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Pepperdine University
Graduate School of Education and Psychology

THE ROLE OF DIGITALLY NATIVE, NONPROFIT NEWS MEDIA IN THE
FUTURE OF AMERICAN JOURNALISM: AN EXPLORATORY STUDY

A dissertation submitted in partial satisfaction
of the requirements for the degree of
Doctor of Education in Learning Technologies

by

Rebecca Coates Nee

July, 2011

John F. McManus, Ph.D.–Dissertation Chairperson

This dissertation, written by

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under the guidance of a Faculty Committee and approved by its members, has been submitted to and accepted by the Graduate Faculty in partial fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

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DEDICATION

This work is dedicated to the loving memory of my parents, Katherine H. Coates and Allan R. Coates, and the bright promising future of my daughter, Nikki.

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Completing a doctoral program as a single working mom at a rather mature age has been a challenging undertaking, but one that has been made easier by all the brains I've been able to borrow along the way. I am so grateful to have been supported by faculty from two universities, an amazing cadre of fellow Pepperdine students, and loyal friends who compose my child-care village.

I owe a huge debt of gratitude to my department chair and mentor, Dr. Diane L. Borden, the director of the School of Journalism & Media Studies at San Diego State University. She gave me enormous motivation and much needed advice before I applied to Pepperdine and continues to advise me daily. One of her pearls of wisdom was to decide on a dissertation topic early, stick to it, and make sure as many research papers as possible relate to that topic along the way. Because of that guidance, I am able to complete this degree in 3 years.

On the Pepperdine side, Dr. Jack McManus, my professor, dissertation chair, editor in chief, and fellow news junkie, has been incredibly supportive, wise, and patient during this process. Whether zip-lining in Costa Rica or cruising the Panama Canal, Jack has always been just a Skype chat away. I knew Jack would be my dissertation chair when he interviewed me for the doctoral program. His first question: "So, what is the future of news, anyway?"

This dissertation is designed to answer that question in a small way by looking at the role of nonprofit news organizations in providing public service journalism—the kind of journalism that democracies need but for which people aren't traditionally willing to pay. As a former television news reporter who watched true investigative reporting

dwindle in the pursuit of ratings, I am concerned about who will perform this vital function. I thank all the leaders of the digitally native nonprofit news outlets who took time out of their busy schedules to talk with me for this study. Their passion, innovation, and drive are contagious and inspiring.

Also, I am grateful to the other members of my committee: Dr. Paul Sparks, who is always insightful and illuminating; and Dr. David Dozier, a colleague of mine from SDSU whom I successfully recruited, despite the lack of quantitative methods in this study. Surveys and statistics are next, I promise.

I am also so appreciative to the rest of the Pepperdine faculty: Linda Polin, Judy Fusco, Kay Davis, Farzin Madjidi, Gary Stager, and Monica Goodale. Not only has each of them played a role in the formation of this document, but they have expanded my mind and worldviews in a multitude of ways. I was so fortunate to have had such a diverse array of wise people guiding and teaching me. I have also been lucky to have been part of the greatest group of students ever, Cadre 14. The support, sharing, and fun we have had during this challenging process go beyond any doctoral experience I would have imagined.

On the San Diego State side, I must also thank Drs. Bey-ling Sha, Noah Arcenaux, and Bill Eadie for helping me with the validation procedures for this study. After 5 years as a part-timer, I am thrilled to be joining you in the fall as a full-time, tenure-track faculty member.

Finally, I thank my friends who kept my sanity intact by entertaining my daughter during some of my marathon writing and class sessions: Lisa Martin, Ian Parkinson, Gerry Martin, Cindy Peterson, Erik Peterson, and, of course, Emily Peterson. My life and

that of my daughter's have depended on each of you (quite literally at times).

And last in this list, but first in my heart, I thank my daughter, Nikki. When I began this process, she was a little girl. She's now a preteen, safety patrol officer, and student leader. During the last 3 years, she has said repeatedly that she wished I had become a doctor before she was born. Well, I am one now. So let's let the good times roll, sweetheart.

VITA

Rebecca Coates Nee

EDUCATION

Pepperdine University, Los Angeles, CA Doctor of Education, Learning Technologies	2011
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PROFESSIONAL EXPERIENCE

San Diego State University Lecturer, School of Journalism & Media Studies	January 2006-Present
Courses taught: JMS 550, Capstone Multimedia News lab; JMS 375, Media Technology in the Global Environment; JMS 420, Public Affairs Reporting; JMS 430, Online Writing and Design; JMS 310W lab, Gathering and Reporting Information. Editor and advisor to the Kaplan Journal and JMS Reports.	
Project Manager, SDSU Digital and Social Media Collaborative	2009–2011
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RCN Media Services Owner	2000–2006
Writer, Web content producer, PR consultant and digital video editor. Productions included two book-length career guides on television news and <i>Adopting from China: A Video Survival Guide</i> , an hour-long documentary sold by six online retailers, including Amazon.com and Target.com; featured nationally on Alpha Mom TV.	
WINK-TV (CBS), Fort Myers, FL Anchor/Reporter	1994–2000
Co-anchored top-rated 5 p.m. newscast. Reported, produced, edited, and wrote news and feature segments. Reported live from the 1996 Democratic National Convention and 1998 Florida gubernatorial election.	

KTVB-TV (NBC), Boise, ID	1991–1994
Anchor/Reporter/Producer	1987–1989
Coanchored and wrote morning and noon newscasts (1991-1994). Coanchored, produced, and wrote weekend newscasts (1987-1989). Covered Idaho governor and state legislature.	
San Diego County Water Authority	1988–1991
Ramona Municipal Water District	
Public Relations Specialist	
Coordinated public relations and advertising campaigns for water districts during state-wide drought. Designed and placed advertising and PR materials. Organized media seminars and conducted media training workshops. Acted as media spokesperson.	
KHSL-TV (CBS), Chico, CA	1986–1987
Anchor/Reporter	
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ABSTRACT

Unprecedented changes in journalism practices have been occurring since the 21st century ushered in the digital age. Newsgathering methods, means of information delivery, and consumer habits have altered dramatically because of technological advances, causing a disruption in the traditional business model. Newspapers, historically the key instrument for investigative and public affairs reporting in the United States, have been the media sector facing the biggest decline in revenue and circulation. While the audience is migrating to traditional news outlets online, the advertisers are not. Free services such as eBay and Craig's List have contributed to a nearly 50% drop in revenue for newspapers. Therefore, the once profitable news industry is no longer as attractive to corporate owners with commercial interests. The response has been severe budget and staff cuts. An estimated 30% of traditional journalism jobs have been eliminated.

In response to the fiscal crisis, 60 nonprofit news organizations have formed, mostly online, with the mission of performing public service journalism. Hearings on the future of news have been held by a U.S. Senate committee, the Federal Trade Commission, and the Federal Communications Commission, which is researching whether these digitally native nonprofit news outlets should be eligible for government funding, similar to the public broadcasting system.

The purpose of this exploratory study was to gain a better understanding of how these digitally native nonprofit journalists view their role in the future of public service journalism and determine whether government financing is appropriate or even desired by the leaders of these organizations. Findings suggest that the leaders view their role as necessary to democracy because they provide information about public affairs, serve as a

watchdog of government officials, and engage the public in a discussion of community issues using digital technology. However, they cannot perform these functions alone. The leaders see partnerships with commercial and public media as key to their success. The respondents also are concerned with diversifying their revenue streams beyond foundation and philanthropic funding. They do not support direct government subsidies, however, because they believe that type of support would present ethical and credibility issues.

Chapter One: Introduction

For 200 years, the majority of Americans received the news of the day, as selected by editors, in a printed, packaged format delivered to their doorsteps for a nominal subscription fee. Instead of charging high circulation rates, privately owned newspaper companies traditionally have relied on classified, local, and national advertising to make up more than 80% of their revenue (Dominick, 2010). This business model worked well in the 20th century, particularly for large metropolitan daily newspapers such as the *New York Times*, *Los Angeles Times*, and *Washington Post*, which were able to fund expensive, award-winning investigative journalism, while still bringing double-digit profit margins to their owners.

But that traditional funding model started to break down with the dawn of the new millennium. The Information Age ushered in a new era of instant, participatory content that could be inexpensively produced en masse by almost anyone with a keyboard and Internet connection. Advertisers big and small began turning away from print publications and toward free online classified sites, as well as search engines and social networking sites that deliver targeted, well-defined audiences. The news consumer joined the migration away from the print product, choosing instead to get free information from television and online sources (Pew Research Center, 2008). The result has been a sharp decline in both circulation and advertising revenue for newspapers.

The Pew Research Center Project for Excellence in Journalism began tracking the health and status of American journalism with annual State of the News Media reports in 2004 (Project for Excellence in Journalism [PEJ], 2010). The 2010 State of the News Media report showed newspaper circulation had dropped by one quarter since the 21st

century began. For the first time in history, fewer than half of all Americans read a daily newspaper, and the majority of them are older than the age of 55 (Newspaper Association of America, n.d.-a). The revenue picture is even worse. As a whole, the newspaper industry lost an estimated 43% of advertising revenue from 2006–2009 (PEJ, 2010). Newspaper companies have responded by cutting staff from their newsrooms and reducing pages from their printed product. An estimated 30% of journalism jobs that existed at the turn of the century no longer existed in 2010 (PEJ, 2010). The lack of advertising has resulted in content being cut as well. Many papers have become so thin that some newspaper deliverers have complained about the throw-weight being too low to make it to the front porch (PEJ, 2010). Some large chains have gone into bankruptcy while other papers, such as the *Rocky Mountain News* in Denver and *Post Intelligencer* in Seattle, were forced to permanently stop their presses (Dominick, 2010).

Although online ad revenue is increasing for most newspaper companies' Web sites, the amount is not enough to make up for the steep losses on the print side, particularly since the content is given away online. For example, The New York Times Company (2010), owner of one of the oldest and most prestigious newspapers in the country, released a third-quarter 2010 outlook projecting an increase in digital advertising revenues of 14%, but continued declines in circulation and print revenues, making total revenues drop by another 2% to 3%. That outlook caused some analysts to predict the Times Company would have to eliminate half of its estimated \$200 million annual newsroom costs in a major restructuring (Blodget, 2010).

This revolution in the way Americans are consuming their news is most threatening to the large metropolitan daily newspapers that historically have been the

most capable of producing public service journalism because of their vast resources and institutional muscle (PEJ, 2006). Now that those resources are diminishing, some of the commercial entities have begun partnering with new, digitally native nonprofit media outlets to produce investigative reports. These nonprofit entities are typically led by veteran journalists, many of whom were laid off from their newspaper positions, staffed by young reporters, and funded by membership donations, philanthropic foundations, and some advertising. The digitally native nonprofits tend to focus on public affairs reporting and are mostly local and regional in their coverage. However, one, ProPublica.org, is national in scope and won a 2010 Pulitzer Prize with the *New York Times* for a collaborative investigative report on one hospital's emergency response to treating flood victims of Hurricane Katrina (Pulitzer, 2010). While numerous articles and reports on future of news acknowledge the importance of these digitally native nonprofit models, their role in the media landscape, sustainability strategies, and best practices have not been clearly defined.

Background and History

The very nature of American democracy depends upon an active, free press to inform the public and serve as a watchdog over the actions of government officials. The Watergate investigation of President Richard Milhouse Nixon by the *Washington Post* in 1972 is one of the best-known examples of watchdog reporting, but numerous cases can be found throughout history in which journalists have exposed public corruption committed by national, state, or local officials.

Bell, California and the *Los Angeles Times*. Budget and staff cuts at the *Los Angeles Times* forced the newspaper to stop covering smaller communities in the

metropolitan area, but two reporters managed to stumble upon a compensation scandal in 2010 that had gone unnoticed for many years. The reporters, Vives and Gottlieb, discovered that city officials in Bell, California, population 40,000, had granted themselves salaries extremely disproportionate to those of other public officials in the state. The *Los Angeles Times* reported that the city manager was making \$800,000 annually, the police chief \$400,000, and part-time council members \$100,000 (Vives & Gottlieb, 2010). Once the reports were published, the officials were forced to resign and faced criminal prosecution. Although the reporters from the *Times* eventually uncovered the egregious abuse of power by Bell officials, it took several years for them to do so. Many media observers point to this scandal as an example of why watchdog reporting is still so necessary, despite budget cuts within news organizations (Friedersdorf, 2010; Seitz, 2010).

Cunningham and *The San Diego Union-Tribune*. After more than 15 years representing San Diego in the U.S. Congress, Randy Duke Cunningham was convicted in 2005 of conspiracy and tax evasion in what has been dubbed the worst case of congressional fraud in U.S. history. However, Cunningham's pattern of corruption went largely undetected until reporters from *The San Diego Union-Tribune* began publishing stories about his suspicious real estate transactions and extravagant travel. When the reports surfaced in the newspaper, the U.S. attorney's office indicted Cunningham. Eventually, he was found guilty of awarding defense contracts to his longtime friends in exchange for \$2.4 million worth of bribes (Stern, Kammer, Calbreath, & Condon, 2007).

Cunningham, a Navy fighter pilot in the Vietnam War, began serving an 8-year federal prison sentence in 2006. That same year, the four reporters who led the

investigation for *The San Diego Union-Tribune* won the Pulitzer Prize for national affairs reporting. The Cunningham coverage was widely praised by industry experts as a stellar example of watchdog, or public service journalism. But that type of investigation was only possible because the *The San Diego Union-Tribune*'s editor and publisher invested enormous resources and personnel time into the story, according to one of the Pulitzer-winning reporters, Dean Calbreath (personal communication, November 18, 2009).

Like most major metropolitan newspapers, however, the *The San Diego Union-Tribune* began to lose revenue and circulation in the mid-2000s because of competition from the Internet. By 2008, the long-time owners of the newspaper, the Copley family, had closed their D.C. bureau and bought out the contracts of all but one of their veteran, Pulitzer-winning reporters during two rounds of cost cutting measures. One of those reporters, Marcus Stern, is now a senior reporter with the national digitally native nonprofit, ProPublica.org (ProPublica, n.d.).

After more than 80 years as the dominant media owners in the San Diego market, the Copley family sold the paper in 2009 to a private equity firm based in Los Angeles ("*Union-Tribune*," 2009). The new owners responded with another round of layoffs the day they took over the paper, bringing the total number of jobs cut at the newspaper to 572, or 40% of the workforce (Davis, 2009). In a 2009 speech to journalism students at San Diego State University, Calbreath, the only reporter of the Cunningham team to remain at the *The San Diego Union-Tribune*, said the type of investigative reporting he and his colleagues did in 2005 is no longer possible because of the deep staff cuts. "It couldn't be done now," (D. Calbreath, personal communication, November 18, 2009) he told the students.

Statement of Problem

Digital technology has been disruptive to the media industry because the Internet threatens the primary source of revenue for traditional media outlets while dramatically altering the way the audience consumes news. The grim revenue scenario at the *Union-Tribune* is similar to those at major metropolitan newspapers throughout the country. The open-source nature of the Web and expectation that information will be free online has sent the leaders of traditional media scrambling to redefine their journalistic practices and business models. Federal Communications Commission ([FCC], 2010) Chairman Julius Genachowski, in a hearing on the future of news, said the result has been a “potential crisis for democracy” (p. 10).

In response to the crumbling business model facing traditional forms of American journalism, a new digitally native nonprofit model of public service journalism has emerged during the last 5 years. Most of these outlets, such as Voice of San Diego.org, are focused on covering news in their local communities, although some are regional, and at least one, Pro Publica.org, is national in scope. Because of low overhead costs, these outlets are able to operate with a budget greatly reduced from their print and broadcast counterparts. Every major recent report on the future of news (Downie & Shudson, 2009; Knight Commission on the Information needs of Communities in a Democracy, 2009; PEJ, 2010) has acknowledged the possible importance of these emerging alternative models, but their role, sustainability strategies, and best practices given the new media ecosystem have not been clearly defined to date.

Statement of Purpose

As technological advances continue to impact more traditional forms of journalism and the commercial media models crumble, the need to understand how alternative news outlets online can support public service journalism is critical. The purpose of this qualitative, exploratory study is to obtain an understanding of how nonprofit, online journalists make sense of their place in the emerging media landscape and perceive the role of government in supporting and sustaining public service journalism.

Research Questions

In the opinion of the selected respondents:

- RQ1. What structural parameters and practices contribute to a successful digitally native news media outlet?
- RQ 2. What are your current types of revenue sources and how do you plan to achieve financial sustainability for your digitally native news media outlet?
- RQ3. What role, if any, is the government at the federal, state, or local levels currently serving to help support your digitally native news media outlet?
- RQ4. What supports are appropriate and needed from government agencies or officials to sustain a successful digitally native news media outlet?

Significance of the Study

The results of this study have both theoretical and practical significance. A number of U.S. government agencies and legislators are attempting to address the crisis in American journalism by holding hearings and gathering expert testimony. The FCC

hosted an ongoing series of workshops on the future of media in 2010. One hearing specifically addressed digital, noncommercial media and asked for public input on more than 40 questions, including the following:

What should be the role of non-profit media that are not noncommercial broadcast licensees (for instance, non-profit websites, news services, mobile applications, or reporting-oriented organizations)? What public policy changes (including changes to the tax law, corporate law, or rules about advertising) could improve the viability of nonprofit models? (FCC, 2010, p. 9)

Witnesses who testified at the April hearing were generally supportive of expanding public media into digital formats (FCC, 2010) but most of the testimony did not explore the practices and sustainability of the newer, digitally native nonprofit media. Instead, the experts focused primarily on existing broadcast public networks, such as National Public Radio and the Public Broadcasting System. While most panelists agreed that public media played a significant role in the future of public service journalism, no clear direction was given on whether a sustainable, separate network of digitally native media was necessary in addition to the radio and television-based public broadcasters. This exploratory study gathers input from the practitioners of digitally native nonprofit news outlets regarding their mission and values and what role, if any, they believe government should play in supporting their mission.

Operational Definitions

Public service journalism can be defined as the monitoring of and reporting on the activities of local, regional, state, or federal governmental bodies in a way that builds civic spirit among community members (Meyer, 2004). Public service journalists are responsible for educating the citizenry on matters that impact their lives and providing them with objective information that will inform their voting decisions. Other terms used

to describe these surveillance and educational functions of the media include investigative journalism, watchdog reporting, muckraking, and civic journalism. However, all these terms are interchangeable because quality public affairs reporting by its very nature encompasses watchdog and investigative journalism. All public affairs journalism necessitates at least some degree of investigation by reporters.

The digitally native news media being researched in this study will meet the following characteristics:

- Nonprofit status
- Adherence to the Society of Professional Journalists Code of Ethics
- No direct affiliation (i.e., shared ownership) with legacy or traditional forms, either commercial or public, of print or broadcast media
- Sustainable and diverse funding model in place
- A commitment to public affairs reporting on the local, regional, or state level
- Fulfillment of a demonstrated information need in the community served
- Led by professionally trained or experienced journalists (as opposed to citizen journalists).

Assumptions

The researcher will make several assumptions while carrying out this study. First, the investigator assumes that participating journalists are personally motivated to be public service journalists as defined in Chapter One. Second, the researcher assumes the interview respondents will understand the questions, and answer the questions honestly. Third, the researcher recognizes the influence of her professional experience in commercial journalism and the theoretical frameworks she has chosen for this study. The

researcher is also personally acquainted with the chief executive officers and editors of two of the outlets in the target population and has served with them on several panels regarding the future of journalism. She acknowledges these possible biases and worked to limit their effects on the study by regularly consulting with academic colleagues to ensure the validity of the interview instruments, coding methods, and findings.

Delimitations and Limitations

Possible delimitations of this study are:

1. The subjects of this study are nonprofit journalists. What is true for them may not be true for all journalists, nonprofit or commercial.
2. The digitally native news model is emerging; therefore, generalizations may be difficult to form.
3. Content, delivery systems and practices may vary based on the outlet's community and funding sources.

Internal validity is limited in this study because of the qualitative nature.

Additional limitations are that the target population is small, with fewer than 60 news outlets meeting the operational definitions, and geographically diverse. Therefore, some interviews were conducted over the telephone, while some were in person.

Chapter Two: Review of Related Literature and Research

“In America there is scarcely a hamlet that has not its newspaper.”
—Alexis de Tocqueville (1845/2004, p. 214)

The American founding fathers placed great importance on the role of a free press to inform citizens and serve as a government watchdog, but they left that responsibility up to private companies, subject to the whims of the marketplace. Almost since the founding of the Union, scholars have been concerned that the commercialization and profit motives of the press have diluted the public service role of journalism. Now that the digital age has made media ownership less lucrative, many authors have even greater concerns about whether the for-profit media can be entrusted to fill the information needs of all communities (Downie & Schudson, 2009; Gans, 2003; Knight Commission on the Information Needs of Communities in a Democracy, 2009). In response to that concern, foundations and other philanthropist have begun funding independent nonprofit media to perform this public service function of the press.

Theoretical Basis

The founding fathers of the United States of America decided on a democratic form of government that would be decided upon by educated and informed citizens. They determined a free press was necessary to maintaining the health of the democracy. Subsequent theories, including the social responsibility theory of the press, have underscored the important role journalists play in American society and even allow for some government intervention in the media if the press is not fulfilling its public service mission. Economic theories of private ownership point to a fundamental tension between commerce and journalism. Precedence has been set in the United States for federal funding of public media through the public broadcasting network and other types of

subsidies in the form of reduced mailing rates and government printing contracts. Many scholars view digital technology as a promising platform for informing and engaging the public, thus engendering a more participatory form of democracy.

In order to study the future role and viability of these nonprofit media outlets, an analysis of the historical and sociocultural impacts of traditional commercial media and their response to the digitization of information is useful. Six frameworks are helpful in researching the evolving role and changing ecosystem of the U.S. media:

- The Role of Journalism in a Democracy
- Economic Theories of News
- Social Responsibility Theory and the Modern Press
- Discontinuous Change
- Diffusion of Innovation
- The Digitization of the News Industry

The Role of Journalism in a Democracy

Democracy, translated from the Greek word *demos*, or people, means the rule of the people, as opposed to an oligarchy, which is the rule of a few, or an aristocracy, the rule of the best persons. The philosophical underpinnings of a democratic society combine individual liberties with equality—an ideal often difficult for nation states to achieve. In his work, *Politics*, Aristotle emphasized the social nature of human beings and their desire to form a community for the sake of some good (trans. 2002).

Aristotle also acknowledged in *Politics* that a community can only maintain order if it has authority and a constitution. He defined the community that serves the highest good with the highest authority a city-state or political community. The best constitution,

he maintained, aims to provide happiness for all citizens of the nation, not just for the benefit of the rulers (trans. 2002). Aristotle envisioned the ideal political society as one in which each citizen is morally virtuous and able to attain a life of excellence and happiness. All the citizens would hold political office, possess private property, and have access to a common education system.

Enlightenment and the marketplace of ideas. The Athenian ideal of a free society governed by the people was largely ignored in early Europe in favor of aristocracies until the Age of Enlightenment, which began in the mid-17th century. Led by European philosophers and scholars, the Enlightenment period was characterized by the virtues of freedom, democracy, and reason at a time when the American colonies were first being established. The movement toward informed discourse, fueled by the invention of the printing press in 1450, and the subsequent expansion of access to knowledge, created what German sociologist Jurgen Habermas (1962/1989) later termed the public sphere.

Habermas (1962/1989) characterized the public sphere as a place where people could converse as equals about the issues of the day, free from government surveillance. Dewey (1916/2008) earlier emphasized access to education and free communication as key components of democratic societies, asserting that a democracy is not just a form of government; it is a mode of living and experience. Therefore, Dewey's view of democracy included not just voting rights, but also an effort among citizens and leaders to form a public opinion.

One conception of the public sphere is a marketplace of ideas, associated with libertarianism and political communication (Nerone, 1995). In this model, similar to that

of Adam Smith's theories of the supply and demand economic marketplace, interested parties advance their positions publicly and rational people will choose the best position based on the common good. Starr (2004) noted that expanding and diverse markets of information enrich the public sphere. Historically in liberal societies, journalists have been charged with providing a forum where the marketplace of ideas can be heard.

Defining characteristics of American democracy. America's founding fathers initially wrestled with the ideal of democratic rule. In secret discussions during the drafting of the Constitution, a distrust of the common man was evident among the founders, but the alternatives of arbitrary rule and dictatorship were less appealing to them than democracy (Hofstadter, 1954). Madison, known as the philosopher of the Constitution, helped convince the other founders that the government's legitimacy needed to come from the will of the majority of the people. The founders agreed with the Hobbesian philosophy that people were not inherently good and, therefore, needed to be controlled, so they set up a system of checks and balances designed to keep elected officials' self-interest at bay. These checks included two houses of legislative representation and veto power from a separate, executive branch. The result was a Federalist structure of government with a unique set of characteristics that reflected the general belief that although men were motivated by self-interest, they should be free. This expectation can be traced back to the political theory of classical liberalism, which is based on the ideal of limited government and individual liberty (Hudelson, 1999). Private ownership of property and the individual's right to pursue happiness, championed by Jefferson, set the stage for a capitalist society as well. However, basic liberties were not

addressed in the original Constitution, and were instead added as amendments in the Bill of Rights, the first of which ensured freedom of the press.

The role of the press develops. Kovach and Rosensteel (2007) state that in the United States and other Western democracies, journalism is expected to provide “independent, reliable, accurate, and comprehensive information that citizens require to be free” (p. 3). Freedom of the press is linked with classical liberalism because early political theorists favoring that view believed the press should be free of government censorship in order to act as a watchdog or fourth estate of the nation-state (Merrill & Nerone, 2002). That phrase is often used to describe journalists’ function in American government as a fourth branch of government, keeping watch over the actions of the executive, legislative, and judicial branches.

However, historically, the definitions of news have ranged from intellectual material intended for an elite few to sensationalistic stories targeted at the lowest common denominator. Likewise, the notion of a journalist has undergone numerous transformations. After the invention of the printing press, anyone with access to a printer was able to disseminate information on a mass scale. During the Enlightenment period, a newspaper was described in France as a scientific work of scholars (Mattelart, 1996). In Western Europe and the British colonies, issues of public policy were the topics most frequently printed in pamphlets and periodicals, despite government censorship of them. Some early newspaper owners took their public service duty seriously, while others became more concerned with profits (Dominick, 2010).

Sensationalism has been used as a means to attract readers since mass publishing first was practiced in Europe in the 16th century. Streckfuss (1998) analyzed pamphlets

published by printers in England between 1513 and 1640 and found they mostly featured news of the strange and unusual, appealing to the human desires of voyeurism and amazement. Although heavily censored, the government-controlled media tended to be less sensationalistic. French philosopher Voltaire observed that 17th century gazettes in France, while subject to review of the prime minister, were superior to those of other countries because they contained neither the scandal mongering of English pamphlets nor the ethnocentricity of the papers printed in China (Mattelart, 1996). Although the British monarchy looked down on the pamphleteers as dangerous and degrading, authorities also feared them, so they began requiring that the publishers be licensed (Streckfuss, 1998).

The monarchy also restricted early attempts at newspapers in colonial America. The first American newspaper, *Publick Occurrences Both Foreign and Domestick*, appeared in 1690 but lasted only one issue because the publisher had printed allegations of an affair between the king of France and his daughter-in-law (Dominick, 2010). Benjamin Franklin became the only publisher to withstand British scrutiny with his *Pennsylvania Gazette*, which began in 1729. Franklin's paper was easier to read than previous pamphlets, featuring headlines and more legible type, but he covered safe topics, staying away from controversial matters such as local politics. Schudson (2003) noted that printers were the early American journalists and made no attempt to report the news, printing instead what was given to them by local gossips or London newspapers.

Early American press becomes free but partisan. New York printer John Peter Zenger pushed the limits of press freedom by accusing New York's colonial governor of corruption. He was tried and acquitted by a jury of seditious libel charges. That acquittal established precedence for freedom of the press (McChesney & Nichols, 2010) and the

type of investigative or government watchdog reporting that would later come to be known as muckraking (Feldstein, 2006). As rumblings of a revolution began later in the century, more American colonists began embracing the concept of free speech and by extension, a free press. Many historians, in fact, attribute the support for the Revolutionary War to Thomas Paine's *Common Sense*, which sold an estimated 150,000 copies in 1776 and became the first American symbol of what is now known as citizen journalism (Schudson, 2003).

Both Madison and Jefferson argued for the importance of mass education, an informed citizenry, and they entrusted a free press to provide voters with the knowledge they need to make reasonable voting decisions (Gore, 2007; Hofstadter, 1954; McChesney & Nichols, 2010). Madison (as cited in McChesney & Nichols, 2010) warned, "A popular government without popular information or the means of acquiring it is but a Prologue to a Farce or a Tragedy or perhaps both" (p. 2). Likewise, Jefferson (as cited in Gore, 2007) has been quoted as saying "all is safe" (p. 252) when the press is free and every citizen is able to read.

America's founding fathers underscored the importance of freedom of the press with the passage of the First Amendment to the United States Constitution, prohibiting Congress from making a law that restricted freedom of speech or of the press. Jefferson, in fact, was such a staunch supporter of an uncensored press that he is widely quoted as having asserted that given the choice between a government without newspapers and newspapers without government, he would choose the latter. The early newspapers in America however, were owned by political parties and would continue to be dominated by partisan politics until the first commercial paper arrived in 1833 (Dominick, 2010).

America's second president, John Adams, however, was more cautious than Jefferson about press freedom, particularly when the political press wrote unfavorable articles about him. He and his congressional allies began using the Alien and Sedition Acts to prosecute and jail newspaper publishers who were critical of the administration. Jefferson objected to this prosecution and made freedom of the press a central tenet of his presidential campaign against Adams (McChesney & Nichols, 2010). Although as president, Jefferson (as cited in McChesney & Nichols, 2010) would later be the target of negative press, he held to the premise that a vigilant press was a necessary price for liberty and the pursuit of happiness saying, "The only security of all is in a free press" (p. 235).

However, the partisan nature of the American press in the 19th century did not lend itself to objective, investigative journalism. In fact, partisan publishers paid for their newspapers through government printing contracts for transcribing congressional debates (Feldstein, 2006). Those contracts were awarded on the basis of political patronage and set the stage for American journalism to become what Feldstein (2006) called a "curious blend of partisanship and stenography, a trend that arguably continues to the present day" (p. 108).

Tocqueville's observations. When French political philosopher Alexis de Tocqueville visited the United States in 1835, he returned with a commentary on the strengths and weaknesses of the American style of democracy. Tocqueville (1845/2004) supported the idea that a free press must serve as a fourth estate in a democracy because statesmen in a democracy are "poor, and they have their fortunes to make" (p. 261) while the reverse is true in aristocracies, where leaders are already wealthy. He did not think

highly of American journalists, however, calling them uneducated with “a vulgar turn of mind” (Tocqueville, 1845/2004, p. 215) because of their tendency to sensationalize and alter facts. Yet, Tocqueville noted the critical role the press played in America of keeping a historical record because the tradition of the public administration was oral, not written: “The only historical remains in the United States are the newspapers; if a number be wanting, the chain of time is broken and the present is severed from the past” (p. 244). Tocqueville also correlated the sovereignty of the citizens with the liberty of the press in America and he commended the newspapers for contributing to the public discourse:

The inhabitants of the United States have, then, at present, properly speaking, no literature. The only authors whom I acknowledge as American are the journalists. They indeed are not great writers, but they speak the language of their country and make themselves heard by them. (p. 569)

He concluded that the influence of the press was immense in America, even though it was not centralized as it was in France. Tocqueville found the press “constantly open to detect the secret springs of political designs” (p. 216) and able to “turn the bar of public opinion” (p. 216).

Americans’ expectations of the press. In summary, the early print media in America were granted freedom from government control and of expression so that they might perform the following functions that many of the founders and earlier philosophers saw as vital to the health of a democracy:

- Informing and enlightening the voting public.
- Providing a historical record of events.
- Serving as a watchdog of government officials.
- Engaging the community in a discussion of public affairs.

Despite the value the founding fathers placed on a free press, they let the marketplace and private owners have the responsibility of deciding what type of information the media would provide. In addition to watchdog reporting, terms used to describe the surveillance function of the media include investigative journalism, muckraking, civic journalism, and public service journalism. The investigative type of reporting however, has not been a big money maker for the commercial press because the cost of the investigations is high while the audience interest in the subject matter is often low (Hamilton, 2004). Gans (2003) correlates a weakened democracy with a weakened news media, saying economic considerations by privately owned media, changes in the news audience, and distribution platforms limit journalists' ability to inform the citizenry and defend the American ideal of democracy.

Economic Theories of News

While the mass media had the potential to foster conversations about key public issues, Habermas (1962/1989) maintained that private ownership and profit motives contributed to the crumbling of the public sphere in capitalist countries after the 18th century. However economic theories of self-interest, originated by Adam Smith in 1790, do not necessarily preclude a societal benefit. Some early American newspaper publishers, particularly those owned by families such as Pulitzer, Chandler, and Graham, sought to maximize quality journalism while maintaining high profits (Mencher, 1984). But many authors have observed that as competition increased from television and large corporations began buying and trading newspapers on the stock market, journalism in the public interest took a backseat to profits (Bagdikian, 1983; Jones, 2009; McChesney & Nichols, 2010; Meyer, 2004).

The penny press and journalism practices. The partisan press era declined in the mid-19th century when private publishers found they could make more money by adopting the ideal of journalistic objectivity, therefore appealing to a wider audience (Hamilton, 2004). The *New York Sun* was the first truly commercial paper to appear in the United States after the political press era, which lasted until 1833 (Dominick, 2010). The mass marketing of news to a general audience became known as the penny press era, which was a further departure away from public service journalism by the privately owned media.

The penny press era was so named because newspapers, featuring splashy headlines and crime news, were sold for just 1 cent each and hawked by enthusiastic street vendors. Publishers realized they could sell more papers not only by charging less, but also by moving away from political coverage and toward crime and entertainment news (Hamilton, 2004). Publisher Benjamin Day successfully marketed the *New York Sun* by selling the daily paper for a penny, which was 5 cents less than other papers at the time. Day focused the content on local news, sex, violence, and human-interest stories, leaving politics out of the mix. Other publishers, seeing the *Sun*'s success, quickly followed the example by lowering their price to 1 penny and similarly changing their content (Dominick, 2010).

The penny press owners, however, were not profiting from sales of the paper. Instead, they developed a new funding model: advertising. Advertisers were attracted to newspapers because so many people were buying them. Starr (2004) states the owners "sold their readers to advertisers as much as they sold copies to readers" (p. 135). This business model among U.S. newspapers, relying heavily on advertising revenue rather

than sales of the product, continued through the 20th century and influenced the editorial content of the newspapers (Hamilton, 2004; McChesney, & Nichols, 2010; Meyer, 2004). Two of the biggest publishers of that time, E. W. Scripps and William Randolph Hearst, competed so fiercely for circulation and advertisers that they attempted to out-sensationalize each other with stories about sex and violence. This practice of trying to scare people in order to sell more papers became known as yellow journalism. Not only was the approach successful in boosting circulation, many historians say this type of overly aggressive reporting, even about international affairs, unnecessarily fueled hostilities with Spain and led to the Spanish-American War in 1898 (Dominick, 2010).

Depending on advertising revenue freed publishers from having to take political contributions to finance their newspapers, but commercial pressures also forced publishers to cover more local news and, Starr (2004) states, “turn news into entertainment” (p. 135). Unlike most European nations, where the media was publicly owned, the privatization of the media industry in the United States led publishers to see readers “less as members of the polity and more as consumers” (Starr, 2004, p. 395). The inherent tension between the profit motive and the public service role of journalism continued to heighten in the early part of the 20th century.

Twentieth century commoditization of news. Schudson (2003) noted that journalism became a profession just as it was becoming commercialized in the 1920s: “A means of enlightenment became a marketplace of sensation” (p. 66). While media owners may have been focused on profits, journalists placed a high value on objectivity and independence in their work and formed an association to adopt professional standards for their practice (American Society of Newspapers Editors, n.d.). Those standards became

key tenets of the Canons of Journalism, which were adopted by the American Society of Newspapers Editors in 1922 as a response to the barrage of public relations attempts by the U.S. government to influence reporters. The Society of Professional Journalists (n.d.) states professional ethics codes continued to emphasize nonpartisanship and seeking the truth as a foundation of the practice.

Although these professional ideals dictate that news should be an objective portrayal of reality, Hamilton (2004) wrote that news is in actuality a commodity, shaped by forces of supply and demand: “Focusing on media economics shows how consumers’ desires drive news coverage and how this conflicts with ideals of what the news ought to be” (p. 7). Hamilton maintains that while journalists attempt to answer the five W’s (who, what, when, where, and why), the marketplace determines what is news by asking a different set of W’s:

- Who cares about the information?
- What are they willing to pay for it?
- Where can media outlets or advertisers pay to reach these people?
- When is it profitable to provide the information?
- Why is this profitable? (p. 7)

The profit motive behind news decisions, which Hamilton (2004) calls the commodification of news, is concerning to many scholars because of the tremendous impact the traditional media has on setting the public agenda. Many researchers blame the trend toward corporate ownership of newspapers during the second half of the 20th century for tarnishing the public interest mission of journalism (Hamilton, 2004; McChesney, & Nichols, 2010; Meyer, 2004). As media technology made mass

broadcasting possible, owners of news outlets increasingly made judgments about what content to cover based on the likelihood of attracting readers and viewers, instead of what value consumers would place on the content (Hamilton, 2004).

Public attitudes about news. Long before the creation of the Internet, Walter Lippman (1923/2007) noted the inconsistencies between the public's lofty expectations of the press and its lack of willingness to pay for news. Writing in 1923, he observed that the public was only willing to pay "the smallest coin turned out by the mint" (p. 101) for news unless it was concealed in the form of advertised commodities. He described the public's relationship with the news as informal, even though the reader expected the press to perform a crucial role in democracy: "A free press, if you judge by the attitude of the readers, means newspapers that are virtually given away" (p. 101). While the press was judged ethically as if it were a church or a school, Lippman wrote, newspapers were not publicly supported as such a service. Citizens were not willing to enter into a legal or financial contract with the press, yet they expect "the fountains of truth to bubble" (p. 101) from the newspaper:

He will pay a nominal price when it suits him, will stop paying whenever it suits him, will turn to another paper when that suits him. Somebody has said quite aptly that the newspaper editor has to be re-elected every day. (p. 101)

Corporate mergers form media monopolies. As production costs began to rise for the newspaper industry in the 20th century, consolidation and corporate ownership became more common. Large companies, eager to cash in on the profit potential, began to buy out smaller, locally owned publications. By 1933, one fourth of all daily circulation was controlled by six corporate chains: Hearst, Scripps-Howard, Patterson-McCormack, Block, Ridder, and Gannett (Dominick, 2010).

Eventually, most newspaper markets had at least one chain-owned paper that knocked smaller competitors out of business. The Great Depression and the emergence of radio and television also cut into newspapers' share of advertising revenue. As a result, most cities were left with just one local paper, so the number of daily newspapers declined nationwide and would never again reach the all-time high of 2,420 in 1920 (Compaine, 1979). The percentage of cities with two or more dailies in 1923 was 38.7. By 1978, that percentage was just 2.3.

The Nixon Administration took action to help keep two-newspaper towns by urging Congress to pass the Newspaper Preservation Act in 1970, allowing competing newspapers to form joint operating agreements with each other to share in the cost of business and other operations. However, Bagdikian (1983) charged that the act was really intended to benefit big publishers and help them form monopolies rather than preserve newspapers. Circulation grew by 56% during the first half of the 20th century, but declined by 44% during the second half. Most observers attribute the decline to competition from television, but McChesney and Nichols (2010) note an overall disinterest among the American public in newspapers that began in the 1940s and has continued to this day. By 2007, less than half of all Americans (48%) were reading a daily newspaper and only one third of those in the 18–35 age group were doing so (Newspaper Association of America, n.d.-a).

Volatility in the newspaper marketplace. However, because of high advertising rates, newspapers became a profitable business in the latter half of the 20th century. The median return on sales for the industry was twice the median margin for *Fortune* 500 industrial companies by 1978 (Compaine, 1979). Double-digit profits leading into the 21st

century set up high expectations among investors. But when the Internet began taking classified ads and consumers away, stockholders began divesting media companies. Despite a profit margin of 16.4% in 2005, the Knight-Ridder chain, once revered for high-quality journalism with roots dating back to 1892, was divested in 2006 against the will of its CEO (Liedtke, 2006). Despite eliminating 16% of its workforce in an attempt to downsize, Knight-Ridder's profits were not enough to please Wall Street investors.

The economic situation worsened for newspapers from 2006 to 2009. Figures from the Newspaper Association of America (n.d.-b) show a 49% reduction in print advertising overall from 2000 to 2009. Most observers attribute the reduction to free online advertising sites such as Craigslist and eBay, the economic recession, and competition from the Internet for consumers' attention (McChesney & Nichols, 2010). Advertising on newspapers' Web sites helped make up for the losses on the print side in the beginning of the decade, but even those expenditures dropped by 16.5% in 2008 and by 27.2% in 2009 (Newspaper Association of America, n.d.-b).

As a result of the revenue losses and other changes in traditional media, the Pew Research Center's PEJ began funding an annual comprehensive State of the News Media report in 2004 to gather data about the major sectors of journalism and identify trends (PEJ, 2010). The reports have shown a steady decline in revenue and audiences for traditional, commercial news media: newspapers, television, and radio. If the trend persists, all three sectors will take in 41% less advertising revenue by the year 2013 than they did in 2006.

Newspaper audience declines. The audience for the printed version of newspapers has similarly dropped. Newspapers, which first suffered losses because of

competition from television in the 1960s, now have lost an additional 25.6% of subscribers in the 21st century (PEJ, 2010). The PEJ found the audience migrated away from traditional forms of media in 2008–2009 and toward cable and online platforms. While surveys show the audience prefers to get its information from the Web sites of traditional news sources online, PEJ (2008) found that advertisers aren't spending nearly the amount of money on news websites than they had on the printed version of the paper. Simply put, consumers still want to receive news from legacy media sites online, but they don't want to pay for it. Studies continue to show the vast majority of online news consumers ignore advertising that does appear on news Web sites (PEJ, 2010). Meantime, the rise in cable viewership is attributed to the popularity of host-driven shows with distinctive political ideologies.

Impact of declining revenue on public service reporting. The newspaper industry has been responding to declining profit margins and circulation figures by making massive cuts within the newsroom. Nearly one third of all newsroom positions have been eliminated since 2001 and a disproportionate number of those cuts have been made to reporters covering state and local government for large newspapers (PEJ, 2010). In 2009 alone, 5,900 jobs were lost at newspapers nationwide.

Many scholars have found the practice of reporting on government activities has been cyclical for a variety of economic, political, and other motivations (Feldstein, 2006; Hallin, 1994; Sabato, 1991). Feldstein (2006) analyzed the history of American watchdog reporting, or muckraking, as a function of the supply of qualified journalists and demand by the audience. Both demand and supply were highest in the American Revolutionary period of the 1760s and 1770s, the pre-World War era of 1902–1912, and the Vietnam

and Watergate years 1960s–1970s. The decade between 1902 and 1912 is generally regarded as the heyday of muckraking or the golden age of public service journalism, according to Feldstein (2006). However, while advertising support has helped the press maintain independence, the political preferences of publishers has sometimes influenced news coverage. Some studies, for example, have demonstrated that network media initially framed the wars in Iraq and Vietnam positively because of the commercial interests of their large corporate owners (Entman, Livingston, & Kim, 2009; Hallin, 1994).

Feldstein (2006) suggested that present-day conditions are not favorable for investigative reporting among commercial media because while the supply of capable journalists is high, demand is low as a result of a kind of “pseudo-muckracking” (p. 114) provided on cable-satellite TV and Web sites where “titillation is more common than substantive public service journalism” (p. 114). However, subsequent reports by the Pew PEJ (2010) have found the opposite to be true. The 2010 State of the Media Reports showed a high demand for news among audiences but a 30% decrease in the supply of newspaper journalism jobs since the beginning of the 21st century.

Sabato (1991) characterized the post-Watergate era as “junkyard-dog” (p. 26) journalism, where reporting is “harsh, aggressive, and intrusive, where feeding frenzies flourish and gossip reaches print” (p. 26). In contrast, the post-World War period from 1941–1966 was marked by what Sabato termed “lapdog reporting” (p. 26) when journalists failed to question aggressively material given them by government officials. That so-called lapdog era of journalism concerned some industry leaders at the time,

causing them to question the social responsibilities of the media and ask what the government should do to protect the public good.

Threats to the metro dailies. The PEJ (2006) State of the Media Report first warned that the “species of newspaper that may be most threatened is the big-city metro paper that came to dominate in the latter part of the 20th century” (Major Trends, para 3). These large papers, according to PEJ, are the “most likely to have the resources and aspirations to act as watchdogs over state, regional and urban institutions, to identify trends, and to define the larger community public square” (Major Trends, para 3). While television remains the dominant source of news, broadcast reporters historically have not had the motivation or resources to perform the type of investigative reporting undertaken by their print counterparts. Although cable and comedy news have been one of the few commercial media sectors to show a growth in audience, those shows are driven by opinionated celebrity hosts and contain almost no original, objective reporting (McChesney, & Nichols, 2010).

Informing the public. Despite the proliferation of news outlets, a Pew Research Center (2007) survey did not show a positive correlation between more news media sources and an increase in well-informed audiences. Despite the emergence of 24-hour cable news in the 1980s, Americans are about as aware of major news events and able to name their leaders as they were 20 years ago. Pew found the news audiences most knowledgeable about domestic and foreign affairs were regular readers of news magazines such *The New Yorker*, *The Atlantic*, and *Harper’s Magazine*. The second most knowledgeable news audience listened to National Public Radio, which has been one of the few news outlets to grow during the 21st century and also is one of the only publicly

funded, nonprofit media organizations in the United States. Because of the economic theories of news that paint commercial media as favoring profits over quality, and the overall economic decline of the for-profit news industry, more nonprofit models of news have begun to emerge as a necessary alternative to inform adequately the public and watch over elected officials.

Social Responsibility of the Press

The growth of broadcasting in the mid-20th century prompted some scholars to question whether the press was providing citizens with the information they needed to make informed decisions. This concern stemmed from the major role the press was beginning to play in society by setting the agenda for public debate. The power of the press led to the formation of the social responsibility theory, which further laid the framework for some government funding and subsidization of nonprofit media in the U.S. (Merrill & Nerone, 2002).

Gatekeeping and agenda setting functions of the media. Lippman (1923/2007) was one of the first writers to express concern about the vast power of the press to tell people what they should believe is important. In *Public Opinion*, he hypothesized that truth and news were not synonymous, contrary to public expectations of the press. Lippman observed that truth brings light to hidden facts, but news is only reported once the facts have already come to light in the form of a “crudely overt act” (2007, p. 106). Lippman attributed the inability of newspapers to mirror accurately social conditions to several factors:

- the need for publishers to raise circulation numbers to gain advertisers,
- news about public affairs doesn’t attract a high, reliable circulation,

- reporters cannot be omnipresent observers of all events,
- the increasing reliance of the press on publicity agents to filter events, and
- the stereotypes the individual journalist brings to the story.

Subsequent studies have supported the idea that the journalist plays a central role in shaping what information the public would know based on his or her own cultural beliefs and values (Janowitz, 1975). White (1950) established the gatekeeping theory of the news media after observing a wire service editor of a small Midwestern newspaper selectively making choices about what stories to publish based on his own personal perceptions.

More recently, McCombs, Shaw, and Weaver (1997) began to change the concept of gatekeeping to one of agenda setting after studying media coverage of political campaigns. The researchers found the audience learns how much importance to put on a news item by how much attention the media devotes to it. One of the key assumptions of the agenda-setting theory is that the press filters and shapes reality instead of reflecting it. But if publishers are motivated by profits, that reality is likely to be further skewed toward entertaining and sensational news rather than serious matters of policy. Investigative reporting, in particular, was outside the realm of what the daily press could accomplish, Lippman wrote in 1923, because the investigations “cost time, money, special talent, and a lot of space” (2007, p. 108).

The Hutchins Commission’s recommendations. During World War II, the publisher of *Time* and *Life* magazines, Henry Luce, recruited the president of the University of Chicago, Robert Hutchins, to lead a commission on the role and function of the media in modern democracies. Luce was concerned about the future of print media

because the Great Depression and the emergence of radio in the 1930s had contributed to the first significant decline in newspaper profits and circulation (Merrill & Nerone, 2002).

After holding hearings, taking testimony from journalists, and conducting interviews with more than 225 government and private agencies, the Hutchins Commission on Freedom of the Press presented its findings in 1947. The commission studied how the press, both broadcast and print, shaped public opinion in America. In the foreword to the report, Hutchins observed that the agencies of mass communication, taken together, are “probably the most powerful single influence” (Commission on Freedom of the Press [CFP], 1947, p. vii) on public opinion, and therefore, that power carries “great obligations” (p. vii).

The CFP (1947) found that a democratic society required the press to perform and provide the following:

- a truthful, comprehensive account of the day’s events in a meaningful context;
- a forum for the exchange of comment and criticism;
- a means of projecting opinions and attitudes of groups to one another;
- a method of presenting and clarifying society’s goals and values; and
- a way of reaching every member of the society. (p. 20)

The commission acknowledged that these ideals may not be completely met by the media as a whole, and definitely could not be accomplished by just one medium (CFP, 1947). Citing economic motivations of the press, bias of owners, and public preferences for entertainment over news, the commission recognized that the commercial media was hindered from supplying the kind of news and information needed by a

functioning democracy. Therefore, the commission called upon government to ensure competition among the press in both print and broadcast, and recommended that when the private press was unable or unwilling to supply information about public affairs, the government should do so. In clarifying the role of government and the media, the commission noted that neither the First Amendment nor American political tradition prevented the government from participating in the press.

Government intervention in the press. The CFP (1947) concluded, “An over-all social responsibility for the quality of press service to the citizen cannot be escaped” (p. 126) and that function could not be delegated to any other nongovernmental agency. Based on the commission’s report, Siebert, Peterson, Schramm, and the National Council of the Churches of Christ in the United States of America (1963) later developed the social responsibility theory of the press. That theory supports the intervention of government or a public agency in the media, without intruding on press activities, if the media is not living up to its responsibilities of informing the public to preserve democracy. In that event, the authors wrote, government “may and should enter the field of press comment and news supply, not as displacing private enterprise, but as a supplementary source” (Seibert et al., p. 128) to develop educational and noncommercial possibilities of the press.

However, the need for government action could be further reduced if the press recognized its public responsibility while remaining a private business, according to the CFP (1947). The commission did not accept the theory that the press could only profit by giving its readers what they want: “As the example of many ventures in the

communications industry shows, good practice in the interest of public enlightenment is good business as well” (p. 91).

The CFP (1947) also called upon all citizens, whom the authors assert were largely unaware that a communications revolution had occurred, to recognize the “vital importance of the press” (p. 96). Because of the power of commercially motivated radio, motion pictures, and television to influence public opinion, the commission recommended that nonprofits, including educational institutions, play a larger role in informing citizens:

But the nonprofit corporation does not exist for the purpose of making profits. It is peculiarly able to enlist the co-operation of all who are interested in cultural development of the country. Hence it can render those services which commercial enterprise cannot offer on a profit-making basis. (CFP, 1947, p. 98)

History of nonprofit journalism. The oldest U.S. nonprofit news source is the Associated Press, which began in the 1840s as a cooperative wire service for newspapers (Associated Press, n.d.). The *Christian Science Monitor* started daily publishing in 1908 as an educational and religious program of the Church of Christ, Scientist, and successfully made the transition into a digital-only platform in 2009 (Cook, 2008). Local nonprofit newspapers include the *St. Petersburg Times* in Florida, the *Delaware State News* in Dover, and *The Day* in New London, Connecticut (Akst, 2006). Magazines such as *Congressional Quarterly*, *National Geographic*, *Consumer Reports*, *Foreign Affairs*, and *Foreign Policy* also are classified as nonprofit organizations (Lewis, 2007).

The U.S. Internal Revenue Code, Sections 501(c)(3) and 170(b)(1)(a), grant nonprofit organizations tax-exempt status and the ability to receive tax-deductible contributions (Internal Revenue Service [IRS], n.d.-a.). To qualify for nonprofit status, organizations must meet specific criteria established by the IRS (n.d.-b.): “The exempt

purposes set forth in section 501(c)(3) are charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and preventing cruelty to children or animals” (Exempt section, para 1).

Restrictions on nonprofits. The IRS code defines charitable in a general sense, which includes the advancement of education and science. The educational definition is what most nonprofit news organizations use to qualify as a 501(c)(3), but the classification carries with it a number of restrictions (Fremont-Smith, 2009). Among those restrictions are that the organization must operate substantially for exempt purposes and members of the organization may not support candidates for public office. This clause may prohibit nonprofit media from endorsing candidates, an outcome that concerns some scholars who view endorsements as necessary for newspapers to establish their identity in the community and participate in the public discussion (McChesney & Nichols, 2010; Nelson, 2006). Political endorsements by individual journalists, however, long have been discouraged by professional codes of journalistic ethics (Society of Professional Journalists, n.d.).

The IRS tax code also limits the extent to which nonprofits and for-profit businesses may enter into a partnership for joint ventures. Subsequent court rulings suggest that nonprofits may enter a safe joint venture only if the nonprofit retains control of the partnership and the purposes of the venture are not for private gain (Fremont-Smith, 2009). This clause has future implications as more news agencies apply for nonprofit status while partnering with commercial media.

A bill introduced to the U.S. Senate in 2009 and referred to the Finance Committee would allow some newspapers to qualify for nonprofit status by adding

newspapers to the definition of educational purposes (S. 673, 2009). The bill would also allow some advertising and subscription revenue to be tax exempt, but the restrictions on nonprofits would still hinder the newspapers' ability to carry out traditional roles, such as political endorsements. A legal challenge to that restriction, however, may be successful, according to Fremont-Smith (2009), based on earlier favorable court decisions involving an advocacy newspaper, and other nonprofit broadcasting and Internet outlets. A U.S. Senate committee hearing on the future of journalism further explored the idea of granting nonprofit status to newspapers in 2009, but many of those who testified at that hearing emphasized the need for new media innovation online, rather than saving an old industry that may no longer be viable in the digital age (The Future of Journalism, 2009).

Government subsidization of the U.S. media. Historical precedence was set for government subsidization of American media when the founding fathers agreed to charge a lower postal rate for mailing newspapers than other material (McChesney & Nichols, 2010). Other early government funding came from the awarding of printing contracts, and indirectly through political parties. Direct public funding of the U.S. media did not happen until the passage of the Public Broadcasting Act in 1967.

Although the Hutchins Commission called upon the government to intervene if the press is not living up to its civic function (CFP, 1947), federal support and regulation of the U.S. media has specifically focused on broadcasting, not print. The Communications Act of 1934 established the FCC, which is charged with licensing and regulating radio, television, wire, satellite, and cable communications (FCC, n.d.). The Communications Act assigned the FCC, an agency independent from the executive

branch, with the mission to protect the public's interest because of the scarcity of available channels and potential for abuse (Dominick, 2010).

The public-interest clause was intended to ensure that commercial licensees provided well-rounded programming, including educational and public affairs content, but that ideal has been difficult to enforce. The interpretation and enforcement of the public-interest clause of the act has widely varied because the First Amendment often takes precedence over the act in court cases (Dominick, 2010). While the FCC can fine or revoke the licenses of stations deemed not to be acting in the public interest, that action is taken only in the most egregious cases, such as obscenity violations. As a result, according to Dominick, the FCC has renewed an estimated 98.9% of all licenses since its formation.

Origins and growth of public broadcasting. The Hutchins Commission (CFP, 1947) envisioned a chain of educational FM stations that could “put before the public the best thought of America and could make many present radio programs look as silly as they are” (p. 98). When the number of television stations and broadcast audience grew exponentially in the 1960s, another commission concerned with whether the media was fulfilling its public service role issued a report that led to the passage of the Public Broadcasting Act of 1967. The Carnegie Commission on Educational Television created a blueprint for public television, which would offer educational and public affairs programming and be funded partly by the government and partly by membership donations (Zuckerman, 2008). Congress added public radio to the Public Broadcasting Act and created the Corporation for Public Broadcasting to oversee the formation of the networks (Corporation for Public Broadcasting, n.d.-a).

The Public Broadcasting System (PBS) began operating in 1969 and National Public Radio (NPR) followed a year later. Both PBS and NPR produce national content and have network affiliates throughout the country (Corporation for Public Broadcasting, n.d.-b). Some local stations operate separately while others are combined PBS-NPR affiliates, such as KPBS-TV/FM in San Diego (KPBS, n.d.). Also, as with KPBS, many stations are jointly owned by a public university while others are run by municipalities or operate as independent nonprofits (Drew, 2010).

However, public funding of American media is low when compared to other democracies. An analysis of spending per capita on public media in 2007 showed the U.S. ranked 11th among democracies by spending \$1 per capita, trailing Denmark and Finland with \$101 each, the U.K. at \$80, and even South Korea with \$8 (McChesney & Nichols, 2010). Congress rejected an initial proposal by the original Carnegie Commission that would have funded public media through an excise tax on television sets, similar to the revenue structure of the British Broadcasting Corporation (Zuckerman, 2008). A second Carnegie Commission report issued in 1979 recommended expanding the Corporation for Public Broadcasting into a public telecommunications trust, specifically to address future technological changes in the telecommunications industry (Carnegie Commission on the Future of Public Broadcasting, 1979). The 1979 Carnegie report also recommended that the government:

- establish an endowment for public broadcasting,
- increase government funding by \$1.2 billion annually,

- expand the reach of public radio and television to at least 90% of the population, and
- develop research on how to use new technologies for the public good.

Little action was taken on the 1979 recommendations (Zuckerman, 2008), but public broadcasting appears to have successfully made the transition into the 21st century. While ratings overall for PBS TV stations have not been strong, the audience for NPR has grown by 47% during the first half of the 21st century, making it one of the few news outlets to show an increase in audience reach (Farhi, 2009; PEJ, 2009, 2010). Some observers attribute this gain to the decline in news programming among commercial radio stations and the robust international reporting by NPR, which maintains more overseas bureaus than any of the major TV networks (Farhi, 2009). Others point to the network's ability to blend old and new media on air and online, collaborate with other public media for programming, and focus on quality journalism while avoiding the commercial pressure to sensationalize the process (Drew, 2010). However, not all communities have local NPR affiliates, and the Knight Commission is concerned with how the information needs of these often remote and diverse communities will be met (Knight Commission on the Information Needs of Communities in a Democracy, 2009).

Despite the growth in audience, the declining economy has reduced the amount of contributions coming into public broadcasting from donors and the federal government. As with the commercial media, jobs and programming have been cut at NPR and the budgets of local affiliates, dependent on their own fund-raising, vary widely (Drew, 2010). NPR's management sees the network's role as critical to providing the type of public affairs reporting that the print media is no longer willing or able to do (Schiller,

2010). To accomplish this task and increase its reach, NPR plans to raise more money to support original reporting at the national and local levels, and work in partnership with NPR's affiliate stations as well as new online nonprofit journalism units emerging throughout the country (Drew, 2010).

Nonprofits and investigative journalism. While the demand is high for substantive news, according to the P E J (2010), research does not support the ideal that the commercial press has been fulfilling its social responsibility role. American news consumers continue to rely most heavily on television as their number one source of news and information, although the Internet has quickly moved into second place, beating newspapers and radio (Pew Research Center, 2008). However, a 2010 content analysis of Los Angeles TV stations found that, on average, just 1.9% of a 30-minute newscast was devoted to civic affairs and even the *Los Angeles Times* allocated only 3.3% of its paper to local government news (Kaplan & Hale, 2010).

The nonprofit newspapers and public broadcasting stations tend to focus their coverage more heavily on public affairs reporting than the commercial press, but they historically have provided little investigative or muckraking reporting that even the founding fathers desired to keep elected officials in check (Lewis, 2007). Often time consuming and expensive, investigative reporting has not been a priority for print reporters and broadcasters who have daily deadlines to meet. The threat of libel lawsuits also inhibits many news outlets from performing an investigative function. To help journalists fulfill their watchdog role, the Investigative Reporters and Editors formed in 1975 as a nonprofit organization providing training and resources to investigative journalists (Investigative Reporters and Editors, n.d.).

Around the same time the Investigative Reporters and Editors was developed, the first nonprofit news organization dedicated solely to investigative journalism was established in 1977 in Berkeley, California as the Center for Investigative Reporting (n.d). Two former investigative journalists, who had been laid off from their newspaper jobs, formed the Center for Investigative Reporting in a small office with a \$3,500 grant (Lewis, 2007). Now widely recognized as a leader in investigative reporting, the center's budget has grown to \$1.5 million annually throughout the past 30 years and has maintained a staff of seven people. The center produces print and broadcast reports under contractual agreements with public and commercial media outlets. Therefore, the content produced by the center is sold and distributed exclusively to the news outlets with which they have contracted.

In contrast to the Center for Investigative Reporting, the Center for Public Integrity, which former CBS *60 Minutes* producer Charles Lewis formed in 1989, disseminates its findings directly to the media, for free, via news conferences (Lewis, 2007). Frustrated with the lack of value placed on investigative reporting among national media, Lewis (2007) wrote that he left his job with CBS and created the nonprofit "to investigate macro, systemic issues of great public relevance" (p. 9) with a quasi-journalistic and quasi-political science approach. The Center for Public Integrity has strived for "financial purity" (Lewis, 2007, p. 10) in the funding it will accept and formally adopted a policy in 1995 not to take money from government, advocacy groups, advertisers, or anonymous donors.

Cumulative revenues and expenditures for the Center for Public Integrity were roughly \$30 million from 1989 through 2004, with more than 90% of the funding coming

from media-focused foundations such as MacArthur, Knight, Schumann, Ford, and Carnegie (as cited in Lewis, 2007). In addition to releasing reports that Lewis estimates have been the subject of 10,000 news stories in the U.S. and internationally, the Center for Public Integrity also has produced the best-selling book, *The Buying of the President 2004* and 16 other books.

The center's most widely publicized reports include the disclosure of the Lincoln Bedroom for political contributions in the Clinton administration, the drafting of secret Patriot II Act legislation by the Bush administration, and the finding that Vice President Dick Cheney's former employer, Halliburton, was the largest U.S. government contractor in Iraq and Afghanistan wars (Center for Public Integrity, n.d.). Lewis (2007) called his center "an international authority on political corruption" (p. 16). The center closely follows the ethical standards prescribed by the SPJ, and after successfully defending itself against a multimillion-dollar libel lawsuit, the center established the Fund for Independence in Journalism to help other nonprofit news outlets with legal defenses.

The first online reports from the Center for Public Integrity were published on the center's Web site in 1999 (Lewis, 2007). Lewis (2007) noted the significance of releasing reports on the Internet, directly to the public, because the center then became no longer dependent on the "judgment and goodwill of the news media to inform the public about its findings" (p. 13). This new power, granted by Internet technology, has had far-reaching implications for traditional media, emerging digital nonprofit news organizations, and the news consumer.

Discontinuous Change and the News Media

Schumpeter (1942/1975) observed that organizational change typically happens in one of two forms: incremental or discontinuous. The manner in which industry leaders anticipate and adapt to this change is critical to their future viability. Nadler and Tushman (1995) describe incremental change as a steady pattern of adjustments while discontinuous change is more radical and fundamental, usually occurring in periods of disequilibrium. Discontinuous change may be caused by several factors, including:

- shifts in the industry environment,
- emergence of new competitors,
- regulatory changes impacting the industry,
- development of new technologies, and
- new global players.

According to Nadler and Tushman (1995), the impact of discontinuous change can be “traumatic and painful” (p. 23) to the employees, particularly because they must learn new skills and unlearn habits and ways of working. Additional dimensions of change are either reactive or anticipatory. Nadler and Tushman describe anticipatory change as occurring when someone foresees a major destabilizing event and reactive change as one resulting from unexpected forces in the industry. If an organization is facing discontinuous, reactive change, Nadler and Tushman write that managers must respond by re-creating practices in order to survive.

Evidence suggests that the mainstream news media was not prepared for the technological changes that took place in the 21st century and the resulting shift in consumer’s information habits and decline in revenue (Beckett, 2008; Gillmor, 2006;

Shirky, 2008). Therefore, the news industry's response to change falls into the discontinuous-reactive category, making its needed response a re-creation of its practices, according to the definitions put forth by Nadler and Tushman (1995). When faced with re-creational change, leaders must be swift, decisive, and all encompassing in their actions, but even then the chances are low that the organization will successfully survive the transition. The key to survival, Nadler and Tushman found, is that leaders must craft long-term sustainable strategies, while still delivering in the short term.

Creative destruction. Schumpeter (1942/1975) expanded an economic theory of creative destruction as the only means for an industry to survive the type of discontinuous change that typically occurs in a capitalist society. New goods and new methods of production are inherent in capitalism, he wrote, and the only way to adapt is through the entry of innovative entrepreneurs into the industry. However, the emergence of entrepreneurs may threaten the existence of monopolies that had previously existed before the change occurred. Creative destruction that results from technological discontinuities can create greater upheaval than economic recessions or a drop in demand if managers do not anticipate the cycles of change by innovating effectively (Anderson & Tushman, 1991).

Shaw (1995) observed that the success of an organization strongly rests on the commitment and passion by the CEO to build support for a corporate identity and to architect a plan for the organization to succeed in the new landscape. However, the owners and publishers of the mainstream media are investors instead of journalists. So their commitment to quality journalism has not often been evident by their response to the discontinuous change that technology has brought to their industries. For example,

when one of the nation's most prestigious newspaper chains, Knight-Ridder, was forced by stockholders to divest, some journalists were hopeful when local owners instead of corporate conglomerates bought individual papers. However, that hope dashed quickly, after the new owner of the *Philadelphia Inquirer*, one of the former Knight-Ridder papers, reportedly told *The Economist* ("More media," 2006) that he had noticed the popularity of a video of Mentos mints causing a bottle of Diet Coke to explode on the newspaper's Web site. "We should do more of that" (as cited in "More media," 2006, para 9) he was quoted as saying.

Diffusion of Innovation

The degree to which practitioners of an industry adapt to disruptive technologies can be examined through the lens of the diffusion of innovation theory, which has been previously applied to communication studies by Rogers (1995). The theory describes how innovation and change is spread among the members of a social system over time. Rogers outlined four elements to consider when researching this type of diffusion:

- The innovation and how the members of the social system perceive the characteristics of the innovation and its advantages or disadvantages over the practice or method it is intended to replace.
- The communication channel through which the message about the innovation is shared.
- The time between the awareness of the innovation and its adoption.
- The norms and values within the social system that frame the decision process.

The newspaper industry has been criticized for not effectively diffusing innovation into its newsrooms or adapting to new digital technologies. A common response of organizations is to view discontinuous change as more of a threat than opportunity and this reaction appears to have been true among newspapers leaders. Indeed, the cover story of the *American Journalism Review* in June, 1999 summed up the initial trepidation in the industry: Fear.com (Brown, 1999). The cover 7 years later had a more urgent and dire tone: Adapt or Die (Smolkin, 2006). Gilbert (2006) studied newspaper organizations' responses to digital publishing from 1990 to 2001 and found the companies that most successfully made the transition created their Internet presence as a separate subunit of the organization, rather than cannibalizing the content from the print product and putting it online for free. The newspapers that framed digital technology as providing opportunities to communicate with the public in ways print did not previously allow were more likely to innovate and succeed in the new landscape.

Disruptive technology. Christensen (1997) developed disruptive technology as a theoretical framework that describes technology-induced changes to a business or service that are so revolutionary and unexpected that they threaten the leaders of an existing market. Christensen (2003) later replaced the word technology with innovation after recognizing that technology does not disrupt, innovators do. An innovation that is disruptive allows a whole new population of consumers to enter an industry that previously required a lot of money or specialized skill (Christensen, 1997). The changes the Internet has made on information delivery and consumer media habits can be classified as disruptive because anyone with Internet access can create and post their own content on a mass scale.

Traditional media now compete with blogs, YouTube, and social networking sites such as Facebook and Twitter (Pew Internet and American Life Project, 2010). Critics of the one-way nature of traditional journalism, such as Gillmor (2006), have predicted that eventually the “lines would blur between producers of news and consumers” (p. xxiv). Shirky (2008) argued that journalists previously were regarded as professionals because the ability to publish on a mass scale was a scarce resource belonging to owners of newspapers, radio, and television stations. With the circumvention of gatekeepers and low-cost distribution of information on a global scale, anyone can publish news. Because many media compete for the audience’s attention, the role of journalists has shrunk while consumers look to smaller niche outlets for their news (Gans, 2003). Businesses that succeed as disruptive often have lower gross margins, smaller target markets, and simpler products and services than incumbents in an industry (Christensen, 1997).

Digitization of the News Industry

Meyer (2004) compared the current shift in information production to the shift in the food business during the development of modern agriculture. Technological changes in mass food production meant the consumer had higher expectations for the product. Similarly, the news audience, which is smaller and more fragmented, has begun to place a higher importance on the design and packaging of information. A poll conducted by the Pew Internet and American Life Project (2010) also suggests that consumers are increasingly interested in participating in their own content creation online. Nearly 40% of those surveyed had commented on or disseminated news online via postings on social media sites such as Facebook and Twitter.

Newspapers and participatory culture. Numerous scholars have written favorably about Internet technology that allows the consumer to participate in the flow of information in a horizontal fashion, rather than the traditional vertical or top-down approach characteristic of the pre-Digital Age (Beckett, 2008; Gillmor, 2006; Reynolds, 2006; Shirky, 2008). However, shifting to digital technology was more difficult for the newspaper industry than their broadcast counterparts because newspaper veterans had to learn how to compete in a multidimensional format and with the peer-to-peer text exchanges Internet technology provided for the audience.

Dueze (2001) identified three characteristics of news media on the Web that journalists could employ to enhance their storytelling effectiveness: hypertextuality, interactivity, and multimediality. Making that change to a multimedia platform did not come easily for newspaper journalists, however, who did not immediately perceive the benefits of the Internet and had trouble adjusting to new norms of openness, collaboration, and horizontal communication (Beckett, 2008). Newspapers and broadcast media also maintained their walled-garden approach to news on their site, failing to recognize their role as providing a service, not a product (PEJ, 2008). As the Internet made mass collaboration possible, many scholars suggested that newspapers should include citizens in the news-gathering process, citing the wisdom of the crowds theory in which a collective group of people can add more knowledge and information to a report than any one person (Suowiecki, 2005).

A digitally native model emerges. While most observers favorably view the trend toward increased participation in the political process via digital technology, many authors also warn that only professional, qualified journalists can reliably fulfill the

public service role of watchdog reporting so crucial to a functioning democracy (Gans, 2003; Kovach & Rosenstiel, 2007). Additionally, some authors maintain that to gain audience attention and enact social change, journalists need to be working for credible, longstanding news media outlets that have institutional muscle (Hamilton, 2004; Meyer, 2004). But as journalism becomes less profitable for private corporations and traditional institutions, individual journalists are launching their own news projects—mostly on a regional or local level. Typically, these outlets are staffed by fewer than 10 reporters and editors and are funded by philanthropic grants, member donations, and some advertising. The journalists running these sites often view their mission as one of fulfilling the social responsibility function of the media that newspapers and commercial television stations are increasingly ignoring (Donohue & Lewis, 2009). More than 60 such outlets are online, 41 of which are members of the nonprofit Investigative News Network (n.d.).

Many researchers and commissions are calling these nonprofit news outlets an important source of public service journalism (Downie & Schudson, 2009; Knight Commission on the Information Needs of Communities in a Democracy, 2009; Lewis, 2010; Westphal, 2009), but the noncommercial model also has its detractors. The 2009 State of the Media report asserted that while nonprofit financing may make sense in some markets, the model cannot be generalized because the industry's challenges were too volatile for any individual investor—even one not concerned about profits (PEJ, 2009). The authors of the report also questioned whether communities could afford to come up with the “tens or hundreds of millions in nonprofit capital needed to buy a newspaper” (Newspaper Ownership section, para 8) and invest in improvements.

The same PEJ (2009) report noted the potential difficulties the nonprofit structure might present for journalists. While no one advertiser, or even a group of them, can wield “undue influence” (Newspaper Ownership section, para 43) over the news in commercial settings because there are so many of them, that protection is gone in a nonprofit arrangement, the authors warn, “if the funder has its own political or civic interests” (Newspaper Ownership section, para 43). However, Barnett (2009) found regional nonprofits were able to diversify their revenue sources among individuals and foundations better than media nonprofits that were aimed at a national audience. The national nonprofits tended to be more dependent on bigger grants from fewer foundations.

These digital nonprofits are also the focus of the FCC’s project on the future of media and the information needs of communities. That project resulted from the Knight Commission (2009) report, which called for some taxpayer support to ensure that quality, skilled journalism will sustain in the digital age. Both the Knight Commission and FCC are encouraging more academic research into the structure and activities of public and noncommercial media online. The FCC (2010) is exploring ways in which it can support greater collaboration between public broadcasters and noncommercial digital media, and is even considering the formation of a noncommercial media network online, similar to the structure of public broadcasting.

The Knight Commission on the Information Needs of Communities in a Democracy (2009) found the information needs of communities can best be met by a variety of online sources, both traditional and nontraditional: “These (traditional) media are now joined by an expanding array of online sources. Some new media resemble their

pre-digital forebears. Others more closely resemble social networking sites and collaboratively gather, edit, and disseminate information” (p. 26).

Still, the new media efforts and nonprofit funding of innovative online projects cannot begin to replace what has been lost in traditional reporting and editing resources during the last decade (PEJ, 2010). While old media tries to salvage what is left of their newsrooms, the most recent State of the Media report noted that new media outlets are “imagining the new newsroom and starting from a blank slate” (PEJ, 2010, Overview section, para 23). Where the digitally native nonprofits fit in the new media landscape and how they will obtain funding to meet the information needs of all communities remains unanswered.

Summary

The news media ecosystem has changed dramatically as a result of widespread Internet adoption. Much is still unknown about what type of journalism practices and funding structures can best serve the information needs of a democracy and sustain in the new digital environment. The historical function of the press in the United States is to serve as a watchdog over government affairs and a vehicle for keeping citizens informed about policies on local, state, and national levels. Journalistic and social responsibility theories suggest a strong and vibrant press is necessary to strengthen the health of the democracy. However, media ownership has been left in the hands of private corporations or families that have a history of placing more emphasis on soft or sensational news, which is more likely to gain readers than public service reporting. While large newspapers historically have performed investigative journalism, that type of reporting is expensive and tends to be cyclical—subject to the whims of the marketplace.

Early on, the news industry became dependent on advertising for the majority of its funding. But as consumers move online to get their information, even from legacy news sites, the advertisers are not going with them. As a result, nonprofit media entities are springing up online, prepared to carry the banner of public service journalism. To date, little academic research has been conducted on how the leaders of these outlets view their role in the new media landscape and whether they would welcome or even desire government subsidization of their practice.

Chapter Three: Methodology

As technological advances continue to impact more traditional forms of journalism, the need to understand how alternative news outlets online can support public service journalism is critical in maintaining an informed citizenry. The purpose of this qualitative, exploratory study is to obtain an understanding of how nonprofit, online journalists make sense of their place in the emerging media landscape and perceive the role of government in supporting and sustaining public service journalism.

Research Questions

In the opinion of the selected respondents:

- RQ1. What structural parameters and practices contribute to a successful digitally native news media outlet?
- RQ 2. What are your current types of revenue sources and how do you plan to achieve financial sustainability for your digitally native news media outlet?
- RQ3. What role, if any, is the government at the federal, state, or local level currently serving to help support your digitally native news media outlet?
- RQ4. What supports are appropriate and needed from government agencies or officials to sustain a successful digitally native news media outlet?

Research Design

An exploratory qualitative design is well suited for social research into change generated by technology in the Information Age (Stebbins, 2001). Because the change occurs so rapidly, systematic research on the effects or impact of the change is often lacking. Creswell (1998) recommends choosing a qualitative study when a topic needs further exploration because of the lack of identifiable variables or theories to explain a

specific population. In the case of digitally native news media, the literature review has shown that the information regarding this new model is anecdotal in nature, and often authored by the individual managers or editors of the sites. No unbiased generalizations have been made about the best practices of these new models, their role, or whether government does or should play a part in ensuring their sustainability.

Stebbins (2001) supports using an exploratory design when researchers have little or no scientific knowledge about a group, process, activity, or situation but “have reason to believe it contains elements worth discovering” (p. 6). The goal, then, of exploration is to generate new ideas and look for common themes from the data collected (Glaser & Strauss, 1967). While quantitative surveys may be conducted in follow-up research, the initial exploratory approach is usually qualitative in nature, focusing on interviewing as the primary data collection method (Stebbins, 2001).

This study attempts to articulate the opinions of knowledgeable players concerning the role of digitally native nonprofit news media through interviews with managers and editors of these emerging outlets. Using Stebbins’ (2001) classifications of exploratory designs, this study would be considered community-centered research, examining “larger pieces of social life, such as certain roles and their interface, workings of an entire community” (p. 22). The goal is to determine how the members of this class of new media views its place in the overall provision of public service journalism.

Data Sources

For this study, the data sources are nonprofit digital media that meet the operational definitions outlined in Chapter 1. The majority of these outlets joined forces to form the Investigative News Network in 2009 as a way to encourage editorial,

administrative and financial collaboration (Investigative News Network, n.d.). Currently, the Investigative News Network has 60 members throughout the United States and accepts applications from nonprofit journalism organizations that produce non-partisan investigative news.

Sampling Procedures

Participants for this study were identified through membership in the Investigative News Network. From there, a multistage purposive snowball sampling was used until theoretical saturation was reached. Purposive sampling involves the selection of participants for study based on theoretically interesting characteristics that such participants possess. Such is the case for participants selected from the Investigative News Network. Snowball sampling relies on people to recommend other people in their network who have access to rich information related to the study (Miles & Huberman, 1994). Under this method, the investigator asks participants to suggest names of other subjects who might agree to be part of the study (Stebbins, 2001). The researcher also made direct attempts to contact participants through e-mail.

While the size of the sample could range up to 30 for some qualitative research designs, Stebbins (2001) notes that a smaller sample of 10–12 is often used for community-centered exploratory designs. A sample size of less than 20 also is recommended by Crouch and McKenzie (2006) in qualitative studies that rely heavily on interviews as the primary means of data collection, because the smaller size allows the researcher to become more immersed in the field and establish a stronger relationship with respondents. Therefore, the ideal sample size for this study was between 10 and 20 people, depending on the response rate of those who are recommended for participation.

Data Collection Strategies

The primary means of data collection for this study was semistructured, open-ended, 60-minute interviews either in person or by telephone with the participants. In comparing the advantages of interviews to personal observations for qualitative research, Bryman and Bell (2007) noted that interviews allow the researcher to find out about issues that are not easily observed and provide access to a broader range of people and situations. Factors such as time scarcity and concern for privacy make the long interview valuable for qualitative study (McCracken, 1988). Because the members of the Investigative News Network are geographically dispersed, logistics would necessitate interviews over observation for this study. Also, the study seeks to elicit the subjects' opinions, which are not easily observed.

For exploratory studies in particular, interviews are more focused than observations because the researcher typically uses an interview guide with questions drafted from prior observation and the literature review (Stebbins, 2001). Three degrees of structure can be found in interview formats: structured, semistructured, and unstructured (Wellington & Szczerbinski, 2007). The choice of approach depends on the goals of the study and expertise of the interviewers and the interaction with the interviewees.

Stebbins (2001) suggests that open-ended questions are well suited for exploratory studies because they allow for open mindedness and flexibility. He compares the process of exploratory research to setting up a meeting agenda; a plan is set based on suspected needs and goals but time is allotted for other business to arise as warranted. In this study, both the researcher and interviewees are professionally trained journalists and

communicators who are familiar with and well versed in the interviewing process. Therefore, open-ended interviews ranging up to 60 minutes in length would seem appropriate as the most efficacious data collection method for this study.

Data Collection Process

The collection process involved recruiting, by either phone or e-mail, participants, beginning with three people whom the researcher previously had met by attending industry-related conferences. Those people each agreed to be part of the study and then recommended other people who might be interested in participating. The e-mail recruitment letter that was sent to potential participants who were recommended for the study is attached as Appendix A. Approximately 20 people were contacted to participate in the study. Half of those contacted either did not respond or replied that they were too busy to participate. Ten people agreed to participate in the study. Each of them was then provided with the informed consent (Appendix B). Participants who were geographically distant from the researcher either returned the signed consent form through a private fax number belonging to the researcher, or U.S. mail.

After the informed consent was received, the request was made for a 60-minute one-on-one interview. The interview was conducted in person for two of the participants and by telephone for the rest of the subjects. Participants were not given questions in advance of the interview, in order to maximize spontaneity, although general themes of inquiry were provided to three of the sources who asked for them. An interview protocol with five open-ended questions (see Appendix C) was used to guide the conversation. Bearing in mind that the best interviewer is also a good listener, the researcher was at all times respectful and courteous and refrained from offering advice (Creswell, 1998). The

interview was recorded with a digital audio recording device or call recording service described in Chapter Four and the researcher also took backup field notes. All interviews were transcribed and submitted back to each participant to ensure the accuracy of the data. For privacy protection, the interview data is being kept on a password protected flash drive stored in a locked file belonging to the researcher.

Data Collection Tools

Qualitative interview schedules may involve specific questions or simply areas of question headings (Barbour, 2008). Based on the literature review and research questions for this study, five areas emerge for the interview schedule: (a) mission as identified by the organization; (b) funding structure and sustainability strategies of the organization; (c) digital media uses and practices, including participatory and civic engagement, and partnership with commercial media; (d) scope of coverage-beats and story selection decisions; and (e) views on government involvement in funding. These topic areas, as Stebbins (2001) recommends, can act as guidelines for use in exploratory research. An interview protocol, independently validated by four experts, titled “Interview Protocol for Digital News Media Editors and Managers” (see Appendix C) was used to guide the interviews.

Validity and Reliability of Instrumentation

The researcher is responsible for minimizing bias and ensuring internal validity in the process of data collection. Creswell (1998) recommends that qualitative researchers engage in at least two procedures to ensure internal validity and verification of the study. Of those suggested procedures, the researcher for this study employed:

1. Consistent engagement with and knowledge of the field being studied.

2. Member checking by taking data back to informants so they can provide feedback on the accuracy and credibility of the interpretations.
3. Peer review or debriefing with academic colleagues.
4. Clarifying possible researcher bias by revealing past professional experiences as a commercial journalist.
5. Writing detailed descriptions of the findings to allow the reader to determine transferability. (Creswell, 1998, p. 202)

Validity in exploration also can be ensured by achieving adequate representation in the sample of the study population by using snowball sampling methods to recruit participants (Stebbins, 2001). This study utilized the snowball sampling method to attempt to validate further the process. Additionally, choosing a representative sample can help ensure external validity, which addresses whether the results of the study can be generalized beyond the research context (Bryman & Bell, 2007). Note that the term representativeness in the proposed study is not used to delineate a probability sampling strategy. In this study, representation means contacting members of a very small population of individuals and organizations, until theoretical saturation is reached.

Reliability is indicated when the study can be repeated; writing detailed descriptions of the study process can ensure greater reliability (Bryman & Bell, 2007). In exploratory research, Stebbins (2001) notes that judgments about reliability and validity of a study can only be made when the research is concatenated with a series of other studies about the same topic. This study is intended to be the first in a stream of research. This research stream will use both quantitative and qualitative methods to evaluate and describe the role of digital news media. Recommendations for future study will be made

for researchers to assess the audience's perceptions, for example, of these digital media news models and other similar models that are beginning to form internationally.

Data Analysis and Interpretation

The primary goal of exploratory research, as Stebbins (2001) states, is to produce generalizations about the group or process under study. To arrive at these generalizations about digital media practitioners, the analysis process for this research followed the model set forth by Creswell (1998): (a) read through interview transcriptions and notes, (b) take notes on the text and make initial summaries, (c) obtain feedback on summaries from participants, and (d) begin reducing the data by making visual displays, winnowing the information, and developing codes or categories.

Thomas (2003) advises the creation of three to eight summary categories, which “capture the key aspects of the themes in the raw data and which are assessed to be the most important themes given the research objectives” (p. 5). Creswell (1998) also recommends starting with a short list of five or six categories using shorthand labels or codes and then expanding the categories as the data is reviewed. Creswell describes the data analysis review process as a spiral with the first loop representing data management, analysis, and organization while the second loop moves into describing, classifying, and interpreting.

The researcher began the study by identifying five major themes to address the four research questions. The interview protocol for this study was designed based on the literature review. Four experts in journalism and media studies independently validated the interview protocol and made suggestions on wording the questions. Appendix C is the final interview instrument that was used for this study. From there, six themes emerged

for RQ 1, followed by subthemes created based on the participants' responses. RQ's 2–4 each had one theme followed by related subthemes. Findings and common subthemes are presented in a narrative and tabular format in Chapter Four.

Achievement of Research Purpose

Stebbins (2001) stated exploratory researchers must be “modest and candid” (p. 41) about the extent to which their study can show generalizability and conclusiveness. The purpose of this research will be achieved with the development of a general understanding, presented in narrative form, of how nonprofit digital media journalists view their role and success factors in the emerging media landscape. Additionally, the data collected will be used to answer the research question relating to the prospect of government funding of this new media model. A systematic portrayal of how digital media managers and editors view government involvement will inform policy makers as they weigh landmark decisions on whether or how best to confront the impending economic crisis in American journalism. Future research may include a quantitative study of audience perceptions of the digitally native nonprofit models and a comparison study of similar news outlets that are forming internationally.

Institutional Review Board and Human Subject Considerations

This study was conducted in accordance with ethical, federal, and professional standards set forth by United States regulations and Pepperdine University to protect human subjects. Approval for this study was received from the university's Institutional Review Board, which is responsible for reviewing research applications from the Graduate School of Education and Psychology. The Institutional Review Board approval letter is included (see Appendix D), along with the researcher's certificate of completion

of the National Institutes of Health web-based training course “Protecting Human Research Participants” (Appendix E). Under Pepperdine’s Institutional Review Board applicability policies, this research activity was granted exemption from federal regulation because it presented no more than minimal risk to human subjects. However, participants may view this study as posing some possible risks to their reputation, employment, or funding efforts. The researcher took steps to minimize those risks by protecting confidentiality through the coding of participant names and organizations separately and keeping the key to the code on a separate flash drive locked in a safe deposit box in the researcher’s home office. Minimal risk is defined by the Health and Human Services policy for the Protection of Human Research Subjects at 45 CFR 46.102i (Pepperdine University, 2009) as, “the probability and magnitude of harm or discomfort anticipated in the research are not greater in and of themselves than those ordinarily encountered in daily life or during the performance of routine physical or psychological examinations or tests” (p. 11). In addition to presenting no more than minimal risk under federal regulations, this research proposal meets the Pepperdine University Institutional Review Board’s following criteria for exemption: “Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior” (Appendix B section, p. 36).

The researcher assured voluntary participation of the subjects by obtaining signed informed consents (Appendix C), either in person or electronically, prior to conducting the interview. The privacy of all participants is being protected, unless they elected to reveal identifying information by voluntarily signing a release included in the informed

consent. Only one subject is identified by name for the purposes of this study. That subject is identified because he: (a) waived his right to confidentiality, and (b) represents a model that is slightly different from the others profiled. The subjects were informed of their right to withdraw from the study at any time.

Summary

This chapter restated the research questions and presented the rationale behind choosing a qualitative, exploratory design for this study. The characteristics of the data sources and sampling procedures were defined, as well as methods of data collection, storage, and analysis. Chapter Four further describes the participant demographics and characteristics of news outlets sampled for this study. Recording and transcribing processes also are detailed, as well as the categorization process, coding schemes and validation. Findings for each major theme and research question are presented in tabular and narrative formats.

Chapter Four: Findings

The purpose of this study is to identify common themes and opinions among leaders of digitally native nonprofit news outlets related to how they view their role in the future of American journalism, and the role of government, at any level, in helping them achieve financial sustainability. An interview protocol was designed to elicit a range of responses that would address the following research questions:

In the opinion of the selected respondents:

- RQ1. What structural parameters and practices contribute to a successful digitally native news media outlet?
- RQ 2. What are your current types of revenue sources and how do you plan to achieve financial sustainability for your digitally native news media outlet?
- RQ3. What role, if any, is the government at the federal, state, or local level currently serving to help support your digitally native news media outlet?
- RQ4. What supports are appropriate and needed from government agencies or officials to sustain a successful digitally native news media outlet?

Participant Characteristics

Ten leaders from nine digitally native nonprofit news media outlets were interviewed for this study. The interviews lasted between 35 and 80 minutes, with the average length being 58 minutes. The participants' titles are either editor, founder, CEO, or in some cases, a combination of all three. Each participant has primary responsibility for the content on his or her Web site and soliciting revenue for the organization. In the case where two people were interviewed from the same outlet, one is the CEO, whose main function is to generate revenue for the site and the other is the editor, whose chief

role is to oversee content creation for the Web site. The news media outlets sampled are all based in the United States but have geographically diverse locations. Three are in the Southwest; two are in the Pacific Northwest; one is in the Midwest; two in the Northeast; and one in the Southeast. All news media outlets met the following characteristics, outlined in Chapter One:

- Nonprofit status;
- Adherence to the SPJ Code of Ethics;
- No direct affiliation (i.e., shared ownership) with legacy or traditional forms, either commercial or public, of print or broadcast media;
- Sustainable and diverse funding model in place;
- A commitment to public affairs reporting on the local, regional, or state level;
- Fulfillment of a demonstrated information need in the community served;
- Led by professionally trained or experienced journalists (as opposed to citizen journalists).

Participant Demographics

Table 1 shows further demographics and characteristics of the data sources. Each source is identified by a number (1–10). The organization code is identified by a letter (A-I). Six men and four women were interviewed from nine online news media outlets. More detailed demographic characteristics (age and background of source) are not given to protect confidentiality, since the target population is so small. The age of the media outlet ranges from 6 years to 6 months. Staff sizes range from 24 full-time employees to two. Five of the outlets primarily focus on covering local issues; the other four also cover state and regional governments.

Table 1

Characteristics of Data Sources

Name Code	Organization Code	Gender	Age of media outlet	Staff size	Primary geographic coverage focus	Model type
1	A	M	6 years	14 FT, 1 PT	Local	Community
2	A	M	6 years	14 FT, 1 PT	Local	Community Centric
3	B	M	1 year	24 FT	Local	Community Centric
4	C	M	6 years	9 FT, 6 PT	Local	Community Centric
5	D	F	2 years	2 FT	State/local	Content Provider
6	E	M	2 years	2FT, 1 PT	Local	Community Centric
7	F	F	1.5 years	3 FT, 1 PT	Regional	Content Provider
8	G	F	1.5 years	2 FT	State	Community Centric
9	H	M	2 years	2 FT	State/local	Content Provider
10	I	F	6 months	2FT, 1 PT	State	Content Provider

Although all the data sources have their own Web sites and meet the criteria established for the sample population, two distinct models emerged during the course of the interviews: community centric and content provider. Five community centric models and four content providers constituted the sample population. The community centric models view their Web sites as hubs, encouraging comments and citizen participation, although they do provide content for other media partners. The content providers are based on a university campus and primarily focus on producing major reports to be distributed by other, traditional media outlets. Of those, only one is directly affiliated with the university where it is based and that university is a private institution. The leaders of that outlet are paid by the university but are required to produce their own

revenue stream. The other three are based at public universities and reimburse the university for their office space by teaching classes and supervising student interns.

Audio Recordings and Transcription

All participants of this study are professional journalists and are, therefore, familiar with the interviewing process. Each person allowed the conversation to be recorded. In the two face-to-face interviews, the researcher used a digital audio recorder and a backup iPhone voice memo recorder application in addition to taking field notes. The remaining telephone conversations were conducted electronically through Skype. The researcher called the participant's office or cellular phone via the voice feature on Skype and recorded the interviews through Call Recorder for Skype, an application that captures audio calls and converts them to QuickTime movies. The researcher also took field notes during the telephone calls for additional reference.

The researcher transcribed each interview with the assistance of InqScribe transcription software, which allows for typing text alongside the audio file. The researcher took care to transcribe the interviews verbatim, inserting tone and emotions into the transcript, such as laughter or pauses. The InqScribe documents were then converted to Microsoft Word files. All the Microsoft Word files were printed and bound as one document. To protect confidentiality, source codes for the participant's name and organizations were used on the transcribed documents.

Validity and reliability issues were addressed by sending each participant a copy of the transcript via electronic mail and asking him or her to check for accuracy. No transcripts were returned for correction after a 2-week period. In some cases, the researcher conducted member checks with participants to clarify what had been said and

discuss general impressions of findings. The researcher's impressions were consistent with those of the participants.

Categorization and Coding

Throughout the data collection phase, the researcher followed Creswell's (1998) model for analyzing data by: (a) reading through transcriptions and notes, (b) making initial summaries, (c) obtaining feedback from participants, and (d) reducing the data into codes or categories. Coding involves the process of reviewing transcripts and labeling parts that appear to be most relevant to the issues being studied and grouping them under categories (Bryman & Bell, 2007). The interview protocol (Appendix C) was designed to categorize responses by themes, as drawn from the literature review, that relate to each research question. Those categories were used to begin the coding process.

Each transcript was printed and bound for coding. The researcher coded all significant passages in the transcripts by color, number, and letter. A different color was assigned to each research question. Under each category, numbers were attached to each theme and letters assigned to subthemes. Subthemes were created based on the researcher's initial impressions and field notes after conducting and transcribing the interviews.

Many researchers describe coding and categorization as iterative, where coding schemes and categories are redefined as the process continues (Bryman & Bell, 2007; Creswell, 1998; Rubin & Rubin, 1995). Theoretical saturation has been reached when no new data seem to be emerging in each category and each category is well developed (Bryman & Bell, 2007). The researcher found the sample size of 10 to be adequate for this study, in concurrence with recommendations made by Stebbins (2001) and Crouch

and McKenzie (2006) for this type of exploratory study. The open-ended interview questions generated rich, qualitative data. The interview subjects gave some variations in responses, but the repetitive nature of many of the answers demonstrated sufficient commonalities to answer the research questions.

Once the transcripts were coded, the researcher copied and pasted coded excerpts into a separate Microsoft Word document created for each theme. Care was taken to attach the source code to each excerpt by using shortcut keys assigned for each source so no confusion could result about whom to attribute for each excerpt. In the case where a sentence or paragraph addressed more than one category or theme, the excerpt was copied into each appropriate document. After that process, the documents with the coded excerpts, categorized by themes and subthemes, were printed and bound for analysis.

Data Analysis

The researcher followed the process outlined by Rubin and Rubin (1995) for analyzing coded data:

- Sorting and summarizing
- Sorting and ranking
- Weighing and combining
- Integrating, checking, and modifying.

First, the main points were listed and summarized under each category, which Rubin and Rubin (1995) stated should be done “with minimal judgment” (p. 225) on the researcher’s part. No concepts were omitted or emphasized over others. In accordance with Rubin and Rubin’s suggestion, the researcher looked for subthemes that may have been missing from each category and none were identified.

Next, subthemes were ranked and ordered from the most responses to the least. The findings are displayed in this chapter in tabular and narrative form with the most common responses first, continuing in descending order. Rubin and Rubin (1995) also recommend sorting data based on participants' background characteristics. In some cases, the researcher did find different approaches to practices, particularly those relating to digital technology, between the leaders of the community centric Web sites and the leaders of the content provider Web sites. Those differences are further detailed in the findings and Chapter Five. Weighing and combining responses was not a major issue in analyzing the data because the participants expressed similar views and motivations.

Triangulation and Validation

Triangulation is used to ensure internal and external validity by employing different methods to corroborate findings (Miles & Huberman, 1984). The researcher can achieve triangulation by examining secondary documents and collaborating with other researchers in a similar field. The researcher addressed triangulation and validity issues for this study by using secondary documents, member checking, and obtaining validation at several stages in the process by colleagues who are experts in journalism and media research.

First, after summarizing the findings from each transcript, the researcher checked for accuracy by examining each participant's Web site. The researcher did not find inconsistencies between any of the news outlet's online practices and the participant's description of those practices. The researcher performed member checking by providing each participant with a copy of the transcribed interview and asking the respondent to reply with any clarifications needed or additions to ensure accuracy. After 2 weeks, no

respondents returned the transcripts for corrections. In some cases, the researcher conducted member checks with participants either in person or via e-mail to clarify what had been said and discuss general impressions of findings. The researcher's impressions were consistent with those of the participants.

Experts in journalism and media research validated the coding scheme at the beginning and end of the process. The first expert confirmed that the coding scheme was appropriate for this type of study. The second expert checked a random sample of 25% of the coded transcripts and agreed with the researcher's coding 96% of the time.

Summaries of Themes and Subthemes

The findings of this qualitative exploratory study are presented in this chapter by research question, corresponding theme, and subtheme. The researcher identified the themes prior to conducting the study. After the analysis phase, the data was reduced to the following themes and subthemes presented in this chapter. The subthemes are the participant's responses to each theme. Each participant was allowed to give more than one response for every question. All responses are included in the final calculations; so one respondent may be listed in multiple subthemes. Because 10 people were interviewed from nine outlets, in cases where views are expressed, the percentage of total respondents is given. When the theme addresses a particular practice of the organization, the percentage of total outlets is given. Data are presented first in tabular form, then summarized and supported with direct and partial quotes from the participants.

Theme: Mission of organization (RQ1). The first set of questions relates to RQ1: What structural parameters and practices contribute to a successful online news media outlet? The researcher began each interview by asking participants how he or she

viewed the mission of their organization. Table 2 shows the responses from the 10 participants with the most common responses appearing first. Participants were allowed to give more than one mission and often did so.

Table 2

How Participants View the Mission of Their Organization

Subthemes	Number of responses	Percentage (of total respondents)
Perform investigative journalism and in depth reporting	10	100%
Expose wrongdoing. Hold government officials accountable	10	100%
Provide information for the public to make decisions	10	100%
Community engagement	6	60%
Educate and train (students, the public, other journalists)	4	40%
Increase transparency in journalism	1	10%

Note: Participants were permitted to give more than one answer.

Perform investigative-in-depth reporting. All the participants listed the traditional roles of public service journalism in a democracy as their primary mission: (a) performing investigative journalism, (b) in-depth reporting about public affairs, (c) exposing wrongdoing by public officials, and (d) holding public officials accountable. The participants noted the need for that type of watchdog reporting because of cutbacks in commercial media organizations. Source 5D, for example said the mission was to improve the “quality and quantity” of investigative reporting in the region. Other sources referenced a lack of quality among traditional media outlets:

We’re much more trying to do quality journalism on the big important issues and I think that just kind of ends up being stuff that’s not appearing somewhere else. (Source 3B)

I knew I wanted to provide in-depth coverage of issues rather than daily beat reporting. So that's how I wanted to distinguish the project from the existing media outlets. (Source 8G)

Provide information. The next most common part of the mission, according to all the respondents, was providing the information people need to make decisions about their lives. In some cases, the goal is to post raw data in the form of documents or data not made readily available online by government agencies. One outlet is focused on acquiring government data and looking for possible stories within the data:

Our whole mission is acquiring data and analyzing it, finding the stories in the data and producing those stories and making the data available to the public. So the stories we do give the data that we put online in searchable applications, the stories we do give the data context. (Source 7F)

The editor of another outlet that covers a state legislature is posting documents that she said even some of the legislators have a hard time obtaining.

Some of this raw information is just as important as the story. We don't have to touch everything, we don't have to shape everything, people can get it. (Source 8G)

Engage the community. The leaders of the community-centric Web sites were more likely to name public engagement as part of their mission. All the leaders of the community-centric sites (six out of the 10 interviewed) cited engagement while none of the content providers mentioned that goal in response to the mission question. Some tied engagement to their business model:

Our goal is to engage people so well that we deserve support and to do that mission so well that so that support comes. That's why we call our business team the engagement team, because that is the business philosophy. (Source 1A)

One source, 4C, referred to his news outlet as a "journalism-driven community." He said the news stories that are posted begin the conversations among community members who participate through commenting on stories. Two sources, 1A and 3B,

stressed the importance of adding fun and other topics in addition to public affairs, such as arts and culture, to their news site in order to be more engaging:

Now we don't want it to be kind of eat your spinach sort of experience and that's definitely one of the challenges. (Source 3B)

Source 1A said pursuing the mission "doesn't have to be boring." He accomplishes this by adding trivia, humor, and some features on the site and instructing reporters to write in a more conversational and interpretive manner than the traditional print journalistic style:

Really breaking free of the journalism, what might be called the news voice. And in allowing reporters to make conclusions about facts to allow them to gather context as they gain authority in their beat and then speak as authorities on the subject in their pieces.... We can't just talk like we're robots; we have to be more approachable and accessible and these are complex issues. (Source 1A)

Education and training. The leaders of the content-provider news sites (four) are all based at universities. As part of their mission, they listed educating and training high school students, journalism majors in college, other reporters, and the general public in information-gathering techniques:

One of the things we're trying to do in the future is to hold seminars on open records laws around different communities because most people think that is a journalist's mission and they have no idea that they are living in a state that has the best open records laws. (Source 10I)

Three of the four leaders are required to teach a class for the university or supervise student interns who work on gathering information for the Web site's stories. Many of the respondents are worried that novices won't get the experience they need in the practice because so many veterans are being laid off in traditional newsrooms:

Journalism's a craft but investigative journalism is very, very special and not everybody can do that. And I am very, very passionate about training the kids who are really, really interested and have that fire under their belly and also training minorities. Because the other thing that's happening in newsrooms is newsrooms have come back to the 1950s the number of minorities has completely disappeared. It's just really sad....If I want this organization to have a legacy in

the future, it will be that, that at least we helped something, that we trained people who are really interested in doing this. (Source 10I)

Increase transparency. The last subtheme, increase transparency in journalism, was mentioned by just one of the respondents (Source 6E). It should be noted that Source 6E represents the most distinctly different model of the nine outlets represented in this sample. The outlet, Spot.Us, is based in several metropolitan areas, although it originated November, 2008, in San Francisco. The premise of Spot.Us is that members of the public fund stories that are pitched by freelance reporters and approved by founder David Cohen. Cohen waived his right to be treated confidentially for this study. He said distributing the cost of hiring a reporter to do a specific story increases “the level of transparency and participation in the process of journalism” (D. Cohen, personal communication, March 2, 2011), which Cohen calls the “driving mission” of Spot.Us.

Theme: View of role in media landscape (RQ 1). Because one of the goals of this study is to identify how leaders of digitally native nonprofits view their place in the future of American journalism, participants were asked to assess other media in their region and describe what functions they are serving in the ecosystem. The question was phrased: Briefly describe your local media landscape. What role does your organization aspire to play in your local media landscape? Table 3 shows the responses, listed as subthemes. Subthemes were categorized as: additive to local media coverage (rather than competing with other public or commercial media); creating new practices in reporting local news; providing more in depth analysis; and, creating new funding practices for journalism. Participants were allowed to provide more than one view of their role in the media landscape.

Table 3

How Participants View Their Role in Their Media Landscape

Subthemes	Responses	Percentage (of total respondents)
Additive to local media coverage, filling gaps or voids. Not competitive, collaborative	10	100%
Create new practices in reporting local news	5	50%
Provide more in depth analysis	3	30%
Create new funding practices for journalism	1	10%

Additive to local media. All the participants viewed their role as adding to, rather than competing with, other print and broadcast news media in their coverage area, although two of them (Sources 8G and 10I) specifically referred to themselves as potentially “big players” in their future media landscapes. Most said they were not trying to duplicate what any other media outlet, commercial or public, was doing. Source 7F said she sees her organization as filling a “significant void and not competing with other news organizations.” Others had a similar position:

There are competitive sort of rivalries among journalists obviously....But we would like to be a multi, or device neutral content agency, engagement agency based on our mission that helps partners of all kinds achieve their goals as they relate to public information, public affairs. (Source 1A)

We view our role as being additive to what’s out there and, in terms of a lot of the smaller sized [news outlets], being kind of a supporter and connector of the newer ecosystem. You know it’s a much more decentralized ecosystem than what it used to be and we think we can kind of play a role in bringing some of that together. (Source 3B)

The landscape is not good for investigative reporting. It’s been cut or staff has been reassigned. And I couldn’t tell you the number of jobs we’ve lost...I hope that what our center can do is, number one, produce good content that makes an impact and serve as a template for local and regional reporters to use to do their own stories. (Source 5D)

Create new reporting practices. The leaders of the community-centric models were more likely to emphasize how their digital platform allows them to experiment with different ways of reporting stories. Source 4C said he willingly left his job at a commercial newspaper to start his news outlet because of the advantages the Internet provided:

And I saw this stuff happening online but they didn't seem to have a lot of reporting to it but they had this immediacy with the readership, this multimedia platform. So I thought if I could fund it, it would be kind of fun to do that, do just a lot of local reporting like in the old days but just do it in new ways, that was the idea. (Source 4C)

Provide analysis. Some of the participants (30%) emphasized their role as one of providing analysis or bigger-picture stories about issues impacting local residents:

I think the role we're trying to serve if you look at it as an ecosystem, is probably a step above the daily grind to try to provide analysis, understanding, and investigation into the daily news. So we're not going to be covering the house fire or the corner stabbing. We're still going to be at the mayor's press conferences, at city council hearings, and things like that. I look at it as enterprise beat reporting. With the idea that you don't need to feel bad about getting scooped if you're working on something good already. You don't have to have everything, it's not your job to be absolute and complete; your job is just to find really good stories. (Source 2A)

Source 7F said her organization is able to provide more context and analysis to stories because "we're not in the daily journalism game." She also emphasized her staff's focus on data-driven journalism, which is a service they have provided to smaller newspapers that don't have the "investigative muscle" or knowledge to conduct that type of complex story. Source 1A noted that because the Internet has enabled politicians and other newsmakers to go directly to the audience, the new role of the media should be more interpretive than merely an information bundler:

So in that world, if sources are going direct, our role is to make sense of what they say and to find out things they don't want to say. But anybody who sees themselves as an intermediary or filter or simply a distributor of what sources say, I think are going to be destroyed at some point. (Source 1A)

Create new funding practices. Spot.Us founder David Cohen (Source 6E)

sees his role as helping to address the “business problem of journalism” by allowing the public to donate directly, via his Web site, to stories they want to help fund:

This idea of donating to journalism is not new—we didn't invent the idea of donating to journalism, people donate to NPR all the time, the thing that we try to champion or push the boundaries of is the level of transparency or participation in where the money goes. So there's almost a level of media literacy there where people get to understand the back and forth behind what happens behind a journalism story. (D. Cohen, personal communication, March 2, 2011)

Theme: Scope of coverage (RQ 1). To obtain a clearer understanding of the types of stories each outlet chooses to pursue, participants were asked how they decide what issues or events their reporters will cover. Two questions covered this theme: (a) Do you have a beat structure for your reporters? If so, please describe why you defined these beats in such a manner; and (b) How do you decide what genre of stories you choose to cover and what genres you choose not to cover? Table 4 summarizes the subthemes.

Table 4

Types of Stories Participants Choose to Cover

Subthemes	Number of responses	Percentage (of total outlets)
Quality of life issues: Politics and government (state/local)	9	100%
Education	9	100%
Environment	4	44%
Crime/courts/criminal justice	3	33%
Health care	2	22%
Consumer/economy	2	22%
Neighborhoods	2	22%
Arts	2	22%
Sports	1	11%

Note: Organization A, which was represented by two sources, was only counted once.

Deciding on beat structures. While all the participants identified big quality of life issues and politics-government as the main focus of their news outlet's coverage, six of the outlets had defined or semidefined beat structures for their reporters. Leaders of the other three said they were too small to have defined beats. Instead, they decided what to cover on a story-by-story basis. Most of the respondents indicated that they made decisions about what issues to cover based on their potential impact for their readers:

We took the quality of life issues in particular, and since government is impactful in all areas of life from water to neighborhoods and parks, government's the most important that we looked at and our second most is education. After that we looked at this sort of range of quality of life issues from environment to—we sort of deemphasized housing recently and switched it to arts. (Source 1A)

Source 2A said he assigned beats to his reporters based on where the gaps were in mainstream media news coverage, the importance of the issue to the region, and whether the decision is being made locally. Immigration, for example, is not covered because although the issue impacts the regions, the decisions are not made at the local level (Source 2A).

Only 30% of the organizations choose to cover crime or criminal justice issues (4C, 6E, 9H), but they say they do so based on impact and trends, not for sensationalism:

We do think crime and criminal justice are very important to people's lives if you do it intelligently. It's—some people thumb their nose, you don't want to be like the regular media that sees crime as low hanging fruit and sensationalistic to make everybody scared all the time. If you do it intelligently, and you do it with an eye on the bigger picture, that stuff does matter and it matters a lot for redevelopment, it allows a social justice component. I think you want to make sure that crime doesn't sweep everything else; you want to take it seriously. (Source 4C)

Choosing what not to cover. Many of the news editors said that deciding what stories not to cover was one of their most difficult tasks, but their limited resources made them stay true to their primary mission and goals:

We have certain stories that might come up that seem like they may be interesting or good to pursue, but if they really don't have to do with our mission, I sometimes reluctantly say we need to pass on that and move on to the next thing. (Source 7F)

Often in the last 6 years we've had issues we've had to turn down or not approach just because of the limited resources we've had to prioritize what is the more significant debate or discussion. (Source 1A)

The hardest thing you have to decide in doing something like this is what you're not going to do and so we decided for example that we were not going to put a lot of energy into technology coverage because we feel that's an area that is pretty heavily covered. (Source 3B)

Source 2A also noted that running a web-based nonprofit news organization meant he didn't feel compelled to cover every issue and event in the community:

I think that was the fundamental difference of being digitally native is that we never, ever once thought that we were going to be the only place you went to that day for news. So we had no problem letting stories go, we had no problem not running to the story of the day because you know that was going to get covered. And we saw ourselves much more complementary to the entire media scene rather than trying to dominate it or to be the only thing there. (Source 2A)

Theme: Partnerships (RQ 1). A direct question about partnerships with commercial and public media or universities was not part of the original interview protocol, but partnerships emerged in every interview as a key component of the successful operating practices for each media outlet. Table 5 summarizes the types of partnerships the leaders of each outlet described as being important to their operation.

Table 5

Types of Partnerships Important to the Success of the News Outlet

Subtheme	Responses	Percentage (of total outlets)
Collaborative media partnerships	10	100%
Distribution media partners	10	100%
University partners	4	44%

Collaborative media partners. All the media outlets have had collaborative arrangements with print and broadcast commercial and public media outlets in their

region. Some arrangements were formal, with revenue exchanged, such as an agreement by Outlet A with a local television station to coproduce weekly reports that air on the station's evening newscasts. In that case, the news station pays the nonprofit for its participation (Source 1A). Source 1A said collaborations also help traditional media organizations as they grapple with their own place in the changing media environment:

All these places need to be locally relevant and so, at the same time, if they see this crisis of being relevant, they're also in an economic crisis. So I think that if they can work with partners to help produce interesting content, to help them be more relevant to a local audience, then they're going to see that, especially if they don't see us as competitors. And I don't think they do. (Source 1A)

However, most partnerships were on a story-by-story basis and did not include revenue, only a sharing of resources and in some cases, expenses. One such collaboration between a digitally native nonprofit and an NPR-PBS affiliate was an extensive investigation into an increase in whooping cough cases in the community. In that case, the broadcast reporter approached the news outlet to help with interviews and data analysis after she discovered most of the children who had contracted the disease had been previously vaccinated (Source 7F). The collaboration involved the broadcast reporter traveling to Switzerland to interview researchers of the vaccines while the digital news outlet performed data analysis and local interviews. The culmination was a print and broadcast story that aired on both outlets and prompted an investigation by the Centers for Disease Control and Prevention (Source 7F).

Most of the respondents said their collaborative media partnerships are more about dividing the workload than increasing reach for most of the participants, although some result in both. Source 3B said he partners with small community publications and bloggers to fill out their coverage mix. In another case, Source 9H worked out an

arrangement with two commercial newspapers to provide photos of a story the nonprofit was covering:

So there are many examples out there of collaboration ranging from what I would call the quick and intelligent such as the recent collaboration with the [newspaper] to the more in-depth and sustained collaboration in producing a major report. (Source 9H)

Distribution media partners. All the media outlets sampled also have distribution partnerships with print and broadcast media, meaning those other news organizations will publish or air stories produced by the digitally native nonprofit. However, very few of these partnerships have resulted in revenue for the nonprofits (as further discussed in RQ 2: Funding structures). Two outlets (Source 4C and 10I) are partners with ethnic newspapers and broadcast stations in their coverage area. They say those partnerships have expanded the reach of their stories. In one case, Source 4C said a story about police brutality reached a Columbian immigrant who had also been a victim of the same officer through the Spanish-language newspaper, but the victim had been too afraid to come forward:

When he [the victim] saw that article and saw that other people were [complaining]; he contacted a group involved in the issue and they helped him file a complaint. And then we wrote about when he filed a complaint and did an FOI [Freedom of Information request] and found out the cop had nine other complaints against him. (Source 4C)

Other outlets, primarily the content providers, have worked out an embargo system with local media who may be interested in publishing their stories. Editors send out an e-mail alerting the media that a story is coming and offering them a chance to run the story on the day it releases or localize the information in some other way (Sources 5D, 6E, 7F, 9H, 10I).

Sometimes the publication runs the story the day the embargo is lifted. Other times, they wait. Sources 7F and 9H both said that because of today's fragmented media audience, being first with a story isn't necessarily as imperative for other media as it once was:

I initially thought that people would feel like it was really a competitive situation and they had to run the story the day it was coming out. But I found that, I think the way audiences look at the media, where they get their news, maybe the newspapers feel more competitive about it than the audience really does. But in the end, they have run the story on different days on occasion and I think they've been fine with it. It has to be a helluva story that is going to make it across every person's radar (Source 7F).

I haven't yet met a journalist who likes to be second, so this is built on the idea that everybody has an opportunity to release the report at the same time. But some of these organizations, it's not as important on some of these stories that they come out right at that moment. (Source 9H)

Source 9H also noted that pushing out content to the public in places they are already accustomed to getting news works better "rather than trying to require the public to undergo a massive change in media usage habits."

University partnerships. The leaders of the four outlets that are based on a university campus (5D, 7F, 9H, 10I) each said being on a college campus provided them with access to students and faculty, proximity to public media, and a more credible reputation:

We're still a very young organization; we've been operating for just 2 years. We're still a very small organization. But our presence on campus and our close working relationship with the school of journalism helps demonstrate to outsiders that we're serious about what we're doing and we've developed relationships with a respected institution. (Source 9H)

Other sources said the relationship helps the university as well:

I think there are benefits to the school of journalism to have us here, to have what we bring to the students and to have me teach. And also I think we've helped to enhance the university, the school's reputation to a degree by our involvement in some national stages. (Source 7F)

Theme: Digital media practices (RQ 1). The digitally native platform has made storytelling possible through text, visuals, audio, and interactive graphics. Citizen participation and social media are also part of the digital experience. The extent to which each data source is using the technology available on its digitally native platform was measured with the following questions: (a) In what ways and for what purposes do you use digital and social media including, but not limited to, Twitter, Facebook, video, audio, slideshows; and (b) Do you attempt to encourage citizen participation or contributions to your news-gathering process or online story presentation? If so, how?

Table 6 summarizes the responses to those questions.

Table 6

Digital Media Uses and Practices

Subtheme	Responses	Percentage of responses (of total outlets)
Comments and citizen input	10	100%
Multimedia—video, audio and still photos	7	77%
Social media—Twitter and Facebook	7	77%

All data sources said they welcome comments on stories, but each outlet has varying degrees of citizen participation on its Web site. The community-centric sites have far more comments on stories than the content providers, for example, and the leaders of those sites have enforced strict commenting policies. Outlet A requires registration, full names, and contact information. Source 1A said he didn't want the comments on the site to degenerate into a free-for-all, which has often become the case on newspaper Web sites:

It was hard for us to attach a piece of work that we worked so hard on to edit and hold to these standards and then to attach these, you know, what could be just

rancid graffiti underneath it and so why would you do that. And then I just realized that, you know, newspapers never did that. (Source 1A)

Source 4C also requires registration for comments, but allows people to post anonymously. He said the problem with anonymous comments is more about the type of discussion that may ensue rather than the anonymity, adding that people can always “game the system” by using a fake name (Source 4C). Therefore, his outlet takes the approach of heavily moderating the comments to ensure the discussion stays on topic and civil:

Some school teachers and cops don’t feel like they can talk in public or they’ll lose their job. So as long as they’re not saying anything libelous or hateful or slanderous or bigoted, we’ll let them talk about what it’s like to do their job and how they feel about the news. (Source 4C)

Outlet G, which covers state government, has successfully created a commenting community that includes the general public, lawmakers, and even the governor and former governor (Source 8G). Source 8G added that she has been able to foster “a really clean public policy debate” by requiring full names and approving all comments before they are posted and monitoring.

However, all the sources say they are careful to distinguish between opinion pieces that may be written by citizens and professionally produced news content, especially since they are having to differentiate themselves as a legitimate news outlet, not a blog:

And it’s much like a traditional news format we try to separate news that we’re producing, the analysis and in-depth and video from commentary and press releases so that people understand we’re not a blog. That’s been a real uphill battle—the nonblog status. (Source 8G)

Source 3B plans to add a contributed photography feature that allows people to send in photos from their cellular phones or news tips. Outlet C has cohosted public forums with

other news media and provided a live stream on its Web site where people watched the forum and made comments in a blog format moderated by one of the editors (Source 4C). Outlet A also has hosted face-to-face gatherings where members can listen to speakers or talk about public policy issues (Source 1A).

Multimedia uses. All the participants said using multimedia in the form of photographs, audio, slideshows, video, and interactive graphics is necessary to tell stories effectively on a digital platform. Among the outlets, 80% are incorporating those elements to varying degrees on their sites already; two of them (F and I) are working on developing multimedia capabilities. Most of the outlets rely on reporters to take photos or video while they are covering the story. “There’s no such thing anymore as a print journalist,” Source 9H said. “We all need to use the full range of tools available to communicate our findings and share our stories with the public.”

The two largest outlets that were sampled (A and B) employ a staff photographer. Both leaders of Outlet A say hiring a professional photographer from the beginning has been key to making their site more valuable to the public:

It doesn’t seem like a priority or mission like this right at the beginning but then when you look at what the photos have done to help us professionalize the site, to make it look respectable, to really just engage people, it turned out to be a great decision. (Source 1A)

Photos are a huge part of what we do and that’s one thing that I’m surprised a lot of other startups haven’t done is invest in photos. To me, that’s sort of the first thing you look at when you see a site. (Source 2A)

However, producing video is a more labor-intensive undertaking. The leaders of Outlet A decided to let their media partners, a locally based network TV station and a radio station, handle audio and video for them:

Our biggest innovation with that was to realize that we can’t produce our own news video very well, but if we partner with somebody who can, we can do some

pretty interesting and exciting things. We take the video then put it on our site and then are able to link to that constantly or embed it in our stories. (Source 1A)

The participants also have found that video does not need to be produced in a television-news style fashion to be effective online. Sources 3B, 4C, and 8G said they use raw video, with minor editing, to help illustrate the story. Sometimes the video is tangential to the story; other times it is the central element:

Our approach to video has been really to focus on raw video of live events as opposed to produced TV style video. And we've found that to be effective....The trick with video that I think a lot of newspapers and news organizations have discovered is that you know producing TV quality video is harder than it looks....I think there was a phase where people put a lot of resources into it and then kind of stepped back and they were like, well, is this really worth it? (Source 3B)

Source 8G takes video of state legislative sessions and posts clips in small segments for people to view. She said some people love the videos while others just want to read the print story. Producing both is “a huge amount of work,” but she believes presenting both options is necessary:

Everybody needs this information, we just want to present it in a way that's really cool and palatable and—that's one of the reasons why we're experimenting with audio and video and documents because we know there are different kinds of learners out there, different people absorb information different ways. So we want to provide as many different options as we can. (Source 8G)

All the respondents said figuring out the best place to put their resources is challenging when so many options exist for producing multimedia reports online. Sources 4C and 6E said the decision whether to use multimedia depends on the nature of the story. “It has to be something that adds to the story” (Source 4C). Source 5D said multimedia is critical to the success of her news outlet and the students' learning, but they don't use audio and video for every story:

I think that people need to have those other kinds of complements to text stories. I think people have a lot less time to read long form investigative stories. I think their attention span is more interactive....And now given the digitization of everything, if it's a crucial piece of the story as any written lead or a paragraph would be, you have to tell stories in a lot of different ways and the stories have to be told on multiple platforms. (Source 5D)

Social media uses. As with multimedia adoption, the majority of the respondents (80%) said social media, particularly Twitter and Facebook, has a role in helping them spread their content, but they had varying views on the best practices for applying the applications. Leaders of Outlets A and E focus the most heavily on social media and view the applications as important in fulfilling their mission. Reporters for Outlet A are asked to Twitter live from public meetings and post questions for public input on stories (Sources 1A, 2A):

We really pushed hard to be a part of Twitter and Facebook from the beginning and to use Twitter, in particular, as a way of cultivating and provoking a really unique conversation in [the city]. From what I can tell with people I've talked to around the country, I don't think it's the same in other places where communities of journalists, labor leaders, politicians, and thinkers and advocates and activists are as engaged in a conversation that we've been a part in helping create here. (Source 1A)

Our mission is not to get people to our site but to get our content out and so social media is very much an important part of that. (Source 2A)

However, other sources (3B and 4C) view social media as a distribution outlet and say they haven't yet made use of the applications as interactive tools. Source 3B said his outlet hasn't begun yet to tap into the potential for social media to develop community feedback, but he's not sure that practices like live tweeting from a public meeting is a good use of reporter's resources:

These things are all trade off, you know, when you have reporters live tweeting a meeting, then they're thinking about the tweeting and thinking less about their story so you have to balance those things. (Source 3B)

One source (8G) described her presence on social media as “perfunctory” and said she would like to tweet more, but she “fell off the wagon because there’s so much to think about.” Source 5D said she has “mixed views” about using Twitter during the news gathering process because it “takes an enormous amount of time to do it correctly and not to just be regurgitating anything that comes into somebody’s mind.” But, she said, social media is a key component of furthering the discussion about every story and there may be some way to get feedback through Twitter from readers. Source 10I sees social media as a “great tool,” which she plans to develop. Sources 7F and 9H said they are too small to use social media well and have not developed the practice yet.

Theme: Measuring success (RQ 1). While owners of for-profit media may be inclined to measure success based on revenue (see literature review), the leaders of the digitally native nonprofit news outlets said they define success in a variety of ways, some measurable—some not. Each respondent was asked: How do you define your success? Table 7 lists the answers the participants gave in order of frequency: (a) impact, (b) financial sustainability, (c) reach, (d) community engagement, (e) student experience-education, (f) relationships with other media, and (g) awards.

Table 7

Participants’ Responses to Defining Success

Subtheme	Responses	Percentage of total respondents
Impact	10	100%
Financial sustainability	10	100%
Reach	9	90%
Community engagement	6	60%
Student experience/Education	4	40%
Relationships with other media	2	20%
Awards	1	10%

The respondents cited impact most frequently as the major indicator of success, but each acknowledged the difficulty in measuring the consequences of their reporting.

Source 1A referred to “hard successes” that result in policy changes or criminal investigations and “soft” successes, such as creating a public dialogue, which are less tangible:

Impact is success and unfortunately there’s very little metrics for something like that. But it has to do with the stories we’re able to break. The issues and conversations we’re able to advance. (Source 1A)

The first way would be if we’re having an impact with our stories. Our stories are making a difference in terms of their leading to constructive social change. They’re illuminating, highlighting a problem either accountability or abuse of power and leading to some positive change. (Source 5D)

Financial sustainability was at the top of the list for many of the respondents as well. “Defining success is becoming sustainable. That is one of the biggest roles,” Source 9H said. But, unlike traditional media, sustainability for the nonprofit leaders meant coming up with a plan to get revenue from a variety of sources:

We also are trying to develop a really strong sustainability plan and revenue-generating stream so that we can be a model center for the rest of the country. We can be one that lasts and we can be one that has done enough innovation sustainability wise that others can replicate our model. (Source 5D)

We’re trying to create a model where the public is funding a model broadly just because it’s a journalism entity. And so that means our responsibility isn’t to this journalism publisher but to the public. (Source 1A)

So the other measure of success of course is money and we need money to do our work and I think there’s no shame in raising money and we’re going to attack it from three or four different approaches; our board is being very aggressive about pursuing money from large donors in the state. (Source 8G)

Reach was defined as a measure of success by the majority (90%) of the respondents, not only in terms of traffic to their own Web sites, but also by how many other media outlets distribute their stories. The content providers are particularly concerned with reach in terms of distribution to all parts of the region:

We look at the number of news organizations that pick up our stories and the forms in which our stories are shared with the public. And it's not just the numbers, it's not just looking at the number of news organizations or even at the total audiences of those news organizations, but to some extent also how successful are we in getting our content to underserved communities, rural areas, minority communities. (Source 9H)

The leaders of community-centric sites tended to acknowledge that traffic to their site was important in terms of getting financial support and having an impact:

So if we're on the one hand, we're not sort of driven by traffic in the same way that a commercial organization would be. On the other hand, we aspire to reach a broader audience and if we don't reach certain kinds of traffic goals, then we're not reaching that broad audience so that's certainly one of the measures. (Source 3B)

Our success is judged by whether or not people value that service in a profound way and they already are. We just need to reach more readers, I think, and we'll do that as we have more writers on the site because we know that the more material we post on our site, the more readers we get. There's just like a direct correlation. But the other measures are the total number of readers and that's important because we want to try to start advertising. (Source 8G)

We're not shy about the fact that our business model relies on finding loyal users and the only way to continue finding loyal users is to continue to grow our readership. So our reporters aren't necessarily thinking about that when they're writing their stories but they are thinking about what is the biggest [impact] I can have and the biggest impact is going to draw the most people (Source 2A).

Community engagement. Leaders of all the community-centric models and Source 10I spoke about the importance of engaging the community as a measurement of their success. Several (Sources 1A and 4C) said the total numbers of readers aren't as important as the engagement level of the community they do have:

Investigative journalism can't just happen in a vacuum; it has to involve people as it's being produced and it has to provoke discussion afterward. And you can't have a discussion if nobody sees it. So yeah, readers though aren't the end goal. They're just part of the entire goal. (Source 1A)

Outlet A, in fact, hired an engagement editor whose job is to connect community members with content that is most relevant or important to them in order to provoke a

discussion (Sources 1A, 2A). Source 4C said he has a “really engaged readership” who cares about the community and he would rather have that type of audience rather than sheer quantity:

We don't try to do the search engine optimization where you get people come on once, who don't really care about the city, because you know you put a celebrity's name in or something....It's sort of that slow build, you try to get a few people every week who start reading it regularly—that's the goal. (Source 4C)

Student experience-education. Leaders of the university-based models (40%) said part of their success depended upon providing student interns with quality learning experiences and furthering the profession of journalism through training and education:

It's very important to us that our students have a good experience, they get a number of clips out of their semester with us or credit, broadcast outlet, that they learn some useful skills and that we help them go on to jobs they want. It's very important for me personally to try to shepherd the students we get into good jobs. And then we have high school students in the summer and we just want to make sure that they're interested in journalism and they're engaged in journalism, they don't think of it as a dying industry, but something that's really being transformed and reenergized, which is how I think of it. (Source 5D)

Relationships with other media and awards. Two sources (7F and 9H), both content providers, said the relationships they build with other media outlets in the community are factors in their success. “We certainly do look at collaborations with other news organizations as well” (Source 9H). “We judge our success in the relationships that we build both with media and with community organizations” (Source 7F). Source 7F added that recognition from peers in the form of awards is important as well, particularly because they “look good on your promotional materials.”

Theme: Funding sources and sustainability plans (RQ 2). The next theme relates to RQ 2: What are your current types of revenue sources and how do you plan to

achieve financial sustainability for your online news media outlet? Since the nonprofit organizations are structured differently than commercial news entities, gaining an understanding of how they plan to sustain themselves is important. Table 8 summarizes the subthemes that were given in response to the interview question: What are the sources of your operating revenue, and what percentage of total revenue is accounted for by each source? All the respondents indicated that their current funding was not the ideal model they would like to have, so subthemes include future plans for revenue growth as well. However, it should be noted that no outlet had plans to charge the consumer directly for reading content on the site by putting up what is known as a pay wall.

Table 8

Current and Potential Revenue Sources for the News Outlets

Subtheme	Responses	Percentage (respondents)
Foundations/grants	10	100%
Donations	10	100%
Corporate sponsors/advertising	9	90%
Syndication/charging other media for content	9	90%
Training/education	3	30%
Providing other services	3	30%
Volunteers/self-donations	2	20%
Endowments	1	10%

Foundation funding. Six of the nine nonprofit news outlets (C, D, E, F, H, I) receive the majority of their funding from national and local foundations. None of the respondents said they were comfortable with relying so heavily on foundations to support their news outlet. All said their goal was to move away to a more diverse revenue stream because they don't want to be so dependent on one primary source of funding, particularly national foundation money for which the competition is very high:

Our plan is to have different revenue streams, fund-raisers, foundation, because we know we cannot rely on foundation money forever. I just think right now this

is what's working because the old business model is broken, nobody has figured out how to fix that. (Source 10I)

I think national foundations are maybe less likely to continue supporting journalism but local foundations and sector-based foundations, community foundations, or environmental foundations. I think they'll continue to fund things because they'll realize the value of information. (Source 1A)

Donations. Outlets A, B, G, receive the bulk of their funding from large gifts by local philanthropists. The organizations define major donations as those greater than \$1,000. All the sites have a donation button displayed on their home page, asking for public support in a manner similar to public broadcasting. Source 3B, which has the largest revenue stream of any of the outlets sampled, said his site was able to attract \$5 million from a philanthropist because it had established a media partnership for distribution with a national newspaper and a collaborative agreement with a journalism school at a major university. But, he added, while major gifts and foundation support are needed as seed money for a nonprofit to get started, his plan is to shift the revenue mix during the next 4 or 5 years into taking in more money from corporate sponsorships and memberships.

Leaders of Outlet A receive 30% of their support from two wealthy donors.

Source 1A said he doesn't want any revenue source to exceed 15% of their operating budget because being dependent on two primary sources isn't healthy:

If no one type of revenue is more than 15%, that means that if there's a crisis in that type of revenue, it doesn't fundamentally hurt your mission....The more people we can get involved with it the more I can point to donors who are right wing and donors who are left wing and donors who are center and what not....I'd rather have a diversity of supporters rather than a few mega advertisers we have to deal with. (Source 1A)

Source 1A said his plan is to increase the number of members who give smaller donations while growing corporate sponsorships and syndication revenue from media

partners. Source 1A has had some success putting out pleas for specific items, such as a new camera lens for their photographer. After two requests placed on their Web site and an e-mailed newsletter, \$1,300 successfully had been collected for the lens (Source 1A):

So people want his photography, they want our service, and so I think they're willing to pay what they can, what they think it deserves. And when you only charge them a fee—people say well it's not capitalistic or it's not market based. I think it's more market based because they get to decide exactly what the price is of what it's worth to them. And I think that's special and I actually think it's powerful. (Source 1A)

Source 8G has had similar success with direct requests for specific funding. She said she posted pleas for a new video camera and received donations in response. Direct funding of certain types of stories, whether by a foundation, individual, or corporation is another consideration with which some of the nonprofits have wrestled because of ethical concerns:

Sometimes a funder comes by and says, "Do you guys cover science and technology?" And so that's an interesting experience for us. We've had to learn whether we should have to say no to stuff like that or whether we should embrace it and grow into that area or not. (Source 1A)

Source 6F, David Cohen founder of Spot.Us, limits the amount of money that any one individual can give to any group of people to fund stories so no one person has undue influence over the types of stories that are covered (D. Cohen, personal communication, March 2, 2011).

Corporate sponsors and advertising. The only news outlet surveyed that did not specifically list corporate sponsorship or advertising as a revenue source is 5D, although that source reported it does receive one sixth of its income from the private university where it is based. The other outlets either sell advertising or are seeking corporate sponsorships for internship programs, public events, or other services. Source

9H doesn't see a future in generating revenue to his Web site through advertising because, as a content provider, traffic is small.

Nonprofit news outlets are somewhat restricted in the types of advertising they can place on their sites without paying taxes on that source as earned income. Source 1A said if a commercial entity is making a call to action to make money in the advertisement, the nonprofit would have to report it as earned income and pay taxes on it. Outlet A offers community partner programs for which a sponsor pays a flat annual fee to get advertising on the site and other support, such as presentations on social media by the leaders of the outlet (Source 1A). Source 4C also charges a flat annual fee for a corporation to sponsor a column and have its logo and link placed on the site.

Source 8G said she would like to see 60% of her funding come from advertisers because those are "unrestricted dollars." She plans to go aggressively after corporate sponsors, but she is concerned that traditional media are setting a precedent of low rates:

If we can't make the advertising dollars work, then there's a problem. So I hope we can, but it's kind of a tough sell. Other news outlets in the area are like fire saling their ads online because they're still relying on the print ads, so it's like a really cutthroat environment to try to sell ads. So I worry about that over the long haul (Source 8G).

Source 6E, David Cohen, accepts corporate sponsorships, but not as advertisements on his site, Spot.Us. Instead, foundations and companies pay to have a survey placed on the site, which community members can take to earn money toward funding a story. Cohen calls this method of funding an "act of engagement" between the sponsor and the visitor to his site. The community members, not the corporation, ultimately have the say over which stories get funded (D. Cohen, personal communication, March 2, 2011).

Syndication-charging other media for content. All the respondents except Source 4C said they either currently charge other media for first rights to their content or have plans to do so. As discussed earlier, Outlet A has a financial partnership with a locally based network TV station to coproduce content and Outlet B has an arrangement with a national newspaper to get paid for content. However, other efforts are not as broad, and some of the nonprofit leaders are finding other media are not willing to pay a lot of money for their content. Source 7F said she's only able to get about \$200 per story from other media because that precedent was set by a larger, wealthier nonprofit news outlet in the state:

I feel very strongly that when, particularly, for-profit media use our stories or partner with us in some way, they should pay something, even if it's not a lot. I had initially hoped that some of what we would be able to charge and they would be willing to pay would at least approach some modicum of what it costs to produce this work, but I now know that's really not the case. (Source 7F)

All the respondents are already getting some financial relief from other media by sharing expenses when they collaborate on stories with commercial or public media. Source 7F said she hopes the relationship with public media in her region could extend to joint fundraising as well. Source 9H said his best business approach is to continue to make his content free to media partners. He said the value of his content will increase with the greater reach other media can provide "and that in turn creates, or expands our opportunities for acquiring revenue through individual, corporate, or foundations contributions" (Source 9H).

Training and education. Three of the respondents (5D, 7F, 10I) who are based at universities either already are or have plans to raise revenue through offering

special training and education programs to students and media professionals. Although the leaders of the university-based outlets work with college students as part of their obligation to the university in exchange for office space, some plan to go outside the university to do training. Source 5D offers a 2-week summer program for which high school students pay a fee to stay at the university and learn journalism skills. Sources 7F and 10I said they are looking at doing similar training or going into newsrooms to train staff in investigative and computer-assisted reporting techniques.

Providing other services. Three respondents (7F, 9H, 10I) are interested in monetizing their expertise in reporting and data analysis by charging other organizations for those services. Source 9H said he has a project planned with a nonprofit research organization that received a grant to do a series of reports on money and politics. Source 9H said his outlet would be paid to provide campaign finance and legislative voting data that would be used in the stories. Similarly, Source 10I said she would like to do data analysis for traditional media on special projects and she's also working on a plan to sell access to a searchable database that might be useful to other news organizations. Source 7F has made data analysis one of the key missions of her outlet; she also hopes to sell data to news media or other organizations:

Or maybe they want to call us and have us just pull a certain information they're interested in, we'll come up with a fee for service structure for that. So all of this is in the name of financing our investigative journalism. So we're hoping to leverage our data expertise into some other ways of generating revenue that will then be able to support the journalism that we want to do. (Source 7F)

Volunteers and self-donations. Two of the respondents rely on volunteers from traditional media outlets to help copy edit their stories for free. Source 9H said his wife, who is a newspaper reporter in the region, assists with editing and the business side

of the organization on a voluntary basis. Source 8G also has said her outlet was an “all volunteer effort” during the 1st year, including her. She began her news outlet after being laid off from her job as an editor at a local newspaper and said she was only able to do so because her spouse had an income on which they could rely. (Source 8G)

Endowments. Source 1A mentioned the possibility of building an endowment to earn revenue off interest generated by the fund. He was the only source to mention that type of revenue mechanism.

Theme: Government benefits currently provided (RQ 3). The purpose of RQ 3 is to discover how the respondents view the role government is playing in their current business model. The specific question asked was: To what extent is the federal, state, or local government involved in helping or hindering your operation today? Each of the 10 data sources acknowledged that the primary benefit they receive from the government in their current structure is the ability to incorporate as a 501(c)(3) nonprofit, educational organization. Three of the sources are based at public, state-funded universities (Sources 7F, 9H, 10I), but all of them said that they compensate for any perk they get from the university, such as office space, by teaching classes or working with students at no charge. Two sources (1A and 4C) also said they take some small amounts of money from local government agencies for posting advertisements or legal notices on their Web sites, but they don’t consider that money to be a government subsidy.

The data sources also were asked what benefits they have found from operating as a nonprofit, educational organization and to describe any drawbacks, if any. Table 9 shows the subthemes that emerged as benefits of being a nonprofit: (a) foundation funding, (b) liberation, (c) public image, (d) revenue goes back into news, (e) tax

deductions, (f) diverse revenue streams, and (g) special discounts. Some drawbacks were mentioned, as well.

Table 9

Positive Aspects of Being a Nonprofit News Outlet

Subtheme	Responses	Percentage of total respondents
Foundation funding	5	50%
Liberating	4	40%
Public image	4	40%
Revenue goes back into news	4	40%
Tax deductions	2	20%
Diverse revenue streams	2	20%
Special discounts	2	20%

The ability to obtain foundation funding and grant money was the benefit cited most frequently by the participants (Sources 4C, 6E, 8G, 9H, 10I). Although some see foundation money as not a permanent source of revenue, many of the sources said the philanthropic grants were needed to get started and sustain. “Grants are a major part of our funding and we can’t get those without being a nonprofit,” (Source 4C).

The next most common response involved the liberation or freedom to pursue the mission of the organization without having to worry about return on investment or pleasing stockholders (Sources 2A, 3B, 4C, 7F). Source 2A said it is “revolutionary” for him to go into a quarterly board meeting and be asked what the impact of the stories were as the first measurement of success:

That is remarkable. That means that when I’m in our weekly meeting on Monday mornings planning out stories and deciding what stories to accept from reporters and kick back or kill, I’m not doing any of that based on what I think is going to drive hits to our site. And that is amazingly liberating and it allows us to really do journalism that every young journalist wants to do. (Source 2A)

Sources 3B and 7F also used the term liberating or freedom in describing not having to pander to commercial interests to generate more traffic:

So, you know, if you have headlines about Lindsay Lohan, you know that generates a lot of clicks, but that doesn't necessarily accomplish much beyond that. So I think it's somewhat liberating in that we're really able to focus on what we consider to be important and engaging journalism. (Source 3B)

I think you have a lot of independence and you have a lot of freedom that you might not have when you're focusing on a particular audience or a particular constituency. (Source 7F)

Sources (3B, 4C, 6E, 9H) also cited the more favorable image that nonprofits have among the public and other media:

I think also with us being a nonprofit news organization, for profit and nonprofit news organizations alike are more comfortable collaborating with us than they would be if we were a for-profit operation. Not to say that a for-profit organization can't organize collaborations, but I think it's an easier sell initially. (Source 9H)

We're less threatening to other organizations than we might be otherwise, so there isn't kind of the suspicion that we're trying to eat somebody's lunch or take advantage of our partners or things like that. So it enables us to develop partnerships and, I think, a little bit more readily than we might be able to otherwise....And frankly people for whatever reasons are willing to support journalism as a philanthropy in a way that they're not really willing to support it as a commercial entity. (Source 3B)

I mean the immediate benefit is goodwill and immediate connection with people who want to donate. In fact, that was the reason why we became a nonprofit was more for that than any other ideological reasons on my end. It was more like I know intuitively I'm going to be asking people for money, what is the best way to do that and gain people's trust? And so we said we'll become a nonprofit. (Source 6E)

Putting the revenue generated back into the news operation was important for Sources 4C, 5D, 8G and 9H:

I feel like it keeps us with our mission. I feel like it, we have no interest in making profits or getting rich off this, we just want to make a good living and have health care and make a difference for the community. We don't clutter up our site with junky flash ads and stuff, banner ads. Each has pluses and minuses but I think this works. (Source 4C)

I think it's important for people to understand that every dollar that we

bring in is not going to a profit for some corporation or into an individual's pocket, it's going right back into news. (Source 8G)

That's another huge advantage of the nonprofit world is we're not then trying to satisfy that group of shareholders. So we don't need to show a profit. So ultimately, a larger percentage of the revenue is available to produce good journalism. (Source 9H)

The obvious tax benefits to the organization and donors were only cited by two of the sources (1A, 7F) in response to the question. Two of the respondents, Sources 1A and 2A, also said being a nonprofit actually expands their revenue options, as opposed to having a subscription model that limits people to what they can give:

If we only asked for \$140 to read our content, people would only give us \$140, right? But sometimes we get checks out of nowhere for \$15,000. (Source 1A)

Two other sources (6E and 9H) mentioned perks that were available only to nonprofits, such as special discounts on software or other applications. Table 10 lists the subthemes sources said were less positive aspects of being a nonprofit: (a) limited revenue sources, (b) legal requirements, and (c) disconnection from the marketplace.

Table 10

The Drawbacks of Being a Nonprofit, as Perceived by the Respondents

Subtheme	Responses	Percentage of respondents
Limited resources	5	50%
Legalities	4	40%
Disconnection from marketplace	1	10%

Limited resources. Although nonprofit status allows the news outlets to receive philanthropic gifts and foundation money, five of the sources (1A, 6E, 7F, 9H, 10I) said the designation can be a drawback in that they are prohibited from soliciting larger amounts of venture capital. Sources 1A and 6E both said they could raise more revenue from private investors than they currently receive. The problem is that those

shareholders would expect their money back:

I'm dealing with people who know they're not going to get their money back. It's a drawback in a way. I mean if I wanted to build a new Web site, I might be able to convince, if I were a for-profit, several investors to come on board with me and we'd build this awesome Web site. We'd get tons of value out of it and then great service. But they would want their money back as a shareholder. (Source 1A)

I remember I presented at one conference where there were a bunch of venture capitalists and they literally were...shoving business cards down my pants saying, "When you give up the nonprofit shit, call me." And so, in truth, nonprofits are usually outspent 10 to 1 and we do have limited resources partly because we can't seek outside money. (Source 6E)

Source 7F also cited "no predictable paycheck" as a drawback and said the troubled economy of recent years has made raising philanthropic funds more difficult:

If you have a big funder, somebody who is an angel donor, who can give you the breathing room to actually plan for your sustainability and growth, obviously that takes a lot of the stress off. (Source 7F)

Sustainability issues are concerning to all the leaders of the nonprofits interviewed. Some (Sources 9H and 10I) aren't even sure that the nonprofit business model for digitally native news organizations is going to endure:

I guess the benefit is that I didn't have to mortgage myself, for example, to get this thing running. And you can apply for grants, but that's also a con because it's hard. Raising money is not easy so I think that for now, this is the model that is working. I don't think this model is going to work forever, I really don't. (Source 10I)

It's hard work to acquire the revenue and it's just as hard to keep it coming in fast enough. Everybody is seeking the right mix of revenue streams and we're all aware of the financial difficulties confronting for profit journalism but nonprofit journalism of course has its own long list of questions. (Source 9H)

Legal issues. Source 6E cited dealing with the IRS bureaucracy in establishing a nonprofit as a drawback, although not a prohibitive one. Source 3B also talked about being "under a lot more scrutiny" through audits and rules than a for-profit entity would be. Sources 1A and 2A both talked about being restricted from taking political stands or

making endorsements, like newspapers are allowed to do. However, Source 1A does not necessarily see that restriction as being negative:

The other drawback is that we're not allowed to campaign or be for or against a candidate for office. What we try to do and we've been through six election cycles now, is we try to provide a balanced forum and provide balance and go after candidates with equal vigor. I actually find it liberating to not have endorsed people and I think our reporters do too. (Source 1A)

Source 2A worries about having to protect his nonprofit status if, during the course of legitimate reporting, stories began to appear to be taking a particular stand on an issue or candidate:

We can't endorse, which I don't think is a bad thing. But we do need to be mindful that when we're covering things, even if we're following our heart and following a story, if we did just only find bad things about one of the mayoral candidates, who knows if we're going to get challenged on our nonpartisan status. (Source 2A)

The legal restrictions governing partnerships between commercial entities and nonprofits also are potential concerns for these outlets, most of which have informal or formal agreements with other media (see literature review). Source 1A, who has a formal partnership with a television station and monthly magazine, said "as long as it's work we would normally have done and that pursues and furthers our mission, then we're okay."

But the interpretation may have some grey areas:

Everyone is feeling their way through this. My understanding is as long as it's not providing an overwhelming benefit to one corporation over any others, then you're okay. (Source 1A)

Disconnection from the marketplace. Source 3B said one risk, but not necessarily a drawback of being a nonprofit, is losing focus on consumer's needs:

I think the discipline of the market can be a healthy thing. So there's always risk that you kind of get a little bit disconnected from what people are really interested in. (Source 3B)

Theme: Government's role (RQ 4). As a result of the uncertainty of revenue sources and sustainability of digitally native nonprofit news outlets, the federal government has considered whether these organizations are providing such a necessary service that they deserve additional government support (see literature review). RQ 4 asks: What supports are appropriate and needed by government agencies or officials to sustain a successful online news media outlet? Each participant was asked this specific question: What role, if any, should government at any level play in helping organizations such as yours sustain themselves financially? Is that role different from the current role? If so, how? None of the participants agreed that direct subsidies should be given to digitally native nonprofit news outlets. Two sources (7F, 8G) said they might support grants or seed money. Table 11 summarizes each participant's response.

Table 11

Responses to the Role of Government in Sustaining Digitally Native News Outlets

Source	Response summary
1A	Nonprofit status OK, no other funding, government should increase broadband access
2A	Nonprofit status OK, clear up vague areas in status, no other funding, government should increase broadband access
3B	Nonprofit status OK, no other funding
4C	Nonprofit status OK, no other funding, government should increase broadband access
5D	Nonprofit status OK, no other funding
6E	Nonprofit status OK, no other funding
7F	Nonprofit status OK, no direct subsidies, possibly some grants for services
8G	Nonprofit status OK, possibly some seed money for startups and free business training for journalists
9H	Nonprofit status OK, no other funding
10I	Nonprofit status OK, no other funding, waive the IRS fee

All the participants (10) want to keep their nonprofit status, although Source 2A noted that clearing up some of the grey areas in what they can and can't do regarding journalistic practices would be helpful. Three of the participants (8G, 7F, 10I) talked

about the possibility of getting some additional one-time help. Source 10I said receiving a break on the \$800 fee required by the IRS to form a nonprofit would have been nice, but other than that, she doesn't want any government funds. Source 7F said she might consider applying for a government grant for providing a specific service, such as making government data available for the public, but she is still uneasy about how much control the grantor would have over her work:

I guess the reason it makes me feel queasy is because I don't know what strings come with those kinds of grants. I don't know who measures the accountability and how much say the grant maker has in the work we're doing and that makes me concerned because there's a certain number of strings that come with grants from anybody. (Source 7F)

Source 8G was the most open of all the sources to federal funds being made available for nonprofit news outlets, but only in the form of grant or seed money to help organizations like hers start:

Clearly there would have to be lot of vetting involved to make sure it's done properly, but I think it's unrealistic for readers and the public to expect people like me to do what we're doing without any remuneration and because there is no business model that's working right now. I think it isn't a bad idea. (Source 8G)

Source 8G also said free business training should be made available to journalists who are trying to establish a news outlet online because "journalists are not entrepreneurs":

You gotta attract people to your cause; otherwise we're just a bunch of starving artists out there. So, I mean, and that would be OK if what we did wasn't so incredibly necessary. What we do is important to the health of our democracy and I fear for this country. I really do, I fear for where we're headed in a world without journalists. (Source 8G)

Support for smaller communities. Sources 1A, 2A, and 4C said the best role the government can play in helping smaller communities get news and information is to provide the infrastructure that would increase broadband access throughout the country. Other than that, the sources wanted to leave funding news outlets up to the local

communities, especially since the amount required to start up a digitally native nonprofit is not that large compared to costs of traditional newspapers and broadcast stations.

Source 1A said a decent-sized news outlet could begin with \$300,000 seed money, match that amount through philanthropists and they become obsessed about revenue diversification. “It takes a commitment from the community to start something like this,” he said. “Every community has museums. Every community has ballets. Every community has universities. We’re not talking about a big investment.”

Views on direct subsidies. Table 12 displays the three subthemes that emerged as the participants discussed their concerns about taking direct government subsidies: (a) credibility and ethical issues, (b) equity issues, and (c) hindering innovation.

Table 12

Participants’ Concerns About Taking Government Money

Subthemes	Responses	Percentage of total respondents
Credibility and ethical issues	6	60%
Equity issues	4	40%
Hindering innovation	3	30%

Credibility and ethical issues. Four of the participants (3B, 5D, 9H, 10I) voiced concerns about taking money from the institutions they are covering and two others (2A, 7F) said receiving government subsidies would damage their credibility with the public:

Journalism suffers from enough of a public perception problem that I can’t imagine at a time when our government is in massive deficits, when we’re fighting two different wars, and we have all the problems that we have, that going and asking the government for a handout would help our cause in any way and would be realistically listened to in any way. (Source 2A)

I would not be comfortable taking government subsidies or government grants. I just don't see how the tension between covering government and taking money from the government could be resolved. Perhaps we take it indirectly because we get grants from private foundations and maybe they get grants from the government and it's just passed through, I don't know....I just don't feel journalists can take money from the government. (Source 5D)

I think a direct government hand out is something I really feel queasy about, something I really just can't imagine that. Certainly getting yourself in a position where you start depending on that I think is quite dangerous. (Source 7F)

I don't want help from the government I mean I'm investigating government. I'll be a hypocrite if I'm doing that....I mean how can the public trust you if the government is funding you? (Source 10I)

Source 9H said while the “flow of information is just as essential as the provision of electricity,” he is unconvinced that government is the solution:

There are a growing number of school boards and municipal governments are going unmonitored, but I guess my point is that I'm skeptical of the wisdom of asking the government to create a system that would allow journalists to examine government. I think the private and nonprofit sectors still...need to devote more study to other alternatives other than asking for more government funding. (Source 9H)

Support for public broadcasting. Although the participants were not directly asked about their views on government funding of public broadcasting, two of the sources (2A, 10I) said they don't have issues with the practice because it has a long history. However, as a web-based news organization, Source 10I said she's having a hard enough time establishing credibility and taking government money would further hurt her image. Source 3B, however, did question the validity of public broadcasting support, adding that while people in public radio would kill him to hear his views, he thinks “it's a fair question to ask as to whether that's an appropriate use of taxpayer money.”

Equity issues. Four sources (1A, 2A, 4C, 6E) were concerned with how the government would choose who gets funded and who doesn't if money were to become available for digitally native news outlets. Source 4C said the government would be in

the position of “picking winners and losers” and deciding who are legitimate journalists and who aren’t. Source 6E voiced similar apprehensions. He said the government would be “justifying and unjustifying certain journalism entities” by deciding who gets funding:

And I know it wouldn’t be because they’re malicious and mean, and trying to be propaganda, but there’s no way that they can come up with, at least in my mind, I can’t think of any criteria by which they can provide subsidies without restricting certain organizations which are doing journalism and doing it earnestly, but somehow are not bestowed the subsidy. (Source 6E)

Hindering innovation. Sources 1A, 2A and 4C said that providing government subsidies would interrupt the creativity and innovation that is arising in response to the disruption technology has brought to the news industry. Source 4C said: “Squashing innovation and giving advantage to people trying to resuscitate old models is a bad idea.” Sources 1A and 2A said their innovative energy to form partnerships and develop other practices has come from a lack of resources:

I don’t know that some of the changes aren’t healthy right now and that we shouldn’t just sit back for a while and see how it all comes out and that if we subsidize one particular aspect of what’s happening that we wouldn’t actually hinder what’s happening....Poverty sort of provoked innovation that wouldn’t have happened without it. And I worry about the influence of government subsidies that might sort of stunt that innovation. (Source 1A)

There are so many new things that are starting. There are so many business models that people are coming up with—why you would stunt that if it can be done naturally and try to inject the government? To me that doesn’t make sense. If we’re 5 years down the road and we’re in some barren wasteland of journalism where there’s four or five reporters left covering this whole city, then maybe we can have that conversation. (Source 2A)

However, David Cohen (Source 6E), warned that there is no such thing as “clean money,” no matter where it originates. Even though the mission of Cohen’s Spot.Us is to increase transparency in journalism funding, he said achieving that goal is difficult:

If somebody finds me clean money, I’ll find them fairy dust and we’ll do a trade. And so in some respects I push back on those types of questions, I do agree that there is transparency around money, we should be public about the money we

receive so that the public can determine whether or not that is influencing content or not and let them decide. But the option of trying to find clean money is basically like saying we're not going to take any money. (D. Cohen, personal communication, March 2, 2011)

Summary

This chapter described the demographics and characteristics of the 10 leaders of digitally native nonprofit news outlets who were sampled for this study. The procedures of recording, transcribing, categorizing, and coding the data were explained in detail. The findings were displayed in both tabular and narrative form according to research questions, theme, and subthemes.

Two models of digitally native nonprofits emerged in this study: community-centric and content providers. All of the participants identified their primary mission as performing investigative journalism, exposing wrongdoing, and providing information for the public. All respondents view their role as being additive to local media coverage rather than competitive. All identified quality of life issues, such as politics and government and education, as their primary coverage areas. The 10 respondents also have formed collaborative and distribution media partnerships with public and commercial media. They all see comments and citizen input as important to their success and the majority (80%) incorporates multimedia into their stories. Among the news outlets, 70% are using social media in some form.

Success is defined by all of the participants as having impact and becoming financially sustainable. Funding sources for all the respondents are foundations and individual donations. Of these, 90% also receive corporate sponsorships and fees from other media. Half of the respondents said the ability to receive foundation funding was a benefit of being a nonprofit, but 50% also replied that a drawback of being a nonprofit

was having limited resources. On the question of receiving government subsidies, none of the respondents favored regular direct support, although they each want to retain their nonprofit status. Of the sample, 60% cited concerns for credibility and ethical issues as the primary reason they would not want government funding. One respondent said the government should offer seed money or grants to help news outlets get started online. Another respondent said taking grants for providing specific services might be acceptable, but she still had reservations.

Chapter Five relates the findings of this study to the literature review and presents some conclusions on the potential role of digitally native nonprofit news outlets in the future of American journalism. Suggestions for future research also are provided.

Chapter Five: Conclusion

Digital technology has altered the practices of journalists and the ways in which consumers receive their news and engage with information. A review of the literature raises concerns about whether traditional print and broadcast news organizations will successfully adapt to an online format and still retain the resources required to fulfill the public service role of the press envisioned by America's founding fathers. That public service role includes informing the public, serving as a watchdog of government officials, and engaging the community in a discussion of public affairs.

Steep losses in advertising revenue since the turn of the 21st century have diminished the capacity of large metropolitan newspapers to perform the investigative and watchdog functions of the media so vital to democracy (PEJ, 2006). As a result, a number of journalists, many of whom were laid off from their traditional reporting jobs, have begun reviving investigative journalism with the help of a digital platform.

The purpose of this qualitative, exploratory study was to gain insight from the leaders of these digitally native news media outlets about how they view their role and viability in the new media landscape. In addition, the study attempted to gain insight about respondents' attitudes toward possible federal funding for their efforts.

Restatement of Research Questions

The following research questions were used to guide this study.

In the opinion of the selected respondents:

- RQ1. What structural parameters and practices contribute to a successful digitally native news media outlet?
- RQ 2. What are your current types of revenue sources and how do you plan to

achieve financial sustainability for your digitally native news media outlet?

- RQ3. What role, if any, is the government at the federal, state, or local level currently serving to help support your digitally native news media outlet?
- RQ4. What supports are appropriate and needed from government agencies or officials to sustain a successful digitally native news media outlet?

Restatement of Key Findings

The researcher interviewed 10 leaders of nine digitally native nonprofit news outlets for this study. Five of the outlets emerged as community-centric models. The journalists at these outlets are making an effort to engage directly with the public through their Web sites and social media. The remaining four can be classified as content providers, in that they are primarily concerned with providing content for traditional and public media, although they publish their reports on their own Web sites as well. All four of the content providers are based at university campuses. Only one of those outlets is directly affiliated with the university where it is based; however, that university is a privately owned institution. Most of the content providers also use social and multimedia to engage consumers, but not to the extent that the community-centric models do so.

RQ1: What structural parameters and practices contribute to a successful digitally native news media outlet? All 10 leaders of the digitally native nonprofit news outlets see their primary mission as performing investigative journalism and exposing wrongdoing by government officials. This mission is consistent with theories of the role of journalism in a democracy, as presented in the literature review. The respondents also view their role as adding to the journalism produced by traditional print and broadcast media in their communities instead of competing with those organizations, regardless of

whether the other media are commercially funded or nonprofits. All 10 respondents cited a community need for their outlet because of the staff cuts in traditional media. Each outlet has formed partnerships with commercial and public media in their communities. In some cases, partnerships are formal in that content is cocreated and money is exchanged. However, most of the partnerships are more informal and serve as additional distribution outlets for the nonprofits to publish their reports. All the respondents said they are utilizing or plan to use emerging technologies to engage the public through multimedia, social media, and commenting forums.

RQ2: What are your current types of revenue sources and how do you plan to achieve financial sustainability for your digitally native news media outlet?

Philanthropic journalism foundations and wealthy individuals are the primary funders of all the news outlets surveyed. The leaders of each of the outlets, however, are not comfortable with their current funding structure. As a result, they all have plans to diversify their funding sources. Potential revenue sources include membership donations, corporate sponsorships or advertising, charging other media for content, providing services such as analyzing and posting data, training students or journalists, and creating an endowment. Some of the respondents were skeptical that national foundations would continue funding digitally native nonprofit news outlets.

RQ3: What role, if any, is the government at the federal, state, or local level currently serving to help support your digitally native news media outlet? All the respondents agreed that the federal government is giving them and their funders tax benefits by allowing them to operate as a nonprofit, educational organization. Some said they are receiving money from local government agencies in the form of advertising on

their Web sites. Others, who are based at public universities, said they compensate for any benefits they receive from the state by teaching classes and working with students.

RQ4: What supports are appropriate and needed from government agencies or officials to sustain a successful digitally native news media outlet? None of the respondents were in favor of receiving regular, direct subsidies from the government. All respondents cited credibility and ethical issues as their main reason for not accepting government money. Most said taking money from the officials whom they are trying to cover would present a conflict of interest. Others were concerned about how the government would decide which outlet to fund and which not to fund. However, one participant said some seed money would be helpful for individuals who are trying to start their own digitally native news outlet. Another participant cited the need for free training for journalists in entrepreneurial and business skills.

Discussion

Political leaders and theorists throughout the centuries, including Aristotle, Jefferson, and Habermas, have emphasized the importance of a free and vibrant press as a vital part of a healthy democracy. America's unique federalist form of democracy strongly relies on the vigilance of journalists to ensure that the commoner, once elected, does not abuse his or her newfound power at the local, state, or federal levels (Hofstadter, 1954; Tocqueville, 1845/2004). A review of the literature in Chapter Two showed that Americans have expected the press to perform the following functions: provide information and a historical record of events, serve as a watchdog over public officials, and engage the community in a discussion of public affairs.

Role in media landscape. With relatively low overhead and technologies that allow for audience participation online, digitally native nonprofit news outlets are fulfilling some of the functions originally delegated to the American press. But they cannot do it alone. Partnerships and collaborations with other news media are key to the success of these organizations. Established media provide the institutional muscle, credibility, and visibility seen by some scholars as necessary in order for journalists to make a widespread public impact (Hamilton, 2004; Meyer, 2004).

However, the economic turbulence that has struck commercial media owners forced them to cut back on what many scholars have deemed the heart and soul of the newsroom: public service journalism (Gans, 2003; Kovach & Rosenstiel, 2007; Meyer, 2004). But the American public has never been inclined to fund journalism directly. As Lippman noted in 1923, the public was more inclined to accept news subsidized by advertising rather than pay more than a small sum for the content. The leaders of digitally native nonprofit outlets recognize that charging the public directly for their product will not work—especially in an online format. As a result, they are pursuing other revenue streams to subsidize their work, in a similar way that commercial media have relied upon advertising to do.

Nonprofit freedoms and restrictions. Although the respondents for this study are concerned with revenue diversification, they believe their nonprofit funding model gives them freedom to choose stories based on merit and public impact rather than popularity. Whereas the commoditization of news resulted in editors' selecting stories based on business strategies (Hamilton, 2004), the nonprofit leaders are able to stay more true to the social responsibility of the press, as defined in Chapter Two, because they do

not need to show their philanthropic funders an immediate return on investment.

Therefore, the gatekeeping- and agenda-setting functions of the nonprofit media are less subject to commercial pressures than their for-profit counterparts.

Creating innovation. The participants also said they are freer to experiment with digital technologies in ways traditional news outlets have been reluctant to perform. This type of re-creation of practices is necessary when an industry is dealing with discontinuous change (Nadler & Tushman, 1995; Schumpeter, 1945/1975). The leaders of the digitally native nonprofit news outlets can be described as innovative entrepreneurs, whom Schumpeter saw as key to redefining practices through creative destruction of an industry threatened by change. However, no evidence suggests that the digitally native nonprofit news outlets are destroying traditional media. On the contrary, the leaders of these outlets view traditional media as necessary to help them distribute their content to a wider audience and, therefore, have a social impact. With time, though, the digitally native models may begin to chip away at some of the more formal, top-down approaches of traditional journalism that many scholars (Beckett, 2008; Dueze, 2001; Gillmor, 2006) say is outdated, in a world where the public expects to participate in the marketplace of ideas. The leaders interviewed for this study tend to view digital technology as an opportunity, not a threat, which Rogers (1995) saw as key for the successful diffusion of technological innovation.

The role of the CEO. The success of an organization facing change, according to Shaw (1995), is largely dependent on the passion and commitment of the CEO. The passion and commitment for and to public service journalism were evident in the interviews with each of the participants in this study. All the respondents talked about the

importance of their public service mission, while acknowledging that they were working with limited resources and did not expect to get rich off their news outlet. The fact that the leaders of the digitally native news outlets are professional journalists may differentiate their motivation and commitment levels from corporate owners of media monopolies, most of whom never practiced the craft of journalism.

Economic concerns. The leaders of the digitally native nonprofit news outlets are concerned about their viability and restrictions placed on them because of their nonprofit funding structure. They must abide by the rules surrounding nonprofit status, including nonpartisanship and limitations on the types of revenue they can generate and partnerships they can create. However, none of the respondents was willing to trade nonprofit status for the commercial model yet. The respondents believe the public has a more benevolent view of nonprofits than of for-profits, and, therefore, they may be able to generate more support in the form of donations. As one respondent pointed out, a subscription model is limited by the price of the subscription. Donations can range from \$5 to \$5,000, but the number of contributions is less predictable.

Subsidization of news. Although the American government has a history of directly and indirectly subsidizing the news media through postal service discounts, awarding printing contracts, and funding the Corporation for Public Broadcasting, as explained in the literature review, the journalists interviewed for this study do not want direct government subsidies for their news outlets. The precedent of funding public broadcasting, supported by both the Hutchins Commission (CFP, 1947) and the Carnegie Commission on the Future of Public Broadcasting (1979), does not warrant subsidies for online news organizations, according to the respondents in this study. While the

government stepped in to ensure that the broadcast media were operating in the public interest, the participants do not see an impetus for the government to get involved in online media. Broadcast media are immediate and mass. Online media, while having the potential to reach a wide audience, tend to be more fragmented because so many outlets exist (Meyer, 2004). Gans (2003), in fact, noted that the journalist's role has shrunk because consumers are looking to niche outlets for their news.

The digitally native nonprofit news outlets studied here have a niche in performing public service journalism, but that niche is not as financially lucrative as an entertainment or celebrity-oriented Web site. However, Christensen (1997) noted that when industries are dealing with disruptive change, especially change brought on by technology, the businesses that survive tend to be smaller, simpler, and economically leaner than incumbents in an industry. With the operating budgets at just a fraction of those of traditional print and broadcast media, the digitally native nonprofits are defining their role in the new media landscape as providing a needed public service in a transparent, interactive manner. Not all the models will sustain financially, so in a sense the marketplace—whether funded through foundations, philanthropists, or consumers—will still decide their long-term success.

Citizen responsibility. While the journalists interviewed for this study do not appear to want the government to ensure their sustainability through direct subsidies, the citizens' responsibility to stay informed and contribute toward a vibrant public sphere cannot be ignored in this discussion. If members of local communities recognize the importance of more, not less, professional journalists covering public affairs, they may be willing to help support those efforts just as they do their art museums, schools, and

symphonies. But, without that public support, even the most ambitious nonprofit news outlet will ultimately fail. Since digitally native nonprofit news outlets began to form in the United States just 6 years ago, the long-term sustainability of this model is difficult to predict. Many challenges remain, not the least of which is determining how the public and other media view this service.

Conclusions

Based on the interviews with 10 leaders of digitally native nonprofit news outlets, the following five conclusions can be drawn about their perceptions of their role in the future of American journalism and sustainability in the marketplace: (a) the leaders view their role as necessary for a democracy and socially responsible; (b) they see their function as collaborative rather than competitive with other media; (c) the nonprofit structure, while imposing some limits, allows the journalists to stay true to their mission; (d) the digitally native platform encourages innovation and consumer engagement; and (e) the leaders of these outlets are not receptive to government subsidies, but they are concerned about diversifying their revenue sources.

Each of the respondents expressed his or her passion and commitment to performing public service journalism, whether in the form of watchdog reporting or covering issues the mainstream media are unable or unwilling to tackle. All the respondents pointed to the staffing and budget cuts in traditional print media as a justification for their existence. Some of the leaders had been laid off from their jobs as editors of daily metropolitan newspapers and said that they wanted to use the digital platform to re-create industry practices while carrying the banner of investigative or watchdog reporting.

The respondents do not see themselves as supplanting traditional media, however. Rather, they view their role as supplemental to print and broadcast news outlets in their geographic coverage area. They describe their mission as filling a public need and welcome media partners that either collaborate with them on stories or help deliver their content to a wider audience.

The nonprofit structure limits the type of revenue sources the digitally native news outlets can attain and imposes other restrictions, such as nonpartisanship. But the leaders said that not worrying about page views and an immediate return on investment frees them to pursue their journalistic and social responsibilities. They select stories to cover based on merit, not popularity. Several of the respondents said they were relieved not to have to write about celebrity-driven news or sensational crime stories just to increase traffic to their Web sites and please advertisers.

The digitally native platform also was freeing to many of the leaders interviewed for this study. Rather than having to fill column inches in a print format or news holes in a television broadcast, the Internet bypasses space and time limitations. While some of the outlets still operate on a daily deadline, most do not. Instead, they choose to release reports when they are ready. They also define their success differently than most commercial outlets by judging their merits based on public impact and reach, instead of subscription numbers and ratings.

Internet technology offers these journalists the ability to present stories in new ways to the public. The leaders responding to this study view this technology as an opportunity—not a threat. By using social media, multimedia, live blogging software, and, in some cases, fostering community forums on their Web sites, the leaders of these

digitally native news outlets are re-creating traditional journalistic practices to be more interactive with and responsive to the news consumer. Whether mainstream media will take a cue from these innovators by adopting similar practices is a subject for future study.

The ideal business model that would allow these nonprofit news outlets to achieve sustainability has not yet been defined, although all the leaders interviewed are working on various plans to subsidize their journalism indirectly through advertising, donations, or the provision of other services. They are not receptive to direct government funding, however, because they believe that type of support would undermine their credibility and violate the ethical norms and values of their profession. But, being able to remain financially viable is concerning to all the respondents. The interviewees view revenue diversity as the key to their sustainability and are not comfortable relying on a few national foundations or benevolent philanthropists as their main sources of income. The respondents see the ability to diversify their revenue sources beyond advertising as another advantage of being a nonprofit. While the commercial media are beholden to advertisers, the leaders of the digitally native nonprofit outlets believe that having diverse revenue streams will help them align more closely with their journalistic mission and values.

Suggestions for Future Research

This exploratory study described how the leaders of digitally native nonprofit news outlets view their place in the future of American journalism and what role, if any, they believe government should play in ensuring their sustainability. The results can be used to help inform other journalists who are considering launching their own nonprofit

news outlet. Policy makers who are wrestling with whether government should intervene in the crisis in American journalism also may find the data from this study useful.

While this study explored the perceptions of the news leaders, future research could be conducted to gain a better understanding of how the public perceives the digitally native nonprofit news model. Many of the participants for this study were concerned, for example, with differentiating themselves from Web sites authored by citizen journalists or bloggers who are not trained in the craft of journalism and do not abide by the industry's professional code of ethics established by the SPJ.

A quantitative survey could be conducted of online news consumers to determine whether they are able to distinguish between Web sites run by professional journalists and Web sites or blogs authored by so-called citizen journalists. Does the difference matter to the public? Focus groups also could be held with news consumers to establish whether the practices being redefined by digitally native journalists are indeed more effective in generating public engagement and interest.

Another study might be conducted with the leaders of traditional print and broadcast media to gain a better understanding of how they perceive the digitally native nonprofit news outlets. Do they view this new model as additive and necessary for democracy, as the respondents for this study do? Or do traditional media see this trend as duplicative of their efforts and futile? Are the changes to the practice of journalism being developed by the digitally native models permeating through the newsrooms of mainstream media? Or do traditional journalists see these practices as alternative rather than innovative?

Finally, what value would other media outlets place on the content created by the digitally native nonprofit news outlets? Are commercial media organizations willing to help subsidize the efforts of these newer models by paying for their content? If not, the future viability and sustainability of the digitally native nonprofit news outlet could be called further into question.

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APPENDIX A

E-Mail to Prospective Participants

Dear X,

I am a journalism professor at San Diego State University. I have been told by (name if source agrees to allow) of (organization) that you might be interested in participating in a study I am conducting for my dissertation in partial fulfillment of my doctorate in education from Pepperdine University.

My study is called: The Role of Digitally-Native, Nonprofit News Media in the Future of American Journalism. The purpose of this study is to obtain an understanding of how leaders of digitally-native, nonprofit news outlets view their role in the future of American public service journalism and what role, if any, these leaders believe the federal government should play in sustaining these new models of journalism.

Your organization is one of several that meet the characteristics I have defined for my study. Those characteristics are the following:

- Nonprofit status
- Adherence to the Society of Professional Journalists Code of Ethics
- No direct affiliation (i.e. shared ownership) with legacy or traditional forms, either commercial or public, of print or broadcast media
- Sustainable and diverse funding model in place
- A commitment to public affairs reporting on the local, regional, or state level

- Fulfillment of a demonstrated information need in the community served
- Professionally trained or experienced journalists (as opposed to citizen journalists).

If you are willing to participate, I would like to interview you by telephone (or in person) for approximately one hour at your earliest convenience.

If you are interested in participating, please read the attached informed consent, sign, scan, and email it back to me prior to our interview. If you have any questions about this study, I can be contacted by email at [REDACTED] or by telephone at [REDACTED].

Thank you,

Rebecca Nee

APPENDIX B

Participant Informed Consent

Date

I authorize, Rebecca Coates Nee, a doctoral student in education at Pepperdine University, to include me in the research project entitled “*The Role of Digitally Native Nonprofit Media in the Future of American Journalism: An Exploratory Study.*” This study is being conducted under the supervision of Dr. Jack McManus. I have been asked to participate in this research project which is designed to study how leaders of digitally-native, nonprofit news outlets view their role in the future of American public service journalism and what role, if any, these leaders believe the federal government should play in sustaining these new models of journalism.

The study will last approximately 60 minutes and will consist of open-ended interviews conducted by the researcher, who will attempt to identify common patterns and practices from the participants that may contribute to a successful and sustainable nonprofit news outlet online. I have been asked to participate in this study because my news organization meets the following characteristics:

- Nonprofit status
- Adherence to the Society of Professional Journalists Code of Ethics
- No direct affiliation (i.e. shared ownership) with legacy or traditional forms, either commercial or public, of print or broadcast media
- Sustainable and diverse funding model in place
- A commitment to public affairs reporting on the local, regional, or state level
- Fulfillment of a demonstrated information need in the community served
- Professionally trained or experienced journalists (as opposed to citizen journalists).
-

I understand this study is directed toward benefiting scholars, industry practitioners and government officials who are exploring the role of nonprofit news

organizations in the future of American journalism. The potential societal benefits of this study may include gaining a better theoretical and practical understanding of how public service journalism can sustain and thrive in the digital age. In the future, nonprofit organizations may provide important platforms for the freedoms protected by the First Amendment. This study may shed light on how to facilitate this key social benefit in an era when the traditional media are declining in audiences, revenues, and reporting staffs.

I am aware of the following conditions of this study that comply with Pepperdine University policies:

- My participation in the interview is voluntary and I am free to withdraw from participating at any time.
- The interview will be recorded. An audio file of the recordings will be securely stored on a USB drive in a locked cabinet for five years. After that, the files will be erased.
- If I so choose, my identity will be kept confidential. A code will be assigned to identify my organization and another code will be assigned to identify me.
- There are no known risks to the participants.
- The findings of the study will be published in the researcher's dissertation and possibly other scholarly journals.
- No compensation will be provided to me for participation in this study.

The purpose of the research process was explained to me. I am willing to participate in the interview. If I have questions about my rights as a research participant, I may contact Pepperdine University Graduate and Professional Schools Institutional Review Board (GPS IRB) at (310) 568-5753 or at gpsirb@pepperdine.edu.

___ I would like my name and organization to be treated with confidentiality

___ I waive my right to have my name and organization to be treated with confidentiality

Signature

Date

The contact information for the researcher and faculty advisor are as follows:

Rebecca Coates Nee (researcher)

[REDACTED]

Dr. Jack McManus (faculty advisor)
Pepperdine University
Graduate School of Education &
Psychology

[REDACTED]

APPENDIX C

Interview Protocol (Final Validated)

Time and Date of the interview:

Place:

Interviewee:

I. Introductory comments:

1. Thank the participant.
2. Explain the process including recording of the interview.
3. Complete the informed consent.

II. Questions:

1. Theme: *Mission of organization*
 - a. What is the mission of your organization? (RQ 1)
 - b. How do you define your success? (RQ 1)
2. Theme: *Digital media uses and practices*
 - a. In what ways and for what purposes you use digital and social media including, but not limited to, Twitter, Facebook, video, audio, slideshows? (RQ 1)
 - b. Do you attempt to encourage citizen participation or contributions to your news-gathering process or online story presentation? If so, how? (RQ 1)
3. Theme: *Scope of coverage/story selection*
 - a. Do you have a beat structure defined for your reporters? If so, please describe why you defined these beats in such a manner. (RQ 1)
 - b. Briefly describe your local media landscape. What role does your organization aspire to play in your local media landscape? (RQ 1)
 - c. How do you decide what genre of stories you choose to cover and what genres you choose not to cover? (RQ 1)

4. Theme: *Funding structure and sustainability strategies*
 - a. What are the sources of your operating revenue, and what percentage of the total revenue is accounted for by each source?
 - b. What are the benefits you have found from operating as a non-profit, educational, organization? If there are drawbacks, please describe them.
(RQ 2)
5. Theme: *Government involvement and funding*
 - a. To what extent is the federal, state or local government involved in helping or hindering your operation today? (RQ 2)
 - b. What role, if any, should government at any level play in helping organizations such as yours sustain themselves financially? Is that role different from the current role? If so, how? (RQ 3)
6. III. Closing:
 1. Ask the participant if there is something else that he or she would like to ask.
 2. Ask the participant if they would recommend another person or news outlet who might participate in this study. Ask the participant if they would like to be named as a recommender in subsequent correspondence with the nominee.
 3. Thank the participant.

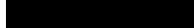
APPENDIX D

Pepperdine IRB Approval Letter

PEPPERDINE UNIVERSITY

Graduate & Professional Schools Institutional Review Board

February 7, 2011

Rebecca Coates Nee


Protocol #: E0111D02

Project Title: *The Role of Digitally Native Nonprofit Media in the Future of American Journalism: An Exploratory Study*

Dear Ms. Coates Nee:

Thank you for submitting the revisions requested by Pepperdine University's Graduate and Professional Schools IRB (GPS IRB) for your study, *The Role of Digitally Native Nonprofit Media in the Future of American Journalism: An Exploratory Study*. The IRB has reviewed your revisions and found them acceptable. You may proceed with your study. The IRB has determined that the above entitled project meets the requirements for exemption under the federal regulations 45 CFR 46 - <http://www.nihtraining.com/ohsr/site/guidelines/45cfr46.html> that govern the protections of human subjects. Specifically, section 45 CFR 46.101(b)(2) states:

(b) Unless otherwise required by Department or Agency heads, research activities in which the only involvement of human subjects will be in one or more of the following categories are exempt from this policy:

Category (2) of 45 CFR 46.101, research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless: a) Information obtained is recorded in such a manner that human subjects can be identified, directly or through identifiers linked to the subjects; and b) any disclosure of the human subjects' responses outside the research could reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, or reputation.

Your research must be conducted according to the proposal that was submitted to the IRB. If changes to the approved protocol occur, a revised protocol must be reviewed and approved by the IRB before implementation. For any proposed changes in your research protocol, please submit a **Request for Modification Form** to the GPS IRB. Because your study falls under exemption, there is no requirement for continuing IRB review of your project. Please be aware that changes to your protocol may prevent the research from qualifying for exemption from 45 CFR 46.101 and require submission of a new IRB application or other materials to the GPS IRB.

A goal of the IRB is to prevent negative occurrences during any research study. However, despite our best intent, unforeseen circumstances or events may arise during the research. If an unexpected situation or adverse event happens during your investigation, please notify the GPS IRB as soon as possible. We will ask for a complete explanation of the event and your response. Other actions also may be required depending on the nature of the event. Details regarding the timeframe in which adverse events must be reported to the GPS IRB and the appropriate form to be used to report this information can be found in the *Pepperdine University Protection of Human Participants in Research: Policies and Procedures Manual* (see link to "policy material" at <http://www.pepperdine.edu/irb/graduate/>).

Please refer to the protocol number denoted above in all further communication or correspondence related to this approval. Should you have additional questions, please contact me. On behalf of the GPS IRB, I wish you success in this scholarly pursuit.

Sincerely,



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cc: Dr. Lee Kats, Associate Provost for Research & Assistant Dean of Research, Seaver College
Ms. Alexandra Roosa, Director Research and Sponsored Programs
Dr. Yuying Tsong, Interim Chair, Graduate and Professional Schools IRB
Ms. Jean Kang, Manager, Graduate and Professional Schools IRB
Dr. Jack McManus
Ms. Christie Dailo