

ISOJ 2021: Day 3, Keynote Session

Reinventing online political coverage

Chair: [Evan Smith](#), *ceo & co-founder*, The Texas Tribune

- o [Anna Palmer](#) & [Jake Sherman](#), *co-founders*, Punchbowl News
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Rosental Alves Good morning, world. Welcome again to ISOJ 2021. It is a pleasure to start the third day of our global conference. We have almost 7,000 people registered from 130 countries, so this is very, very, very exciting for all of us who have been putting together this great conference. We want to thank Google News Initiative and Knight Foundation for their support. We also thank Univision for their support for us to have simultaneous interpretation into Spanish, so you can watch this live on YouTube and Zoom. And don't forget to use the hashtag #ISOJ2021 on Twitter. And you can drop questions on YouTube, on Zoom, on Twitter, and we're going to be passing the questions to the wonderful keynote session that we are about to start.

So we we have here with us Ann Palmer and Jake Sherman, co-founders of Punchbowl News, directly from Washington, D.C. And we have my friend Evan Smith, the co-founder and CEO of the Texas Tribune. I have been a proud board member of Texas Tribune, and it's a great success. So it's good to see the new startup that Anna and Jake has been have been putting together and have launched with great success. So without further ado, let's pass it to Evan Smith.

Evan Smith Rosental, thank you so much. You're my professor always, and don't tell Trei Brundrett, but you're also my favorite board member. Hi, everybody. Welcome to ISOJ 2021, the best annual conference that is not the Texas Tribune Festival, and to this keynote session with Jake Sherman and Anna Palmer, two of four co-founders of Punchable News. Before its launch on January 3 of this year, Jake and Anna spent four years as coauthors of Politico's Playbook franchise. They've been writing partners for a decade. Their first book, The New York Times best seller "The Hill to Die On: The Battle for Congress and the Future of Trump's America" was published in 2019. Jake covered national politics for Politico, with a special focus on Congress and its leaders through the Obama and Trump presidencies. He previously reported for the Wall Street Journal, Newsweek and the Minneapolis Star Tribune. A native of Connecticut, he's a graduate of George Washington University and Columbia University's Graduate School of Journalism. Anna, raised in North Dakota, has covered congressional leadership, the lobbying industry, presidential campaigns, and the politics of governing for more than 15 years. Nine of those years with Politico, where she was senior Washington correspondent and hosted the Women Rule podcast. She previously worked at Legal Times and Roll Call. She is a graduate of St. Olaf College. Jake, Anna, welcome.

Jake Sherman Thanks for having us, Evan.

Anna Palmer Great to be here.

Evan Smith Great to be with you. I'm going to begin with the question that I asked you, Jake, first back when you told me that you were planning to start something new. What is the problem you're trying to solve with Punchbowl News? There's a lot of political

journalism out there. There are a lot of email newsletters about the politics of the moment, arguably more than ever, and many of them are sitting unopened in my inbox as we speak. Why does the world need this?

Jake Sherman So I'll kick it off. And thanks again for having us, and we're really happy to be here. The problem we, and Anna jump in at any point here, but the problem we were trying to solve was that we were trying to take an even more specific and more intense take and lens on the politics of governing specifically and the leaders of Washington, both on Capitol Hill and in the White House. We are not looking to be something for everybody. That's not what we are, what our goal is. And we kind of, just as you kind of hit on a background a little bit, but Anna, myself, and John Bresnahan, one of our other co-founders who's sitting right behind me at the moment, we've been covering leadership in the politics of governing together for a long time. And we think we understand how those wheels turn better than anybody else, and how basically, I mean, at its core, how an idea or a bill becomes law or how power is exercised. And we thought that we had a unique view into both how do we explain that to people, the reporting that it takes to really understand it, and understand what's coming around the corner, and frankly, what those people wanted to read and wanted to understand from within the community. And I'll let Anna talk about this a little bit, but we were also seeking to create conversation around content. Anna, why don't you talk a little bit about that dynamic?

Evan Smith Please, Anna, jump in. What are you trying to solve for here?

Anna Palmer Yes, I think to your point, Evan. I think the question that I asked myself was, is anybody looking for another newsletter to start their day? And I think we try to provide basically context for anybody who touches government or who is business is government, or for the people who are actually in government. And so I think what we're solving for truly is one, best in class content around the kind of North Star, which is the power, people, politics, but then the concentric circles that are kind of going beyond that. I think we also had an opportunity to be launched in the middle of a pandemic to really think about community in a very different way than most traditional news organizations have thought about it. The construct of you write a story, you push it out. People might read it. They might not read it. But there's not really a feedback loop, and we are really interested in that feedback loop. Largely, our readers are our sources, sometimes our sponsors, and creating that conversation, whether that is through, we also have a premium membership where we have kind of private Zooms. We are going to start to do in-person, small events, but really thinking of ourselves as a convening power that I think is missing in Washington right now.

Evan Smith Yeah, I want to get into a lot of what you just said over the course of the hour, which is terrific. I will say with regard to the idea that there are a lot of emails that are unopened in all of our inboxes. For the record, I always open your emails, and I try to listen to your podcast most mornings. Brand matters. You two showed up on day one with a recognizable brand, and surely you had to have been banking on that. You're known quantities. This was not really a build from an empty lot startup, Jake, right?

Jake Sherman No, it was not. I think that our reporting, and all three of us, me, Anna, and Bres, all of our reporting speaks for itself over the last two decades. And that was certainly helpful, obviously. We were able to come in, and we weren't trying to build sources from scratch, or say, "Trust us from scratch." We had this brand, and we launched, by the way, January 3, and we left Politico on December 31. And we felt, we all felt, that eventually, after a lot of conversations, that we didn't want there to be a drop off. We wanted to be a

constant presence because we felt that was important for the community and the audience that we hoped to cultivate and that we eventually did cultivate.

Anna Palmer And I would just add on to that. I think there's a real intimacy when you write a morning product that people really roll over and read every day. They feel like they know you. It's one of the biggest things that surprised me when we got into the business of the morning newsletter. I had written different iterations of newsletters at Politico for a long time, but particularly when they kind of get up with you, there's an intimacy where they feel like they know you as people. You listen to our morning podcasts. It's the first thing most people do when they're making their coffee. And so part of that is consistency, and I think part of that is trust that you gain with the readership for 4.5 years. And we took that the next day and said, "Hey, we're still here, and actually what we're going to do is create a product that is even more us because we started from scratch." You have to remember, we took over a product that was 10 years old, that had a lot of constraints that were already built into it. This is, I think, much more emblematic of our actual reporting style. We do a lot more of explaining, not trying to make people feel stupid, but not a lot of people know necessarily how different policy things happen, like reconciliation. And so trying to give people a little bit of the cliff notes to do their job and to manage up, I think has also been really successful here.

Evan Smith Anna, so let me ask the same question I asked Jake to you, but in another way. I want you to define the need for this in the negative. What's wrong with the many options already available to us? What was missing or what is missing in your mind as you look at landscape?

Anna Palmer Yeah, I think if you look at a lot of the Washington journalism that has started around different administrations. If you look at Politico, it started at the beginning of the Obama administration. It was solving for a new presidency, a new kind of demand in terms of speed and content. You look at Axios. That was started at the start of the Donald Trump era. Right. This was the new kind of politics as entertainment era. We felt like the Biden administration was going to be solving for what we're solving for, which is this is the business of legislating. We are having a return here, where after four-plus years of kind of not really legislating, not having business in order or Congress frankly matter, all of a sudden, the people, the four corners in leadership and their relationships with each other, their relationships with the White House, their relationships with industry, that is actually going to be the most interesting story of the Biden administration, and whether or not things get done or they don't get done.

Evan Smith Jake, let's be gracious to your previous employer and say that you both had an opportunity, you, and Anna, and Bres too, to learn a lot at Politico. And specifically, you and Anna learned a lot doing Playbook. What did you learn there that rolls forward into this? What about the Playbook experience, informed and defined your thinking about Punchbowl.

Jake Sherman A lot, and I would even go back even further. I mean, Anna and I both really joined Politico when it was, and Bres certainly, when it was a startup. Right. I mean, we I think there were like 50 people total who were at Politico when I joined in 2009. So that kind of dynamic, that vibe, of starting something from the ground up helped us think about when me, Anna, and Bres were talking at the beginning of creating this company, we said what is the news product we would design if we were designing a news product from scratch, which we were in essence. So I would say accountability to the audience. I think that when people read a newsletter in the morning, and you're trying to be

authoritative, you better have a really good sense of what you're saying. You better either be there, physically, literally be there, or just be talking to the right people. So when you say something, you're saying it with a lot of knowledge and know how. That you're not just out there making proclamations from your living room. That doesn't work. Your audience is going to lose trust with you. If you say something is going to happen, it better be right. If that's your analysis, you better be right. And I'd say that that is something we learned probably the hard way, a little bit, at Politico, doing Playbook at the beginning, but we definitely got authoritative by fire, I guess is the best way to say it. And I'm in the Capitol right now. This is where I work every day. This is where I come to work. I'm in the hallways. I just got back from Orlando, where I was at the House Republican policy retreat. So, like, I, really try to do everything I can to be in the middle of all the big discussions, all the big policy discussions, political discussions, because I try to inform my reporting with reporting. That's kind of, I think, the best lesson I think we learned.

Evan Smith And as you correctly say, it's an instant feedback loop because you're walking among the people you're both writing about and who are your readers, and you're going to hear from them one way or the other or every way, if you don't if you don't get it right. Jake, you're going to hate this question, but I don't care. If the goal of Politico once upon a time was to win the day, the goal of Punchbowl News is blank. Fill in the blank.

Jake Sherman I'm not going to put it in those terms, but we want to be the authoritative source on power, people, and politics in Washington. I think that's where we are. I mean, the center of our universe is Nancy Pelosi, Jim Clyburn, Steny Hoyer, Kevin McCarthy, Steve Scalise, Liz Cheney, Ron Klain, the representatives of the big companies who are spending millions of dollars to influence policy. Chuck Schumer, Mitch McConnell. That is the center of our universe. That's who our North Star. Anna, who am I forgetting there?

Anna Palmer No, I think that's right. I mean, I think it's being indispensable to our audience. I really do think that we are able to connect dots and also forecast for people what's happening in the Capitol and at the White House in a way that just general assignment news organizations don't do. They almost cover the Capitol like it's a foreign bureau. Right. They have a couple of folks that are there. They're covering the big stories of the day, themes. We are going a lot deeper. We also know these people. They know us. To your point, Evan, I think there is a ton of accountability where you can't just sound off at a White House press briefing if you're us, because you're going to have to go to Nancy Pelosi's people the next day and the day after that, and you get that kind of constant feedback. Not that we don't pull punches or we aren't hard because I think people would know that we have a great track record of that. But I do think there is a different sense of intimacy, too, in terms of what our reporting actually showcases.

Evan Smith And I think you just made an interesting point that hadn't occurred to me. It's not just that you're telling people what happened, but you're looking ahead two or three moves on the gameboard very often. Right. And you have to be confident enough in your ability to predict. We all get into trouble predicting, but you have to at least be aware enough of what's happening to be able to say what is likely to happen next is ABC. And that's obviously something valuable. I want to ask you about competition, Anna. Politico is obviously in your competitive set, so is Axios. Both those names have come up a couple of times right now, but you view the competitive set as wider than that. Who's in it?

Anna Palmer Absolutely. I mean, I think that people love to define us. We're four months old. And so I think it's easy to say, "Oh, they're just the Capitol Hill publication," or "they're just going to be in a very small subset" because everyone's looking around at this new

journalistic order. I think we're in competition with you potentially, if there's a story about the Texas leadership. We're in competition with the 19th. We're in competition with the Times. I mean, I think our North Star is what's happening. If we miss a story under the dome or what's happening in the White House, we are kicking ourselves. And that doesn't mean that you might be going up against hundreds of reporters at other news organizations, but I don't view us just as in competition with other newsletters. I don't just view us in competition with the traditional newspapers. I think that the entire paradigm shift of journalism with Twitter and everything else, you have to kind of look through the broader lens.

Evan Smith Well, here I can confirm what you just said. Because when my great colleague and friend Abby Livingston, who's the Washington bureau chief of the Tribune, broke the news last week, or the week before, that Kevin Brady, the House Ways and Means chairman, was going to step down, you very kindly credited her with that scoop in Punchbowl. And I thought to myself, "They're probably kicking themselves that they didn't have that first." But it was an acknowledgment, at least, that your competitive set extends beyond the Capitol or Washington, right? And you have your share of scoops. We're lucky to sneak one in when you're not looking.

Jake Sherman Oh, no. But listen, that's exactly right. I mean, of course, we would have loved to have that scoop, but we're not going to pretend that there's things that we sometimes miss. That's human nature.

Evan Smith Do you all think that the people who you consider to be competition consider you to be competition? Do you think The New York Times, and The Washington Post, and The Wall Street Journal, for instance, are thinking to themselves, "We've got to read Punchbowl. We've got to get out ahead of those guys because we're worried that now there's more people in the water capable of breaking news beyond us."

Anna Palmer I think they see us as competitive because they have to quote us a lot.

Evan Smith Right. Well, that's true.

Anna Palmer At least you know that they're paying attention when most of those organizations, all of them, I think that you mentioned, have had to say, "and Punchbowl News reported."

Jake Sherman I would also say, Evan, I love to be underestimated, to be honest with you. I live to be underestimated. I mean, Bres always tells us all the time, like, "You're only as good as the last thing you wrote. And you have to prove yourself every single day." But it's also in a strange way. I mean, it's not as if we're Tesla, and we're going up against GM and we're trying to prove a new technology. Right. I mean, we've used these parts before, to extend the metaphor a little bit. So it's not as if like, "Oh, like let's see if Jake, and Anna, and Bres can report in this context." Reporting is reporting is reporting. Right. So that's helpful.

Evan Smith Well, the other part of this that's undeniably true is that the mountain is coming to you in this sense. Right. The other big news organizations are becoming a little bit more nimble and a little bit more like a Punchbowl News in terms of how they think about the work they do. Everybody is kind of coming to a different place at this point. Right? I want to ask you to talk about, in the broadest terms, what this thing is? Because we've talked around it for the last couple of minutes, but there are people in the uninitiated

here. So it's newsletters. It's the Daily Punch podcast. It's on-camera interviews. Anna ticked off a bunch of the things that you mentioned earlier. Talk about what's free and what's not. So the morning newsletter is free. The midday and late afternoon editions are paid, right? There's also premium content, an example would be something that you just wrote about this morning, the Canvas, which is an anonymous survey of senior staff on Capitol Hill. Non-members will get the topline. Members will get full results and analysis. So, Anna, the model here is a mix of paid and free. You think that's the right way to go?

Anna Palmer I do. I mean, I've spent a lot of time thinking about this, as I'm sure you have. We all have. What's the future of journalism? I think that there's often a real false conflict between profit and being able to be a good journalist and to be able to put out a product that is of the highest standard. And so for us in Washington right now, there's a huge frothiness in the market in terms of paid advertising because things are going to happen or they might happen, and so every company wants to influence what happens in terms of that. So we do our newsletters. We have our advertisers that advertise for the week at that level, and then we have the premium community, which is to me the real heart of what we want to grow, which is our membership, our community. This constant conversation we're talking about. The other two newsletters will definitely be kind of exclusive journalism or information that are going to be available. But also smaller events. Different things like that. And then we also do events, as you said, which are I think kind of in that whole feedback loop. They are sponsored. But they also are a huge newsmaker event, so they kind of feed the journalism. And we also have a couple of other products. We started one called the Opener, which was a sponsored kind of every-other-week cadence product. And you'll see us do things like that, that aren't necessarily building a whole new arm that's going to be there forever, but that are of the moment that can fill a void and kind of tell the story that we want to tell.

Evan Smith Anna, we'll talk about the economics of this, I hope, in a little bit of detail in a little bit. But you know that generally speaking, there is a debate, as you correctly say, between do you make it paid, or do you make it free and then find somebody else to pay you for the ability to make it free? I tend to be, as a nonprofit news site CEO, of the mind that you can't accomplish a public service mission behind a paywall. Right. The content wants to be free. You made a conscious decision to launch this as a for-profit venture. So you don't have the same motivation necessarily say that I might or that others might to make your content free for everybody?

Jake Sherman Could I make a point here? I actually read this someplace else, and I don't know where I read it. I think it might be Jessica Lessin who said this, but I don't want to say anything false. I am actually relatively sure it is, but I'm sure I'll hear from her if it wasn't. She made a really good point. Just because something is behind a paywall does not mean that it doesn't influence the public debate. It doesn't mean that it doesn't provide a public service. It doesn't mean that it doesn't inform the larger kind of political debate. I think that I personally think, and you know, I respect the hell out of what you guys do, and I love your stuff, and we link to it all the time, but I think that that remains true when it's behind a paywall. So anyway, that's my take on it.

Evan Smith The reality is that most news sites are behind some form of a paywall, whether it's metered or a full-on paywall. I don't see The Wall Street Journal having less influence because you have to pay to get access to their content. Right.

Jake Sherman Or the Financial Times.

Evan Smith Or the Dallas Morning News. I mean, there's plenty of places, actually. Anna, let me come back to you and say that the mix of things we just talked about, newsletters, and events, and podcasts, to be fair, that's not markedly different from what other news organizations provide. Here is a big difference is the presentation and distribution of your journalism. You do not have a conventional destination website.

Anna Palmer By design

Evan Smith Yeah, I'm sure it is by design, so explain the thinking behind it.

Anna Palmer Yeah. So particularly on the business side of things, I think it's a really hard thing to chase numbers, which is basically what a lot of news websites do. You have banner ads and different things like that. For us, we aren't trying to grow the next New York Times, or The Wall Street Journal, or to become a 500 person global newsroom. That is not our mission, at least as how we see it now. In 10 years, could that be different? Maybe. Things change. But how we see this is we want to be nimble. We want to drive everything to our newsletters, and basically the homepage, Punchbowl.news. If you don't subscribe, you should. Get that in while we can. But it's to subscribe to our free newsletter, which goes out to a very, very large audience. And if you like that content, you feel like you want more of it, then you can become a premium member. We know that we have a very captive audience of premium members, whether it's companies, whether it's whole offices on Capitol Hill that subscribe that need this information every single day. They want this information every day. And so to me, the reason why we did it this way is just, to go back to what you were saying, is that this is, I think, a much more sustainable business model. For example, the pandemic, a lot of news organizations maybe struggled to find some of their company's advertising like they once did. This is something where you build a real loyalty of people. And we try to price it in a way, that it's \$300 a year. Like yes, it's expensive, and we understand that, but it's not \$10,000 a year. It is available.

Jake Sherman By the way, there are plenty of people who we all know who suggested we should be far more expensive than that because we talked to a lot of people about what would you charge if you were doing this concept that we were thinking about? People said \$2,000 a year.

Evan Smith There are people paying money for newsletters now, we all know them, that are in the thousands. And so, it's a relatively small amount of money.

Jake Sherman Bres, who I'm bringing into the conversation transitively, worked for one of his first jobs in D.C. was Inside Washington, which was a big newsletter publisher before newsletters were a thing. And that was very expensive and had nearly 100% return rate. I think it was thousands of dollars. And so we all think that this is where a huge chunk of the business is going. Right.

Evan Smith I mean, look, the fact is even The New York Times will tell you that if they could swap out reader revenue for advertising revenue, and in fact, they're doing it, or, I mean, advertising revenue is still important for them, but they talk all the time about how they've been able to kind of pivot that. And now reader revenue, consumer revenue, is more of a significant component of their overall year. I mean, obviously you're following in a proud tradition in the modern realm of journalism to try to get more money from people and users rather than sponsors or advertisers. But again, this idea that I never have to come to your website. Here's an example. The last time I've been to your website before preparing for this interview was when I signed up to be a premium.

I mean I'm not used to having an interaction with a news organization in that way. I get everything in the morning. It's the first thing I read in the morning, and so I don't ever go to your website.

Anna Palmer My point is I think we want to meet readers where they are. Right now, it's on email. I think we will and are thinking about what the future looks like. I also think we stood up a news organization in a very, very, very short amount of time. So I would expect that you'll see some developments, particularly for premium members. But to your point, I don't expect us to ever have a main page that is stories and a mix of things like that. I just don't think that's what we're trying to create.

Evan Smith It's not what you've built. Jake, so you've danced around what I'm about to say. It's my characterization, not yours, but I think you'd agree. What you're selling to people effectively with this is insider access, special knowledge. You have relationships and are leveraging those relationships developed over many years pre-Punchbowl to ultimately allow you to get the stories that you're presenting to us, scoops and non-scoops. You're also in a fairly narrow lane in that you know what you are and you know what you're not. Your former colleague Jim VandeHei said to Ben Smith when you launched that he thought Punchbowl News would be the most successful independent newsletter created in 2021 if they stay small and minimalist and if they focused tightly on Capitol Hill. Now, we know that it was sort of a little bit of a shot across the bow, but also because VandeHei can't help it. But he also had a point, which is that narrowness of what your focus was, was a strength that was a feature and not a bug, correct?

Jake Sherman Yeah, so Jim has a way with words, as we all know. I would say this. I would say it's less access because I'm not selling access. What I'm selling is reporting.

Evan Smith Jake, I love you, but how are you not selling access? You can get McCarthy. You can get Mitch McConnell to talk to you in a way that a lot of other people can't. You have access. That's not a bad thing necessarily, but it is a thing.

Jake Sherman I just want to make clear that we're not selling access to our subscribers, meaning they can't get access to Mitch McConnell through me.

Evan Smith Sure, but you have access to people that not every reporter has because of relationships built over time. That's true.

Jake Sherman That is true. That is true that I have good sources. Bres has good sources. Anna has good sources. And we report and monetize that, and we monetize our reporting. But I mean, I would say this. I would say that's the opening salvo. I think the reason that people continue to talk to you is that, A you're fair, and, B, that they know that your audience is worth talking to. I mean, people don't like The New York Times because they have a beautiful layout. They talk to them because they, sometimes we call it you're the donor paper, right? Democrats talk to The New York Times because it's the donor paper. Republicans talk to The Wall Street Journal, or submit op-eds to The Wall Street Journal because that's the Republican donor paper. So what we're saying is not markedly different from that is that, and Anna could talk more about this, but we're not saying that this is going to be the only thing we ever cover.

Evan Smith But for now, you've given yourself that limit, right?

Jake Sherman Yes. And I think to be honest with you, Evan, I think without talking about other news organizations, we feel like in this business you need to know what you are and be so certain about what you are and who your audience is, because I see people doing things all the time that makes makes no sense to their audience. And I just think that people need to read you in the morning or whatever, for us three times a day. And you need to know that what you're telling your audience is something that's going to move political markets, not Wall Street markets. But we just think of the political space as a political market, and it's going to make a positive difference in informing the political markets, and breaking news, and providing fresh analysis, and accountability to the people in power.

Evan Smith Anna, I want to be very clear. I actually think that a narrow lane is the best lane to be in. In fact, we've been for 12 years in a lane in which we knew exactly what our stories are and what they're not. I mean, when you come into the office every morning, you don't have to ask yourself, is this something we should be doing? You know it. And you've done the same thing. Here's my question for you. Unlike some of your competitors, is it true that you have no plans to expand into some or all of the 50 state capitals? Asking for a friend.

Anna Palmer You know, I am a lot less interested in physical, where people are. I think the pandemic has really opened us up. We don't have, for example, office space. Right. I mean, we're four people. A lot of us work out of the Capitol. Rachel doesn't even live in D.C. So, you know, I think we have an opportunity to think about things a little bit differently. But I think that we are very interested in how power is exercised. I think that the kind of the state power to Congress, and especially as you think about where there's some really active legislatures, I think that's very interesting. I think at this point we are wanting to fortify what we're doing and making sure that our truest, most important mission is served.

Jake Sherman I would say the way I think about it, Evan, and I say this all the time. It's like you have a wet towel, and you wring all the water out of that one towel that you can. In the sense that I'm much more interested, "I" meaning Punchbowl, Anna, me, and Rachel or other co-founder, we're really interested in going deep in the area in which we're in. And we're not going to become, maybe we will at some point, but we have no plans to become a sports media outlet, covering the Yankees. Although Bres would take that job.

Evan Smith Res and I have spent most of the year complaining about how the Yankees have played. I don't think you want to get in that business.

Anna Palmer I just want to say I do think that's why you see us do the Canvas. It's a really great example of where we will expand, which is basically trying to find areas where we think we can provide an absolute value add to everyone, and no one's in that space. Like no one has a credible survey of senior members of staff on the Hill that are so important to what actually gets done in this building.

Evan Smith Jake, let me ask you about a criticism of the form and specifically of you all. Because, you know, you get criticized. We get criticized. We all get criticized. You get crap in some predictable venues for giving a platform to people considered to be unworthy or objectionable. I'm thinking back honestly when I interviewed a couple of weeks ago George W. Bush for South by Southwest. RIP my mentions. All of a sudden I was a war criminal for daring to give a platform to the former president. Right. Well, you get a version of that. Here is a tweet from today, Jake, responding to one of your tweets promoting this

conversation. "Will you be addressing how you whitewash and normalize the Republican's ongoing efforts to overthrow democracy?" You hear this all the time. By talking to Kevin McCarthy, you become a problem because you're daring to give the House minority leader access to an audience. I mean, so what do you say about that?

Jake Sherman Yeah, I think it's ridiculous. I mean, I don't even know where to begin. Number one, we've asked people, Republicans, a million times. We were here January 6 in the building.

Evan Smith You were literally in the building.

Jake Sherman Correct, Bres and I were sitting right where we're sitting right now. You know, I think we've asked them these questions a million times. I didn't will Kevin McCarthy to be minority leader. I can't make him disappear from the earth, if that's what people are suggesting. I need to cover him because he's the House minority leader.

Evan Smith You don't make the news. You cover the news.

Jake Sherman That's correct, and we said this to Ben for the piece for The New York Times at the beginning. It's our job to explain to people, politicians and public officials' motivations, why they do what they do, and to hold them accountable for what they do, which we've done. I mean, listen, Marjorie Taylor Greene, who is right now raising millions of dollars off of all sorts of things, I mean, we broke it might have been two weeks ago, this America First caucus idea. So the idea that, like, we're not willing to report tough stuff? I mean, we've gotten people indicted. We've gotten people kicked out of Congress. We've written stories about misspending of government resources, of campaign resources.

Anna Palmer And it's full of Republicans and Democrats. I think the other thing I would just add to this is I actually think one of the tenants, when we were sitting around talking about how we were going to do this, is that we weren't just going to report on every tweet that was going crazy. Things that aren't consequential. Our North Star is does it matter in terms of how it's impacting leadership, how leadership is going to lead, bills getting passed? And that's how we try to weigh whether or not we cover someone or something.

Jake Sherman And let me just say one more thing, Evan. Let me just say one more thing on this topic. We don't take our cues. No one is calling us and telling us what to cover, but our readership is intensely interested in the politics of governing. They are interested in what's coming around the pike. They are interested in how members are thinking about taxes, spending, national security. These are the things that they are interested in. So as a business, we are going to write about things that we believe are in the public interest and that people are interested in. And if we start writing about things that people are not interested in, then that becomes a difficult proposition. And guess what? For all the critics out there, this is a business.

Evan Smith Yes, the business will drop off if you don't write about stuff people want to read.

Jake Sherman And I'm not asking people what they want us to cover. But like, we cover the news, and we hold public officials accountable. We do both of those things.

Evan Smith Let's stipulate, and you mentioned Marjorie Taylor Greene, remember that after you broke that story a couple of weeks ago, Marjorie Taylor Greene tweeted that

Punchbowl News is a borderline tabloid, right? Everybody's a critic. At least, Jake, she didn't mention your Jewish Lasers.

Jake Sherman But she said, she deleted this tweet, I believe. She said that we took Anglo-Saxon out of context. It was impossible to take it out of context because we literally printed the entire documents.

Evan Smith It was in the document. Anna, so you're the CEO, and so my sister. CEO to CEO of a digital media startup. I don't know if anybody told you this, but it kind of sucks to be the CEO these days. Would you help me think about the staffing of this organization? I've tried to figure out how you've managed to do so much with so few. There were four co-founders. There also appear to be only four staffers. Maybe you'll tell me about staffers I'm not aware of. How many people are working for you right now?

Anna Palmer Yeah, so we're just four people. We are going to do some hiring for some full-time folks on the editorial side, as well as probably one on the business operations side. We use a lot of freelancers, and a lot of kind of web developers and things like that. But I think we wanted to be lean, one. We raised a very little amount of money for this, purposely. We wanted to own the vast majority of it and kind of be leaders and owners of the company. And so we didn't know what the reception was going to be, frankly. You know, you start something. You have a theory of the case. I think we felt confident in that theory, but we didn't necessarily know because it was such a short amount of runway between leaving on the 31st, starting on the 3rd. So it's basically Jake and Bres are 100% editorial. I kind of straddle between the business and the editorial, as I'm sure as you do.

Evan Smith You are writing, right? I mean I was trying to figure this out. You are writing to some degree. You aren't out of the business of doing journalism beyond the podcast.

Anna Palmer I'm not. I'm still writing.

Evan Smith But Bres and Jake are doing most of the writing.

Jake Sherman Yes, I'd say I'm 99% editorial, and Anna tells me about business decisions that she's making. Anna is spending most of her time on business, and I'm only comparing most of her time meaning when we were doing Playbook we were both 100% editorial for the most part.

Evan Smith But you're also both doing a fair amount of representing the brand out in the world because I see, Jake, you on television all the time. Anna, I see you increasingly on television all the time. In the new universe of these kinds of things, that is a requirement, a necessary component of building and running your business, right?

Anna Palmer Yeah. I mean, I think we did that a lot for the last 4.5 years. I certainly did. I mean, I felt like I was going around the world kind of as an ambassador. And I think particularly as you start a new brand, you need to evangelize.

Evan Smith Always. So Anna, I want to hit you up for information about the economics of this. I paid my \$300 for the year. I was one of your early people to buy in. I'm getting my money's worth. Full disclosure, I like it. How many me's are there? How many paid members do you have?

Anna Palmer Jake and I were just talking about what we were going to talk about. So we are a private company. We have not disclosed a lot of our information. I mean, we're four months old.

Evan Smith An answer that you would not let people get away with by the way.

Anna Palmer We have more than a million dollars in business.

Evan Smith More than a million dollars of subscription business?

Anna Palmer Yes, and I think that will grow substantially.

Jake Sherman Yeah, and Evan, I would say, we didn't discuss this part, but we've said this publicly. I mean, that's pretty just grassroots, people signing up, type of stuff. You know, like we see big opportunities at the Texas Tribune Festival, for example, or South by Southwest at being out there and kind of building our business, which we did at Playbook, by the way. I mean you saw us do that at your festival and other places. We've been able to do that. So we hope to be able to do things like that. We think that will substantially grow the business.

Anna Palmer That and corporate memberships and other things.

Evan Smith Anna, is the universe of potential members, you've obviously done an analysis of the market, is the universe of potential members big enough to make and sustain the business over the long term?

Anna Palmer Yes, I am confident of it. I mean, you have to look at the others. I mean they aren't us. But look at Congressional Quarterly. Look at Politico Pro. All of these, I mean, the addressable marketplace is huge when you look at, I believe, any industry that is impacted by what happens in Washington in terms of regulation, should know Punchbowl News and should subscribe to us.

Evan Smith Right. But at \$300 a pop, this is where the affordability of it doesn't necessarily benefit you. Right? It's easier to run a business with 20,000 subscribers into the thousands a year than it is in \$300 a year, right?

Anna Palmer Yeah. We also do enterprise pricing and other things for corporate memberships.

Evan Smith Well, and then of course you have sponsors or advertisers. I guess you think of them as advertisers because you're a for-profit business? We refer to them as the artists formerly known as advertisers, right, where they're sponsors. But in any case, you have a certain amount of corporate money coming in. You want to tell me what you're doing on that side of it? Give me a ballpark on how you've done so far on corporate?

Anna Palmer I do not. Until we're ready to talk about it, I don't think we're going to talk about it in terms of the numbers. I will say we have Amazon, Facebook, National Retail Federation, Walmart. We have very large partners that have done that and buy the weekly newsletter.

Evan Smith I listen to the podcast. The last episode that I listened to had Facebook at the very beginning, followed by Dell Technologies. This is not Joe's Sandwich Shop. These

are actually people with money, right? Theoretically. OK, so you mentioned earlier the idea of launching during the pandemic, Anna. What a weird time to start something new, right? During a pandemic, during an economic downturn, and as it turns out, three days before the very near end of our democracy, not to put too fine a point on it. What a time to launch. How challenging has that been for you?

Anna Palmer You know, I look back on it, and it's all a little bit of a blur. Jake and I have been talking about going out on our own or doing something more entrepreneurial for a long time. So much of being a reporter is being entrepreneurial, right? Getting sources, doing stories. I think, for running basically two platforms at Politico, because I ran that and I also ran our Women Rule platform. At Politico, we doubled revenue, tripled subscribers for Playbook over 4.5 years, so I think we had a really good track record of understanding what was going to happen. I think starting a new business in the pandemic, we raised a very small amount of money, but we've not even met one of our investors that led the round.

Evan Smith You mean in person?

Anna Palmer In person. I mean, that's crazy when you think about it.

Jake Sherman Aryeh Bourkoff at LionTree, who does a million, zillion, media deals that are far bigger than us, led the round and raised the money, and we talked to him basically only over Zoom. On the phone, obviously, but we've not been to New York, where he lives, to meet with him. And so that's pretty wild when you think about that. When you think about all these stories about road shows to raise money for companies? We're not doing that complex of a company.

Evan Smith The reality is on the on the nonprofit side, a lot of us are raising money over Zoom or email. The same. I mean, it's just been a strange year. So we have a couple of minutes before I want to go to audience questions, which I'm assuming, I'll take a look, that we have. I want to ask you about some political stuff as it relates to the launch of the business. So you launched in the pandemic, in an economic downturn. You launched right before an insurrection, but you also launched at the start of a new administration. But you didn't know that when you announced you were leaving Politico, right? You didn't know who was going to win the election. You might have thought. But I went back and looked. It was October that the news broke. Yeah, right. So whoever won on November 3, you were out of there. How would this be different if we were at the start of a second Trump term?

Jake Sherman That's a good question. I don't know the answer to that. I mean, listen, there was a different kind of journalism, a different story line in the Trump administration in that they oftentimes made proclamations about legislation that were just complete nonsense. And you had to be able to say, like, "No, that's not going to happen. Here's the data that we have about Congress that tells us that this isn't going to happen. Now, here's what might happen if X and Y happen." So it was a lot of that when it came to covering kind of the nexus of the White House and the administration. I think that's the main difference. I mean, the situation we have for what we're trying to create, or what we have created, a five seat majority or four seat majority in the House and a 50/50 Senate, that is the ballgame for us. But the great thing is, Evan, is that legislating is never going anywhere. There are people who are always interested in governing.

Evan Smith Whoever the president is.

Jake Sherman Exactly. Exactly. So we felt like it's an evergreen story, and we were well-positioned to do it.

Evan Smith Anna, but the reality is that as much as Jake is exactly right, that your focused on Congress. Congress is always going to Congress, right? Congress gotta Congress. A Biden presidency and a Trump presidency are different from the standpoint of how you think about journalism. I mean, for a long time, there were no White House press briefings. Now, you can't turn on the television without seeing Jen Psaki. Right? How leaky is this White House? Or maybe I should ask how disciplined is this White House? What's the difference between having Trump as the central character in the narrative, versus Biden, in your mind?

Anna Palmer I think it's a totally different scenario, right? The Trump White House, extremely leaky, a lot of back fighting, and people trying to leak stuff all the time. I think that the Biden White House, so far, they've had a lot of success. So I think Ron Klain and company have it pretty locked down. I think there's a lot of White House reporters who find it a lot more boring than the Donald Trump era. Because it's kind of like, you know, they have a plan. They roll it out. They do all the press briefings. The company statements come out. To us, I think it's also more interesting. I will say it's more interesting, to me anyway. I don't want to speak for Jake, but I think you'd agree with me, Jake. But there's a lot more interaction and interplay between this White House and Congress. And so that, for people that are covering that, it's very interesting. Whereas Donald Trump, particularly, over the last year or so, I mean, he didn't ever really care about Congress, and he didn't get to know much more about it.

Jake Sherman And so I would say there's much more substantive interplay. Like it's not just like Mark Meadows coming up to the hill and slapping some backs. But like, you know, talking about policy, Ron Klain, Steve Ricchetti, these people are talking about policy. And here's what I also would say. The people in this White House understand policy, and as Anna indicated, they have a plan to achieve what their goal is, where in the Trump administration, they didn't really have that.

Evan Smith Got it. All right. I want to go to audience questions. We actually, fortunately and not surprisingly, have a good number. And you got 13 minutes. You can't run the clock out. We're going to ask you some good ones here. I'll mention the questioner, and then ask the question and give you guys a shot at answering it. And one or both of you jump in on this. From James Ian Tennant, "Anna mentioned something to the effect that your readers are your sources and your sponsors. Can you expand on that in the sense of whether Punchbowl can become too cozy with its sources of revenue? This is connected to Evan's point about selling access." I mean, the reality is you've heard the whole "you're part of the problem" line. Not just you, but a lot of organizations like yours in that you're too cozy with the people who you report on and that access becomes an impediment to you doing the kind of journalism you have to do. What do you say?

Anna Palmer Yeah, it's not a new criticism, right? D.C. is a company town. Right? No matter what, whether you're going to baseball practice for your kid, or most people, even if they own a restaurant, they do have fundraisers there. They touch parts of politics because that's really what it is. I would say, and I would put up our reporting against anything, which is that I think we are fair. We're hard. I think that is going to always be our North Star. Because I think if we weren't accurate, then all of a sudden people wouldn't read us. Right. We're not here to give press releases. I think that we don't do anything like that, so I feel comfortable in that sense. I do think there's an ecosystem. In the same way

that I think you can be a really great journalistic enterprise and also be a for-profit company, those things, just because they're both true, doesn't mean that the journalism suffers.

Evan Smith Jake, do you have any hesitation about taking the head off of somebody with whom you have a close working relationship at the Capitol, knowing that that will impede that relationship? That's the nature of journalism, right? You've got to be willing to do journalism first, last, and always.

Jake Sherman No, I don't have any and no hesitation about that. The weakness in that criticism is that it assumes that, I'll say on the editorial and Anna answered for the business, sources don't understand that you're going to have to, that you are inevitably going to whack them. That's part of the game. I mean, that's part of it.

Evan Smith They know it, right? They have to be prepared for this. If they don't know it, they're stupid.

Jake Sherman Of course. And I say "the game" because that's just the saying. I'm not saying this is a game for anybody who's thinking that I'm trying to minimize this. I mean, I can name a million different instances where we've written very tough stories about people who were sources who we were not close to, but people who we talked to all the time. I mean, I think that if you go ask Mark Meadows, we called him the biggest liar in political history in our book, or something along those lines. He still talked to us afterwards. I mean, we've written stories about misspending of money, and I can't even name all the things. And on the business side, I don't know who's sponsoring us week to week. Anna handles that. When I produce our newsletter on Monday morning, I see it for the first time. So our sponsors don't have any say over editorial, whether it's our editorial, or whether it's events, or our written report. And I don't know what to say beyond that.

Evan Smith Here is a question, Anna. What percentage of Punchbowl's revenue comes from Facebook, Google and Amazon?

Anna Palmer I do not know that off the top of my head. I will say, just like in almost all Washington publications, tech is spending a lot of money.

Evan Smith And you believe they're spending a lot of money right now because they've got so many things in play at the Capitol. Is that why?

Anna Palmer I mean, I think all kinds of companies that are facing regulation, that's when they spend the most amount of money.

Evan Smith Yeah. And a question has come in just now that I want to be sure I ask. I again suspect I know what you're going to say, but I'm going to ask it because I think it's an important question. And that is to what extent are you self censoring at all because of commitments to sponsors? Have you ever felt in any way like you had to pull a punch or not do something as a consequence of a sponsor?

Jake Sherman Never, not once.

Anna Palmer I mean, for 4.5 years, we had a sponsor newsletter every single day. So this isn't a new challenge.

Jake Sherman I mean, you are, Evan, and your organization is great, but you're in the minority. I mean, nonprofit news is a great thing in my estimation. I'm not saying it's bad, but the vast majority of media, great and bad, is for profit. And so these are not new. What Anna is saying is right. These are not new questions for anyone.

Evan Smith Of course, the difference, Jake, I mean, I'll stipulate that when we started, Howard Kurtz was still working at The Washington Post, and he said, "How do we know that you're not rolling over for sponsors?" I said, "Well, how do I know that you're not rolling over for advertisers at the Post." And the answer was, "Well, the Post is a much bigger operation. We can afford to let an advertiser or a sponsor go." That's not his answer, but that's my interpretation of that side of it. Whereas those of us who started things, we are in a much more perilous situation financially. It may be harder to look one of those sponsors in the face. But again, journalism first, last. And always. Right? That's got to be the way.

Anna Palmer If you lose that, then you've lost the game. What's the point?

Evan Smith Here's a question that says that the news organizations I've worked for, Pacifica Radio Network, and Democracy Watch News, and others, have always organized news coverage via teleconferencing and online platforms, which eliminates the need for a physical office. While I understand that concept very well, I know that Punchbowl is focused on the newsletter. But how do you use social networking platforms to engage with readers and promote your brand? Are you essentially trying to focus on breaking stories on Twitter? Are you trying to promote stuff? How are you using the social platforms?

Jake Sherman I would say it's evolving. I think that's probably, right, Anna, the best way to say it? So the way we think of it is this. So we have our three newsletters are kind of the core of our report right now. If something's big enough that we are breaking exclusively during the day. Like last night, we thought we were going to have a scoop about someone retiring. It turned out that this person was not retiring. So at eight o'clock, Bres and I told Anna we might have to go on this tonight, and we would have put something out last night. If it's something small, we might tweet it, and we might expand on it and give it more context in one of our newsletters. Luckily, we have a newsletter that comes out at 6:00. We have one that comes out at 2:00, and we have one that comes out at 5:00.

Evan Smith And honestly, you also have the ability, the means of production, to produce extra versions of the newsletter, as you did a lot during this week. Did you not from the Republican conference in Orlando?

Jake Sherman We didn't do more, but we've done special editions around some other stuff. I can't remember earlier in the year around, oh, impeachment, I think we did one. I think we did one around a big budget vote or maybe the American Rescue Plan. So anyway, those are the kinds of things we would do extra editions for. Anna, isn't that right? Anything else?

Anna Palmer I mean, I think we use as for a social, I mean, I think we do Twitter. We use all of that stuff. I think we're trying to use it the way other news organizations do. We sometimes break things on Twitter, but that's not going to be our Twitter-first motto.

Evan Smith Right. So we've got just a couple of minutes left. I want to pivot away from audience questions. We have maybe one or two more. But I'm going to move back to a good last question, I hope, which is where does all this go? What is the growth plan, Anna

and Jake? If we were talking a year from now and things go the way you want, how will the business be different?

Jake Sherman Anna, why don't you take that? I have a couple of thoughts.

Evan Smith But I'm also talking about the journalism piece of the business, not just the business piece. So it's an opportunity for each of you to jump in.

Jake Sherman Yes, I think on the journalism piece, I mean, a few things. I would like to as we hire and we've gotten so many applications that I'm very late in going through, as Anna reminded me before this event, that I would love to do longer form. Not longer form in a sense of I want to write 5,000 words on X, but I do want to do some content that we would send out to our readership that's separate from the newsletters. What that looks like, we have plenty of ideas. Bres, and I, and Anna have always done a ton of investigations. We've had a ton of things come in. We just don't have the time to do.

Evan Smith This is this is not Punchbowl Magazine, say?

Jake Sherman No, no, no, no, no, no, no, no, no. Definitely not. I would also say that Anna, and I, and Bres are in an active conversations about how to cover the midterms in a smart and engaging way.

Evan Smith One of the downsides of having only four of you, by the way, is that it's hard to cover all these races in all these places, right?

Jake Sherman It is, but it's possible, especially because fewer and fewer seats are competitive. And I would say that the in-person, this is where the business and the editorial kind of meet, the in-person convening both in D.C. and at events around the country, whether it be Austin, L.A. or San Francisco is going to be a big part. And I think Anna probably has a lot more thoughts on that than I do.

Anna Palmer I agree with all that. I mean, I think the other thing I would just say is I think I'd like to see our video strategy emerge. I think you're going to see us launch in June a new product. I think we're looking at different platforms and kind of things, so I think we have a lot in the works. I think part of it is just, one to your point, we are for people. So we are kind of very engaged in doing what we're doing. But I think you'll see us grow bigger, but smartly. The goal is not to become some massive organization. I think it's to be very tailored and executed at an extremely high level.

Evan Smith To the earlier question about keeping your narrow lane and your focus, you're likely to do more of what you're doing within the boundaries that you've put in front of us, rather than become a full-service news organization? You are not, in fact, going to cover sports? You are not, in fact, going to cover other subjects?

Jake Sherman I would say this, and without saying what we will or won't do, because I think that's also an evolving discussion. I think this model is incredibly executable in a lot of different interesting areas. I think of Hollywood. I think of hedge funds. I think of all sorts of areas that I think are under covered or covered, not in an obtuse way, but can be covered in a much more engaging, lively way that Anna and I have talked about for a million years. But there are those sub niches around the country that I think are super interesting to us, right, Anna?

Anna Palmer I think that's right. I mean, I think to your point, Evan, though. I think you're going to see us really focus on what we're doing, grow it. I think it's going to be around power. But that doesn't necessarily always mean that it's only going to be Washington, DC based.

Evan Smith Got it. All right. Like the end of a presidential debate where a candidate gives their campaign website URL, go ahead, Anna, tell us the website URL to subscribe.

Anna Palmer Yes. Please subscribe at [Punchbowl.News](#). That's for our free newsletter. You can get hooked on the AM, and then we also have a premium subscription, which is \$300 a year.

Evan Smith OK, Jake, Anna, good to be with both of you. I wish everybody in the media business luck these days because we all need it. And so let me wish you all luck, and let me say from one startup guy to a couple of other startup folks, a special good luck to that, because I know how hard it is and especially right now.

Jake Sherman Thanks. We can't wait to get back to Austin.

Evan Smith I can't wait to have you get back. Let's hope the world opens up pretty soon. Very well. Yes, thanks. And to everybody at ISOJ 2021, thank you so much for having us. I'll now turn it back over to Rosental, I suppose, or somebody else from ISOJ to take it from here. Thank you.

Rosental Alves Yes, here I am. Thank you very much. This was really great. I remember that when Axios was launched, actually that same year, Jim VandeHei came to ISOJ, and I think I learned a lot in this. And I thank you very much. Best luck with Punchbowl.

Anna Palmer Thank you so much.

Jake Sherman Appreciate that. Thank you.

Rosental Alves So, guys, we are continuing with ISOJ 2021. We have a workshop next in half an hour. It's going to be very interesting, and it's going to be different from the rest of the activities of the ISOJ because we're going to have two feeds, one in Spanish and one in English, separate feeds instead of the simultaneous translation that has been so kindly offered by Univision. We are going to be talking about beyond search and how journalists can use many other features that Google, which is one of our supporters, of course, can offer to join the journalist. Because, you know, journalists should not be using just the advanced search, but there are many other things in addition to the advanced search. So I will see you in in half an hour. I will be introducing Juan Manuel Lucero, and Mallery will be introducing Mary, who is going to do the workshop in English. So see you soon.