

ISOJ 2023: Day 2

Panel: *The Local News Movement: Philanthropic investments to networks and tools to create sustainable models*

Chair: [Jim Brady](#), vice president/journalism, **Knight Foundation**

- [Erin Millar](#), co-founder and CEO, **Indiegraf (Canada)**
 - [Michael Ouimette](#), SVP, Strategy & Startups, **American Journalism Project**
 - [Alana Rocha](#), Rural News Network editor, **Institute for Nonprofit News**
 - [Mary Walter-Brown](#), founder and CEO, **News Revenue Hub**
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Jim Brady Thanks Knight Foundation table. Yeah, I think everybody's coming up now, I hope. No need to be out there by myself again. Well we're not really started yet anyway, I'm waiting for everybody to get seated here. On, rock and roll. All right. Rosental is giving orders, and I always listen to Rosental's orders.

All right. Good morning. I was obviously introduced so I won't introduce myself. But I wanted to just set the stage a little bit for this panel. We frequently use the word news deserts in this industry to describe the absence of independent local news in many, many parts of this country and sadly, more of them every day. This underscores the urgent need to transform the entire local news landscape, and similar to the ecosystem of a tree desert, revitalizing news deserts requires a balance of elements, and we're sort of getting at that with our display outside. It's impossible to sustain this complex environment without components that support individual species or in our industry, independent, local news sources. So many of which you've been inspired by here in the last two days. Scalability, sustainability, talent, and technology are all crucial components that will allow us to withstand the tough and unforgiving climate that media has presented us in the last 10 to 12 years. Knight's investment in networks and tools that help create sustainable models is essential for us if we are to fulfill our role at the foundation, as one of the conservationists of the local news ecosystem. I've been almost 20 ISOJs now. I'm somewhere in the top, I don't know... Rosental's probably got a list somewhere of who's been to the most, but I'm in the top five. Every year I feel more optimistic about the local news ecosystem, and part of the reason for that optimism is represented here today with these organizations, each of whom provides services to dozens and, in some cases, hundreds of news organizations around the country and world to help them find their way through this very often difficult climate. I'm not going to introduce the panelists since you'll hear from them all yourself and you have access to their bios. Instead, we're going to get right to it. We're going to do presentations that are no more than five minutes each. I promise that if anybody goes longer than five minutes, I will get up and start doing interpretive dance to their presentation, which is something nobody wants to see, much less any of the panelists up here. So please keep yourself to the five minutes. I will be relentless about that. Erin Millar from Indiegraf is going to get us started.

Erin Millar Okay. To be fair, Jim yesterday asked me to add one more slide to my presentation. So who would like to see him do interpretive dance?

Jim Brady I didn't say that you could go more than 5 minutes.

Erin Millar All right. Thanks, everyone. My name is Erin Millar and I'm the co-founder and CEO of Indiegraph. Indiegraph is a network of small and startup community news organizations that is pooling technology, shared business services, and capital to grow. We help journalists and entrepreneurs build new independent media businesses and nonprofits with a particular focus on standing up digital outlets in underserved communities — rural, small markets that are challenging from economic perspective ethnic media and marginalized audiences. Here we go.

So our goal is really about making implementing industry best practices, a lot more accessible to small publishers. So we obsess over making it cheaper and easier for them to grow their audience, drive membership revenue and advertising revenue. Just to make that a little more concrete, I wanted to share an example. We began working with Ken Schneck, the publisher of *Buckeye Flame*, an LGBTQ+ publisher in Ohio in November. This is actually a great example of ecosystem collaboration because the *Buckeye Flame* was about to do its first NewsMatch campaign, an INN program that Alanna will speak about later. But Ken was really not set up for success. He didn't have a very good tech stack for his membership campaign. He was overwhelmed. He didn't know how to run a campaign. So we were able to jump in there, give him a tech stack very quickly for a membership payment, and give him audience development services to help him build and execute a campaign. That first membership drive generated \$25,000 from his existing audience, and since then, Indiegraf has helped him, just in the course of a few months, increase his web traffic by 83%, nearly double his email subscribers and build new local ad revenue stream that is so far generated another \$25,000 in new revenue.

What we all do this for is obviously to provide the resources to produce that kind of journalism. This quote that I shared here from Ken that he sent to one of my colleagues a couple of weeks ago, really kept me going the last couple of weeks. So I'll just read the last sentence here: "Your support has truly helped change the landscape for LGBTQ+ equality here in Ohio, and that is not even remotely hyperbole." So that's why we do what we do.

So Indiegraf grew out of my first company, Discourse Media, which operates a small chain of digital local news outlets in rural and indigenous communities in Canada. We had been thinking about a model like this for some time. When the pandemic hit and in the course of six weeks, 50 community newspapers closed in Canada. So it was really an apocalyptic event for us and lit a fire under our butts as entrepreneurs. We launched that May with seven initial publishing partners, and since then have helped over 100 publishers across North America grow their audience and their revenue.

So I want to talk... Oops, forgot that slide. Here we go. I want to talk for a moment about why we should support small startup newsrooms. We're talking about the two- and three-person newsrooms that are mostly led by journalists who might not even think of themselves as businesspeople or entrepreneurs. I really believe that figuring out how to grow these newsrooms at scale represents a generational opportunity to transform local news for community benefit. There are now over 800 of these organizations in North America, and that number is growing by 10% per year. They are mostly journalists who are deeply committed to their communities and have a unique understanding of the information gap there, but they're extremely undercapitalized. The majority of founders get their seed funding by emptying their personal savings and maxing out their credit cards. One of the winners of a sustainability award last year, who is a celebrated innovator in this space, shared that she sold her car in order to get her organization off the ground. So think

about that. Hundreds of journalist entrepreneurs are coming to the rescue in their communities, filling news gaps, most of them risking their own personal finances to get started. These are literally democracy heroes.

This is why we do what we do at Indiegaf. I'm going to quickly go through this because I know we're running out of time and I really don't want to see Jim dance. But yeah, so Indiegaf is a one stop shop that provides what publishers need to get off the ground. It's technology, content management system, e-mail service provider that makes it super, super easy to press go on industry best practices. It's shared services, audience development team, membership team and ad sales folks that will help build and execute these campaigns. We have a unique cost model that is a combination of a monthly fee and a revenue share, which lowers the initial cost and the barrier to entry. We also built a scalable funding model called Indie Capital, the new startup fund that provides small amounts of capital that these publishers need to be able to get started.

This is the slide that I just wanted to share about the new start-up fund, which is a \$3.5 million dollar fund. The Knight Foundation is one of our funders and the Google News Initiative and the McConnell Foundation in Canada. We have a progressive model that really moves people through and provides capital, marketing support, search services and technology that is specifically focused at each stage, and then they can tap into more and more rich services and support as they mature. There's a whole data model behind this I'd be happy to talk about. In the interest of time, I'm going to leave it there. But yeah, thank you so much and I really look forward to the discussion.

Jim Brady All right, Mary.

Mary Walter-Brown Hey, everyone. I'm Mary Walter-Brown. I'm the founder and CEO of the News Revenue Hub. While they're teeing up our slides, I wanted to just give you a little background. I think, Erin's story really resonates with me for a lot of reasons. I was the publisher of *Voice of San Diego* back in 2011. As many of you may know, *Voice* was the first strictly digital nonprofit newsroom to serve a local community, and they were really the pioneers in this new sort of independent digital news space that was really grounded in community support. So when I came on board in 2011 and was really tasked with building out sort of the infrastructure around how do you create a volunteer donor program and how do you engage with the community and help them understand the business model of local news and their role in supporting it. For years, we had to sort of feel our way around in the dark to figure out, what are the technology tools that work with us through a lot of trial and error. What are the different ways of communicating? How do we, with a small team, develop the expertise to do fundraising and marketing and email all at the same time, while trying to run a news organization? So I think all invention is inspired from gaps. So that's how we ended up creating the news revenue hub.

We spun off from *Voice of San Diego* in 2016 with a really, really strong mission; a clear mission that drives every single thing we do today, which is to sustain the public's access to news and information. I have a clicker and it works. So the Hub is a nonprofit organization ourselves. We provide the technology infrastructure for newsrooms to quickly stand up a volunteer donor program that's integrated with email marketing so they can automate a lot of these important conversations that probably aren't happening between the newsroom and the community in order to build that trust. In the process of building the Hub and expanding over the last seven years, we went from five newsrooms in 2016 to more than 200 now. So we've built this really robust community of news organizations of practice who are sharing not only their challenges but their solutions and their

experimentation and their support for one another. So I think one of the most delightful byproducts of this work is really the community that we've created.

But it's also the data we're collecting. We're collecting key performance indicators from 70 different newsrooms — learning what their audience benchmarks are, how are they growing their email lists, how are they developing loyalty, how are they converting and retaining donors... Now we can leverage all of that to share it with the rest of the sector, which is what we do each year. As I said, it's over 200 newsrooms we're working with; that's small, hyperlocal newsrooms like *The Lens* in New Orleans, large regional newsrooms, like our friends at the *Texas Tribune* — that we're so honored to have joined The Hub this year — and even *The Guardian*. I think it's really that blend of newsrooms working collaboratively together, admitting they don't have it all figured out. That we all have to continue to stay at the forefront of change. The sector is changing every single day, and we can't assume we have it all figured out. Collectively we can do that in a much more efficient way.

I figured I would spend some of my time today, talking a little bit about the various stages that a newsroom has to focus on. This is the almighty funnel, as we call it. Everything that we're focused on is helping newsrooms develop the top of the funnel so that they are as discoverable as possible by as many people in their community as possible. When folks land on their page we're building loyalty with them. We're creating newsletters that meet the needs that they've expressed to us as audience members. We're growing that loyalty and we're making a case... That's literally what we're doing, making a case for them to financially invest in this important work. Then we're stewarding them and making them feel really, really appreciated for their role in making community journalism possible.

So instead of going deeper on the actual what that we do, I thought it might be more interesting for us to share our time looking at some of what we've learned over the past year. As I said, seven years worth of benchmarks. We try to stay out in front of the trends and look at what's happening in the sector and then help our newsrooms really stay out in front of some of the issues. So we do that by constantly encouraging our newsrooms to listen to their audience. Every year we do what we call an audience insight survey where we're asking really pointed questions like: how essential is this newsroom? Could you find this news and information anywhere else? So essentialness has become one of the really critical markers for success in membership. So you can see we score across the board very high, and people who consume the news and information our newsrooms provide really valuing it. We pointedly asked them, what could we do to get you to invest in these newsrooms? We really want to know what it takes to get the public to voluntarily open their wallets and support journalism. We're also asking them, how willing would you be to refer us to a friend? And as you can see, our net promoter scores are measuring up with some of the biggest, most prestigious players in the space. That's because we work hard to continuously communicate and be transparent and build trust with our consumers. We are seeing trends of audiences, especially over the past year, continuing to normalize to pre-pandemic levels. So what does that mean? What are we going to do from a strategic standpoint to increase that? Our friends at the regional level, *CalMatters* and *Texas Tribune*, had a great year last year. They saw audiences increase, and that's because of the important work they do around elections and election guides and providing tools that our consumers can use to make important decisions about their community. We also know...

Jim Brady I'm feeling the need to dance.

Mary Walter-Brown Uh oh. Email continues to be a number one driver of revenue and loyalty. 58% of traffic to check out pages are coming from email. So we're constantly helping newsrooms build that email product.

Jim Brady She's so much faster now. It really is a good threat

Mary Walter-Brown The same number of people gave more money. This is really important because as audiences constricted, we were still able to make our case to get more money from those super fans. That's important because we also saw major gifts declined last year, which is pretty common during an economic downturn. So it's so important for newsrooms to have those small-dollar donors that they can pivot to to make up the difference. I will just let you look at these slides. \$129 is the average gift. 46% of donors have made a commitment to give on a monthly or yearly level. So that means they're making these long-term commitments to these newsrooms. We believe, based on all of this, that it is possible to sustain both journalism and democracy and keep news and information free and accessible, if we just are creative about the kind of business model we want to create.

Jim Brady Thank you. Alana?

Alana Rocha Hi there. I was wondering if I might need a step stool over here, but I'm okay. Alana Rocha. I'm editor of the Rural News Network for the Institute for Nonprofit News. INN dates back 13 years. I've been with the Institute for just ten months, but in those months, we've built a lot and learned quite a bit, and our numbers continued to grow. After 13 years of shaping the field, iterating business development, we count ourselves among those organizations represented up here alongside me as really leading experts in building nonprofit news and local trusted news source. That's our mission; to build a nonprofit news network that ensures all people in every community have access to trusted news.

Simple editorial excellence and news coverage defines our network — editorial independence, transparency. We want anybody relying on any of our member sites for their news to be able to easily discern who their funders are, what their mission is, who their board is, and things like that. Not sure why it's not advancing. There it goes. More than 100 news organizations a year seek INN guidance on ethics, good governance practices and policies. We provide wraparound services — our programming is for organizations at various lifecycles of their organizations, as well as enable connections in between the members. Our resources and programming are well used by our members, as well as other groups building the field, including those represented here alongside me.

Quick look at the footprint. We started in 2009 with representatives and journalists from 27 nonpartisan newsrooms. We met in New York to plan the future of investigative journalism. You can see today we've grown quite a bit. We maintain about a 20% year-over-year growth in the number of members. Pretty much equal proportions of outlets that either cover the news, explain the news, or find something out before it's news. Those just speak to two major thrusts of our work: build a sustainable field, as you've heard from my colleagues up here, and have journalism with impact. We do these standards, of course, to be able to build trust with the communities we serve.

Sustainability is key. We know that from listening to our members as well as just the field in general. NewsMatch is the main way that we do that. Of course, that's a capacity building program, pool matching funds to scale impact and public awareness campaign. For the

first time this year, nonprofit news organizations attracted more funds from local funders than from national and regional foundations, so we're pretty happy with that. Network Philanthropy Center is a way to have templates, training for gift cohorts and sharing fundraising services. Earned revenue sources — Playbook, Resource Library, things like that — again, help these small newsrooms that are sometimes one or two full-timers with a freelance budget. INN Days is here, building a pipeline of journalism talent is what we focus on as well. INN Days is our annual meet-up, and for the first time in four years, we're excited that we will be back in person in Washington, D.C. You can see the dates there. Emerging Leaders Council is another way we focus on... Targeted towards attracting and supporting leaders of color. DEI talent and resources, and not listed here are internships and fellowships, which I'm particularly excited about. For the Rural News Network, we have nine journalists that will be in rural newsrooms starting this summer thanks to the Scripps Howard Foundation.

Editorial collaborations are a key for us, a holistic approach. We have 265 member outlets in 45 states who told us that they participated in editorial collaborations last year alone. 98 outlets have done so with INN in as far as collaborations. 67 of those we've supported directly either through funding or project management for collaborations. The first sustained collaboration is, my baby, the Rural News Network, and we will be launching a landing page here soon just to showcase the reach of the network. It's 71 members across 46 states. This is a way to highlight the representative journalism that's happening in these small communities and, of course, offer them wraparound services to help them sustain and change the conversation around rural and the misconceptions often.

Again, our approach often overlaps with many of those on stage and the programs that they put forth. So it's all collaboration. There's often not enough services to duplicate all the efforts that need to be made to support these newsrooms. Then this just talks about what we have on tap for 2023. We have a lot of exciting things for Rural News Network. We're onboarding a product manager that we'll be announcing soon. We'll have data journalism services. We'll have three editorial collaborations this year, including a first one on people of color in rural communities. Workforce development will be the second one and the last one is on health, which we know access to good health service anywhere but especially in rural areas, is key. So with that, I will leave you.

Jim Brady If any of you were thinking, I'm a monster for doing these five minutes, that's because we want you to have more time to ask questions. So there's a reason for the rush. We want you to be able to engage with this panel.

Michael Ouimette I'll promise to keep to that as well as to not embarrass AJP's fan favorite board member among the staff, Rosental Alves. Hi, everyone. I'm Michael Ouimette from the American Journalism Project. We are a venture philanthropy organization focused here in the United States that is working to support the growth of local nonprofit news, which we think can and must grow by a billion dollars or more on an annual basis in the next generation. Our approach is to raise philanthropic capital at the national and local levels, facilitate investment opportunities for ourselves and our philanthropy partners to deploy that capital directly in the newsrooms, and also to provide technical assistance and capacity-building support to help our partner news organizations grow their revenue streams. We know that it's not a sustainable future for nonprofit, local news to rely on national foundations to fund all of the local news we need in perpetuity. So all lines of our strategy are really at how can we build sustainable revenue pies among businesses, audience memberships, major donors and local foundations.

One of the ways we do this is through our Local Philanthropy Partnerships program. That's a program where we spend about one to two years in partnership with local communities, rigorously studying local news and information needs to identify gaps in local news coverage. We then design a set of philanthropic grant opportunities that really fill those needs and work in partnership with our local communities in the hopes of generating as broad a coalition of support among philanthropies and news organizations in local communities. We've either completed or are in process of nine market studies like this, and across that we have spoken to over 5,000 consumers about their local news and information needs and been able to facilitate more than \$40 million in local philanthropic investment into local news. We're proud of a recent example of this in Indiana. The Indiana Local News initiative was announced in February as a coalition of more than two dozen philanthropies and news organizations. Many of those philanthropies have either never given to news before or are giving substantially more to local news. This coalition will result in more than three dozen new journalism jobs in the state of Indiana by the end of this year, create two new nonprofit local news startups serving the Indianapolis and Gary regions, and also see the growth of five of Indiana's best news organizations.

Core to our model is investing in the business capacity of nonprofit local news organizations. So we focus on investing on the business and operation sides of local news organizations in the hopes that after three years of being on staff, the revenue-generating roles that we fund are not only able to fund their own costs but also contribute back into newsrooms and operating reserves, contributing to sustainability. We pair those grant dollars with hands-on intensive technical assistance. Each grantee receives over 100 hours cumulatively between support from our staff, our partners in the field, like Mary and INN, who really have expertise and membership and more. More important than all of that is the community we create among our grantees — 37 organizations who are on a shared mission, facing very similar challenges. We've made 37 grants across the United States and committed over \$40 million of capital to fund business and operations roles. In our first fund, which we completed making grants out of last year, we were able to add 150 business positions to the field of nonprofit news. It was a really important milestone for us, at the end of last year. Our first cohort of grantees, about 11 organizations that we invested \$3 million a year into their business and operating staff finished their three-year period of work with us. Those organizations were able to turn that annual investment of \$3 million into growth of nearly \$15 million of annual recurring revenue. On a median basis, that meant our grantees grew from just under \$1 million in annual budget to just under \$2 million. Most importantly, we were really excited to see those newsrooms invest that new revenue back into their operating budgets. So as you can see, news organizations were not only able to sustain the 80% increase in their business and operating capacity, which is so important for so many of these organizations that have just one or two business professionals, but they were also able to invest revenue back into the newsroom, growing their news budgets by an average of 66%.

Really importantly, we are not doing this work alone. We are so privileged to lean on organizations like INN and News Revenue Hub. Actually, we do have some overlap with Indiegaf as well through things like the *Buckeye Flame*, which is an amazing Ohio-based news organization. With INN those standards that they set are so important for us to know that the grantees we work with have strong ethics, donor transparency, policies, etc.. The INN index is also something everyone in this room needs to read every year, so important benchmarking as we do this work. With The Hub, the most important revenue stream in my experience is membership. We need tens of thousands of people in each community to sign up to pay \$5 a month, \$10 a month. We're really lucky to be able to partner with The Hub to lean on their expertise in that area. Thank you.

Jim Brady Thank you. Thanks, Michael. Part of the reason for wanting to do this panel was, as I mentioned in my early remarks, you saw all these amazing organizations over the last couple of days get up and talk about the differences they're making in their communities, whether here in the states or around the world, but underneath any of those sites operation, there are people who are helping them figure out how to publish, how to make money. I think sometimes that gets lost in the conversation. We focus so much on the journalism, as we should, but at the same time, the people who allow that journalism to happen by helping at scale a number of these publishers figure out some of these thorny problems we've been dealing with for 20 years is really essential. I want to play up Michael's last slide of you obviously are working with everybody on the panel. Alana, are you like similarly, obviously you're working... How important is the collaboration among the groups that are doing this? Because you're all biting off pieces that may overlap in some places but are largely different solutions to different problems.

Alana Rocha Sure. As I alluded in my slides, the need is great. I don't think there's a lot of room for duplication. We are serving different parts of these newsrooms. Again, a lot of these, especially in rural areas, which is my expertise and where I've been having a lot of conversations with news leaders is that, you know, there are one or two former journalists who never really learn the business side of things. So it's incumbent upon us to collaborate, and of course, the success of our organizations that are members or work with us is a testament to that.

Mary Walter-Brown Yeah. I'm really excited about all the collaboration and I'm excited that there are so many players in this space right now. The need is so great. We are going to be much stronger when we collaborate and make it easier for newsrooms to decide what services and what organizations they should be working with, and how we all plug in and integrate with one another. News Revenue Hub has been running the NewsMatch campaigns since the very beginning, providing toolkits and webinars and trainings. We work very closely with the AJP newsrooms from start-ups on to their more mature organizations, just helping them make sure that they're leveraging all these best practices. Erin and I have been having really exciting conversations to figure out how do we integrate our technology. How do we figure out when to help a newsroom move from one of our organizations to the other, because that's what's best for them? I think we're all coming at this from a mission-driven standpoint, and instead of being competitors, I think we're all trying to look at each other as allies.

Erin Millar Yeah, I would build on that for sure. I think one of the things that I think about, and where I think we have some opportunity to improve as the ecosystem players, is thinking about the user experience from the publisher's perspective. It's definitely a testament of the maturing of the independent news sector here in the States that there are so many interesting service providers, vendors, and associations. I think it can also be extremely overwhelming for publishers. That's one of the things that Indiegaf really focuses on is just trying to make it simpler. So the more conversations that we have with each other to understand what we're doing, where there is overlap... There's lots and lots of room to solve problems in the space. So I agree on the point on like it doesn't need to be competitive. However, we could definitely improve with just knowing what everybody else is working on so that we do avoid resources going towards duplicative efforts, all of that kind of stuff. The conversation in the last year has really improved as well, and we're having those conversations more.

One other thing I just wanted to share is a new project that Indiegaf is working on, its technology partner with LION, the Local Independent Online News Publishers Association, is a multi-vendor marketplace that will make it easier for publishers to discover all of these different products, services, consultants. That's one of the goals. Another goal is to facilitate services between publishers, so if there's a publisher that has particular expertise in newsletter workflows being able to offer that to another publisher. Then third, creating a marketplace that hopefully can bring some new fractional talent into the field. So that'll be out in the summer.

Jim Brady One quick lightning round, really lightning round question. Are you all seeing when you run into new entrepreneurs, are you seeing a progression in terms of their understanding of the broad sense of what it is to run a business? I think ten years ago, when a lot of people got started in this business, they wanted to do journalism first and then woke up after six months and realized, oh my God, this is a technology challenge and a business challenge, and I only thought about the editorial challenge. When you deal with new entrepreneurs now do you see a progression in terms of their understanding of that? We'll start at the end, Michael. Just work the way down.

Michael Ouimette Amazing. What we've noticed at AJP very strongly over the last couple of years is more and more applicants to our program already have a development director, a marketing director, or their first business hire. So I think that's evidence of what you're talking about, that we are doing our jobs and communicating to these entrepreneurs that it's really important that you prioritize operating capacity from the start.

Alana Rocha I've been sanctioned to say from our new index data that's not yet out, but that we've seen again this year two out of three of our members have year-over-year growth in revenue. Those who maybe slumped a little in the COVID era are coming back. So I think that's a testament to getting it as far as knowing what they need and relying on any of us in our organizations to be able to make that happen.

Mary Walter-Brown Yeah, 100%. Six years ago when I was having these conversations, I was having to pitch them on understanding why it was so important to communicate with your community and ask for their support. That was very uncomfortable for a lot of journalists. Now they're coming to me and saying, how do we do this? How do we accelerate it? I mean, in the old days, we would see only like 10% or 25% growth in the first year. We're seeing 50% to 60% growth in the first year because things are just moving much more quickly because, frankly, there are fewer roadblocks internally.

Jim Brady I was one of those people you were screaming at to push harder.

Erin Millar Yeah, I'll just add that for the type of publisher that we support, which is really one to person newsrooms is where they start and we want to see them grow, to add journalists, they might know that it's important, but it's also pretty unrealistic to expect these folks to be able to be doing really great journalism that's being engaging with their communities and being an expert on email technology stacks. It's very overwhelming as well. So I think the fact that there's more of these more fractional services models that are emerging like Indiegaf and like News Revenue Hub that allow journalists to hire expertise for less than it would cost to bring in a full-time person in their team is also a really helpful steppingstone to hiring those first people as well, and just mitigate some of that risk.

Jim Brady If people want to start lining up, I'm going to do one more question while people line up. There have been has been some criticism from people who've written

about calling you all intermediaries. I would say networks, but that's maybe just tomato, tomato, I don't know. But the criticism is that the philanthropic dollars that go to organizations that you represent should be going to publishers, and obviously I think most philanthropy does both. But what is your response to sort of the criticism that funding intermediaries is keeping money out of the hands of newsrooms that need to start growing their business? I will start with Mary on that one.

Mary Walter-Brown You know, I have strong thoughts about this. Number one, I think it's fair to scrutinize how funding is allocated and how that funding is then leveraged. So I think as a service provider, we hold ourselves to a very high account to make sure that we're a force amplifier for the funding that we receive. So for every \$100,000 that's been invested in the News Revenue Hub services, we've been able to generate \$800,000 for newsrooms, so there's an 8x return. So not only is that money teaching them... The money they're investing in us is teaching them how to earn their own revenue stream and reduce their dependence on philanthropy. I think when you can see that kind of return, it's really hard to argue with the impact that can be made by these support services.

Jim Brady Erin.

Erin Millar Sure. Yeah. Again, I agree. I also don't think it has to be one or the other. That's one of the pieces I wanted to make clear. But I definitely agree with scrutiny on looking at the effectiveness of these investments, and I think that the funders have a really important role in looking. In our slides, you saw us all talk about our return on investment, and we need to keep that. We need to keep ourselves honest and ensure that we are continuing to lower costs to be more effective. Our IndieCapital Fund, one of the slides I had to flip over at the end, for every dollar that we've been able to deploy to publishers, they're generating \$1.34 in new annual recurring revenue. This is just based on the first six months because we've just started this program. Again, we are looking at that return on investment all of the time.

One final thing that I will say is that for the type of publishers that I support that are one- or two-person newsrooms that I think are critically important to the future of the ecosystem, Knight is never going to be able to fund those directly. There has to be network plays in order for them to be able to support those types of publishers at scale because the transaction cost is just too high. That's why we have to come up with new models of getting financing into different types of organizations that are serving smaller, marginalized types of communities that have been underserved because we haven't been able to do that at scale in the philanthropic sector.

Jim Brady Michael.

Michael Ouimette Absolutely. I certainly echo everything that's been said so far, but I think it's a more important question for the news organizations we support. I know folks who work with The Hub, folks who work with Indiegaf, folks who work with the American Journalism Project, if you ask them directly, would say, yes, it's important for news organizations to be funded directly, but it's also important that these kind of network services are getting to do their work as well.

Alana Rocha It's more efficient for a lot of these newsrooms, like I said who I've talked with, who are one or two full-timers with a freelance budget... When it comes to funders, knowing that our members go through a rigorous vetting process and that the money that we're going to distribute is going to good causes. Then coming with NewsMatch and just

the fact that we can leverage those dollars — turn \$1 into \$2 and that \$2 into journalism, and \$50 million, \$30 million and so on — is a key part as well.

Jim Brady The reference to how funders look at this, it's important just to note. Knight's focus is really on what we call outcomes over outputs, and while the numbers that everybody's talking about up here are really important — making more money allows you to hire more people in your newsroom and allows you to go out and produce more journalism — if that journalism doesn't have any impact in your community, then the revenue doesn't much matter. If you're not actually making a difference... The way we look at any of the grants that we do, as is the money we're putting into the ecosystem and the organizations that end up getting their hands on that money, are they producing journalism that's actually helping their communities? That's what is our role in that is to make sure it's not just about we made a huge profit margin or that we got 8X, which is a great number, but if that aid doesn't lead to journalism as impactful, then it doesn't sound quite as great. So that's what we do and that's how we work together with our grantees. I'll take the first question over there.

Jarrad Henderson Hey, everyone, my name is Jarrad Henderson and I'm currently a Knight-Wallace fellow at the University of Michigan. Thanks, Knight Foundation. My question is for people who are building ventures, and listening to you talking about sustainability models that we talked about, a lot of the growth in the numbers that are coming out, what's working? What are the things that you're seeing? Are we just seeing subscriptions that are helping drive this revenue and growth and return on investment? Are there other key performance indicators that you could point to as very tangible examples of what's keeping us sustainable and local news?

Jim Brady Whoever wants to take that.

Michael Ouimette I'd love to start. So what we're finding works really well in the nonprofit model is making a strong case of support to a collection of major donors and local foundations to say, I need three to five years of runway, and if you can give that to me, I will absolutely deliver the impact that Jim is referencing and diversified revenue streams. So that when we come back for renewal in three to five years, we're not necessarily going to need the same amount of money that we had because we've worked with organizations like The Hub and others to generate broad support across thousands of people. So I think that's a model we're seeing work again and again and again across this country.

Mary Walter-Brown Yeah, I'll add to that. I think the healthiest newsrooms that we're seeing are those who have very diversified business models, so they're not unduly dependent on either local philanthropy or national philanthropy. So the four main revenue streams that we are seeing from the most successful, specifically nonprofit newsrooms, are about 25% coming from foundations support with a blend of local and national major donors. Another 25% coming from philanthropic people, stakeholders in those communities who are willing to invest 10,000 and above in the newsroom. Local advertising and corporate sponsors still in each community have a stake in having good quality journalism. I think that's sort of been overlooked in the last ten years as we've sort of given up on advertising as a revenue stream, and I think there's a lot of potential there. Then small-dollar donors through reader revenue. I think the one thing I will add to what you said is the ultimate metric of how much a community values the journalism that's putting out is if they're willing to actually voluntarily fund it with their hard-earned dollars. So I think it forces the newsroom to confront themselves and say if what I'm doing isn't

resonating enough to get someone to fund it, then I'm doing something wrong and I've got to tweak my strategy.

Alana Rocha One thing we're seeing or hearing from members is that even simple data turns each week highlighting this set of data or whatnot for their audience resulting in donors, just because it's kind of news you can use or navigators that they can go through. So even if it's like an easy lift — oftentimes they're working with somebody at a university or fellows if they don't have a full-time data journalist on staff or working with an outside service. We just continue to see that even kind of light lifts, weekly turns are translating into dollars and small donors.

Archie McLain Archie McLain. I'm with Mount Rowan University in Calgary. I had a question for Erin and Mary and maybe anyone else who works internationally. It feels like the scene here in the United States is quite a bit different, say, than it is in Canada or maybe some other markets around the world. Wondering if you could just elaborate a bit on some of the common challenges across the borders and some of the ones that are unique to, say, Canada or the United States? Thanks.

Erin Millar I'll take that on as the Canadian. There is a lot different but there's also a lot in common between the Canadian and the U.S. market. It's been super interesting. We started surveying American publishers in early 2021, and definitely some of the challenges around dealing with polarization in communities here, they don't not exist in Canada. but it's definitely a different approach to the content that is required. In terms of like the business of what is working, when I started Discourse in 2014 and I'm sure you can also relate to this, it really felt like a wild west of just trying to figure out what the business model would be, experimenting with a ton of things. I think we're in a phase of a little bit more consolidation where there is proven tactics and strategies and business models that are working, and it is a matter of sort of picking from a menu and figuring out how to apply it into unique communities. There's no silver bullet, of course, but we're seeing that working in Canada and the United States. I would say the U.S. is more mature, and while the percentage of people who pay directly for news here is higher than in Canada, but it continues to grow, and we see that in other places. Technology adoption among the publishers that we work with here is quite a bit further along than what we see in some other markets. We're working on a project with a partner in Southeast Asia and nobody is using... Newspack isn't a thing yet there. Nobody is even using Substack. They're piecing together websites, building them themselves with developers, who are working for super cheap in another country, etc.. So there's a lot that the U.S. can export about the maturity of the industry in the last couple of years.

Jim Brady There is also a much smaller philanthropic pie. Correct?

Erin Millar Oh, between Canada and the States. Yeah. I mean in Canada... Well it was actually, until a relatively recent change to our tax law, was not even possible for philanthropic dollars to go to journalism because it was considered political activity. So it was actually illegal for charitable dollars to support journalism. I think because of that there's some really interesting business innovations that have come out of Canada that people should pay attention to. You know, innovation and necessity, that old quote. We've been very forced to try to focus on earned revenue, the innovators there, and we're really scrappy. I think Canada has that to offer as well.

Jim Brady Next question.

Haggai Matar Haggai Matar, +972 *Magazine* Israel Palestine. Actually expanding that question, if you can share your experience in other parts of the world outside of North America.

Mary Walter-Brown Yeah, I've had a lot of conversations. I've gone and spoke in Europe. We have newsrooms that have audiences in different parts of the globe. I think the first thing that we always approach it as is we need to understand the culture of philanthropy in every country that we work with. We don't want to assume that just because something has worked here in the United States, it's going to work in another country. So before we even go down the road of engaging with the newsroom, advising them on how to start a volunteer donor program, we always want to start with understanding what their constituencies believe, how they feel the role of journalism plays. That's different in every country. Then there's all the legal and tax issues about collecting donations and GDPR and all the different things that you have to deal with internationally. So each kind of country brings its unique challenges, but we are really interested in exploring what that looks like in other countries because we're getting more and more calls from the UK and Europe and beyond as they're trying to kind of untangle what reader revenue may look like for them in the future. But I think it has to come down to research.

Erin Millar One thing that I noticed in the last year in particular at the International Journalism Festival in Italy, which we're going to next week for some of us, is there is also an interesting trend of as independent media organizations mature, there's always a couple of pioneers. They're starting to be asked by other people within their markets, how can you help me? So, in the U.K., for example, the Center for Investigative Journalism is starting now to do different programs and serve as that ecosystem player. So I think where the opportunity for folks like us is to think about is there ways that we can provide some of our tools to those players that will serve that purpose within their own markets and have much more understanding of the differences in regulation and culture and philanthropy?

Jim Brady So we have three people left standing. I think it's three and about five minutes left here, so let's move quick. I'm going to go back to this side and then back over and ask as quickly as possible, and maybe one or two people will answer and we'll go back.

Christian McDonald Christian McDonald, I'm a professor here at the University of Texas. A lot of the services that you provide are for nonprofit newsrooms and for digital only products, but there are a lot of rural newspapers that are already here, many struggling, many trying to find ownership, many in need of the same kinds of shared services and stuff that you provide, are there ways that they can tap into some of the things you're doing? Is their only hope to go nonprofit? Can you help them go nonprofit? What are the ways that we can help newspapers that have been around for a century yet are leaving our communities because they're having trouble finding ways to support their work?

Jim Brady Let me just start of that with two organizations that are not up here, but work heavily with for profits. One is Newstack, which has been here for the last couple of days, I hope you went to one of their sessions. Their content management system is owned and operated out of WordPress, which has a ton of for profit clients. LION Publishers which Erin mentioned, has a couple of hundred for-profit members, and they're providing a lot of services to help them with revenue growth and sustainability as well. So while this group is largely focused on nonprofits, there are other orgs that focus on for profits.

Erin Millar Indiegraf is actually majority for profit. They're small local businesses; mom and pop shops is like another way to think about it.

Alana Rocha Yeah, I know INN has guides for for-profits looking to transition to nonprofits. I did check with my colleagues prior to coming up here and it doesn't seem like a lot of those weeklies and locals in rural communities are transitioning or in the process of transitioning to nonprofit. That doesn't mean they won't, but right now that that's not a trend we're seeing.

Jim Brady Yeah, and I think I think in our funding, we want to make sure that we're providing funding for organizations that support both for and non because we think they both have to be part of the future. Not everybody agrees with that, but we think so. Next question.

Al Cross Al Cross, Institute for Rural Journalism, University of Kentucky. Thanks to all of you for the work that you're doing. I think it gives Jim reason for his optimism about the local news ecosystem, but I think the exception is in the really rural places, counties of 30,000 or less probably. There you don't have the sort of resources, especially philanthropic, that can be brought to bear, and there's little potential for a digital start-up. So I'd like somebody, one of you or all of you, to address the potential for collaboration between national and regional nonprofits with these existing local legacy news organizations, some of which do good journalism and would like to do better journalism.

Michael Ouimette I love to start with that. One very encouraging trend that we're seeing is state-wide philanthropists taking an interest in the rural communities within their states, and I think that's going to have to be, at least in the nonprofit realm, a way to fund rural journalism. The Indiana Local News Initiative, which I mentioned, is very focused on supporting rural publishers. I'm finding whether it's in Indiana or Ohio, folks in the big cities do care that everyone who votes in their state elections gets news, and I think that's an encouraging model.

Alana Rocha I think we've reached the scale we have at INN where we're doing collective action. So we are exploring a sponsorship network where a sponsor can buy kind of one package that hits several markets in order to sustain and add to the earned revenue that those locals are doing, as well as the product manager. We're trying to centralize some of those services as far as best practices, and listen to the members to see exactly what would work with their local audiences and markets to build that support.

Jim Brady I also think the philanthropic world is changing a little bit, too, which is interesting. There's two groups that are now more interested in funding journalism than they used to be. One are people who are like well I fund climate, I fund racial equity, or I fund this. A lot of them are coming around now to realize that good coverage of those topics is actually something that they want to help fund because they realize good journalism helps with whatever their top priority is. The second one are people who fund democracy, who are now starting to look at the rural challenge as a real challenge to that. They didn't always see democracy as connected to journalism. Now they're starting to see those two things as being more connected. I do think you're going to see a bigger pie, notwithstanding the fact there's a large kind of fund of local journalism philanthropic organizations coming together to put money into the ecosystem over the next five years. I think rural is one of the areas we're trying to figure out how we address your problem directly. So last question and then you'll get away without dancing.

Andrea Bicken Wonderful. Hi, my name is Andrea Bicken. I'm the development director at *Documented*, which is a New York City-based nonprofit newsroom that seeks to meet the

news and information needs of the area's immigrant communities. One community of newsrooms that is growing is groups like ours that are seeking to reach marginalized and low-income readers, readers who cannot sustain a newsroom on subscriptions alone. I love Michael's point around diving big on philanthropy and major giving, but I would love to hear from people who are more on the business side and how you are working with newsrooms like these, and where you see the future of that work going?

Erin Millar I would love to speak to that. Also just start with one thing on the rural question, which is the smallest community that we've worked on putting a digital news start-up in was 2,000 permanent residents, so I do think there's some case studies out there that I'd love to share. But on this question, we work with a number of communities that don't have the financial resources to be able to directly support and are very focused on how do we take some of the innovations that have come out of membership programs in more affluent communities and adopt those and right size those to generate revenue to serve those that have been marginally underserved, or historically underserved and marginalized by media.

One of the ways that we've done that, and I point to *IndigiNews* as a really interesting example in Canada, is to find ways to monetize the expertise that the journalists and newsrooms have. So, for example, one of their strongest revenue streams is providing trauma-informed training that they've developed by serving their communities deeply, to other journalists across North America. They've trained dozens and dozens of journalists, and that's become a revenue driver for them. Also creating other kinds of products for audiences that seek to learn and better understand these communities and are willing to pay for those things. So putting service to their own community first is essential, but they are finding ways to generate revenue through ancillary products.

Jim Brady All right. I think that's time. We're up. I'm getting the thumbs up from Rosenthal, which means good job, get off the stage now.