

Table of Contents

Overview of the 2022 Community News Fund Ecosystem	3
Challenges Facing Journalism Philanthropy	5
Assets to Building Sustainable Community News Funds	6
Spotlight on Community News Funds	7
What We're Seeing in other Community News Fund Communities	9
Next Steps and Call to Action	10

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Overview of the 2022 Community News Fund Ecosystem

We Define a Community News Fund (CNF) as:

A fund created by a partnership of foundation(s) and newsroom(s) to create long-term support for the local news ecosystem.

In recent years, more funders have begun to recognize that Community News Funds (CNFs) are an effective way of supporting local journalism, healthy communities, and democracy. CNFs are created by a partnership of foundation(s) and newsroom(s) to create long-term support for the local news ecosystem. From Lancaster, Pa., to Fresno, Calif., local and regional donors, and foundations are stepping up to make large, multi-year grants to local Community News Funds.

In 2022, Report for America profiled seven cases in our <u>Community News Fund Report</u>. In that report, we identified key strategies for creating CNFs, challenges communities encountered creating the funds, and local and national strategies to help initiate and amplify this work. At that time, the seven CNF cities had raised more than \$15 million in philanthropy for local news between 2018–2021.

Report for America followed up with these communities to study the progress of their funds. Overall giving to these CNFs is steady — producing more than \$6 million in donations in 2022. Multi-year grants and major gifts provide the baseline from which newsroom and philanthropic leaders are building long-range plans and a strong base for the future of their CNFs.

Community News Funds include the following characteristics:

- They involve a partnership between a foundation, typically a community foundation, and at least one newsroom.
 CNFs often start as a fund to support one newsroom and grow into one that supports the broader larger news ecosystem;
- Foundations leverage their civic leadership position to solicit multi-year donations from more local institutional and individual donors;
- Foundations support newsrooms through back-office support and help build a newsroom's fund development skills;
- Foundation and newsroom staff create a philanthropic and news plan, work together to build their community's understanding of the local news crisis and establish the newsroom as a worthy philanthropic pillar in the community;
- CNFs go beyond relying just on the fundraising efforts by a single newsroom.



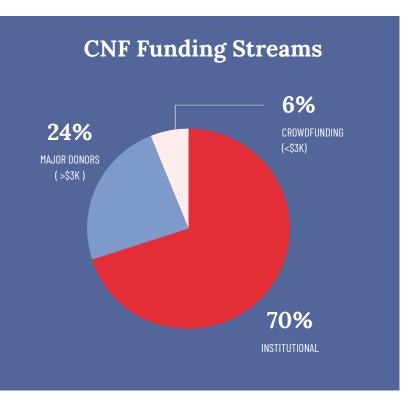
I think we probably exemplify the evolution of a new organization. There's great excitement and passion the first year, "Oh, everything's new. Everything's different." In the second year, you start to develop some real plans. We're really slogging through implementation now. It's not quite as exciting as it was the first year, so keeping everybody engaged and committed is harder because it's not quite as exciting as it was at first. The hard work is really ahead of us. We've taken care of all the low-hanging fruit, and now it kind of comes down to the next level of development for us.

Susan Eckert Lancaster County Local Journalism Fund

Institutional Giving

CNF communities operated with large multi-year gifts. The overall amount raised for the seven CNF communities was \$6,125,102, with an average CNF raise of \$875,015. A majority of that funding (70%) was from institutional funders — totaling \$4,297,833 funds raised. Institutional gifts for CNFs were between \$7,500-\$128,000.

Institutional giving serves as the critical funding base for CNFs, with multi-year gifts providing stability, a runway to establish themselves, and time to diversify their funding streams.



Major Donors

Major donors comprised an average of 24% of CNF giving, with \$1,450,333 raised for the seven CNF communities and an average raise of \$241,722. Similar to institutional giving, major donors' multi-year donations give the CNFs the time and staff to build a sustainable plan and infrastructure.

Crowdfunding

Crowdfunding remained a proportionally small portion of CNF budgets at 6%. But CNF leaders noted that crowdfunding activities are an important way of engaging and informing the community about CNF work and building long-term sustainability. The total crowdfunding raise for the five CNFs that conducted crowdfunding activities was \$376,936. The range in the number of donors was \$250-\$3,217, with an average gift of \$399.

A multi-funder, multi-year, multi-newsroom, collaborative approach is appealing to donors and funders because it builds a sustainable, community-based framework to address the crisis in local news. While community foundations can often seed the CNF, a key function is their social capital and the ability to manage the philanthropic process. Newsrooms are often inexperienced and/or understaffed to take on such an endeavor. Buoyed by multi-year institutional gifts and stalwart support from local donors, CNFs reported a sense of optimism about the future of their collaborations and how local journalism is becoming a community pillar that people will support with their philanthropic dollars.

Challenges Facing Journalism Philanthropy



We've benefited from great support and training, but it's always hard to simply find the time to do all the work we need to do.



Joanna Zuckerman Bernstein Spotlight PA



CNF leaders agreed upon two challenges facing them as they move their CNF funds from emerging to established funds: the need for staff to help with capacity-building work (fund development, planning, stewardship) and new, multi-year funding opportunities.

Dave Mengebier, President and CEO of Grand Traverse Regional Community Foundation, echoed this sentiment:

Someone needs to take ownership of the process; someone who can write grants, plan, and host events, and meet with prospective donors."

This comment reflects the need for CNF collaborations to find financial backing to create or amplify their fund development capacity.

Kristin Dizon and Kati Erwert of the Seattle Times noted:

The biggest challenge has been finding enough support for Project Homeless as many funders have pivoted to direct services funding or have shifted away from homelessness altogether. We are finding that smaller, in-person cultivation is more successful. This takes more time in our staff's schedules to put together and host."

When asked to rank where the philanthropic community can invest dollars, the CNF leaders ranked the following six investment areas in order of importance:

- 1. Support for local news collaborations
- 2. Hiring fundraising or development staff
- 3. Community engagement activities
- 4. Strategic planning process
- 5. Upgrading technology
- 6. Raising pay to increase newsroom staff retention

The message and need for philanthropic support for capacity building is clear. Bolstering local journalism means simultaneously creating the infrastructure within the community to support and sustain this work. Relying upon newsroom leaders to take on this work in addition to their current newsroom responsibilities is not a sustainable model.

Assets to Building Sustainable Community News Funds



After a decade of building our community-funded initiatives, we are grateful to see this work rapidly growing in local journalism. The partnership, ideas, and shared enthusiasm for this area is energizing. It's gratifying to see success growing exponentially around the country.



Kristin Dizon Seattle Times



Kati Erwert Seattle Times

Community News Fund leaders identified four areas where they'll focus their fund development efforts in 2023:

- Using the results of the focus group to inform and focus the newsroom's fund development strategy;
- 2. Growing individual giving;
- 3. Developing another major community-funded project within the next year;
- 4. A focused strategy to secure multi-year gifts of \$5,000 or more.

The priorities ranked here outline a clear need for the CNF communities to have staff/consultant time to create, implement, and sustain CNF work. The result of this investment is a CNF that has a clear strategy, a robust marketing campaign, and diverse revenue streams from multi-year gifts from foundations and donors.

Strategies

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Spotlight on Community News Funds

Below, we highlight stories from the seven Community News Funds we studied last year. Here's what they have to say about the progress of their work.

California Statewide

Media in Color, Inland Empire Community Foundation

For Media in Color, our biggest success is using philanthropic support to support fifteen newsrooms across the state to help them become more successful in getting more funding through our grant writing trainings.

In 2022, Black Voice News worked with our local community foundation, Inland Empire Community Foundation, to create a Community News Fund that will support our local news ecosystem.

Fresno, California

Central Valley Community Foundation's Impact and Media Fund,

We have invested \$206,000 in grants to local newsrooms/community-based organizations.

Lancaster, Pennsylvania

Lancaster County Local Journalism Fund

Our biggest success is we have received a grant from <u>The Steinman Foundation</u>. We have also awarded a grant to <u>LNP Media</u> for a reporter who will be covering hate groups in the Lancaster area. The grant was for \$250k/2 years.

Pennsylvania Statewide

Spotlight PA

Thanks to the support of AJP, we were able to hire a full-time membership manager and a full-time major gifts director. Those hires were made over the summer and have enabled us to greatly expand our fundraising program. We've also had a major gifts advisor working with us on a contract basis specifically to raise money for our new State College regional bureau.



Lexington, Kentucky

Blue Grass Community Foundation, CivicLex, Lexington, Herald-Leader

We currently have two AmeriCorps*VISTAs who are working on capacity building for CivicLex and civic culture in Lexington more broadly. Combined with our full-time staff, they attend every single board and commission meeting, report on the decisions being made, and produce resources and events to help residents understand complex civic issues and how to make their voices heard.

Seattle, Washington

Seattle Times' Lab

Our community funding has really rounded out beyond just larger "lab" or major project funding to include more support for more specific or discrete areas of coverage. Our biggest success has been a very talented team that brings excellent mental health coverage to the community. They have done a lot of outreach and engagement with stakeholders, other journalists, mental health experts, and more. And they have won awards for their work, earned fellowships, and sparked interest in other communities.

Traverse City, Michigan

Grand Traverse Regional Community Foundation, Traverse City Record-Eagle

We've identified a vision to enhance life in our region by ensuring we have high-quality and innovative approaches to local journalism. We have the right partners to affect the vision.

What We're Seeing in other Community News Fund Communities

The practice of collaborative fundraising, which is core to CNF principles, was well underway before Report for America's 2022 report highlighted the collective actions and put more weight into a title. Since the report, funds have continued to emerge, with some of them highlighted below. Gatherings in Los Angeles (Online News Association), Philadelphia (Lenfest and Media Impact Funders), Grand Rapids (Michigan Council of Foundations), and Orlando (America's Newspapers) have showcased the CNF concept and highlighted cities.

Some of the notable projects we've seen over the past year that we are excited to work with on our 2023 Community News Fund Workshop series are:

- In Atlanta, the <u>Civic Journalism Impact Fund</u>, housed at the <u>Community Foundation for Greater Atlanta</u>, "will expand support and strengthen reporting of community-oriented news and information throughout the metro Atlanta area and allow donors to support local journalism." Thanks to the fund and support from the foundation, <u>The Atlanta Journal-Constitution</u> in 2022 was able to solicit tax-deductible donations in support of its journalism. Proceeds from the newspaper's end-of-year campaign will go toward Report for America stipends.
- New Hampshire Charitable Foundation provided Concord Monitor with a \$25k grant to support the work of their corps members. This is the third year in a row that NHCF has supported the Monitor's work and is a great example of multi-year gifts that have a positive impact on the community served. In addition to supporting the Concord Monitor and other NH newsrooms, NHCF is a key strategic planning partner with Granite State New Collaborative to explore the creation of a statewide Community News Fund.
- In August 2022, the <u>NEW News Lab</u> was awarded a \$75,000 grant from the <u>Greater Green Bay Community Foundation</u>, <u>Community Foundation for the Fox Valley Region</u>, and the David L. and Rita E. Nelson Family Fund. The funds were distributed as follows: The Green Bay Press-Gazette (\$11,750), the Post-Crescent (\$11,750), The Press Times (\$11,750, Wisconsin Public Radio (\$11,750), Wisconsin Watch (\$11,750), Fox Valley 365 (\$11,750) and UW-Green Bay (\$2,000).

Since the inception of the News Lab in May 2021, Microsoft has supported the lab with \$600,000 in donations to the **Northeast Wisconsin Journalism Initiative**.

• Colorado Media Project brings together funders, local news innovators, and community leaders to develop and support initiatives that build a healthier, more equitable, solutions-focused local news and information ecosystem for all Coloradans. Since its launch in 2018, CMP has raised more than \$6.2 million and made more than 150 grants to Colorado newsrooms and projects and has helped newsrooms increase individual philanthropic giving totaling an additional \$2.3 million through the annual #newsCOneeds matching challenge. CMP also has worked with partners to catalyze support for the launch and growth of new media models, including the Colorado News Collaborative, the Colorado News Conservancy/Colorado Community Media, the Colorado Sun, and Colorado Public Radio-Denverite.

Next Steps and Call to Action

"Report for America is committed to expanding its support of Community News Fund work across the country. We view this as a critical investment into the stability and sustainability of local news ecosystems and the health and vitality of US communities."



Rob Zeaske CEO and President The GroundTruth Project

As the nascent idea of Community News Funds emerges within the local news philanthropy movement, sustaining the work will require investments in both staffing and specific programming on the local and national levels.

Below are key focus areas that Report for America's Local Sustainability team will target in the coming year. Our goal is to engage as many CNF communities as we can across the country and to help launch emerging collaborations through training, technical assistance, and sharing best practices. We are launching three programs to boost CNF work across the country, learn from emerging and established CNF fund leaders about their experience, and create a collaborative network of CNF thought leaders.

Community News Fund Workshop

In January 2023, Report for America launched a <u>6-month workshop</u> with 14 Community News Fund leaders from across the country. The purpose of the workshop



is to help Community News Fund leaders create or amplify their CNF by building their capacity around critical issues, including strategic planning, donor recruitment retention, marketing a CNF, community landscape, and community engagement.

Community News Fund Map

Report for America has partnered with <u>Mapping</u> <u>Black California</u>, a project of <u>Black Voice News</u>, to create a map of CNF sites, contact information, and an overview of the CNF's funding, mission, collaborators, and service area.

Community News Fund Toolkit

Report for America will take lessons learned and tools and templates generated from the Community News Fund Workshop and create a Community News Toolkit that will provide communities interested in creating/amplifying a Community News Fund with tools, templates, and best practices.

Long-Term Strategy for Community News Fund Sustainability

In addition to these three key products, Report for America is focusing on three long-term strategies to support and sustain the Community News Fund movement.

National Data and Evaluation

Report for America has a commitment to tracking and evaluating its work as well as the work of CNFs across the country. By maintaining strong relationships with thought partners such as Impact Architects and Google News Initiative, we plan to create common evaluation questions, metrics, and adaptable evaluation tools for our CNF communities. The Community News Fund Map will be the central point for us to gather and demonstrate the work of CNFs across the country.

Collaborations

Key to the success of the CNF movement is a strong network of CNF communities based on collaborations on the grassroots, state, and national levels. In order to build this network, Report for America will continue its training and technical assistance work with any community that is interested in learning more about CNF work. Additionally, Report for America is committed to working with colleague journalism intermediaries to coordinate efforts and collaborate when/where possible to make the most efficient use of funding resources and our local newsroom and funders' time.

At the core of healthy, successful CNFs are community collaborations that reflect the communities they serve. Report for America will actively work with CNFs to build collaborations between smaller newsrooms and larger newsrooms that have development teams to build CNFs. Particular emphasis will be put on collaborations between BIPOC newsrooms and less diverse newsrooms. Along with this, we will encourage CNFs to engage community-based organizations to bolster work and build trust with traditionally underserved/underrepresented communities.

Finally, in the coming year, Report for America will look to partner with colleague organizations, colleges, and universities to build its technical assistance capabilities around landscape assessment and community engagement work.

• Philanthropic Support for Community News Funds

Finally, we encourage funders to support CNF requests for both journalism as well as capacity building, specifically funding for development staff/consultants), funding for landscape, and funding for local/regional meetings that bring together funders and newsrooms to discuss the assets, challenges, and opportunities in the local news ecosystem.

We are optimistic that Community News Funds are an essential tool for sustaining and amplifying the local news ecosystems. To do this, we ask that funders support local journalism work as well as provide grants to build the fund development capacity and landscape assessment work needed to create and sustain CNFs.

For newsrooms, we ask that you reach out to your colleague newsrooms and community-based groups to see how you can collaborate to ensure that news deserts, underrepresented communities, and critical beats are covered.

Finally, we ask you to join us in this Community News Fund movement and share what's working, what's challenging, and what you need on the local, regional, and national levels to save local news.

Please take a moment to include your work in our research and <u>help us tell the story of the amazing work that is being done across the country.</u>

