better practices, organic farming, so better quality for all those concerned in the end. The idea is to translate those terms to investigative journalism. Why not international fair advertising? It is true that most of the pioneering investigative journalism online that is being done now in Latin America is meaningful mostly for local audiences.

Just to go to another comparison, it is a little bit like the carbon footprint. Good investigative journalism could diminish corruption and improve democracy. That creates vastly better human business environments. So, the idea would be to enlist a number of enlightened corporations—are there any?—that are less vulnerable to pressure from, in this case, the Latin American people in power, the corrupt powerful, that would advertise or endorse online investigative publication, among those certified as quality investigative publication by a board that would need to be created and staffed by respected authorities in the field. People, I am thinking, like Bill Kovach, Chuck Lewis, [and] our own Rosental here.

What will these companies gain? Public image, prestige, certainly. And as is the case with the alliance of the coffee growers and the conscientious consumer, the long-term results would be improvement on both ends. Democratic values of accountability and integrity promoted trans-nationally in ways that would bring concrete and positive results. It might work or it might not, but why not give this idea a serious examination? The need for good investigative journalism is there. So in the end, murder, in the terms spelled by Rosental, might be prevented for good. Thank you.

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[Applause.]

**John Thornton:** ...is that news organizations that were devoted to serious civic engagement, public service journalism, were going to have a tough time being anything more than a little bit profitable. And so as greedy guys in our day job, a little bit profitable wasn't all that appealing to us. And so, what occurred to me in one of these meetings was that maybe journalism, like public safety, public health, national defense, clean air, clean water, what if public service journalism is actually a public good?

And what we learned in Economics our first semester of Micro is that a public good is something that market forces left to their own devices will not produce in sufficient amounts. And so, the light bulb that went on for me was, "Holy cow! Public service journalism really is a public good." Market mechanisms are not going to solve this problem, and so we need a non-market solution at some level to the problem.

So, Evan and I began thinking about how that might be best applied. And what I'll talk about as it relates to *The Tribune* just real quickly is, why we did it, what it is, and how we're going to try to sustain it.

So, the why, other than what I just said, really relates to some would say disintegration of coverage of important issues at the state level. And so, anybody who's been involved in politics realizes that if your kid is going to go to an emergency room this year or if you're going to drive on a highway, stuff that happens at the state level is really the most meaningful in some ways, from a civic engagement standpoint, that we all have in our lives.

The problem with issues at the state level is they are expensive to cover and they're not very sexy. And so as a result...and Evan, you know—I forget the numbers—but the number of reporters working on state level stuff in Texas has gone from what to what? [Evan responds. Inaudible.] So, a third of what it was 20 years ago. And so, the stuff that matters to us in Texas is just getting covered at a much lower level than it was 20 years ago. And the way I explain the mission of *The Texas Tribune* is to help people in Texas make better informed decisions in their civic lives. So that's the short version.

I remember pitching this to Dan Rather very early, and he got this kind of far off expression on his face, and he said, "You know, my first job 50 years ago in journalism was to cover the state capitol in Texas for the number three radio station in Houston." Right? And so, 50 years ago, the number three radio station in Houston had a full-time reporter on the capitol beat. Of course, today, you couldn't find a human being at the number three radio station in Houston, much less would that person be covering the capitol. And so, it's that, as I say, sort of disintegration of focus on statewide issues that led us to *The Tribune*. So, that's the 'why.'

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The 'what'—this gives you a sense. *Texas Tribune* is not a website. It is a public media organization. We do events. We do premium content. We obviously do the website. Again, the idea is to help people in Texas make better informed decision in their civic lives. This gives you a sense for the range of coverage. I really think, whether it's immigration or healthcare or energy or particularly the budget, this is a group that has really carved out ownership in the very important topic areas in Texas.

And the decision that I made was that public media.... And there has been a lot of optimism around different models for news, and nonprofit news is not *the* answer, but I can promise you that public media will be a bigger part of the news ecosystem 20 years from now than it is today. And so, what we're trying to do is just participate in that evolution.

So in terms of the 'how,' and that's what we're really focused on today, I don't have a bike accident app. I suppose we could have a drunk legislator spotting app. [Laughter] Maybe we ought to try that. [Laughter] You'd have a lot of those little bubbles, I can tell you that for sure. [Laughter] In terms of the 'how,' and that really is the most important part of the discussion, I would concur with Lisa in that we haven't definitively proven sustainability for non-profit news, but I think we're gaining on it.

We are in a number of different businesses that look just like for-profit businesses. We are in the corporate sponsorship business. We currently have about 170 corporate sponsors and so you can.... We call them sponsors. You can call them advertisers. These are folks who make media buying decisions just like they do on for-profit sites. And they partner with us because this month we had 415,000 readers, an extraordinarily affluent, influential reader base. We're on pace for about.... We're at a run rate of about 50-million page views annually, which gives us about, at current CPMs, between \$1.5- and \$2-million of sponsorship inventory on the site. And so, the quick math is that we have a \$3.3-million budget [and] about \$2-million of sponsorship inventory. If we sell all that out, then we need to make up the rest through membership events and paid content.

And so, the relatively near term goal is to not have to rely at all on major giving. To date, we've raised about \$8.8-million from primarily wealthy individuals and foundations. The goal over time is that that goes... I mean, we'll always be hitting on rich people, but that we are not reliant on that at all. And so, we'd like to have a \$3.3-million budget that is about half corporate sponsorship [and] the rest made up of membership events and premium content. Our premium content business today is about a \$300,000 business.

Membership budget for this year, Evan? [Evan responds. Inaudible.] About \$300,000. We currently have about 2,500 members. And so add all that up this year, and the goal is to lose a half-million dollars on a \$3.3-million budget. We lost a million dollars last year. And then the goal would be to

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break even without major giving in 2012. It's a stretch goal. It's not going to be easy, but that's the idea.

And so, the key—and we tell ourselves this over and over again—is that major giving is not revenue. So anything above \$5,000 we don't think of as revenue. We think of it as equity investment in the business. Because we know that over the long term, reliance on major giving is not where we want to be. We want to run this like a business. We think we're gaining on it. And one of the most gratifying things about this has been just the level of interest.

The one thing, Evan and I, when we were raising money for this, at the outset, we just couldn't — we could definitely say we were going to put out a good product. We could definitely say that it was going to be a non-partisan effort, which it very much is. What we couldn't definitely say was, did anybody care? And would anybody read this stuff? And would anybody show up? And so, when you throw a party, your concern is always that nobody's gonna show up. What happened to us was kind of the neighbors called the cops [because] so many people showed up. 415,000 readers. Growing very, very rapidly.

Our goal for going out of... So, December 2011, our goal was 300 [thousand]. We had 415 [thousand] last month. And so it's really been tremendously gratifying the level of interest in the content that these folks are doing. And they've won a bunch of awards. And I sort of choke up, I'm so proud of what they've done. But we've got to run this like a business. That's something that Evan drills into his staff's head every day.

And to Lisa's point, this is hard. And it's not obvious to me that this model is replicable and sustainable broadly, kind of all over the place. I wouldn't want to try to run this play without Evan Smith and anywhere else but Texas, because I think it is very difficult. But it's certainly worth it. I mean, it's certainly worth trying. And [it] is not a substitute for for-profit media, but as a supplement to for-profit media. I think, as I said, public media — privately funded public media is just going to be a bigger part of the ecosystem 20 years from now than it is today. This is kind of our best shot at it. And I look forward to answering your questions.

[Applause.]

**Paula Poindexter:** First, I want to thank our speakers, our panelists for their comments and thoughts and so forth. In a few minutes, we'll open it up to you. And you can see that we have microphones that you can stand up so that everyone can hear your questions and the panelists can hear them also, but I thought a good way to get us started was to ask you a question first. And because many of us are at universities, or some of us are at universities and we do research, so we certainly want to know a little bit about that, and thinking in the context of legacy media companies generally conducting lots

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of research. I'm not saying that they pay attention to what they find, but they certainly have the data. And so my question to you is—to each of you—are you conducting research? Have you conducted research that essentially would inform your overall strategy, plans for long-term sustainability? Do you have a research budget? Maybe that's.... You all are kind of wondering, what is she talking about? Are you conducting research that helps you to plan? That provides you information about your readers and so forth? And can you kind of elaborate on that and let us know?

**Gustavo Gorriti:** Oh, okay.

**Paula Poindexter:** The research that you're doing, that you may be doing, if you're doing any.

**John Thornton:** Not much. We come at the question from a couple of different angles. I mean, we know our -- we think we know our audience pretty well. They are.... They're an advertiser's dream in the sense that they're terribly aff-- more affluent than *The Wall Street Journal's* reader. They are 98% college educated, 98% voted in the last election, so this is a very, very engaged and, I think, influential audience. We have not overdosed on focus groups and customer research and sort of classic audience segmentation techniques, only because we sort of put the stuff out there and people seem to like it. And so, I think we have spent more resources, more time, more attention on the journalism and less on that stuff.

**Paula Poindexter:** Okay. Lisa.

**Lisa Frazier:** So, I think the definition of research is really important. Because as there's the focus groups and the surveys, and then there is just hardcore analysis, right, of data, whether that's internal or external. And at *The Bay Citizen*, we spent pretty much all of 2009, right, researching and studying and analyzing. We weren't operating. This was a conscious decision to actually spend that time looking at news segmentations of consumers, looking at various business models, looking at all the innovations that were happening across the country and across the globe. And then we started. And now what we will do is we will follow up with that research. We do analysis all the time. We do analysis on readership. We do analysis on our marketing and membership campaigns. We do things that are feeding our decision-making every single week.

**Paula Poindexter:** Okay. And Gustavo.

**Gustavo Gorriti:** We don't have the time nor the budget for that form of research, but we have the tools as everybody else publishing on the Internet has that I could only dream when I was working on print media. We know exactly what kind of stories are more successful than others, and we tend to see the patterns, and we tend to see why. And we keep a very close watch on that. It doesn't, of course, condition what we do, but it is a matter of

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reality. For instance, we have found that some of the harder investigations that we do, for instance, going into the jungle to investigate the Shining Path guerillas or drug trafficking or the military and all of that, they haven't had -- they don't have great success in terms of readership. They only have the dedicated readers, the military, those concerns. But we have some titillating scandal, sometimes without great substance, but dealing with people, people in positions of power. It is a tremendous success. So, this is the kind of thing that we have. And we also get lots of feedback from our readers all the time.

**Paula Poindexter:** So, just a follow-up question to that, that, you know, academics love to do research and they have to do research. So starting with you, John, if the academics were to do a research study that would be of benefit to the non-profit journalism industry in general and you in particular, what one thing would you want them to do that might be relevant?

**John Thornton:** Um.... Yeah, I mean, to be honest with you, it'd be something about money. [Laughter] So, I'm just sitting here trying to think how academe could help. I think it would frankly be in studying various.... Two things. Studying various membership programs and how, for example, the public radio model, which is quite successful, how that can be translated to online projects, because we found that that's hard. And then the second would be some sort of research around the perception or sort of media buying habits of corporations and how we could better tap into their collective psyche and get them to give us money.

**Paula Poindexter:** Lisa.

**Lisa Frazier:** I would just add to what John said. There are two ways. I think engagement. You know, we talked a lot over the course of the conference about Facebook and Twitter and things like that. But, you know, when you're working on engaging a person in a story and then they can comment on a database or they can do other things besides just the standard type things, so just what are the ideas and practical examples of increasing engagement, right? Because you can take that in an academic world, you know, take some census data, have people comment and engage on that census data, and apply it like more broadly in something like *The Bay Citizen*.

And then the second piece would just be more helpful to ask is.... You know, we're a day-to-day operation, right? So, the academic support needs to have a lens on day-to-day, fast moving, investigative reporting. Just as Gustavo said that that's what we do. That's our reality. So these big projects that have lots of arms and legs and whatever else on it can't be implemented in lean, mean, efficient organizations. And so, the practicality of the project as well as the engagement would be the two elements I would suggest.

**Paula Poindexter:** Okay. Gustavo.

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**Gustavo Gorriti:** I would essentially wish for the same things as John. How -- the research and how to get more revenue. Essentially, start doing research on the potential other taxing basis on different kinds of income revenue, different possibilities, different models. I agree, for instance, that the model of NPR has been very successful. I see that some efforts have been done to try to more or less replicate it with The Center for Public Integrity and with the ICIJ in Washington, but nothing like that to my mind has been done in Peru certainly and in Latin America. Would there be possibilities to make sort of like what was done with *La Prensa* of Panama, a widespread ownership model that would guarantee the basic capital for operations and things like that? Is it possible to sort of tap into the very important area of small and midsize, relatively informal enterprises that are such a vibrant economic force in Latin America, but that are essentially not articulated? This is the kind of thing that we certainly don't have the time or the need for that. And last, of course, I would like some bright graduates that would be able to come and work for very cheap salaries [laughter] doing some work. You'd be very impressed with the things we're doing.

**Paula Poindexter:** Okay. And I see that Dr. Royal has the first question.

**Cindy Royal:** Hi. Good morning. I'm Cindy Royal. I teach at Texas State University down in San Marcos. And this is a great segue for what you just said regarding what Lisa said about changing the news product with technology to make it more interactive. What do we need to be teaching students to do to be able to operate in a world of programming, data, and interactivity?

**Lisa Frazier:** That's a very big question. And it's one I appreciate, because I see the dynamics of what happens every day in the newsroom. There is something about the power of data that is yet understood more generally in the field. And I think that students coming through... Like, we have Tasneem Raja. She's a graduate from UC-Berkeley's J School. And Shane Shifflett just came from Medill. And they've come through a program, which is basically a journalism program, but with the actual idea of web producing and the tools to kind of take a boring set of data in an Excel spreadsheet and tell a story. Right? And working with our other reporters, that story really comes to life. And so there is an analytical mindset, right, that I think has yet to be broadened, but it's coming, and I would encourage more of that.

**Cindy Royal:** Do either of you have...?

**Paula Poindexter:** Oh, you have a follow-up question? Go ahead.

**Cindy Royal:** Just if the other two had any feedback on the skill sets for new, young journalists working in this area.

**John Thornton:** Well, I'm not... They don't actually let me in the newsroom, [laughter], other than to ask, "Hey, Grandpa, how much money

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have you raised today?" [Laughter] But I will say that just my observation of these young people [is] your students are amazing, because these are folks who could go to any law or business school in the country. And they're doing what they're doing just because they can't help themselves. And what amazes me is just the breadth of skills that they have to have to do their job. As Lisa said, highly analytical, as well as it just takes being good writers. But just sort of all of the above is kind of my observation from a distance.

**Cindy Royal:** Thanks.

**Lisa Frazier:** I would just say the passion and energy of the journalists at *The Bay Citizen* is amazing. Right? I mean, it's inspiring every single day, whether they've come from experience or come from the younger just graduated. And that's really what makes it easy, because the mission of journalism is alive and well in those people. And, you know, it's the role of John and I to kind of make it actually happen and allow them to do that.

**Paula Poindexter:** Gustavo, do you want to add something to that?

**Gustavo Gorriti:** Well, from experience with undergraduate journalism is essentially reproached or rather ridiculous of J schools in Peru. And I have to say that other places in Latin America, the level is just appalling. And the good thing, of course, is that these young people come with a lot of commitment, a lot of passion. They are still very idealist. They have been jarred by life. They haven't been subjected still to the corrupting influences of the profession which are so widespread. But they don't read. They just don't read. They don't have the kind of wide cultural basis that these essentially [need] to be a good journalist. And so, in many terms, you have to deprogram them and begin to retrain them when they come to work.

**Paula Poindexter:** We'll take...

**Walid Al-Saqaf:** Yes. My name is Walid Al-Saqaf. I come from.... I'm currently teaching in Sweden. We have learned...various tools like how to help them in this particular area.

**Paula Poindexter:** How do you hide the identity?

**Gustavo Gorriti:** Yes.

**Paula Poindexter:** Of sources.

**Gustavo Gorriti:** Well, one of the things, we work in a very different environment to here. One of the things, for instance, that we are now investigating is a huge scandal of telephone wire tapping. And it has led to the discover, to the learning of many things, but it shows that communications are overall very much unprotected, and that also has to do with us and with our investigation. So, a crucial part of our work in

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[Reporteros.pe](#) is security and safety. And it goes two ways. First, the security and safety of the journalist herself. And I say 'herself' because the majority - - almost absolute majority of the journalists working are women, are female. And one of the things I did, for instance—it was compulsory—it wasn't a matter of deciding yes or no—of self-defense classes. And then.... And they felt a little bit imposed upon at first. In the end, they just loved it. The sense of security, of safety and awareness, and all of that. Second, Internet security. All of them, of course, know a PGP Tour and they distribute with some sources. They communicate through hush mail and all of that. At the same time, we are also beginning the churning process of knowing how to spot surveillances and all of that. This is the kind of meeting in which we have to work, and to us, it is just paramount to protect the confidentiality of our sources. And we have to go through all of that [inaudible].

**Demián Magallán:** Good morning. Demián Magallán from Mexico, *El Universal*. I'm Digital Products Manager at this important newspaper in my country. We've been developing certain public service news sites in recent years. And I would like to focus my question not on the corporations, but in the audience. I'd like to hear particularly your opinion, Gustavo, of the audience in Latin America, because we've been struggling with making our audience involved with their own problems. We've been struggling to make our audience participate. I think that public service could be profitable, not only sustainable. But I think it depends on the maturity of the audience and their willingness to participate and to address their own problems via our media. What's your perspective about the maturity of the audience in this aspect particularly in Latin America and how to address it? How to make them aware that they need to participate in these kinds of projects of social service.

**Gustavo Gorriti:** Well, this is on the record, and we're online, so I kind of feel that's sincere. [Laughter] But let me tell you my experience with Latin American audiences and trying to be as direct as possible. It's like it is an audience that respects. Most of the public respects good, honest, thorough journalism, especially during dictatorships in...UN polls...the forces that emerge having the highest prestige are precisely the media, the investigative media mostly. So, we're a little bit like what is a life net to [inaudible] in Latin America. People go to mass and then go to the cantina. So, they like to read and to follow all the journalists doing intrepid work and all of that, and they love soft tabloid journalism. And especially in the last years, the influence of trash journalism has grown tremendously. There is a lot of that here, but in Peru, I would say that it's mostly mainstream journalism is tabloid journalism. Especially on TV, it is just appalling. And they say that they do that because they are driven by ratings. So, the most blood and guts and...[speaks Spanish], then it is there because it has the audience preference.

But on the other hand, in almost every single poll in my country in Peru, people consider that the biggest problem of the country is corruption. And

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they also follow and they respect very much the very few journalists that keep an ongoing and continuing battle against corruption. So, I think that there is a challenge for us. We have to keep doing this kind of journalism of reporting and at the same time make it as attractive as possible to the audience. Good American journalism. Good storytelling. Being exact at the same time is one of our major challenges. And to be able to use all of the possibilities of the new media of the Internet, our doing that is, again, is a big challenge.

**Paula Poindexter:** Thank you.

**Scott Thomas:** Hi. My name is Scott Thomas. I'm here with [AustinPost.org](http://AustinPost.org). Just kind of a practical question about your operations. I saw that the bike accidents map was built off of Google Maps API, and you talked a bit about the Armstrong CMS. What are some other tools and just like online resources that you guys use preferably for free? And in kind of the same vein, any other creative cost-cutting measures that you've had to implement because you might not have the budget of, you know, CNN or maybe even like a *Dallas Morning News* or something along those lines? So, how do you cut the cost basically?

**Lisa Frazier:** Well, I don't know that I'd be able to list all the.... We use a lot of Google. We use a lot of things for free that we can get. I mean, fusion tables and things like that. I don't have the complete list, but I'm happy to connect you with our chief technology officer or H.O. from *Texas Tribune* would be able to give you a better list. And that is the spirit though, right, of like we don't have a lot, but we try to be very strategic in what we are trying to build. And you can see this year for us, 2011 is an invest -- it is our investment in those data applications and using those tools. And we go out and we tap, right, companies down in Silicon Valley, right? So, everything, we're in conversations all across the map, you know, from Badgeville, you know, to the bigger guys like Google, Amazon Web Services, etc., to try and get them into either Project Armstrong or get them into kind of some experimental mode with us, so that everybody can benefit from it. But I'd be happy to connect you with Brian.

**Scott Thomas:** Yeah, I'll be out in the lobby, so if....

**Lisa Frazier:** Great.

**Scott Thomas:** Yeah, just find me. Wave me down.

**Lisa Frazier:** You don't want me to talk technology, for god's sake.  
[Laughs]

**Scott Thomas:** Thanks.

**Lisa Frazier:** You're welcome.

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**Hazel Feigenblatt:** Hi. My name is Hazel Feigenblatt. I am with Global Integrity in Washington. I have a question for two panelists. I was wondering, in Latin America, some things are always very common for newer online organizations to establish credibility. And when they start working with the few cases that actually manage to get some sponsors from private companies, [you] can get a very skeptical reaction from their audience and a lot of criticism for that. So, I was wondering, if you've had to face any of that, and how have you worked with it? And for Gustavo, I was just wondering if you have given your fair ads approach a shot with any company that might have approached you or you have approached them.

**John Thornton:** So, I'll try and take that one. We had the unfair advantage of a founder who had been holding advertisers at bay for many, many years at another publication. Evan tells the story about when he was at *Texas Monthly*, they wrote a -- one of his reporters wrote a story about—what was it?—the most overpaid CEOs in Texas. And the number one most overpaid CEO happened to be a big advertiser at *Texas Monthly*. And guess what? They've never been back. And so, we started with the credibility of an Evan Smith, which I think kind of gave us an unfair advantage. But the thing that's been important to us is to really diversify our revenue sources, both across individuals and across companies. And so if somebody says, "I hate what you wrote, I want my money back," we say, "Absolutely." And I think that's a position you've just got to be able to put yourself in.

**Hazel Feigenblatt:** How do you make the audience believe you? Because sometimes the audience can be unfair about that.

**John Thornton:** Yeah.

**Hazel Feigenblatt:** They can say, "If you're working with them you're definitely not being objective about it."

**John Thornton:** Yeah. And again, I think it's just been it is a little bit of a chicken and egg thing, because you've just got to have time. You've just got to have time for your organization to prove its medal. And I think it's just the proof is in the work, and there's just really no way you can force that.

**Paula Poindexter:** You all want to add anything?

**Lisa Frazier:** So, I think the marquee names is one approach, and that certainly works, as John outlined. We took a little bit of a different approach, but I would say it still takes a lot of time. But, you know, our content appearing in *The New York Times* --

**John Thornton:** Yeah, that was.

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**Lisa Frazier:** -- created a strong brand affiliation and credibility of the newsroom, because our editorial standards are by definition *The New York Times* editorial standards. So, partnerships.

**Hazel Feigenblatt:** I don't know if you got my question.

**Gustavo Gorriti:** Yes. Can you repeat your question slowly in English or rapidly in Spanish. [Laughter]

**Hazel Feigenblatt:** In Spanish. [Laughs] Okay. [Repeats question in Spanish.]

**Gustavo Gorriti:** Repeat the question. [Laughter]

**Woman:** Slowly in English.

**Gustavo Gorriti:** It's that, if I have tried to contact about my ideal print advertising, any of the businesses, the companies that we have dealt with, investigated them, I assume, and if they have had a response. No, no, we haven't done that. We still are not selling ads. And the last thing we would do now is to go to an open door of a company that we had just published an investigation on.

**Hazel Feigenblatt:** No.

**Gustavo Gorriti:** It would look very bad.

**Paula Poindexter:** Before I take the last question, you mentioned collaboration, and this certainly has become a major part of these nonprofits. In the past, there was competition that you competed with other local media and even *The New York Times*. And so now, all of -- many of the local media and also *The New York Times*, other national media, are now collaborators. I mean, how does that work? Is the public as well served knowing that you are no longer competing? That you're collaborating. Can you comment on that?

**John Thornton:** Yeah. Again, my day job is a venture capitalist. And the model in venture capital is not different than the model in journalism in some respects, in that we collaborate with the same guys we compete with, right? I mean, it doesn't...the two are not mutually exclusive. And so, I have witnessed no diminution of competitive spirit among the various news outlets. But that doesn't mean you can't work together on stuff. And so, I just don't think the two were -- it's not an either/or question. And as it relates to public service, I just don't think there's any question that pooling resources to do public service journalism, that any organization on its own could not do, just absolutely serves the public interest.

**Paula Poindexter:** So, do you think that for-profit organizations should be -- news organizations should also be collaborating?

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**John Thornton:** Well, they certainly are with our organization.

**Paula Poindexter:** Well, but you're nonprofit.

**John Thornton:** Oh, with one another?

**Paula Poindexter:** Yeah.

**John Thornton:** Sure. Sure.

**Paula Poindexter:** I mean, because the criticism of that has always been that the public is less -- is not well served.

**John Thornton:** Yeah.

**Paula Poindexter:** And so, you're saying that that's not a....

**John Thornton:** It's an understandable criticism, but --

**Paula Poindexter:** It's not real.

**John Thornton:** -- is the public well served having four reporters following a gubernatorial candidate around and writing about the same stuff? Right? I mean, would they be better served if those were farmed out to more investigative activities that were collaborative? I would submit that they are.

**Paula Poindexter:** Lisa.

**Lisa Frazier:** Competition is alive and well and thriving. So, collaboration does not mean no competition. Let's just divorce the two, because it is.... The newsrooms are very competitive to find those stories, to tell those stories in the most wonderful ways for the community to understand and engage on. And so, what is done around--you know, it's all strategic. And so, if it makes sense, it's a win/win for both the news, the editorial side, and the business model. Then it's a great collaboration. If it doesn't work on both sides, then it's not. So, it's not collaboration for the sake of collaboration, is what I would say. And competition *is* alive.

**Paula Poindexter:** Are you collaborating, too, Gustavo?

**Gustavo Gorriti:** First of all, I believe very strongly in competition. And we practice that. We really try to be the first to cover an important case, to protect our investigation until it is finished. We want to be the ones that publish the investigation from a certain aspect. Then when it is published, when it is over, every media, especially traditional media, is welcome to reproduce it, just giving credit to us, and that's all free. And so, in practical terms over the time with certain media, it creates a certain level of

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collaboration, but then after publication. Before publication, it is essentially competition.

**Paula Poindexter:** Good.

**Pat Thomas:** I'm Pat Thomas from the University of Georgia. Lisa and John, I'm tremendously impressed with these membership networks that you've set up and how many people have become your members. I have such a vivid image of the Buskers for Journalism on the streets of San Francisco. My question is, both of you cover a broad swath of interest for your community, so I can see where a membership model would work a little better for that. But what about a niche publication? In Georgia, like several other states, we've started a nonprofit focused on health and healthcare issues, mostly at the statewide level, because as you've pointed out, that's a yawning gulf in coverage. I'm involved with that startup, and we were smart enough in our 501(c)(3) to specify that we would be looking for sponsors and we would be taking advertising on the website. The board has some restrictions on what types of advertising. No massage parlors, I think.

**John Thornton:** We don't have any trouble with massage parlors.

[Laughter.]

**Pat Thomas:** Yeah, I know. Well, you're in Texas. If you've got a drunk legislator map, you know, what can we say? But seriously though, what do you think that a membership model could be made to work for a be-it-limited sort of nonprofit news organization?

**Lisa Frazier:** I don't think on its own, right? It has to be one kind of piece of a number of other things.

**Pat Thomas:** I'm talking about the three-legged stool here.

**Lisa Frazier:** Yeah. I mean, that's just my philosophy and belief, is that there is no one silver bullet and there is no one kind of revenue stream that's going to support anything. And the more niche you get, the more difficult it is, and so therefore, because you have less of.... You're shrinking the consumer interest in that piece, and so therefore, other revenue will be important. What we do find is that people find this news and information important. To have, you know, 2,000 members in seven months, that's a lot. And so, but we have a broader base of content. And so, that's the equation to play with.

**John Thornton:** What we talk about is—only half-jokingly—we call it revenue promiscuity, right? I mean, we know that we need a variety of revenue sources, and so.... And membership, quite frankly, has been relative to our expectations the most challenging of those. It's expensive. It's resource intensive. And the thing that I would add to what Lisa said is, I

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think that almost any nonprofit journalism sponsor needs a sugar daddy to begin with. I mean, you just do to give you the resources to get the business model going. I think it's very difficult to launch one of these without a big chunk of committed support up front.

**Pat Thomas:** Right. We have that. We have that going on.

**John Thornton:** Good. Good.

**Lisa Frazier:** It's a multi-year runway, right? That's what we're...we're shooting for 2014 to see if membership can be at least half our revenue.

**Pat Thomas:** Mm-hmm. Thank you.

**Paula Poindexter:** We have another question over here.

**Brant Houston:** Yeah, I'll make it quick.

**Paula Poindexter:** Last question.

**Brant Houston:** I know it's getting near the end.

**Paula Poindexter:** Okay, two, two, two.

**Brant Houston:** Okay.

**Paula Poindexter:** Quick, quick questions.

**Brant Houston:** Two questions. I'll make it quick. I'm Brant Houston. I'm the Knight Chair of Investigative Reporting at the University of Illinois.

**Rosental Calmon Alves:** Microphone?

**Brant Houston:** Is this...?

**Man:** Okay, now we can hear.

**Brant Houston:** Yeah, couldn't hear. I'm Brant Houston, Knight Chair of Investigative Reporting at the University of Illinois. I also am working a lot with the Investigative News Network, which I helped cofound. One of the things I haven't heard you talk about is whether you think there is a power and potential in collaborations among many nonprofits in a network. I mean, the networks I'm involved with are trying to pool resources, get discounts, and so forth. I just wondered what your feelings were about that and your thoughts.

**John Thornton:** Well, Lisa has mentioned our collaboration with *The Bay Citizen* on technology, and that's something that's been funded by a Knight

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Foundation grant. And my understanding, H.O., is we've got 50 or 60 sort of interested customers.

**H.O.:** Whatever, yeah.

**John Thornton:** 250 interested customers. So yeah, I mean, I think that collaboration has a lot of power or that notion has a lot of power, but the flipside of that is collaboration takes effort, it takes time, it takes psyche energy, and it takes resources, and we've got our own -- we've got our own bills to pay. And so it's just kind of a balancing act.

**Brant Houston:** Thank you.

**Paula Poindexter:** Thank you.

**Cecilia Alvear:** I'm Cecelia Alvear.

**Gustavo Gorriti:** [Inaudible.]

**Paula Poindexter:** Oh, you want to add?

**Gustavo Gorriti:** Yeah.

**Paula Poindexter:** Gustavo wants to add.

**Gustavo Gorriti:** Particularly to Brant's question. Yes, collaboration among nonprofits, especially for us being nonprofit investigative journalists in publications in Latin America, is extremely important. I have to say that we meet often. We have exchanged experiences, ideas, technologies. You know, many of us are members of the International Consortium of Investigative Journalism. And the principle we have tried all of the years [is] to find sustainable and interesting ways to cooperate. And you have seen that this is a lot of effort. And as John said, unfortunately, it takes a lot of time and energy, which I think we don't have in abundance. But, for instance, in this case, in this idea of fair advertising, the cooperation and collaboration transnationally [with] online investigative organizations will be crucial.

**Paula Poindexter:** Quick question.

**Cecilia Alvear:** Yes. I'm Cecelia Alvear from UNITY and NISJ. I have a very brief question. In order to keep the membership up, do you do pledge drives on NPR or public broadcasting? How do you do it?

**Lisa Frazier:** So, we try to design the equivalent of that, but online as well as off-line. So, everything from light boxes appearing over the website to email campaigns to running promotional ideas like...you know, what we've found is you've got to ask and you've got to ask often. You've got to keep on asking. You have to create sense of urgency, like, "Do it by 'x' date." You

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have to.... People love a discount. Discount a membership. I mean, all the tactics, just like any customer acquisition model, all go into these. You've got to do testing, a lot of A/B testing what works, so there's a lot of elements.

**Paula Poindexter:** Quick, quick, quick. Rosental said, "Last."

**Nikki Usher:** All right.

**Paula Poindexter:** Quick, quick, quick.

**Nikki Usher:** So, this is really quick. I'm Nikki Usher. I'm with USC. My question is, why aren't there more VCs investing or using some sort of VC model for nonprofits and expecting that ROI? And why don't we see more of that?

**John Thornton:** So, why aren't more venture capitalists giving away money or...?

[Laughter]

**Nikki Usher:** I mean, why don't...? Yeah, why don't we see more of a venture capitalist approach to nonprofit, nonprofit journalism?

**John Thornton:** Well, actually, there's a fair number. I mean, the founder of *The Voice of San Diego* is a venture guy. Warren Hellman is a legendary venture capitalist. Chairman of the Board of the Chicago Project is a private equity investor. And so I think there is a fair amount of that. And that's what I point to when people say, "The market is going to solve this problem." I say, "Well, there are a lot of really greedy people who don't agree with you." And so, I think it's, sure, we'd love to have more interest. And I joke that the one title I'd like to get off my resume as soon as I can is "largest donor to *The Texas Tribune*." [Laughter] I mean, I'd be delighted. But, you know, it's happening slowly, I think.

**Paula Poindexter:** On that note, thank you.

[Applause.]