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Charting new ground: The ethical terrain of nonprofit journalism

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Overview

A different kind of revenue, one that has nothing to do with advertising or subscriptions, is playing a larger role in journalism today.

Nonprofit funding, once largely the province of public broadcasting, is becoming an important source of support for a new cohort of non-commercial news organizations — many of them digital natives — and a growing number of commercial news publishers, which are partnering with nonprofit media and in some cases accepting direct grants themselves.

But the ethics of taking grants from foundations and gifts from donors to produce news is still evolving and not without controversy. In New York, a major public TV station returned a large journalism grant for a documentary series because of the donor’s connection to the topic being covered. In New Orleans, a nonprofit media organization’s reporting about a university president may have cost the organization’s its office space at the school. In Texas, a nonprofit established new transparency rules after criticism that it was not revealing enough about donors and event backers.

The role of nonprofit media outlets also seems likely to grow. In Philadelphia, the new owner of city’s major newspapers is transferring ownership of the publications to a new nonprofit organization, a case being closely watched to see if it might become a model.

All of this recently prompted former Columbia University Graduate School of Journalism Dean Nicholas Lemann to call in an essay in the *New Yorker* for firmer ethical guidelines so nonprofit media could “build trust with readers and media critics, and protection from editorial meddling.”



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This report, by the American Press Institute, explores the ethical terrain of nonprofit journalism by examining the kinds of grants made, the nature of communication between funders and grantees, the existence of journalistic firewalls, and the prevalence of written guidelines. The report is based on two main elements: surveys of funders, nonprofit news organizations and commercial partners about a range of funding and ethical issues; and five essays commissioned by people from various media and foundation stakeholder groups that explore different areas of ethical complexity.

In a second phase, the study will be followed by recommendations for ethical guidelines.

The work was funded by the The John S. and James L. Knight Foundation and The Bill & Melinda Gates Foundation and conducted by API in collaboration with two partners, long-time nonprofit media executive Bill Buzenberg and former New York Times polling editor Marjorie Connelly.

Inside the new nonprofit media world

Percent of..	
Media outlets who disclose funders at some level	99%
Nonprofit media who have written guidelines about funding	37%
Nonprofit media who have written guidelines on editorial independence	35%
Funders making media grants on issues where they do policy work	52%
Funders underwriting specific investigations or stories	59%
Nonprofit media who ever show content to funders pre-publication	4%

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The survey sample covered a cross-section of funders, nonprofit media and commercial news outlets. There is a higher representation of newer nonprofit media, many of them digital natives, that are not governed by traditional public broadcasting guidelines. Among commercial media, there is a higher representation of newspaper partners than other commercial media. We believe this work is the most comprehensive effort to date to explore the ethical landscape of nonprofit news.

The report finds relatively high levels of transparency about funding sources and what is being underwritten. There is little evidence that funders insist on or have any editorial review. Most never see content prior to publication.

But the study also identifies a number of areas of sensitivity and potential controversy. Many funders, for instance, finance media in areas where they also do public policy work. A growing amount of funding is for coverage of specific problems and even specific investigations, not just general coverage areas or by providing more general grants for operations. There is a fair amount of variation in the nature of editorial communication.



A growing amount of funding is for coverage of specific problems and even specific investigations.



And there are relatively few written guidelines establishing clear rules of editorial independence. A good deal of the protection of journalistic independence in the realm of nonprofit media is left to good intentions.

There is ample evidence that nonprofit funding of news has helped journalism. Charitable donations have spawned important work by outlets such as ProPublica, The Center for Investigative Reporting and The Center for Public Integrity (one of this report's co-authors, Bill Buzenberg, is the former executive director of that organization). Nonprofit funding has subsidized creative and bold experiments in new and niche media by innovators such as InsideClimate News, Chalkbeat, and the The Marshall Project. It has helped create new robust local coverage by entrants such as The Texas Tribune, MinnPost and Voice of San Diego. It has forged new partnerships with commercial news outlets, who have embraced collaborations they once might have shunned.

But the growing realm of nonprofit media can be also strengthened by identifying where there are vulnerabilities that could undermine the editorial independence that will make the work produced more accurate and more credible.

Among the key findings from the surveys:

- **There are fairly high levels of public transparency about funding in nonprofit media.** Nearly all (99 percent) of the media outlets surveyed — nonprofit and commercial — disclose their relationships with funders and collaborators in some manner — often by citing them within or alongside any story that has been underwritten.
- **At the same time, there are relatively few written guidelines governing nonprofit funding.** Fewer than half of nonprofit news organizations (4 in 10) said they have written guidelines about what kind of funding they will accept. A third have written guidelines about what level of communication with funders is appropriate. As for funders, just 10 percent of those responding to the survey said they required grantees to have written guidelines detailing their editorial independence.
- **The absence of ethical guidelines about editorial independence may be even more striking because about half of funders (52 percent) make grants on issues about which they are also trying to change policy or public behavior.** Only a few nonprofit media outlets surveyed, less than one in ten, have policies forbidding taking such grants. About a quarter of the nonprofits surveyed said they had never been offered this type of funding.
- **Funders can be quite specific about the journalism they want to underwrite.** Six in 10 funders surveyed, for instance, say they have given grants in the last five years to finance particular stories, exposes or investigations—as opposed to general coverage areas. About a quarter of nonprofit media organizations said they have accepted such offers.
- **For all the specificity about what is being paid for, there is relatively little evidence of explicit editorial review by funders.** Of the nonprofit media organizations that responded to the question, 96 percent said they *never* even show content to a funder pre-publication; just one outlet said it was a typical practice; four said it happened rarely or only “sometimes.” Funders, however, were more likely to say they occasionally see content pre-publication, though it is not standard practice: 31 percent of those who answered said they “sometimes or rarely” see content prior to publication. Only two funders surveyed said they “usually” review editorial content before it is published.
- **Funders and grantees tend to describe the nature of their communication differently.** Funders, for instance, are nearly three times as likely as their grantees to say they talk in some specificity about the work being produced, such as discussing specific stories or issues to be exposed (17 percent of funders versus 7 percent of grantees). Funders in turn are less likely (21 percent) to say they discuss coverage only in the most general terms than are grantees (34 percent).
- **Most grantees provide metrics about the impact of their work.** Two-thirds of nonprofit news outlets, for instance, provide web traffic or social media activity, though only 4 in 10 funders ask for them. A number of metrics also involve information about impact, or whether the journalism is resulting in qualitative change on issues. A third of funders, for instance, say they request evidence that the public is more aware of an issue as a result of the work; about the same number say they look for a change in public opinion. About 4-in-10 nonprofits media outlets say they provide evidence of raised awareness or changes in public attitudes.

- **More foundations are funding nonprofit news organizations, and they are spending more money on media than they have before.** For most funders, however, media is only a small fraction of their overall funding. Most nonprofits, on the other hand, rely on just a handful of foundations, less than 10, for support.
- **For commercial news organizations, partnerships with nonprofit media appear to be more common than taking grants.** Of the commercial media who had some involvement with any nonprofits in the past year, 70 percent said they had distributed content produced by a nonprofit media organization, and 54 percent said they had worked together on reporting or editing content. In addition, 27 percent said they had accepted funding from a nonprofit.
- **The majority of commercial media who have partnered with or accepted money from nonprofits report they are doing more of it than they used to.** Fifty-four percent said the number of partnerships with nonprofit of any kind have increased in the last five years. A quarter said the level of partnerships has stayed the same; just 7 percent said the amount has decreased.

In the end, one of the underlying issues regarding nonprofit funding of journalism involves the question of mission: To what extent are media funders and their media grantees and partners in this for the same ends?

Journalists usually see themselves in the business of making information public—though some of their work can be described as close to advocacy when they function as watchdog or investigator exposing wrongdoing.

Funders and foundations, on the other hand, may want to inform the public, but they may also be trying to drive toward particular policy outcomes.

Asked to choose which is closer to their media funding mission, just over half of funders who answered the question (54 percent) said they are mostly interested strengthening a free press, but 4 in 10 (44 percent) said they engage in funding of media to advance other larger strategic goals.

Their grantees also recognize that split: 51 percent of those media outlets who answered the question said they think their funders are in it to improve journalism; 41 percent to drive some other agenda.

The five essays commissioned by API and Buzenberg surfaced some additional issues and deepened the thinking on others:

For all the transparency that exists in this arena, for instance, Richard Tofel, president of ProPublica, argues there can be more. Both nonprofit and commercial media taking philanthropic support, he advocates, should disclose the sources of their funding and the amounts of all sizable contributions. “Without such disclosure, it is impossible for anyone to gauge whether the publisher is maintaining its independence in the face of donor pressures.”

“

To what extent are media funders and their media grantees and partners in this for the same ends?

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Joe Bergantino, a co-founder of the New England Center for Investigative Reporting argues that national foundations in his experience have been totally “hands off” and “no strings attached” in their approach, but sometimes local foundations are more complicated. “In many cases, these foundations come from wealthy business owners who might end up being the subject of one of our investigations.”

Daniel Green of the Gates Foundation worries about funders being too specific about what they want underwritten. “But the answer,” he says, “is not in insisting that all grants be for general operating support,” or that foundations “avoid media funding entirely because critics might charge them with tainting independent media.” Green perceives a middle ground, where funding is governed by respected guidelines and best practices “to ensure that our grantees make content decisions based on editorial merit, not on the funding relationship.”

At The MacArthur Foundation, write Kathy Im and Peter Slevin, they are moving in a different direction — toward more general or unrestricted operating grants, to give media organizations the flexibility to “experiment and innovate at a time and place that they choose.”

And Alan Rusbridger, former editor of The Guardian newspaper, a commercial news operation, writes about receiving foundation support for special projects. “Does it cause us ethical dilemmas? Well, the dangers are obvious,” he says, but there is an important future for foundation funding of journalism. “It’s not a silver bullet. But it is, generally, a force for good. And no one has yet discovered the silver bullet.”

The growth of nonprofit funding in journalism is another dimension of the technological revolution that has disrupted media. As the advertising model in news media has suffered over the last decade, foundations and journalists have moved to fill what they consider important and growing gaps in coverage. Some of the funding has gone to new news organizations

that are local or regional in focus. Others are national and international nonprofit news operations dedicated to specific issues or to investigative reporting. Some of these outlets are new, others are more established.

In the older advertising-driven model for news in the United States, the ethical mores were established over more than a century. A core insulating principle was variety: If a publisher had many different advertisers, the theory held, no one of them could hold great sway. Separations between advertisers and reporters were established and largely maintained.

In nonprofit news, the concept of variety is more challenging. Many nonprofits depend on a relatively small number of foundations for the bulk of their funds. And outside of public broadcasting, many of these nonprofits are fairly new, and the movement has not had a long period of time to create rules of the road.

54%

of funders said they are mostly interested in strengthening a free press

About the study

While nonprofit media in the United States has been heavily represented traditionally by public broadcasting, the majority of new nonprofit news operators are digital natives, and often partner with legacy media on distribution. The survey sample in this study includes a variety public broadcasting stations and independent producers, but it emphasizes these newer players who operate more independently and outside traditional public funding and oversight.

To conduct the surveys (which were executed between May and November of 2015), API sent email invitations to a sample of foundations, nonprofit media organizations and commercial news organizations derived from various lists put together by professional groups and associations.

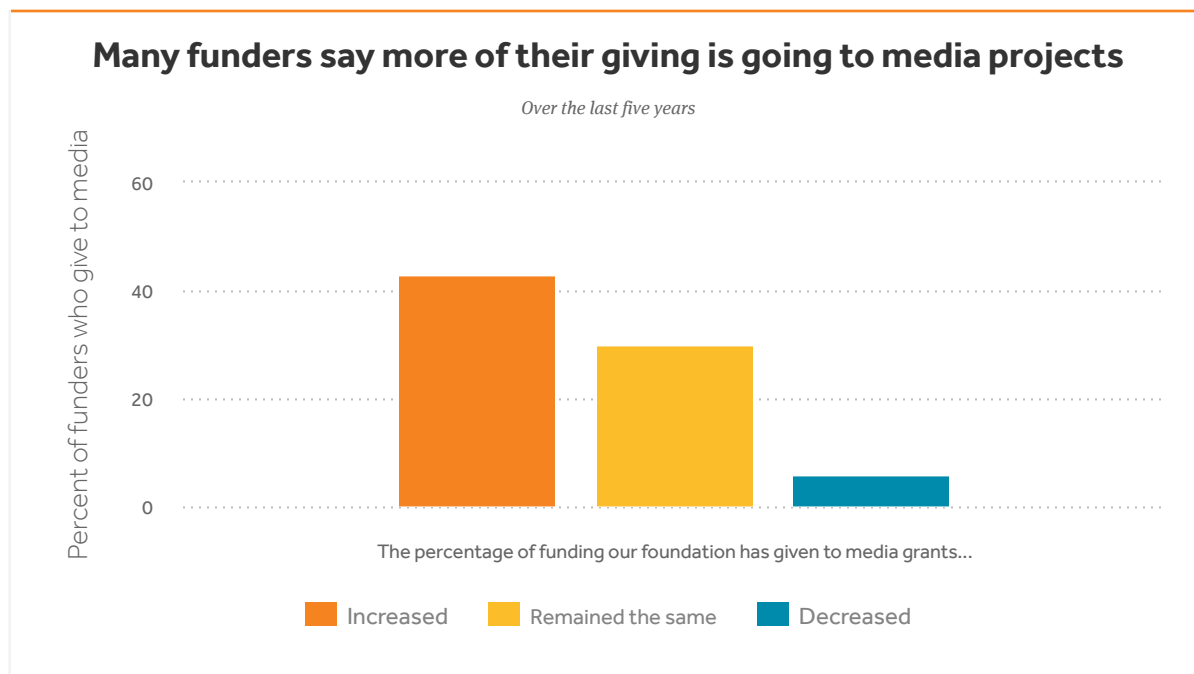
In all, more than 100 foundations and other grant making institutions, identified from different media funder lists, were contacted about the survey. Representatives from 76 funding organizations responded, 63 of whom reported that they fund news media activities. For nonprofit media, more than 110 organizations, also identified from different lists, were contacted; in all 94 completed the survey.¹ Emails were sent to top managers at more than 650 commercial news organizations. Of the 146 who completed filled out the survey, 76 said they had partnered with nonprofit media or accepted nonprofit funding. The surveys were executed in stages between May 20 and Nov. 5, 2015 with the use of the online research software Survey Monkey.

The study is not a representative sample of all media-funding foundations, nonprofit media organizations or commercial media organizations in the United States. The precise size and scope of that universe are difficult to know. But the results provide a useful reflection of the range of views and sentiments of people who are wrestling with similar problems and issues.

1. By various estimates, there appear to be somewhere in the neighborhood 170 newly created nonprofit news organizations operating in the country today. That number is aside from the more than 1,041 public radio and 365 public television stations listed by the Corporation for Public Broadcasting. There also exist a smaller number of nonprofit magazines, and a handful of news operations associated with educational institutions. This 170 number of new nonprofit media also is not stable. It rises or falls as many small organizations get started or cease operations. Our sample of nonprofit media organizations also includes a few organizations operated by universities and some public radio and television stations that produce news (many public TV stations do not produce original news programming on a regular basis). Thus with the inclusion of some public broadcasters and university nonprofit media, the sample of 94 nonprofit media respondents represents a large proportion of the new nonprofit media not governed by public funding and oversight. ↩

Nature of grants

In all, more foundations surveyed said they are funding nonprofit journalism — both to nonprofit media and in collaborations with commercial media — than they were five years ago. That finding is consistent with what the Foundation Center, Knight Foundation and Media Impact Funders have found elsewhere.



Data Source: Survey conducted May 21 – July 6, 2015. Question: In the last 5 years, has the PERCENTAGE of funding your foundation has given to media grants increased, decreased, or remained about the same? (Those with no response are not shown.)

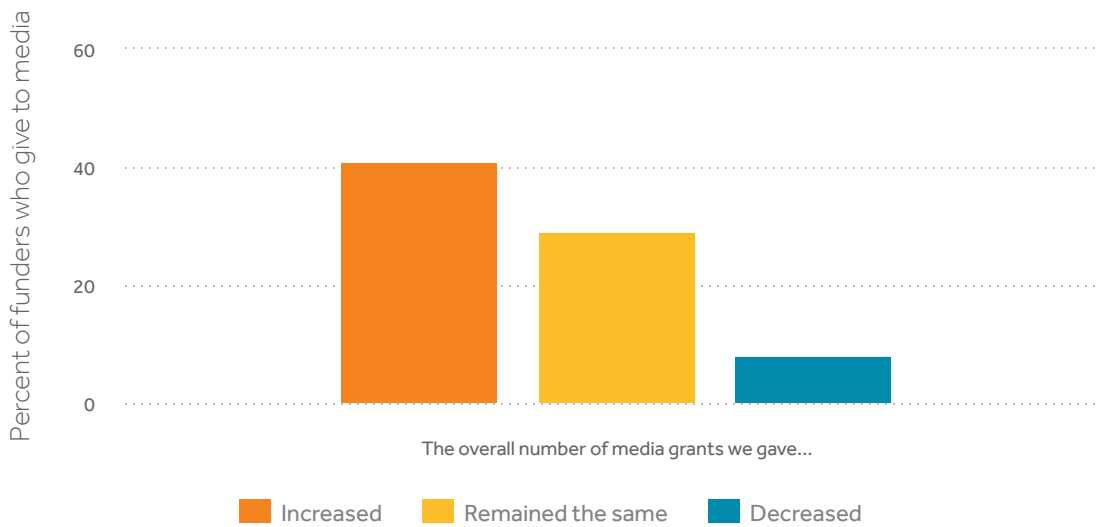
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In all, 43 percent of funders said the share of their overall giving going to media projects has increased in the past five years; just 6 percent said it had decreased and 30 percent said it had remained unchanged.

The number of grants, not just the overall amount of giving, has grown too. Forty one percent of funders said the number of media grants had grown during this time; just 8 percent said it had decreased; 29 percent said it was unchanged.

Many media funders are also giving more media grants

Over the last five years



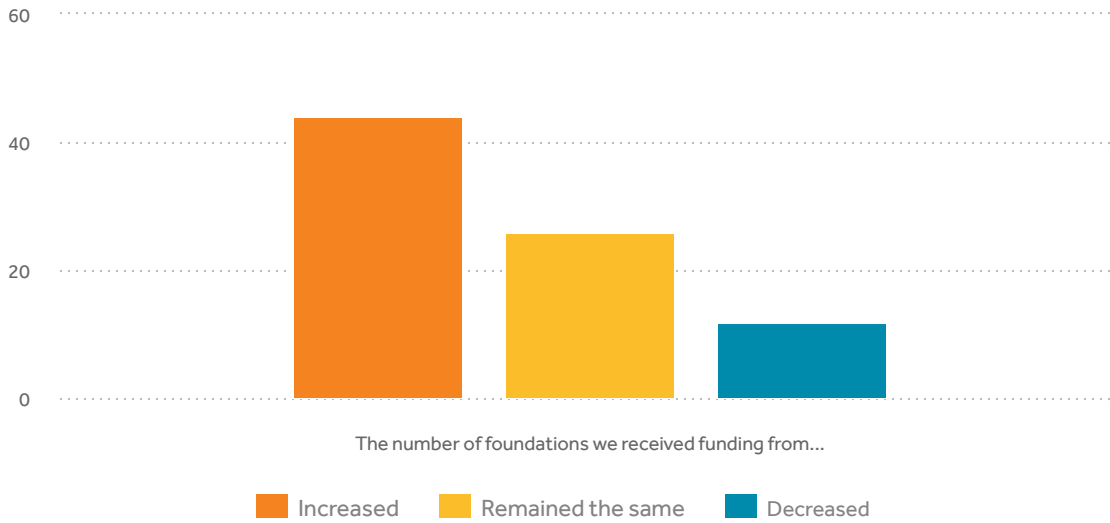
Data Source: Survey conducted May 21 – July 6, 2015. Question: In the last 5 years, has the OVERALL NUMBER of media grants your foundation gives increased, decreased, or remained about the same? (Those with no response are not shown.)

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The nonprofit media outlets also report growth in foundation funding. About 4 in 10 said they have more foundations supporting them today than five years ago. Only about 1 in 10 said that said the number of foundations had declined.

Many nonprofit media cite more funders

Over the last five years



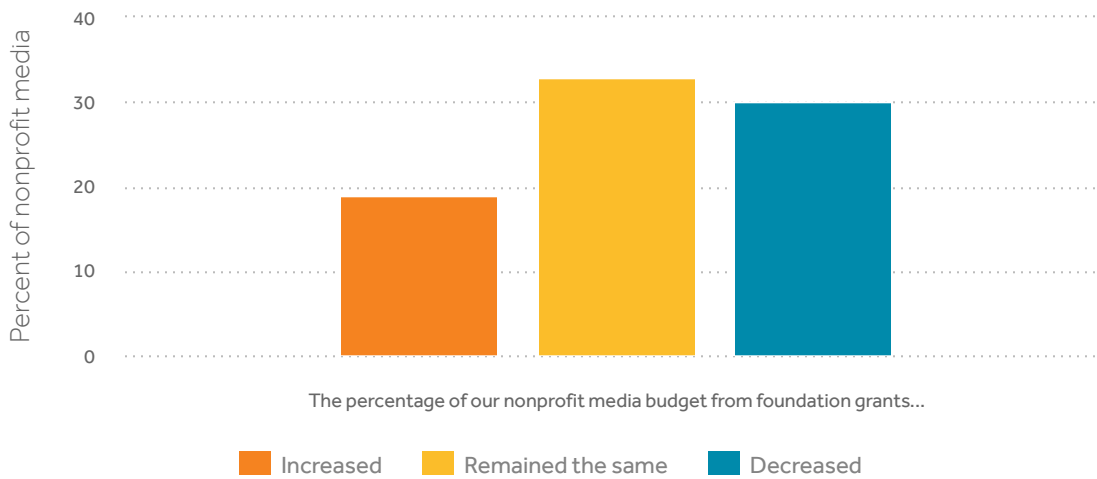
Data Source: Survey conducted May 20 - July 5 and October 16 - Nov. 2, 2015. Question: Over the last five years, has the number of foundations you received funding from increased, decreased or remained about the same? (Those with no response are not shown.)

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As a share of revenue, the numbers suggest either that some of these grants may be getting smaller or that nonprofit media outlets are expanding the scope of their revenue sources beyond foundations. In all, a fifth of nonprofit media outlets (19 percent) said the overall balance of their revenue coming from foundations has grown, while a larger number (30 percent) said it has decreased. A third (33 percent) said it is flat.

The share of foundation funding in nonprofit news budgets has varied

Over the last five years



Data Source: Survey conducted May 20 - July 5 and October 16 - Nov. 2, 2015. Question: Over the last five years, has the percentage of your budget coming from foundation grants increased, decreased or remained the same? (Those with no response are not shown.)

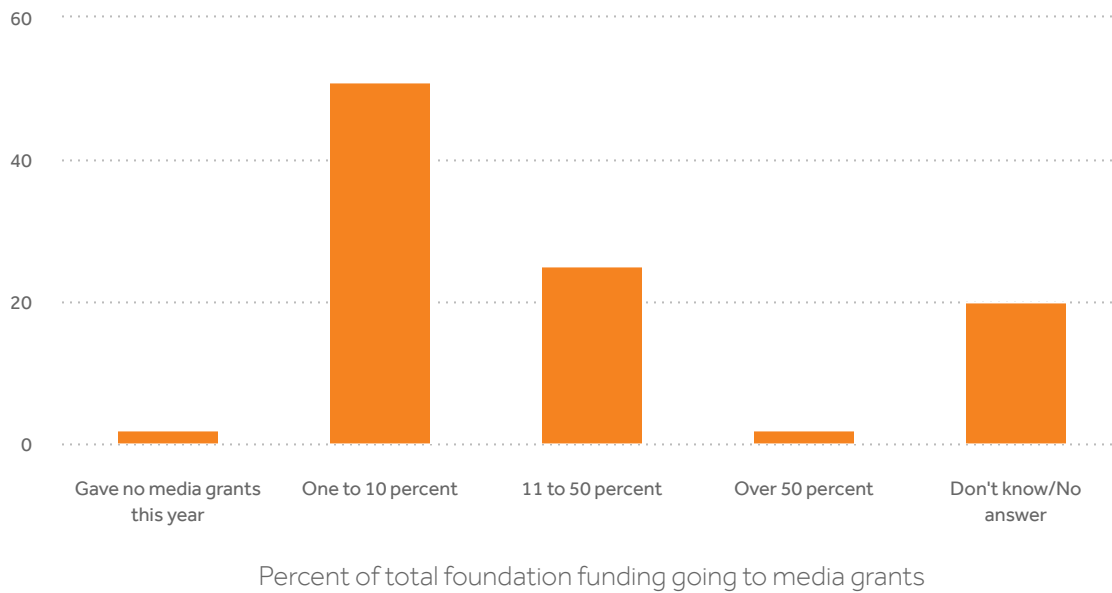
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But there is something of an uneven dependence between foundations and nonprofit media outlets. Media grants are a small part of what most of these foundations do. It is a very large part of the lifeblood of nonprofit media organizations.

About half of the foundations, for instance, said they gave 10 percent or less of their funding in grants to media in the last year. Only one foundation in the survey said it awarded more than 50 percent of its overall funding to media.

For most media funders, media grant-making is a small portion of overall giving

In last year



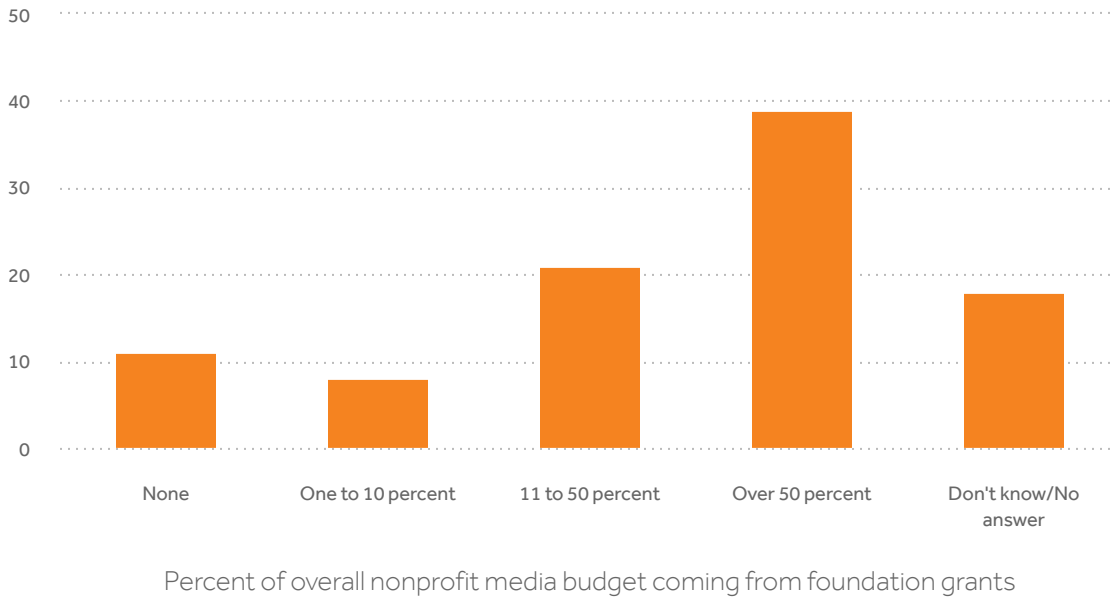
Data Source: Survey conducted May 21 – July 6, 2015. Question: Approximately what percentage of your foundation's total funding went to media grants in the last calendar year?

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For the nonprofit media surveyed those numbers are reversed. While 20 percent say they rely on foundation support for 10 percent or less of their revenue, twice as many (39 percent) said they depend on foundations for the majority of their finances. (In public television and radio, local stations get just some of their funds from direct foundation support. On the television side, almost all programming requires substantial foundation support, and on the radio side that is true locally as well.)

Many nonprofit media depend on foundation grants for the majority of budget

In last year



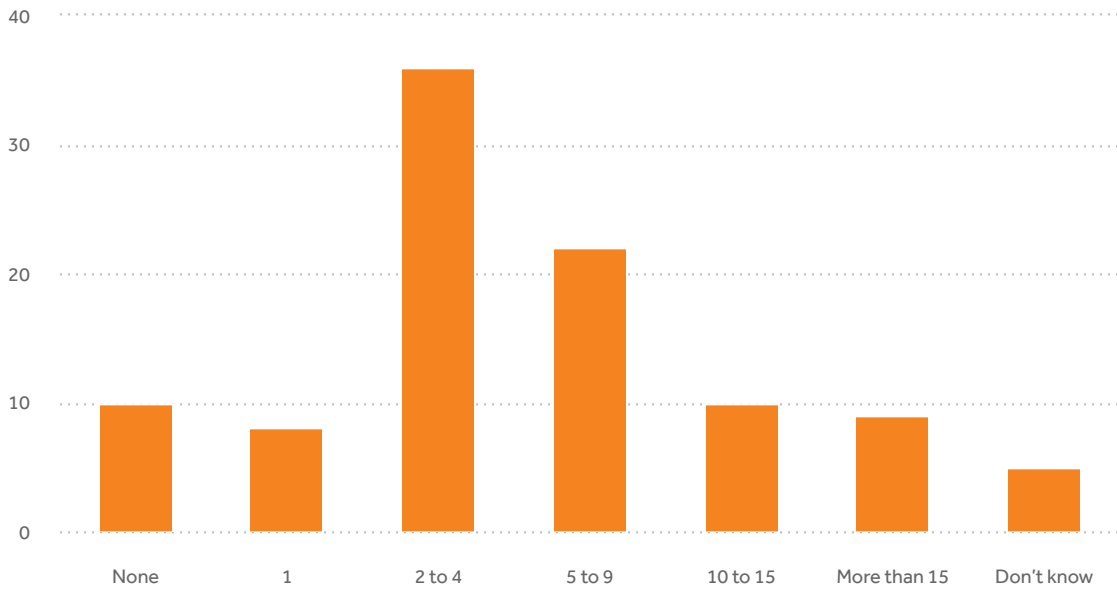
Data Source: Survey conducted May 20 - July 5 and Oct. 16 - Nov. 2, 2015. Question: What percentage of your organization's overall budget approximately came from foundation grants in the last calendar year?

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And unlike commercial media organizations, which usually have scores of different advertisers, most nonprofit media outlets rely on only a few major donors. The majority, 66 percent, rely on fewer than 10 donors or foundations for most of their revenue.

Most nonprofit media have 2 to 15 foundation donors

In last year



Data Source: Survey conducted May 20 - July 5 and Oct. 16-Nov. 2, 2015. Nonprofit media who answered Question: How many different foundations did you receive funding from in the last calendar year?

Funding tied to content

How specific are funders about the content they want to finance?

General operating support grants, which allows a nonprofit media organization the most freedom regarding how it spends funds, was the most common type of grant cited by the nonprofit media organizations surveyed.

Most foundations (57 percent) also said they had given grants to help nonprofit media build capacity in a particular area, such as beefing up their fundraising.

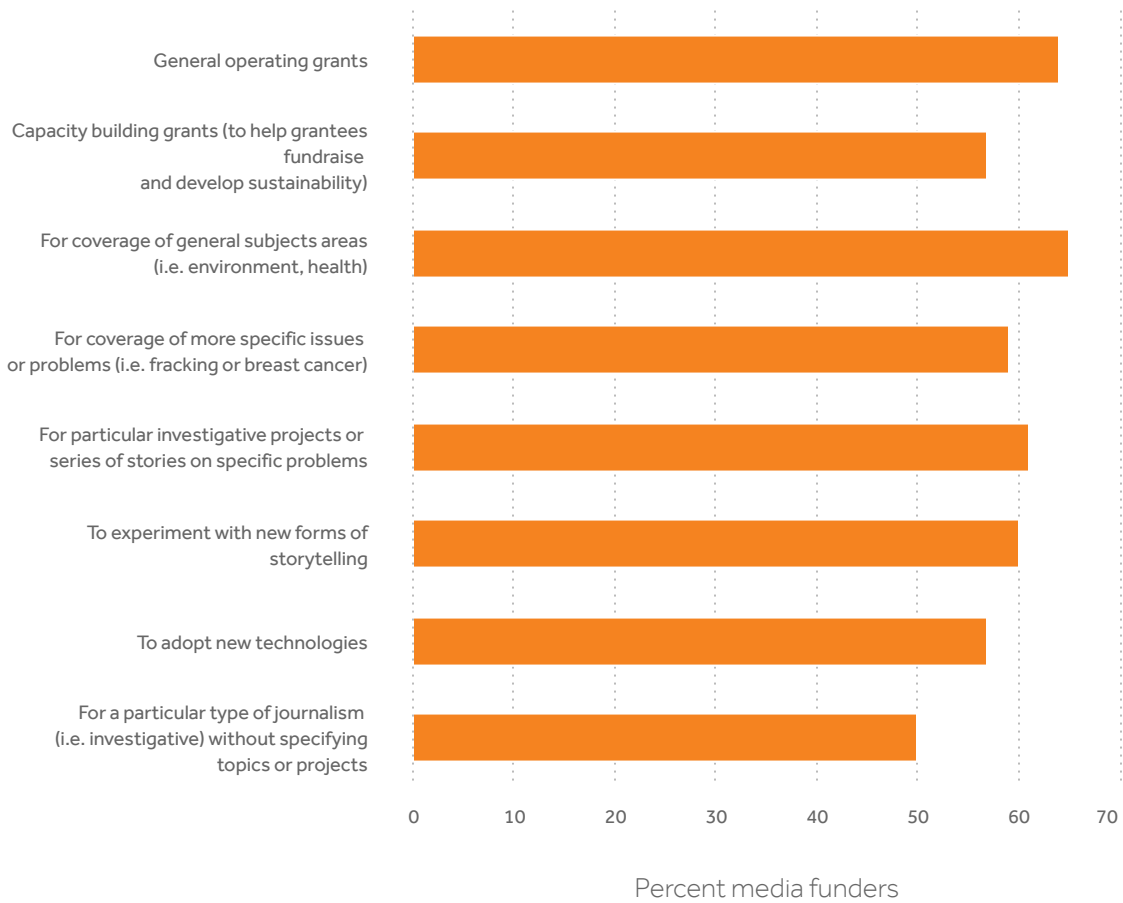
At the same time, a majority of funders (59 percent) also said they make grants to fund more specific subjects, fracking as an example rather than the environment in general, or specifying coverage of breast cancer rather than women's health in general. And 61 percent of funders say they have funded investigations into specific problems or to do a particular series of stories.

This level of specificity, as essayists Richard Tofel, Dan Green, Kathy Im and Peter Slevin all note in their essays, can be more complicated than if the money were earmarked for more general subject areas, or as unrestricted general operating funds. Would this coverage have been done had the funder not specified it? Does this kind of specificity get near or cross lines of journalistic independence? And what kind of firewalls or lines of communication are needed to make sure it doesn't?

While these grants may be more complicated as they become more specific or targeted, most of the nonprofit media organizations surveyed said they accept them. In all, indeed, only about 20 percent of nonprofit media organizations said they *do not* accept grants tied to specific content.

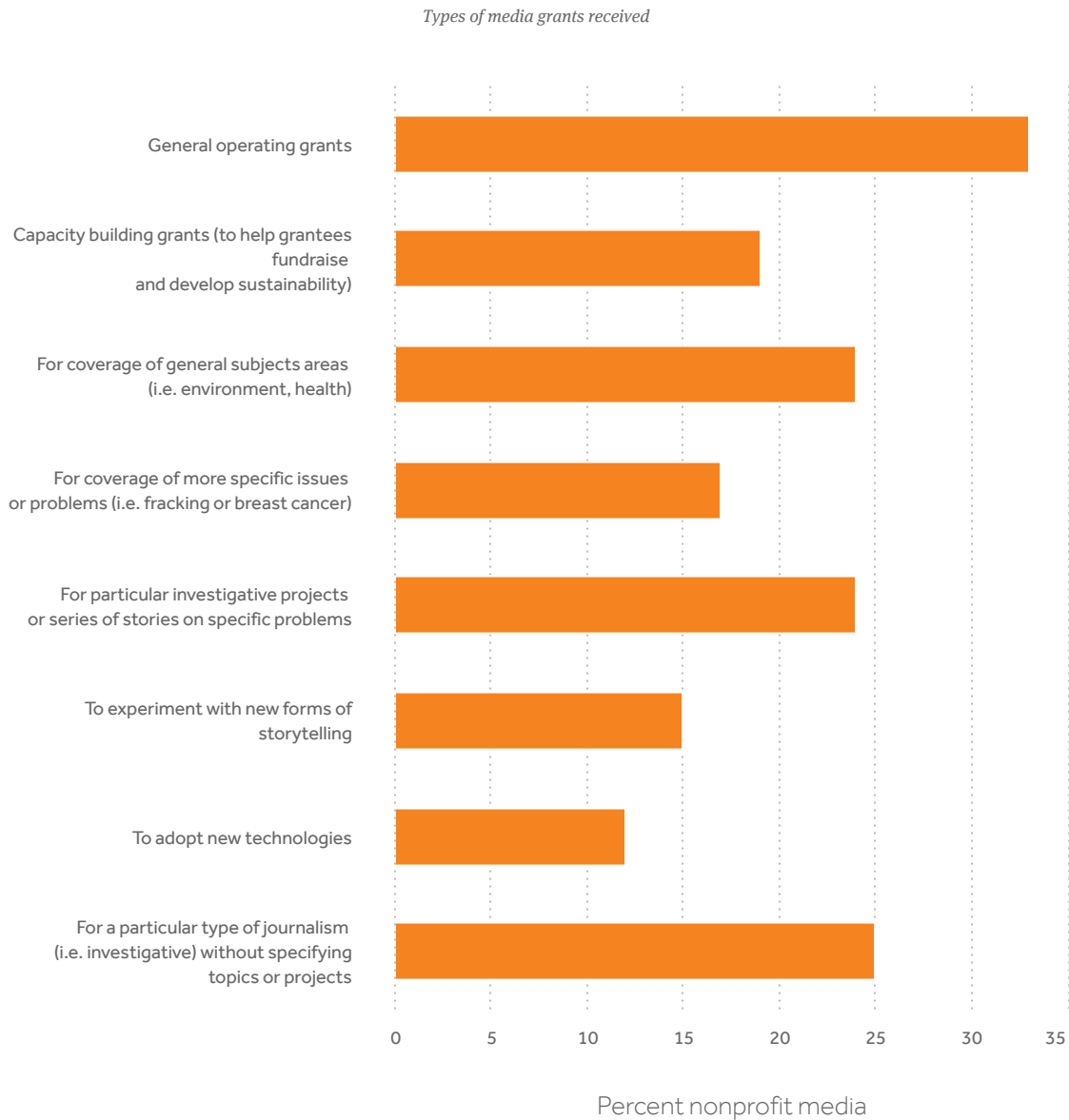
Most media funders give general grants but may also fund more specific projects

Types of media grants currently given



Data Source: Survey conducted May 21 – July 6, 2015. Question: Which of the following kinds of grants does your foundation currently make to media organizations?

Many nonprofit media receive general grants, but more targeted grants are also common



Data Source: Survey conducted May 20-July 5 and Oct. 16 - Nov. 2, 2015. Question: Which of the following kinds of grants is your organization receiving now?

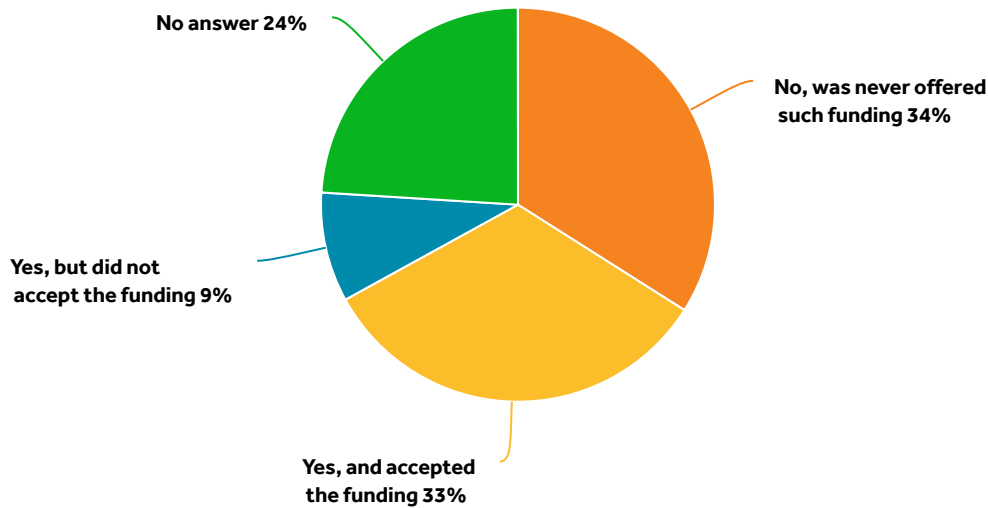
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Perhaps the most specific kind of journalism grant is one that pays for an expose or investigation into a specific problem. In all, 41 percent of nonprofit media outlets said they received offers from funders to conduct specific investigations of this sort. Of those, more than 80 percent said they accepted such offers.

Of the 12 single issue media outlets that have been offered funding for a specific expose or look into a specific issue, all but one of those surveyed accepted the offer.

Many nonprofit media have been offered funding for specific projects, and most accepted

Have you been offered funding for more specific stories? Did you take it?



Data Source: Question: Has a foundation ever offered to fund an investigation or specific series of stories on an issue or problem, as opposed to ongoing coverage of a general topic area? / If yes: Did you accept the funding?

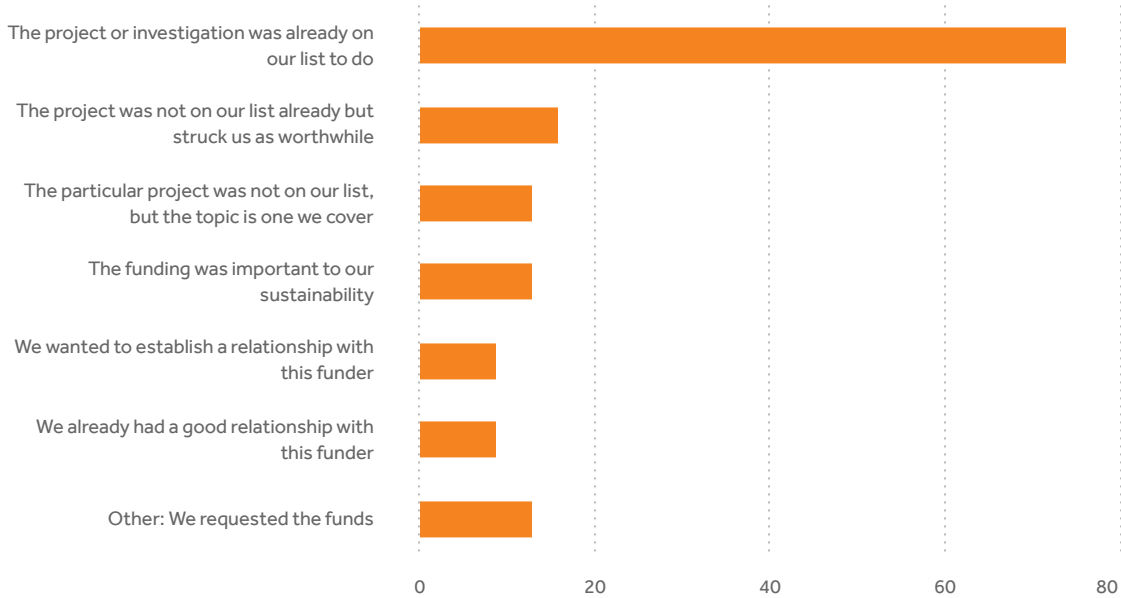
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The money also played a role in the grantees' decision-making process. Some media organizations accepted the specific project funding saying it was important for their sustainability. Some said they had a good relationship with the funder, or wanted to establish such a relationship. A few other organizations said they initiated the specific request, or the project was already underway. Another organization said foundations often ask for proposals on specific topics, and the group applied and won such a grant.

Of the 31 nonprofit media organizations in the survey that accepted such funding, half said they have written guidelines that determine who they will accept money from.

Most nonprofit media who took funding for specific projects say they did so because project was already planned

Reasons for moving forward with request



Data Source: Survey conducted May 20 - July 5 and Oct. 16-Nov. 2, 2015. Question: What were the main reasons you went forward with the project? (More than one response accepted.) Note: Based on 31 respondents who said they accepted funding for specific projects.

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A smaller percentage turned down such specific project funding for various reasons, ranging from the fact they never accept funding for specific investigative stories, to a previous experience with the funder that led the news organizations to turn down the offer. Other reasons included not having the capacity to do the work at that time and the fact that the funder was such an advocate on the issue that it felt like a conflict of interest.

The small number of nonprofit media organizations who told us they turned down grants for specific content tended to be the better-financed media grantees. One respondent said their organization refuses funding for specific projects but tries to negotiate the offer into funding for a more general reporting beat that they are comfortable with. This is also the practice of ProPublica, as Tofel writes in his essay, and it has been successful making such a trade to fund its beat structure.

Editorial review by funders

What kind of communication do nonprofit news organizations and funders have about the news content that those funders underwrite?

The answer varies depending on whether you ask grantors or grantees.

In general, media organizations are less inclined to believe funders have input than funders are.

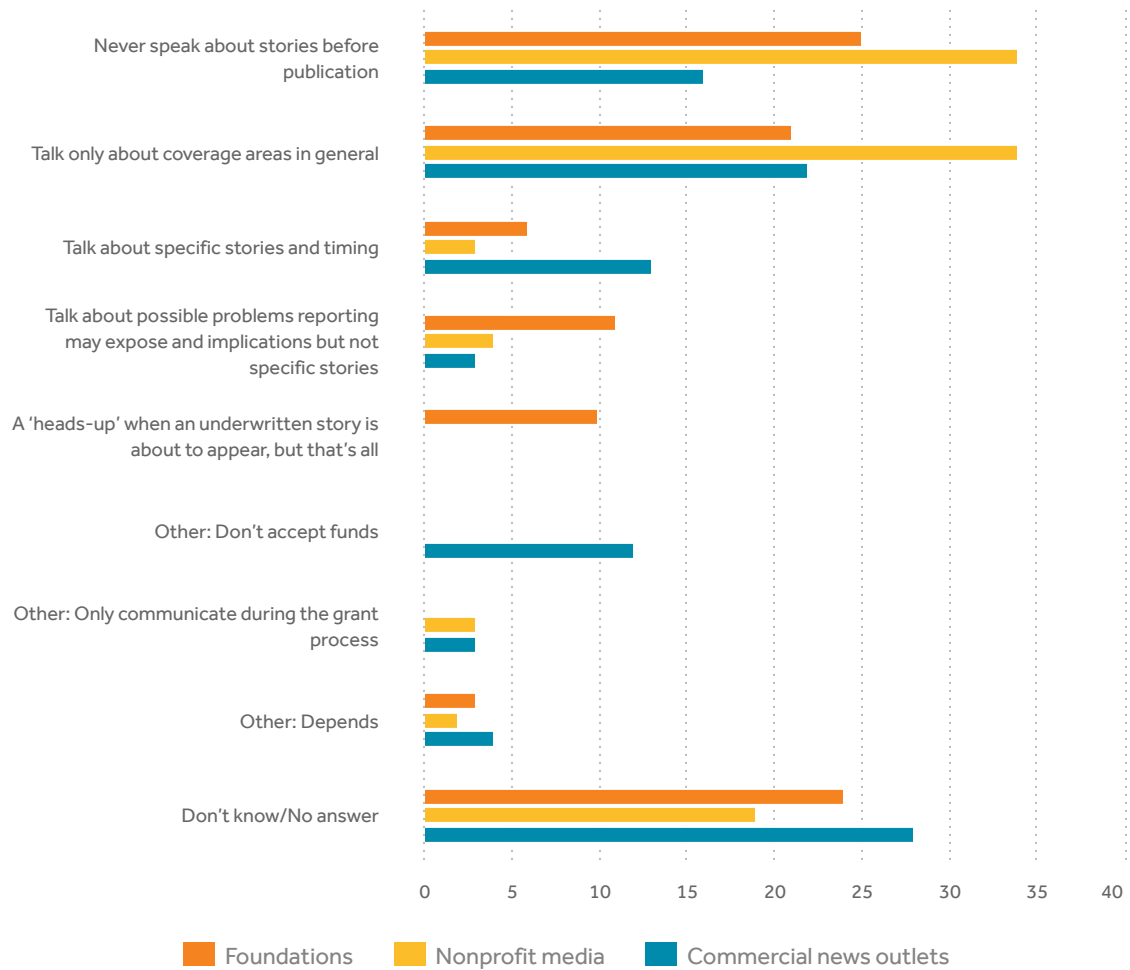
For instance, when you ask nonprofit media outlets, just 6 percent say they talk about coverage with funders with some specificity, either about specific stories (3 percent) or more generally the problems coverage might expose the conclusions the reporting might come to (4 percent).

When you ask funders, 17 percent said they discuss the coverage they finance at this level of specificity. Six percent said they usually discuss specific stories and 11 percent more generally revelations and implications.

About 1 out of 10 funders (13 percent) said they like to receive a “heads up” when a story is about to drop but otherwise don’t discuss what they are working on.

The levels of funder communication pre-publication differ depending on who you ask

How much communication happens before stories publish?



Data Source: Surveys conducted 2015. Questions: Foundations - "Before journalistic content is produced, to what degree do you usually talk with media grantees about what they are working on?" Nonprofit media - "To what degree do you usually communicate with funders about what you are working on prior to publication?" Commercial media - "To what degree do you usually communicate with nonprofit funders prior to publication about the work they have underwritten."

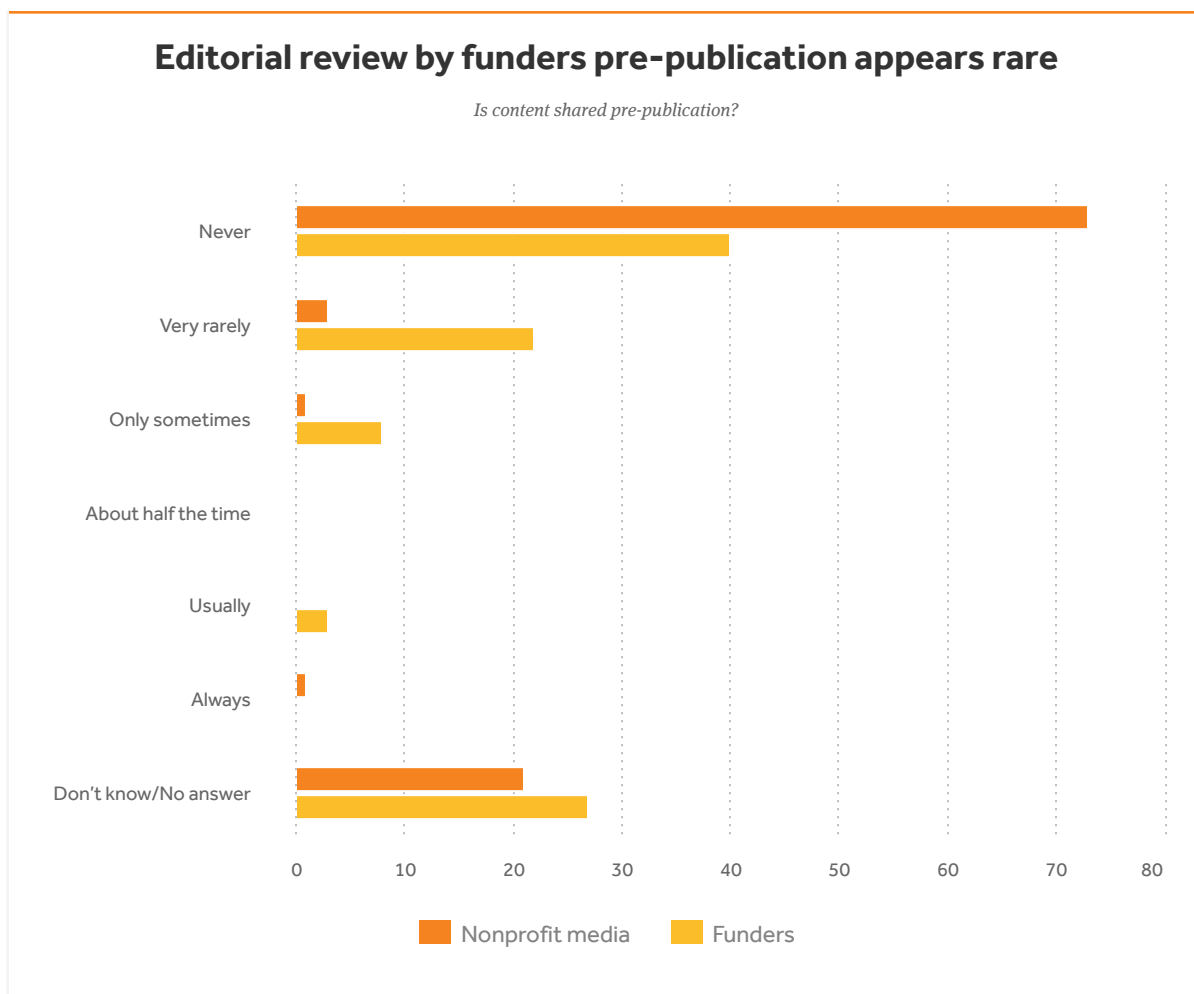
*NA means the question was not asked of that group.

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Do nonprofit media show funders work pre-publication? Not usually. Nearly three-quarters of nonprofit media organizations said they *never* show content to funders pre-publication, 4 percent do sometimes or rarely, and just 1 percent do it as a matter of course. (A fifth of the nonprofit media surveyed did not answer the question.) Even more, 8 in 10, said their funders do not ask for it, though 2 percent said their funders informally expect it.

Funders agree that it's not a general policy, but they are far more likely to say they sometimes see content they have funded in advance (though it is the exception not general practice). In all, 40 percent said they never see content prior to publication, 22 percent say do they but only rarely, and 8 percent only sometimes. Just 3 percent said they typically do. Just 3 percent said they typically do.

Most commercial media interaction with nonprofit organizations is in the form of partnerships and collaboration. Only about a quarter of commercial media organizations surveyed (28 percent) said they had accepted direct grants themselves to pay for reporting. (While that is a minority, such grantmaking was almost unheard of with commercial media 15 years ago.) Those commercial outlets who discuss the specifics of stories are generally partnering on reporting or editing with a nonprofit media organization, not discussing the work with a funder. "We work with public radio often, but this is collaboration or a funds swap, not a (direct financial) contribution," said the representative of a local newspaper.



Data Source: Surveys conducted 2015. Questions: Foundations-"Whatever your discussions, how often, if at all, does your foundation see journalistic content you have underwritten prior to publication?" Nonprofit Media-"How often, if at all, do funders see editorial content they have helped underwrite prior to publication?"

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And what happens in those relatively few cases where funders have seen coverage pre-publication? Just five publications said they had made changes based on the reactions of funders, and in all cases it was a rarity. No funder said they expected to have the right of editorial review. A few said the nature of their input varied case by case depending on the story.

Some of the variance between the communication that funders say they have and the perceptions of the nonprofit media they underwrite may be a reflection of who answered. The universe of both funders and nonprofits is still relatively small, and while the response rates here are high, the sample is still limited by who is in the space.

But the differences may also reflect a matter of perception. Funders having conversations with grantees may imagine the discussions imply one thing, and the grantees may perceive them to be something else. In other words, a funder may think they are having input. A media grantee may tell themselves they are will ignore whatever advice is being given.

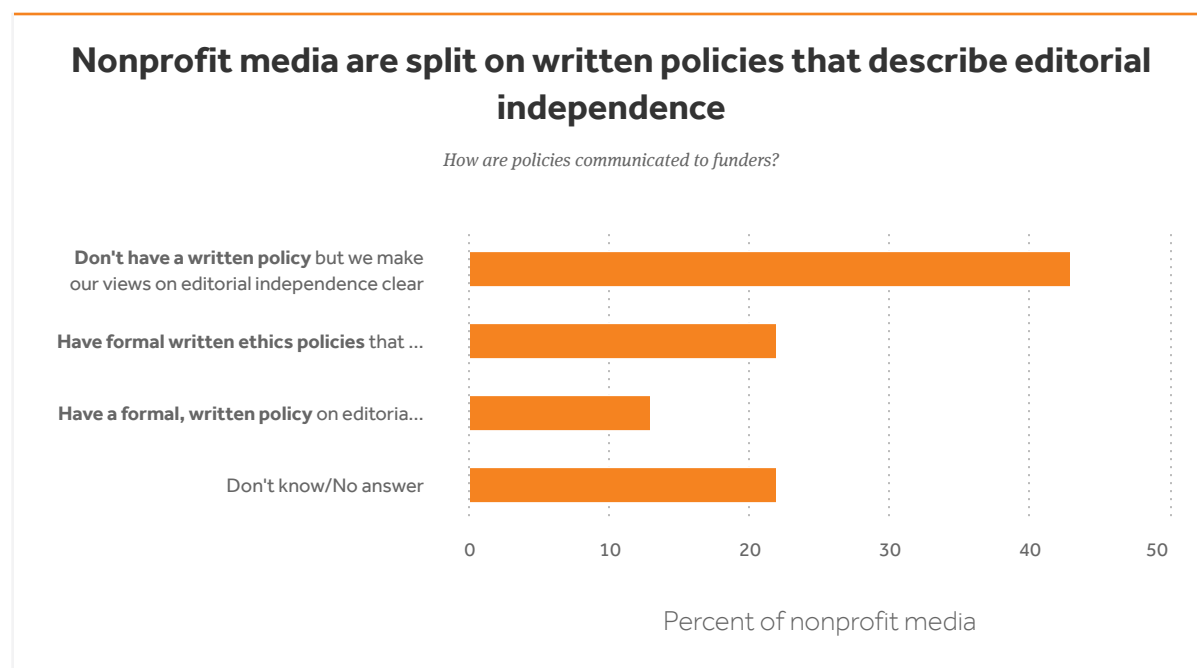
Not asking for an editorial review is not the same thing thing, however, as having no influence over the content produced. That can happen in different ways, subtle and not so subtle, and there may be issues of perception and ways to think about or perhaps blunt such perceptions.

The surveys asked a series of questions that probed some of the ways that nonprofit media can protect their reputation for editorial independence.. The first of these had to do with written rules.

Few news orgs have written guidelines

One of the most striking findings from the research is there aren't clear or universal rules of the road here — and very few written rules or guidelines on either side that could clarify roles and establish editorial firewalls.

When it comes how to communicate with funders, for instance, 43 percent of nonprofit media outlets said they have no written policies, while 35 percent said they do. But it is not clear to what extent the funders they deal with know about those written rules or on the same page about communication. Just 13 percent of nonprofit media organizations (or 36 percent of those with written guidelines), say they ask funders to include those policies on independence in funder grant agreements; 22 percent do not.



Data Source: Survey conducted May 20 - July 5 and Oct. 16-Nov. 2, 2015. Question: Nonprofit media-"Whatever your policies, how are they communicated to funders and other partners?"

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How about written policies on what kind of funders they will and will not accept funding from or what constitutes a conflict of interest? Nonprofit news organizations are evenly split on whether they have written guidelines for this. About 40 percent have written procedures about contributors and about the same number do not.

In the for-profit media world, specific rules for the acceptance of funding are much less common. Only 13 percent said their newsrooms had written guidelines about what type of organizations they will and will partner with. Three-quarters said they did not have any guidelines and the rest either were not sure or did not respond.

These policies, moreover, tend to be private. While most nonprofit news organizations that have written guidelines release those rules publicly, only two of the commercial newsrooms surveyed said they had done so.

The survey asked about another element that could be covered in written guidelines — regarding disclosure of funders.

There is a similar split here. Forty percent of nonprofit organizations said they have a written policy posted on their website or included in the annual report about disclosure of funders. Nearly as many, 35 percent do not.

Nonprofit media that have public guidelines about disclosing their contributors tend to also have rules who they will accept money from. However, there is little difference in the practices of nonprofit organizations with written guidelines about disclosure or funding and those without. For example, nearly all the nonprofit organizations offered funding for a specific journalism project accepted the money, regardless of whether or not they have posted guidelines.

40%

of nonprofits said they have a written policy about disclosure of funders

On the commercial side, less than 15 percent of these for-profit media organizations said they have a written policy about what types of nonprofit organizations it will or will not partner with; three-quarters said they do not. Only two of the commercial newsrooms surveyed said they post those guidelines anywhere publicly. The reasons for the absence of guidelines about nonprofit funding among the for profit media may reflect the reality that nonprofit activity is still a relatively new and small part of their revenue. Some of these projects are also partnerships with nonprofit media, not funding arrangements. And editors told us as we were developing the questionnaire that many of these partnerships may have come up on an ad hoc basis, which may also explain why they are less likely to have written rules.

Nonetheless, in his essay Alan Rusbridger of the Guardian writes that he believes clear written rules are important in the for-profit media world, too, so people are clear about what they are reading.

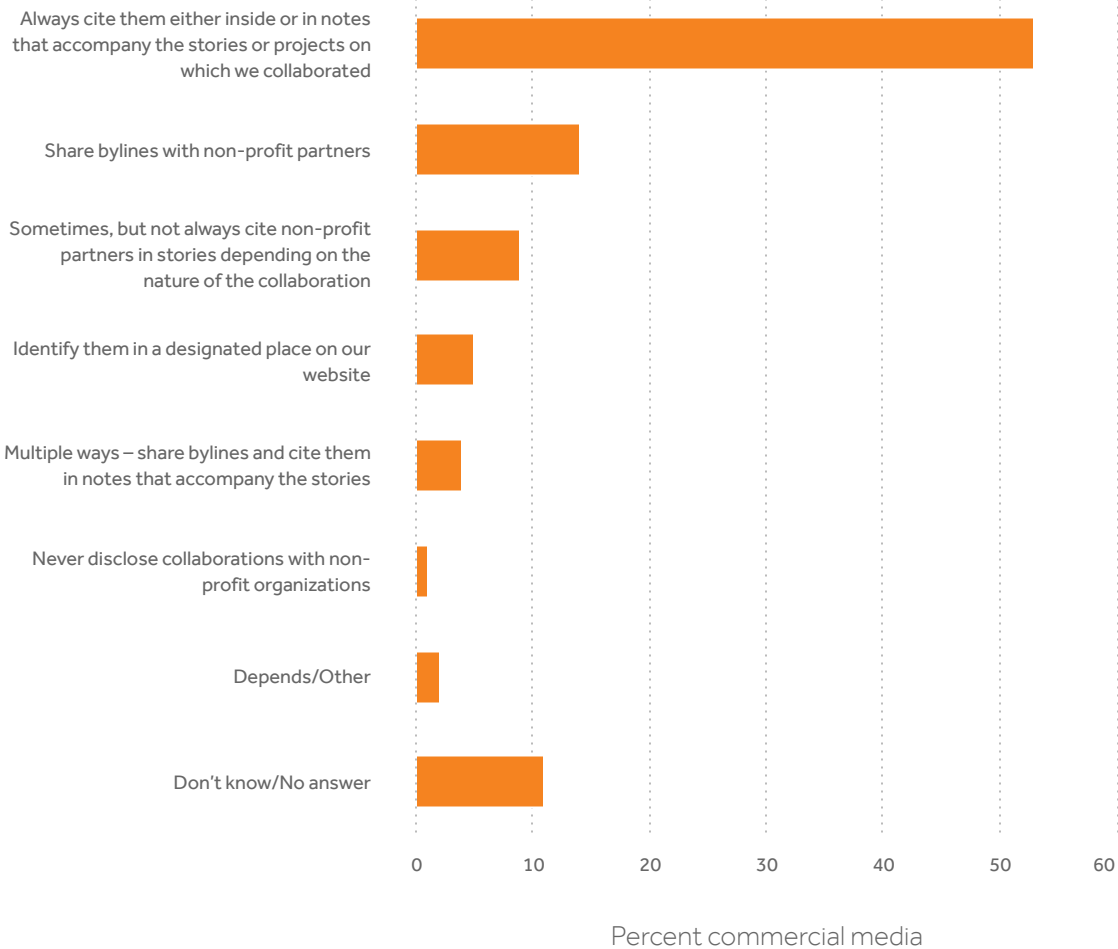
Disclosure and transparency of funding

Transparency is considered a core element of journalism and an important feature of foundations. And while the most foundations and newsrooms report in this survey that they practice a high degree of transparency in their dealings with each other, few have concrete rules or written regulations regarding disclosure.

When it comes to disclosure, the commercial media in the survey stand out higher than the nonprofit. Nearly all of the commercial media outlets surveyed, for instance, disclose their relationship with funders and collaborators in some manner. Just over half cite them either within the story or in notes that accompany the story. About 15 percent share bylines with their nonprofit news organization collaborators. And a few news organizations do both: share bylines and mention the collaboration in the story or sidebar.

Nearly all commercial media disclose nonprofit funders or collaborators

How collaborations get disclosed



Data Source: Survey conducted 2015. Question: Commercial media -- "How do you disclose collaborations you have with nonprofit partners or funders?"

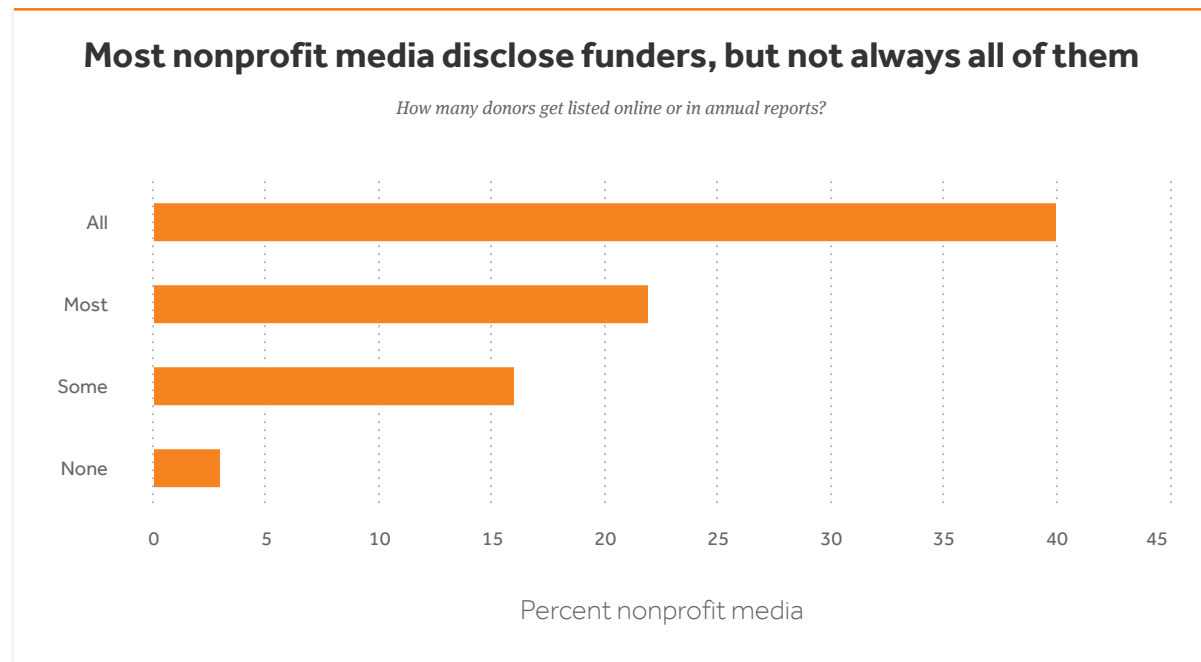
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The notion of disclosure is so universal that that only one news organization surveyed, a for-profit, said a partner once asked not to be identified. The request, moreover, was denied.

On the nonprofit media side, the majority disclose their funders in some manner, but not all nonprofit media disclose all of them.

In all, two-thirds of nonprofit media organizations surveyed said they listed all or most of their donors on their website or in their annual report. Of those, about 6 in 10 do so regardless of the level of support they receive.

That answer, by way of comparison, would put some of these media outside the standard called for by the Institute for Nonprofit News (INN). In its membership standards, INN says its members should publicly disclose all financial support above \$1,000.



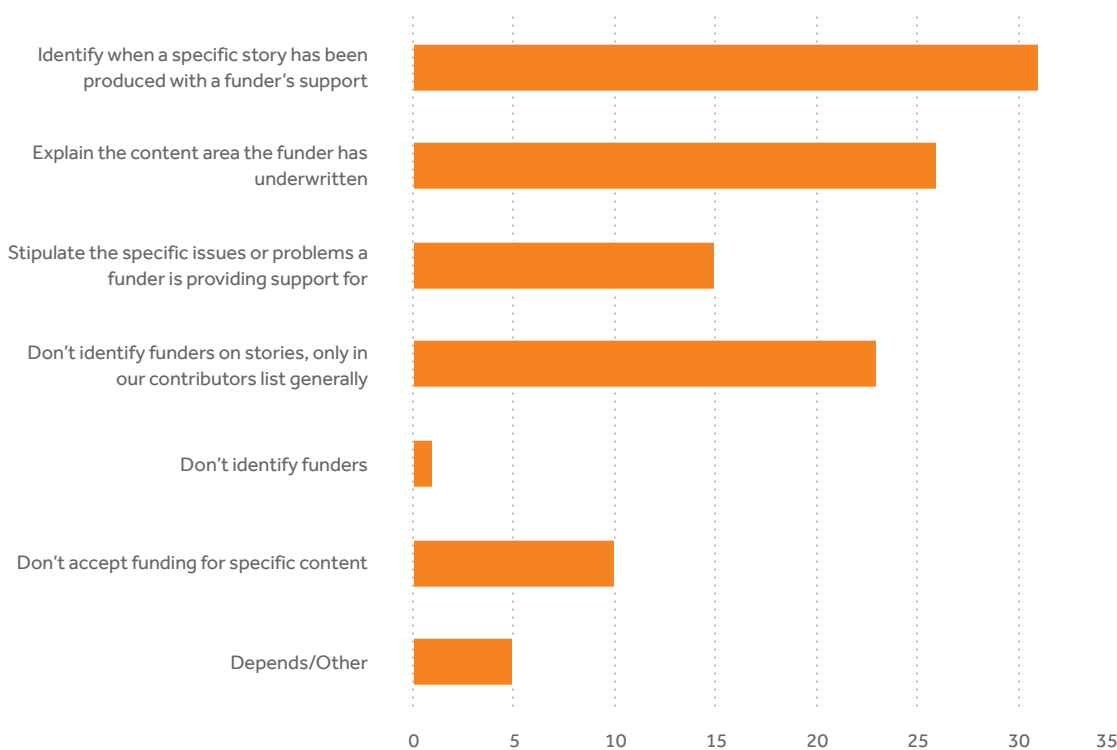
Data Source: Survey conducted 2015. Question: Nonprofit media-- "How many of your donors does your organization publicly list on your website or annual report?" (Those with no response are not shown)

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Some nonprofit media do more than simply list their funders on their websites. They mention them whenever content is published that the funder has supported. For instance, nearly a third of nonprofit media outlets said they identify funders when a specific story or project they helped underwrite has been produced. Another 4 in 10 disclose the funder's support in some other way. A substantial minority — about a quarter — said they do not identify funders with the content they support at all.

About a third of nonprofit media mention funders whenever content is published that used their support

How do nonprofit media disclose funding for specific content?



Data Source: Survey conducted 2015. Question: Nonprofit media- "How do you disclose the relationship with a funder on specific content they have underwritten?" (More than one response accepted.)

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Nonprofit media organizations are closely divided over whether to have a written official policy regarding the disclosure of funders. Forty percent said they have a written policy posted to their website or included in their annual report regarding the acknowledgement of their contributors, and 35 percent said they do not have a written policy.

Beyond naming funders, do nonprofits list the amounts those funders give? In practice, many nonprofit media that *do disclose* funders do not reveal the *exact* amount of each contribution. Rather, a common practice is to put amounts into funding ranges, such as \$1,000 to 5,000, or \$5,000 to \$50,000.

And what do the foundations require of their grantees about disclosure? Nearly 6 in 10 of the foundations surveyed said they have no specific policy about what their grantees disclose other than what is required by law. As with other dimensions of funding of media, much of this is considered the right thing to do rather than something stipulated or required. As one funder with no disclosure stipulations said, "They all disclose our support; it's just good journalistic practice."

Another funder said they request that the foundation's support is acknowledged in any publicity, but said, "It is not a requirement that they make grants public but nor should they hide them or refuse to make them public."

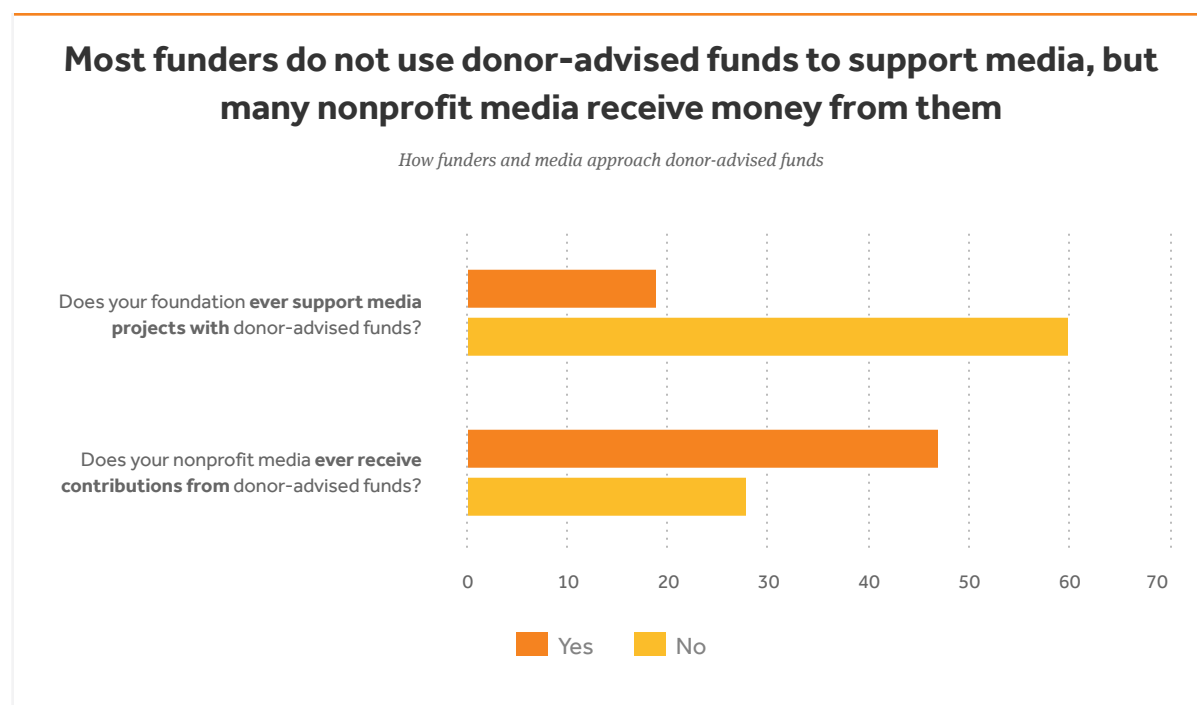
Few foundations reported that they require grantees to disclose or recognize their support in any specific manner.

However, from the funders side, 8 in 10 foundations publicly disclose their recipients and amount of the grants.

Murky world of anonymous funds

One issue that has emerged in recent years regarding transparency is so-called donor-advised funds — financial vehicles that manage charitable donations made by individuals, families or organizations and under law do not have to disclose the identify of those contributors. The funds have become controversial because they can be a way for people or foundations to finance media without being individually identified.

About 20 percent of foundations surveyed said they assist media projects with donor-advised funds. Of those, half said they disclose the source of those funds. One private foundation said it discloses the source “if targeted to the media project; not if general operating funds.” The source of donor funds is revealed by a community foundation surveyed, “unless the fund is designated anonymous.”



Data Source: Surveys conducted 2015. Questions: Foundations- Do you fund media projects using donor-advised funds? Nonprofit Media- Have you ever received contributions from donor-advised funds, which are charitable organizations administered by third parties to manage the charitable contribution of an organization, family or individuals?

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On the nonprofit media organization side, however, the numbers are slightly different and less transparent. Nearly half of the nonprofit news organizations surveyed said they get funding from donor advised funds. Of the organizations that do, 4 in 10 said they disclose both the fund and the source of the contributions. A third said they reveal only the name of the donor advised fund.

Disclosure of relationship with collaborators

The study also looked at whether the work of news organizations intersected with their partners or funders beyond the collaboration.

What happens, for instance, when a partner or a funder becomes the subject of a news story? Do the media organizations who have done stories on partners and funders note their relationship? The answer, the survey found, is yes *and* no.

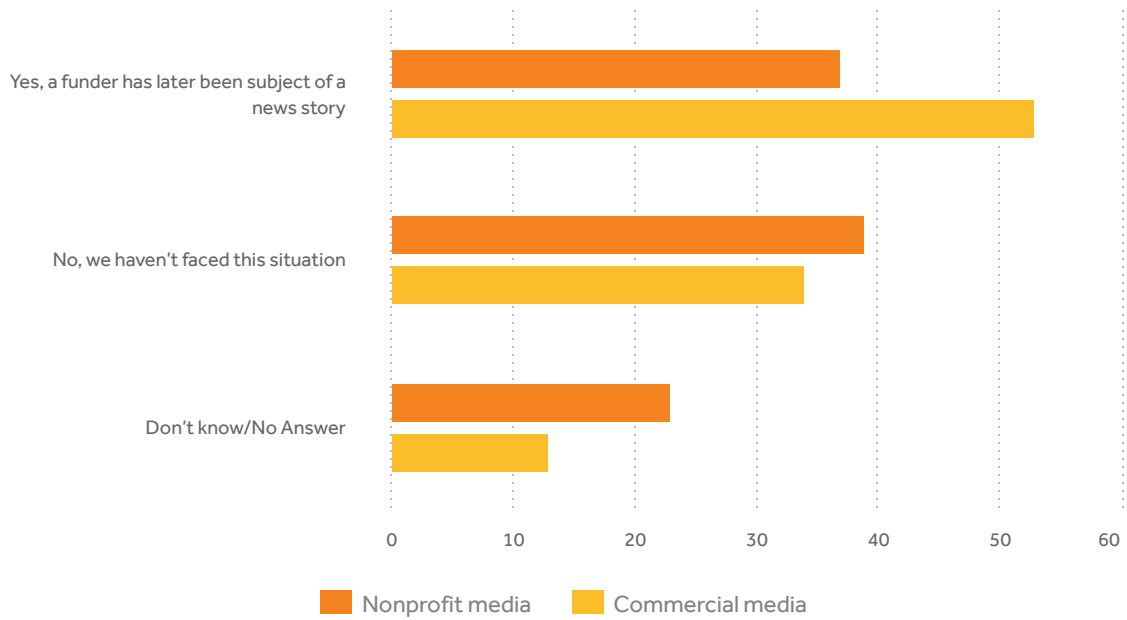
Nearly 40 percent of the nonprofit media outlets said their funders have been the subsequent subjects in reporting. When they were, two-thirds of these nonprofit media said they mentioned the relationship in those stories. Two in 10 said the relationship was mentioned some of the time but not every time.

One nonprofit digital media company said that disclosure depends on whether it is considered germane: “If that information were relevant, we would mention it.”

Another digital nonprofit media outlet said: “Our funders have been sources on some stories, but never the subject. We have not identified them as funders in those stories.”

Both nonprofit and commercial media may report on their funders or partners

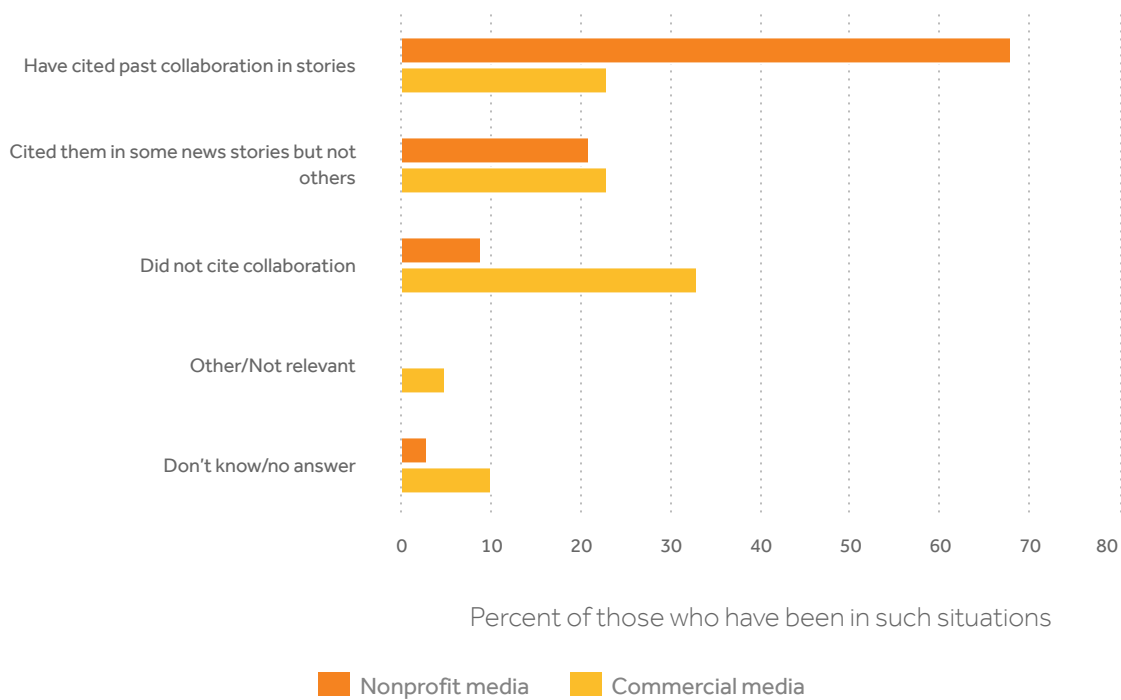
Has a partner or funder ever later been a subject of a story?



Data Source: Surveys conducted 2015. Questions: Nonprofit media & commercial media — “Has a partner or funder you have worked with ever subsequently been a subject of one of your own news stories?”

Most media cite relationship in coverage of funders and partners

What happens if a funder or partner is subject of a later news story?



Data Source: Surveys conducted 2015. Question: Did you mention your previous collaboration in that story, did you not cite it, or do you not know? Asked of those who said been in those situations.

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More than half of commercial news organizations said partners or funders for one project were subsequently the subject of one of their news stories. These commercial media were somewhat less likely to mention the relationship.

A third of these commercial media said they did not cite the previous relationship, while nearly a quarter said they did mention their relationship in the reporting. About a quarter said they cited the relationship in some stories but not others. It is difficult to know why the commercial media are less inclined to disclose these relationships in subsequent stories. The reason may relate to the fact that these financial relationships are less important economically to the organization. They may, as a result, also be less known inside the editorial department and may slip through the cracks when subsequent stories are done.

One commercial news outlet wrote, “an internship partnership with a university journalism department doesn’t bear on general university coverage.”

Metrics and outcomes

Another issue in the nonprofit news landscape is about metrics, or proof that work being underwritten is reaching an audience or perhaps having even more of an impact — such as changing public attitudes on an issue.

The question of metrics is hardly new. Commercial news organizations for years have used some numbers to establish reach with advertisers — ratings in television, demographic data about audiences, circulation and demographics for magazines and newspapers.

After grants are made and the work is produced, how do funders and news organizations determine success in the nonprofit arena? And does it go beyond establishing reach to trying to prove specific impacts, such as changing minds?

The answer is most funders ask for reach. Some, but not all, ask for proof of impact.

In general, funders have borrowed concepts from commercial business and management consulting to think about this and have begun to ask for a variety of items to use in measuring their investments.

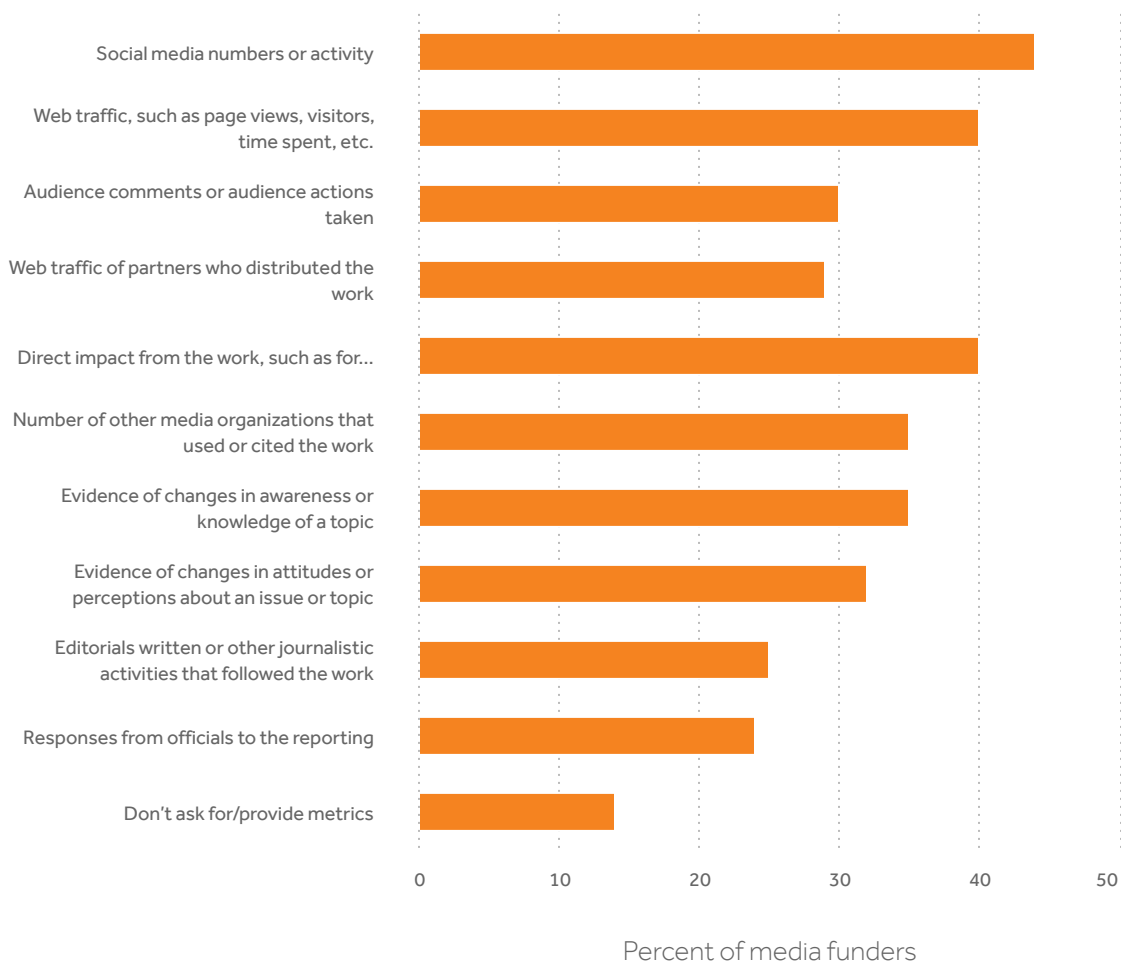
Most funders surveyed, about two-thirds, request some kind of metric, but not all ask for the same thing.

The most common requests by funders are for basic information on web traffic or social media activity. It is also fairly common for funders to ask for evidence of direct impact, such as formal hearings or new legislation.

A smaller number of funders, around 30 percent, look for numbers on audience comments, evidence of changes in public opinion or awareness of a topic, or information on distribution partners or other media use. About a quarter are interested in official responses or editorials.

Most funders want to know about reach, and some about impact

Metrics funders request of grantees



Data Source: Surveys conducted 2015. Questions: Funders – “What, if any, metrics do you typically ask media grantees to provide to evaluate your grantmaking?” (Please check all that apply). Nonprofit Media- “Please indicate all metrics that you provide to funders.” Commercial media – “Please indicate all metrics that you have provided either to funders or nonprofit partners.”

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When we asked nonprofit news organizations, as opposed to funders, what metrics they actually *provide* – the numbers were higher.

The majority, nearly 60 percent, of nonprofit news organizations said they provide funders with both web and social media analytics. About two-thirds said they provide web traffic information such as pageviews, visitors and time spent. Roughly 6 in 10 said they provide social media numbers or activity. And more than half said they provide numbers on other organizations who reference their work.

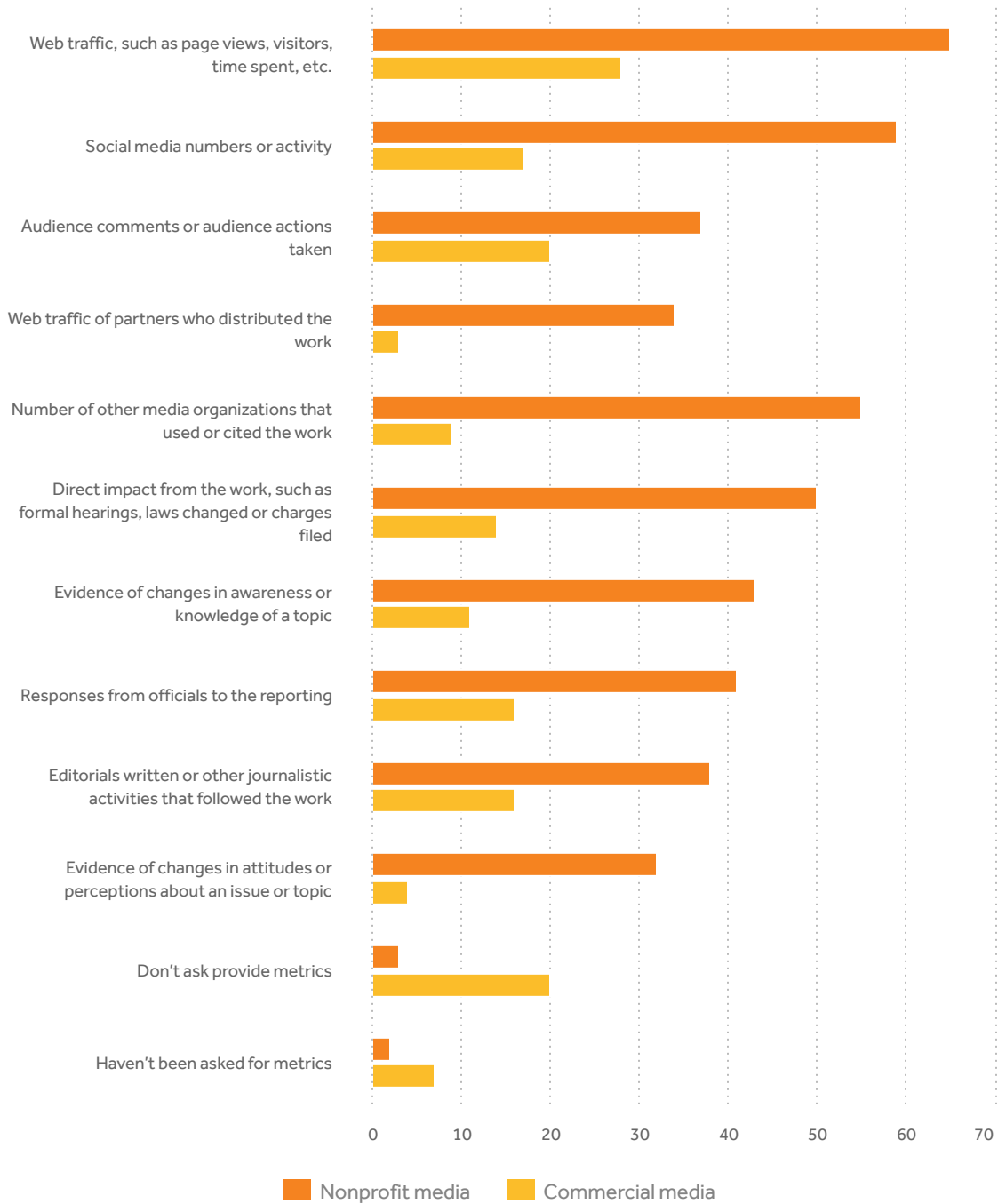
Many nonprofit news organizations also supply qualitative metrics. Half said they provide examples of direct impact from their work, i.e. formal hearings, laws changed or charges filed.

Four in 10 said they provide “evidence of changes in awareness or knowledge of an issue or topic.” About the same number say they point to responses from officials to the reporting. Nearly 4 in 10 point to “editorials written or other journalistic activities” that followed the work, and the same number point to audience comments or “other audience actions taken.”

Only three of the 72 nonprofit news organization surveyed said that as a matter of policy they don’t provide any metrics to funders.

Nonprofit media provide a range of metrics; commercial media provide fewer

What metrics do you provide to funders or partners?



Data Source: Surveys conducted 2015. Nonprofit Media- "Please indicate all metrics that you provide to funders." Commercial media – "Please indicate all metrics that you have provided either to funders or nonprofit partners."

Commercial news organizations surveyed were less inclined to provide metrics of any type.

Less than 30 percent, for instance, said they have provided web traffic information such as pageviews, visitors and time spent (about half the level reported by nonprofit media). Less than 20 percent said they provided information on social media activity.

Even fewer commercial media surveyed said they provided qualitative information. Fourteen percent, for instance, provided information on direct impact from the work, i.e. formal hearings, laws changed or charges filed (compared to half for nonprofit media). A similar number said they provided evidence of responses from officials to the reporting and “editorials written or other journalistic activities” that followed the work.

More for-profit news outlets than nonprofit news organizations said they don’t provide metrics as a matter of policy. Twenty percent they have not shared information with partners because of their policies.

Why are commercial media less inclined to provide metrics of reach and impact than nonprofit media. There are several potential explanations. Beyond policy, one another is tradition. Legacy media did not have to prove reach at the story level before and are not really organized to do so now, though online they could.

Several organizations surveyed offered that metrics hadn’t been requested. “We haven’t but would be open to some of these,” said the representative of a city newspaper.

Another explanation is that many of these commercial outlets are working with media partners, not with funders. In all, indeed, less than half of the commercial news media surveyed have relationships with foundations directly. One local digital news organization connection with the nonprofit world currently only involves internships. They do not provide metrics: “We have not applied for any grants.”

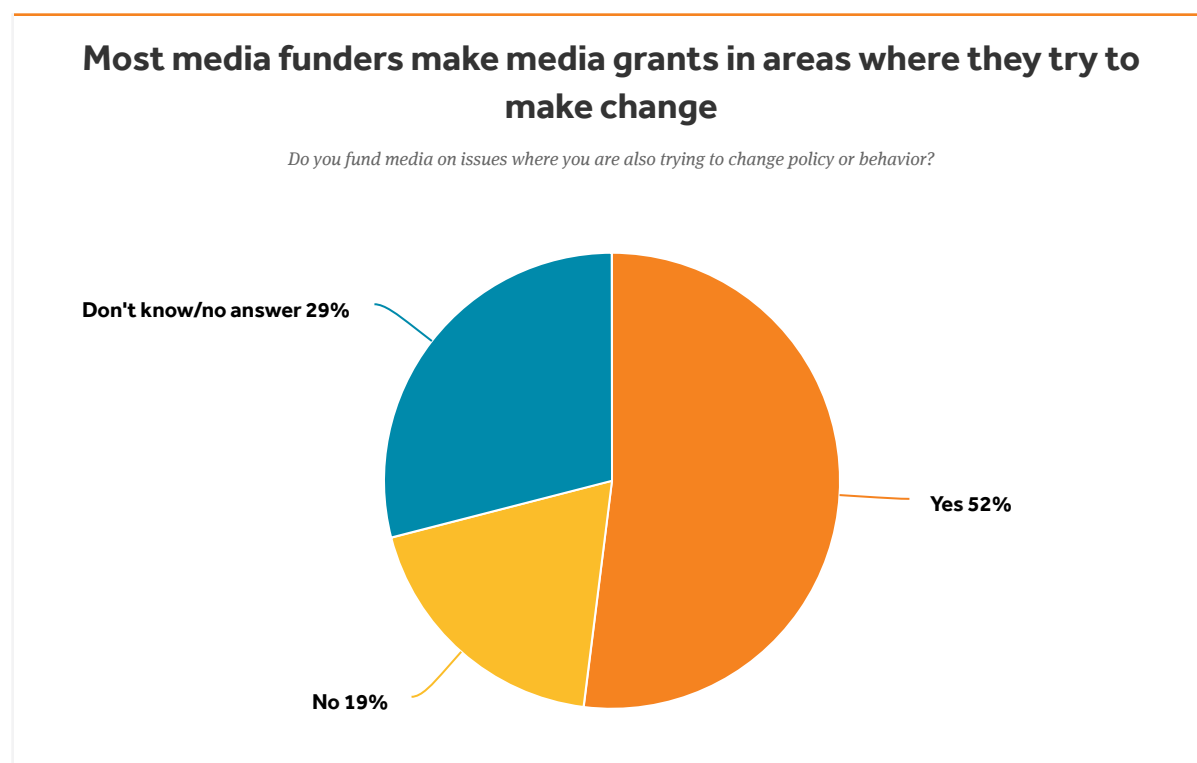
Finally, the other reason is probably scale. These arrangements with either funders or partners are relatively small activity for commercial media.

Motivations and potential conflicts

The foundations and nonprofit media organizations surveyed are almost equally divided on the overall motive behind the financial support for media. Less than half of funders (43 percent) and nonprofits (40 percent) both say nonprofit media funding is “journalism driven,” indicating that media is funded in order to “strengthen a free press and to educate the citizens.”

However, nearly as many funders (35 percent) said their funding of media is intended “to have an impact and advance the larger strategic agenda of the foundation.” And about the same percent of nonprofit media outlets (33 percent) agree that their funders are “agenda driven” in their support.

This notion of a divided mission is also reflected when we probed another element – whether funders make media grants in the areas where they are also doing public policy work. More than half of the foundations surveyed said they make at least some of their grants on issues in which they are trying to affect public policy.



Data Source: Survey conducted 2015. Question: Does your foundation ever make grants to media on issues where you are also engaged in work such as trying to change policy or public behavior on that issue?

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This is an area of controversy and potential perception problems. The MacArthur Foundation’s Kathy Im and Peter Slevin write critically in their essay that some “funders are increasingly dictating how these funds can be used, pushing journalists to produce work in line with the funders’ interests.”

The issue may be more complicated by the absence of guidelines noted earlier. Two-thirds of nonprofit media outlets said they don't have specific policies that would prohibit them from taking grants from a funder doing policy work on the same issue. Less than 1 out of 10 do have such prohibitions.

One reason is that some of the new nonprofit media outlets are themselves advocacy oriented. As the representative of a magazine wrote, "As an advocacy publication, we have no problem with this as long as the issue aligns with our mission." Or as one digital media organization said, "We receive funding from donors who are active in the same sector we are covering."

But even some of those who have accepted these kinds of grants have had second thoughts. One respondent said they regretted taking a grant from a funder who was too closely associated with advocacy on a similar issue. "This happened once on a project grant, and we've decided not to accept funds under these circumstances again."

Nonprofit news media said they will either make those decisions on a case-by-case basis (35 percent) or do so under certain conditions (7 percent). A quarter of the nonprofit media organizations (24 percent) say this issue has never come up.

Some of our essayists believe it is acceptable for funders to offer, and for media to take, grants in areas where the funders are also doing policy work. It would put even more burden on nonprofit media, they argued, if that funding were off limits. But we also heard in the survey and in the essays that in those cases clear demarcations about press independence becomes even more important. One digital organization said they take pains to make the boundaries clear. "We accept such grants, with the understanding that our coverage is not constrained by the advocacy positions of the funder."

“

Even some of those who have accepted these kinds of grants have had second thoughts.

”

The question may be how to establish that line with the public.

A few nonprofit news operations have turned down specific funding because the funder was such an advocate on the same issue it felt like a conflict of interest. In all, 11 percent say they had actually turned down funding or given money back to the funders, for various reasons.

The reason that survey respondents said they turned down funding or gave money back varied: some said the goals of the two organizations were too different; the collaboration was more trouble than it was worth; there was a potential conflict of interest because of the funder's public position; or that the grant was small; or the donor had a direct interest in an ongoing investigation.

But most nonprofit media operations (60 percent) say they have never turned down specific funding or given money back.

Funders' perceptions of success

In the end, do funders think their underwriting of media is accomplishing what they want?

More than half of foundations said they consider their media grantmaking a success; generally accomplishing their objectives, and a few exceeding them. Very few report falling short of their objectives. However, about 35 percent did not answer the question, skipping it or replying “don’t know.”

We also asked about both nonprofit media organizations and commercial ones if they had ever participated in a partnership with a nonprofit and consequently chose not to partner with them in the future.

It has happened. But it is not common.

Among nonprofit news outlets, just three outlets said they had subsequently decided not to work with a funder again. When we asked why, one said the level of funding was not sufficient to finance the work. Another said a transparency issue with the funder’s revenue source led them to their decision. A third said the funder “expressed frustration that we didn’t allow them to shape our coverage.”

Among commercial news outlets, we asked whether they had ever worked with either a funder or a nonprofit media outlet and decided not to do it again. Even here, where the money or the partnership is not a primary element of the publishing model, regret is uncommon. In all, 15 (about 20%) said they had decided not to work with a given partner again in the future.

Of the 15, about half said “the partnership was more trouble than it was worth” or the level of communication and consultation was too involved. But four cited differing motivations, deciding the nonprofit’s advocacy on an issue constituted more of a conflict of interest than they were comfortable with. One cited what it looked like in the public eye specifically: The affiliation with them was too controversial.

“

Just three outlets said they had subsequently decided not to work with a funder again.

”

Finally, have either nonprofit or commercial partners had to defend themselves against criticism because of partnering with funders? It is not a frequent experience, though it does happen. Some 23 nonprofits surveyed said they had to defend themselves against criticism because of a funding source, fairly evenly split among those who said it had happened just “once or twice” and those who said “it happened several times.”

On the commercial side, just four outlets in the study said they faced criticism because of funding or a collaboration with a nonprofit.

More background: A look at nonprofit journalism

Although not all foundations or news organizations in the United States were surveyed, the data enhance our understanding of the world of nonprofit journalism in general and the landscape of newer nonprofit media in particular. This community shares many goals, experiences and problems with a variety of perspectives.

Nonprofit news organizations

A total of 94 nonprofit media outlets responded to the survey. That group was derived from compiling and comparing several different lists collected by funders, researchers, and nonprofit media groups. Though the universe is hard to pin down, and outlets expire and new ones start up, our best estimate is that the surveys went to the majority of new nonprofit media outlets.

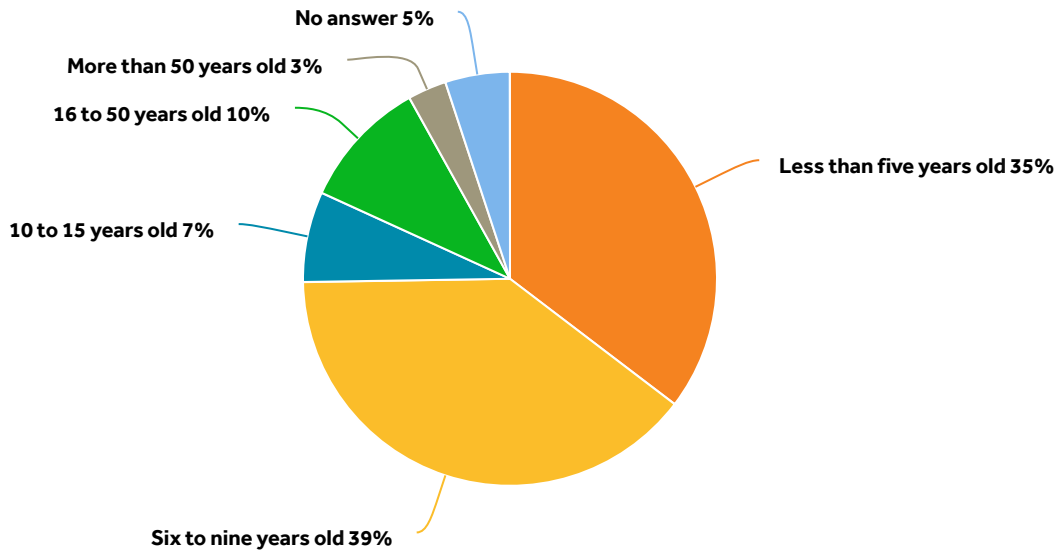
In all, invitations were sent to a range of entities — large well-established nonprofit organizations, new start-ups with barely any staff, broadcasters affiliated with PBS and NPR, websites dedicated to a single issue, independent investigative units and programs located at journalism schools, and a small percentage of nonprofit magazines.

While a variety of nonprofit news groups responded, the survey reflects more about the small and relatively new digital news organizations that are less known.

Who, according to the survey, are these nonprofits? Aside from public radio and television, most are fairly young. Nearly three-quarters of the nonprofit news organizations surveyed are less than 10 years old, 35 percent starting up within just the last five years.

Most nonprofit media in this sample are less than 10 years old

The age breakdown of these nonprofit media



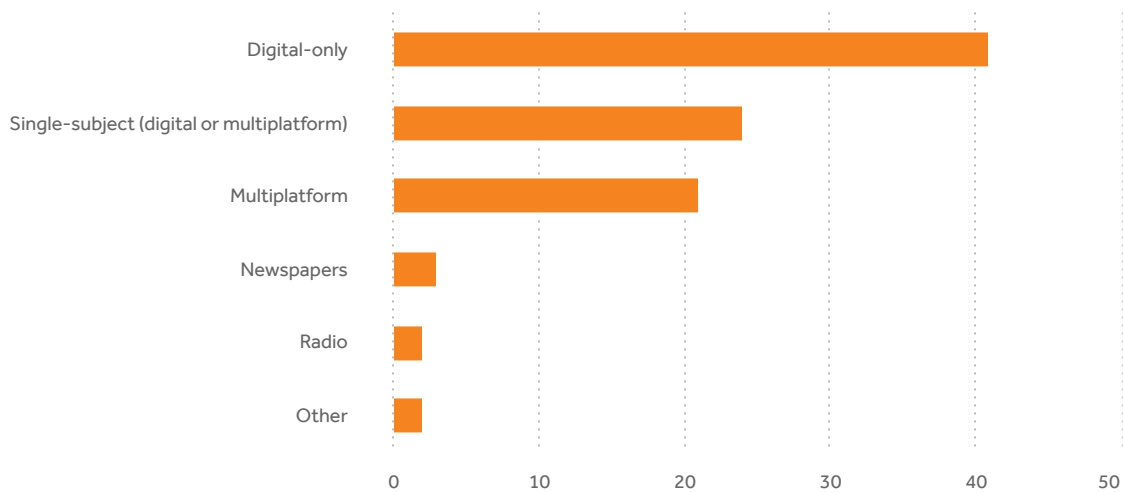
Data Source: Survey conducted May 20 - July 5 and Oct. 16 - Nov. 2, 2015. Question: How long ago was your non-profit news organization founded?

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The largest segment of the nonprofit media outlets in the survey (about 4 in 10) are digital only, either of general interest or community based. A quarter identify themselves as single-subject news organizations, either digital or multiplatform. Multiplatform organizations (often websites that partner with radio, newspapers or magazines) make up a fifth of those surveyed. Very few nonprofit organizations surveyed are newspapers, radio, magazines or documentary makers.

Many of these nonprofit media are digital-only

Which media category best describes your nonprofit?



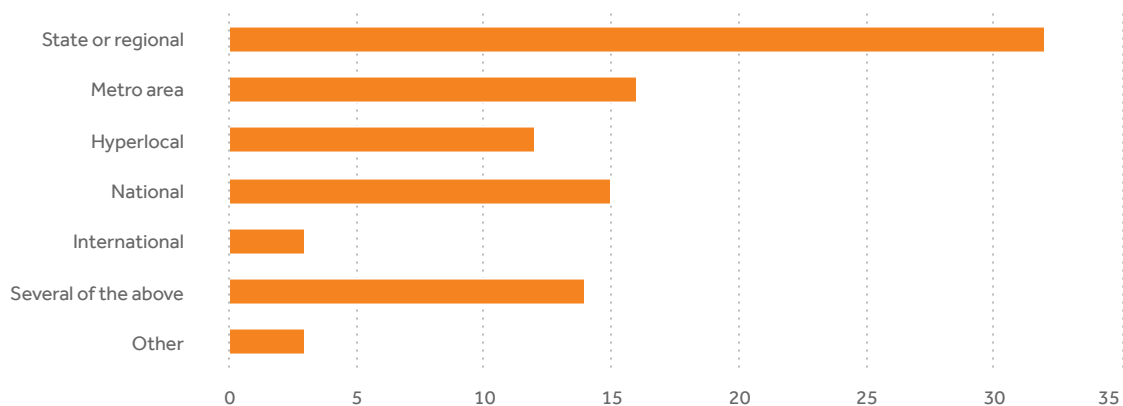
Data Source: Survey conducted May 20 - July 5 and Oct. 16 - Nov. 2, 2015. Question: Which media category best describes your nonprofit organization? (Those with no response not shown.)

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In all, the nonprofit media sector in the survey was also fairly local. Nearly 4 in 10 described themselves as local or metropolitan, and a third reported they are state or regional in their focus. Fifteen percent of the nonprofit media outlets said they are national in scope, and another group about the same size said they are some combination of these categories.

Most of these nonprofit media serve local audiences

Which of the following best describes your core audience?

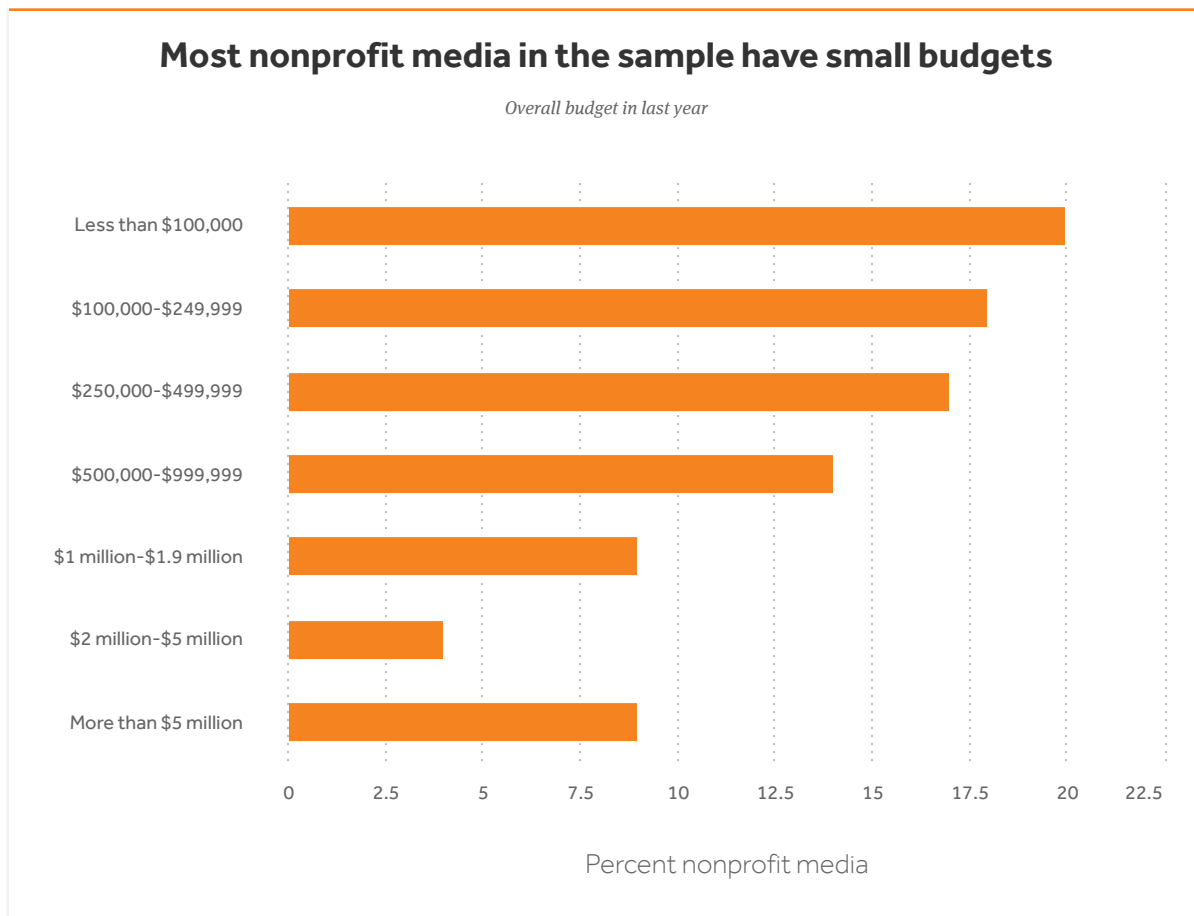


Data Source: Survey conducted May 20 - July 5 and Oct. 16 - Nov. 2, 2015. Question: Which of the following best describes your core audience? (Those with no response are not shown.)

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The nonprofit news organizations surveyed were diverse geographically. A third of the responding nonprofit media groups (31 percent) are located in the Northeast, while another 26 percent are in the West. Seventeen percent are located in the Midwest and the same percent in the South.

Most of these nonprofit news outlets have small budgets. Nearly 7 in 10 are less than \$1 million in budget size, including more than half less than \$500,000 and about 40 percent less than \$250,000. Most of these outlets (53 percent) said their budgets have grown in the last five years, while 22 percent said they have been flat and 13 percent said their budgets have been shrinking.



Data Source: Survey conducted May 20 - July 5 and Oct. 16 - Nov. 2, 2015. Question: Approximately, what was your organization's overall budget in the last calendar year? (Those with no response are not shown.)

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The staffs are mostly small as well. Fully 57 percent have fewer than 5 people. Another 11 percent were five to nine in staff size. Three-quarters have fewer than 20 people. However, another 10 percent say they have 30 people or more.

Over the last five years, foundation support has increased as a share of their revenue for a quarter of the nonprofit news organizations (25 percent), while about a third (35 percent) say it is flat as a share of revenue and another third (35 percent) say it has decreased.

Most of the nonprofit news organizations depend on just a few institutional funders for most of their support. About 4 out of 10 (36 percent) of these nonprofit news outlets have fewer than five institutional funders. And 18 percent receive support from five to nine institutional funders, meaning that most (54 percent) have fewer than 10 funders. Just 7 percent have more than 15 different institutional funders offering support. About 10 percent received no foundation support in the last year.

Is that institutional funder support becoming more diverse or is it narrowing over time? By and large the answer is that support is diversifying. More than 4 in 10 nonprofit media outlets (44 percent) say they have more foundations supporting them now than five years ago. However, a quarter of the surveyed organizations (26 percent) say the number is unchanged, and 12 percent say the number of foundations has actually decreased.

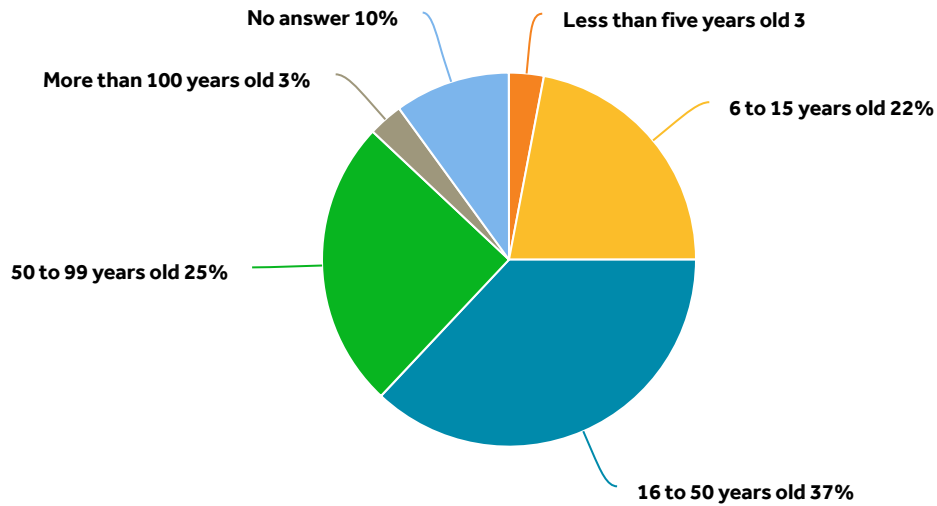
Most of the support for these nonprofits comes from philanthropic sources, but other sources are still significant. About a fifth (21 percent) said they get virtually no other money that isn't philanthropic, while another quarter (26 percent) said they receive less than 10 percent from other sources, in other words, at least 90 percent of their funding is philanthropic. Nearly one in five of the organizations surveyed (17 percent) say they get more than a quarter of their money from any source other than philanthropy, and 5 percent report they get more than 50 percent of their funds from non-philanthropic sources. Altogether, 62 percent of nonprofit media organizations reported receiving at least some non-philanthropic funding.

Funders

The funders of nonprofit journalism surveyed tend to be much older than the nonprofit media they are funding. Two-thirds of the foundations who fund media have been operating more than 15 years, and nearly 30 percent have existed for 50 years or more.

Most media funders in this sample have been operating for more than 15 years

The age breakdown of media funders



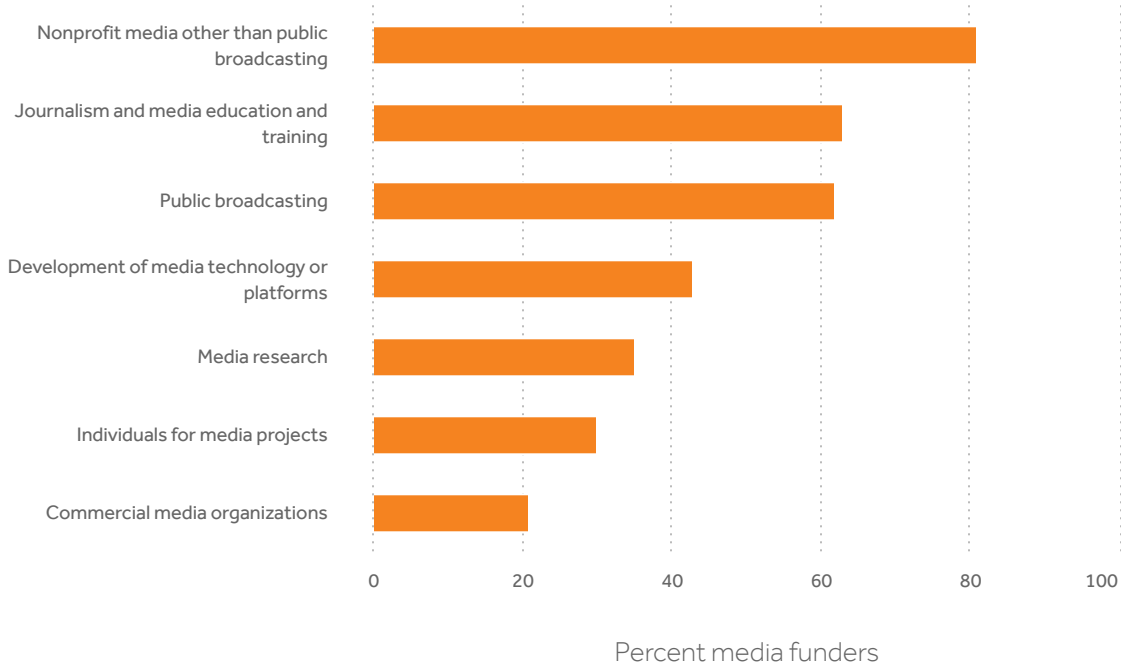
Data Source: Survey conducted May 21 – July 6, 2015. Question: How many years has your foundation been in existence?

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Seventy percent of the foundations that answered the survey are private or family foundations. About a fifth of the foundations surveyed provide grants just nationally. Nearly 15 percent make funds available on a state or regional level. Thirty-eight percent of the foundations surveyed have been providing grants to media organizations for more than 20 years. Thirty-one percent are newcomers to media funding and started funding media within the last 10 years.

A large majority of these funders give to nonprofit media outside of public broadcasting

In the last year



Data Source: Question: Which of the following types of grantees did you give media grants to in the last calendar year? (More than one response accepted.)

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Most of the foundations that answered the survey are based on the coasts: Two-thirds are located in the Northeast or the western part of the United States. And nearly all of those are headquartered in either California or New York.

Commercial media partnerships with nonprofits

There are many more for-profit media organizations in the US than nonprofits. We reached out to more than 600 for this research. Top managers from 146 commercial news outlets completed surveys.

More than half of those (76 news organizations) said they participated in some sort of nonprofit collaboration.

Most of these commercial outlets engaging in partnerships are well established. Three-quarters had been around more than 50 years. A smaller number (17 percent) were founded 15 years ago or less. Eight percent were created in that last 5 years.

The vast majority of of the commercial media who responded (68 percent) represented newspaper media. About 15 percent were digital-only. Roughly speaking, this corresponded to the relative distribution of our outreach. And 11 percent described themselves as multi-platform, generally print and digital.

Most of these organizations said their focus and core audience is local. Thirty-six percent said their core audience is a metro area, and 29 percent said smaller than that, or “hyperlocal.” Another 9 percent said their core audience was primarily state or regional. Just 1 percent said their primary focus was national, and 4 percent said international. A sizable portion considered their core audience as more than one category (17 percent).

The newsroom budgets of these commercial media varied, though they were much larger in general than we found among nonprofits. The plurality (33 percent) had news budgets between \$5 million to \$49.9 million. There was only one higher (and it was above \$100 million). A quarter (26 percent) said their budget was less than \$1 million, and nearly a third (30 percent) said it was between \$1 million to \$4.9 million.

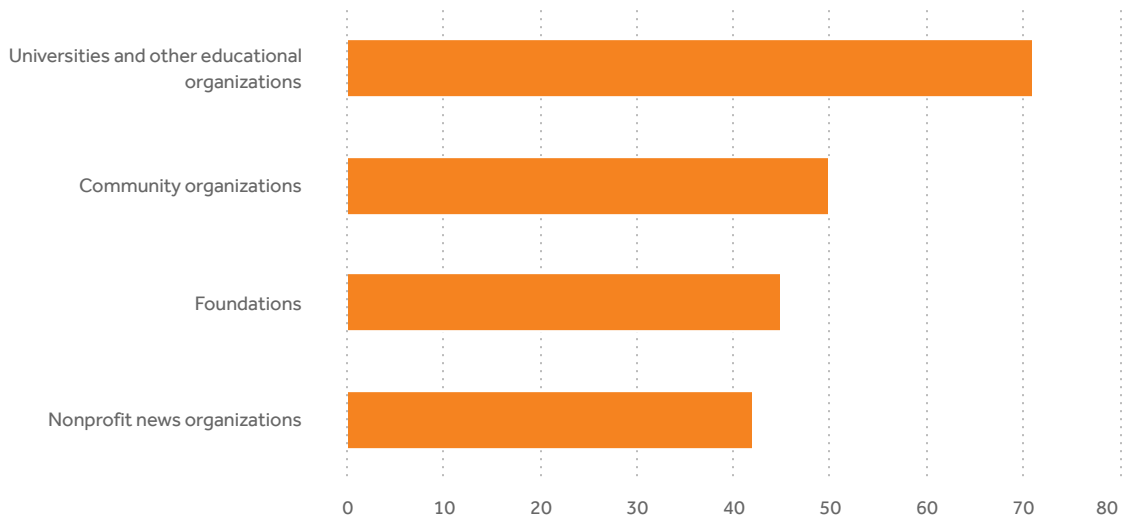
Staffing varied. Some 33 percent worked at an organization with fewer than 20 people (most working at company with 10 or fewer employees). Some 21 percent worked at organizations with between 20 and 50. Then, 22 percent worked at organizations with between 50 and 99 employees, and 20 percent worked at organizations with 100 employees or more.

One reason for the partnerships may be financial. Most have of these commercial outlets (66 percent), reported that their budgets had decreased over the last five years. About 15 percent said their budgets increased during the same timeframe. Just 9 percent said their budgets remained the same.

There are a number of ways in which commercial news organizations might collaborate with a nonprofit funder or news outlets, and the commercial media in our sample had a wide range of partners.

Commercial media in this sample collaborated with a wide range of nonprofits

Which types of nonprofits did you work with?



Percent commercial media who have received funding or partnered with nonprofits

Data Source: Survey conducted Oct. 6 - Nov. 5, 2015. Question: Which of the following types of nonprofit organizations have you collaborated or partnered with in the last five years? (More than one response accepted.)

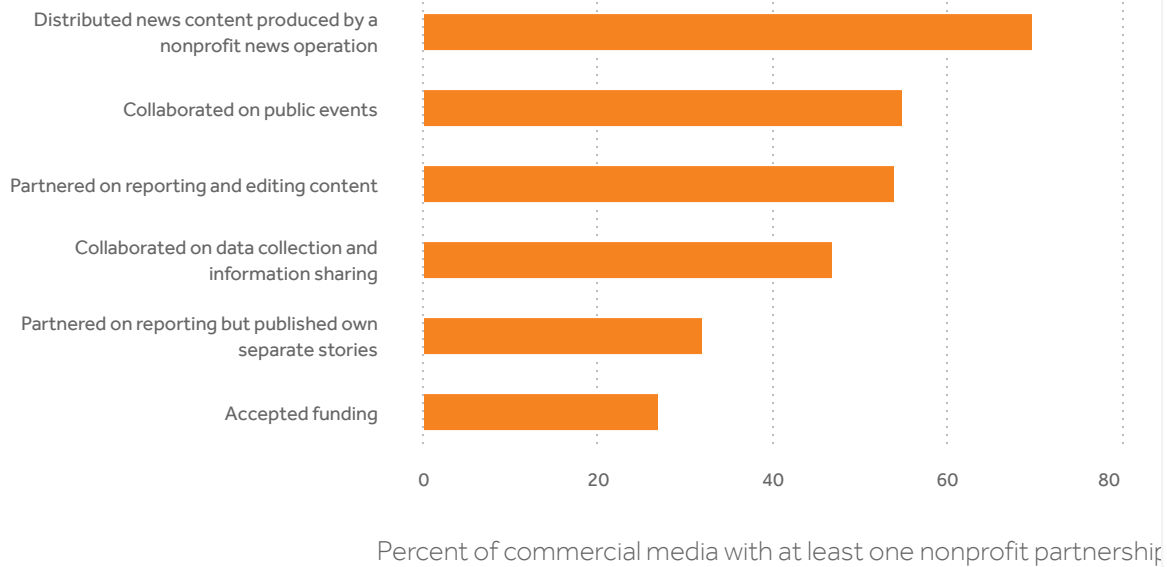
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The largest number of these collaborations in the survey were with universities or “other educational organizations” (71 percent). Forty-five percent said they had collaborated in the last five years in some way with foundations, and 50 percent said they have done so with a local community organization. Almost as many had collaborated with nonprofit news organizations (42 percent).

What do the collaborations look like? Most of these were partnerships of some kind, rather than accepting funding. More than a quarter of those surveyed said they had accepted funding in the last year from a foundation or other nonprofit (about half said they had not). More common were collaborations that did not involve direct funding, either partnering on reporting and editing content, collaborating on collecting data or information, or collaborating on public events. The most common collaboration was distributing news content produced by a nonprofit news operations (70 percent said they had done so).

Most of these commercial media's collaborations with nonprofits were partnerships rather than funding deals

In the last year



Data Source: Survey conducted Oct. 6 - Nov. 5, 2015. Question: How many times in the last year, if at all, have you entered into any of the following partnerships or collaborations with a nonprofit news organization, funder, university, college or other nonprofit?

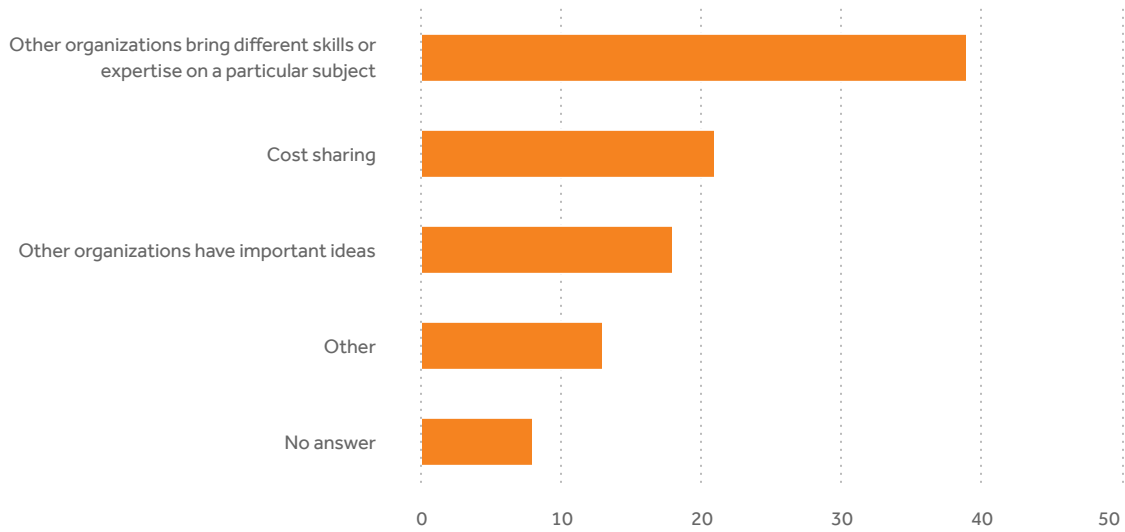
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More generally, the hypothesis has been that commercial and nonprofit partnerships are growing. The data in our sample support that claim. Of all those who had participated in collaborations of any kind, the majority (54 percent) said they have increased the number of such partnerships over the last five years. Significantly fewer (25 percent) said their partnering has remained at about the same level. Only 7 percent said the amount of partnerships had decreased. (Fifteen percent were unsure.)

In the survey we looked to probe why commercial were forming these nonprofit relationships. The most common answers had to do with resources.

For most commercial media, partnerships with nonprofits provide a path to more resources

What is the main reason you partner with nonprofits?



Data Source: Survey conducted Oct. 6 - Nov. 5, 2015. Question: Overall, which of the following is the MAIN reason your newsroom forms partnerships with nonprofit organizations?

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A fifth (21 percent) said the arrangements help share the cost of the project. A plurality (39 percent) said the partnering nonprofit organizations bring “different skills or higher level of expertise on a particular subject.” A notable amount referenced the values of the organization: Some 18 percent said the nonprofit organizations “have had important project ideas.”

The essays

Surveys can be a valuable research tool because they can offer some sense of scale. But they do not allow respondents to articulate their ideas in depth. As a consequence, we commissioned five essays from prominent stakeholders in the journalism-funding eco-system: Two are from nonprofit news outlets, two from foundations that fund media, and one from an advertising-supported media company. Some of the ideas have been referenced above where they intersected with survey results. What follows are summaries of each essay and links to the full texts:

ProPublica president Richard Tofel wrote that he believes well-established independent news values, what he refers to as the “old rules,” should govern the new relationships between donors and journalists, just as the “old rules” governed relations between newspapers and advertisers.

That means, to begin with, that transparency is critical to show who the funders and advertisers are and how much they are contributing. Likewise, neither advertisers nor donors should dictate editorial content and they shouldn’t know of it in advance. And having multiple funders, just as diversifying the number of advertisers, assures continued independence. “But no matter what you do, and what rules you have in place,” Tofel writes, “you may sometimes need to remind advertisers (i.e. donors) of the limits of their influence.”

When editors are “too eager to please funders,” he writes, “unfortunate compromises can ensue.” And “when they refuse to do so they can actually strengthen their news operations.” Tofel concludes with the classic case of General Motors when it was the largest corporation in the world. GM sought to retaliate against unfavorable reporting by the Wall Street Journal by cutting off all of its advertising. The paper held its ground, editorializing that advertising could not be allowed to dictate editorial content. GM eventually backed down, and the Journal gained prestige from the fight. “This is a tale all publishers should bear in mind when confronting pressure from advertisers — or donors,” Tofel writes. “The rewards for compromising principles are all transitory, while those from the preservation of independence and integrity can be enduring.”

Alan Rusbridger, former editor-in-chief of The Guardian, writes that even for media that accept advertising, foundations can be an important additional source of funding, particularly for newspapers like the Guardian, a commercial operation owned by a trust. The London-based newspaper has received about \$13 million in philanthropic support over the last three years out of a \$250 million annual budget.

A six-year grant from the Gates Foundation, for example, has been instrumental in helping the Guardian report on the U.N.’s Millennium Development Goals aimed at improving the lives of the world’s poorest people. Such foundation support to its core editorial operation has helped the Guardian produce high-impact global reporting adding to its international audience.

“Does it cause us ethical dilemmas? Well, the dangers are obvious,” Rusbridger writes. He argues that the Guardian has done its best to be transparent about philanthropic support and to create clear rules. (For example: “Any journalism produced as a result of charitable grants is completely independent and does not promote or refer to any of the activity of the funder.”) This is so people are clear about what it is they’re reading.

Before stepping down from his editor role in 2015, Rusbridger decided on more of a “campaigning approach” for some of the Guardian’s coverage – not the more classic impartial approach seen in most American news outlets. He cited the paper’s approach to global warming as an example.

But Rusbridger said the paper would not use foundation support for its campaigns. “I think there is an important future for foundation funding of journalism,” he concludes. “It’s not a silver bullet. But it is, generally, a force of good. And no one has yet discovered the silver bullet.”

Joe Bergantino, co-founder and executive director of the New England Center for Investigative Reporting (NECIR), announced in September 2015 he was stepping down from his role in the organization he co-founded in 2008. He tells the story of an early \$25,000 donation to NECIR when it was just getting started. The news organization decided to give the money back to the donor, he recalls, despite the fact the donor suggested he would be giving an additional \$1 million over the next year. The reason had to do with the donor’s other activities. It turned out the donor was involved in funding a Massachusetts state senator who later went to prison for bribery. “We clearly couldn’t accept a donation from someone with a connection to a major political scandal dominating the news,” Bergantino writes, even though the donor was never named in an indictment or charged with a crime.

Accepting the money, he says, “would have tarnished our center’s name and raised questions about our ethics and integrity before we even opened our doors. So began our journey down the mine-filled road of fundraising for a nonprofit news outlet.”

For the last nearly seven years, NECIR has been cautious in its fundraising, doing background research on any donation of \$1,000 or more. Foundations, which represent the bulk of their funding, have been “totally hands off ... There are no strings attached.”

There was, however, one exception, Bergantino writes. An unnamed national foundation seemed to be telling the news organization that if they reported on a particular subject with a point of view that matched that of the foundation, “it would improve our chances of securing a grant. We chose not to apply.”

In another local incident, NECIR was accused of running a story because it was critical of an office park owned by a family foundation that had rejected NECIR’s request for funding. In fact, there was complete separation between the Center’s fundraising and its editorial decision-making behind the office park story. “The controversy pointed out just how important it is to maintain a very high wall between the journalism and the fundraising arm of a nonprofit center like ours.”

Kathy Im and Peter Slevin of the MacArthur Foundation come out strongly in support of giving unrestricted general operating funds to news organizations. Such unrestricted grants, they write, provide “a flexibility that allows professional journalists to pursue promising investigative leads not approved in advance by funders or tied to a funder’s pet issue.” Philanthropy is a crucial component of the success of nonprofit news organizations, they say. Such funding enables news organizations “to pursue important stories that do not make commercial sense, particularly in the costly realms of investigative and international reporting.”

They write that, “Many organizations would not exist, much less thrive, without such contributions.” Yet, Im and Slevin are critical of funders “who dictate how these funds can be used, pushing journalists to produce work in line with the funders’ interests.” Restricted grants work well from the funders’ perspective because they are more aligned with the funders’ strategy and program goals.

However, Im and Slevin say, “We believe it is journalists and editors themselves who are best able to identify fresh and significant stories while building an audience and sustaining a news organization. The work of the funders is to identify smart, innovative and ethical newsroom leaders and then trust them to do the right thing.” From a journalism organization’s perspective, they conclude, “restricted support can be, well, restrictive. Grants often carry built-in expectations of advocacy, starting with an answer to defend, not a question to explore.” They view unrestricted funding as vital to help nonprofit news organizations experiment and innovate.

Dan Green, director for program advocacy and communications the Gates Foundation, one of the two foundation funders of this research, focuses on the perception that foundation support of media taints objectivity. Even though the Gates Foundation is transparent and respects the editorial integrity of the news organizations it funds, Green thinks that may not be enough “to address *perceived* conflicts of interest.”

Green says that, “When media organizations name their funders, some audience members will suspect an agenda in the related content: Has the funder influenced this story? Is this an advertorial?” He says a healthy relationship between funders and news organizations is like a Venn diagram, in which the desired outcome of the media and the foundation overlap “without damaging the credibility or integrity of either one.”

For all that, however, Green writes that, “The reality is that there are few hard-and-fast rules, which can sometimes complicate the relationship between media organizations and philanthropic funders.”

The principle of editorial integrity “aims to ensure that our grantees make content decisions based on editorial merit, not on the funding relationship. Grantees should not feel obligated to cover a story because of the funding source, nor should they avoid it. Yet it happens.”

Those challenges might lead some to consider two simpler options, though Green says neither one is really adequate. Funders could decide to avoid media funding entirely, thereby avoiding the complication that critics might charge them with tainting independent media. Or, with publishers more willing to sell native advertising and sponsored content, donors could push to fund more targeted, message-aligned content. But, not unlike Rusbridger, he argues that message alignment could irreparably damage the credibility of both organizations.

“I believe there is a middle ground,” Green concludes instead, “in which funding can be framed within certain respected guidelines and best practices ... In that middle ground, funding to sustain coverage of important, underreported stories is a good thing; allowing funders to dictate coverage more broadly is not.”

In the end, “Publishers must protect their credibility by ensuring that any targeted funding they receive aligns with their own mission. Finding that balance is difficult but achievable. Our most credible news organizations and their editors do it pretty well every day.”

Methodology

The surveys of foundations and media organizations do not represent of all media-funding foundations, nonprofit media organizations or commercial news outlets in the United States. The precise size and scope of that universe is difficult to determine, but efforts were made to have as comprehensive and representative sample as possible.

Although the surveys are not based on probability samples (and therefore no margin of sampling error can be calculated), we believe they offer a useful contribution to the understanding of this community. Rather than the precise size of each perspective, the surveys can reveal the range of views of people who are dealing with the same concerns.

For the sample, we identified as many foundations and media as possible, using lists compiled by several professional groups, including Local Independent Online Publishers, Newspaper Association of America, Institute for Nonprofit News, Investigative Reporting Workshop and Media Impact Funders. The sample was augmented with original research by API and a list of nonprofit news publishers assembled by the Pew Research Center in 2013.

Email invitations containing links to the appropriate on-line survey were sent, with reminder follow-up emails close to the deadline. The surveys were conducted using Survey Monkey, an online research software system.

Survey invitations were sent to representatives of 102 foundations and other grant making institutions. A total of 76 funding organizations responded, a 75 percent response rate. The results in this report are based on the 63 funders who said yes to the screening question, “Does your foundation make grants to news or media organizations?”

For nonprofit media organizations, 119 emails were sent, and representatives from 94 outlets responded to the survey for a response rate of 79 percent. Emails were sent to top editors and managers at 662 commercial news companies and 146 responded, giving the survey a 22 percent response rate. Of those organizations, 76 said they ever had partnered with nonprofit media or accepted nonprofit funding.

While the response rate for commercial news survey is not as high as the other two polls, it is much better than the response rate for a typical survey of the general public. In addition, it is certainly possible that many of the media outlets chose not to respond because they have had no relationships with any nonprofit group.

The surveys were executed in stages from May to November 2015. Surveys were completed by nonprofit media organizations in two phases, May 20 to July 5 and Oct. 16 to Nov. 2. Commercial news outlets were surveyed Oct. 6 to Nov. 5. And the surveys of funders were conducted May 21 to July 6.

Download the topline results

The topline results for the nonprofit news outlets, commercial news outlets, and funders are available for download.