



Re-Imagining JOURNALISM

Local News for a Networked World

A WHITE PAPER BY MICHAEL R. FANCHER


THE ASPEN INSTITUTE
Communications and Society Program

 Knight Foundation

A project of the Aspen Institute Communications and Society Program
and the John S. and James L. Knight Foundation.

Re-Imagining Journalism: Local News for a Networked World

A White Paper on Recommendations 1 and 3
of the Knight Commission on the Information Needs of
Communities in a Democracy

written by
Michael R. Fancher



THE ASPEN INSTITUTE
Communications and Society Program
2011

The Aspen Institute and the John S. and James L. Knight Foundation invite you to join the public dialogue around the Knight Commission's recommendations at www.knightcomm.org or by using Twitter hashtag #knightcomm.

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The Aspen Institute
One Dupont Circle, NW
Suite 700
Washington, D.C. 20036

Published in the United States of America in 2011 by The Aspen Institute

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Printed in the United States of America

ISBN: 0-89843-553-6
11/015

Individuals are encouraged to cite this paper and its contents.
In doing so, please include the following attribution:

Michael R. Fancher, *Re-Imagining Journalism: Local News for a Networked World*,
Washington, D.C.: The Aspen Institute, June 2011.

For more information, contact:

**The Aspen Institute
Communications and Society Program**

One Dupont Circle, NW
Suite 700
Washington, D.C. 20036
Phone: (202) 736-5818
Fax: (202) 467-0790
www.aspeninstitute.org/c&s

To purchase additional copies of this paper, please contact:

The Aspen Institute
Publications Office
P.O. Box 222
109 Houghton Lab Lane
Queenstown, MD 21658
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Fax: (410) 827-9174

Cover background graphic was created in part at www.wordle.net.



A project of the Aspen Institute Communications and Society Program
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From Report to Action

Implementing the Recommendations of the Knight Commission on the Information Needs of Communities in a Democracy

In October 2009, the Knight Commission on the Information Needs of Communities in a Democracy released its report, *Informing Communities: Sustaining Democracy in the Digital Age*, with 15 recommendations to better meet community information needs.

Immediately following the release of *Informing Communities*, the Aspen Institute Communications and Society Program and the John S. and James L. Knight Foundation partnered to explore ways to implement the Commission's recommendations.

As a result, the Aspen Institute commissioned a series of white papers with the purpose of moving the Knight Commission recommendations from report into action. The topics of the commissioned papers include:

- Universal Broadband
- Digital and Media Literacy
- Public Media
- Government Transparency
- Online Hubs
- Civic Engagement
- Local Journalism
- Assessing the Information Health of Communities

The following paper is one of those white papers.

This paper is written from the perspective of the author individually. The ideas and proposals herein are those of the author, and do not necessarily represent the views of the Aspen Institute, the John S. and James L. Knight Foundation, the members of the Knight Commission on the Information Needs of Communities in a Democracy, or any other institution. Unless attributed to a particular person, none of the comments or ideas contained in this report should be taken as embodying the views or carrying the endorsement of any person other than the author.

Re-Imagining Journalism: Local News for a Networked World

Executive Summary

The Knight Commission on the Information Needs of Communities in a Democracy reached a stark conclusion: The financial challenges facing private news media could pose a crisis for democracy.

When the Commission issued its report in October 2009, news media companies had suffered several years of falling revenues. The nation's economic meltdown and a structural shift of advertising from traditional mass media to the Internet, forced print and broadcast news organizations to cut staffs and coverage. There was growing concern that the loss of traditional media at the local level would lessen citizens' ability to have the information they need for their personal lives and for civic engagement, as well as their ability to hold government accountable.

Yet, the Commission said, this is a moment of journalistic opportunity. The same digital network technology that is disrupting the business model for American journalism "can lead to a new ecology of journalism in which reporters and their publics intermix in new ways."

Technology is opening amazing possibilities to give people convenient access to both civic and life-enhancing information, without regard to income or social status, the Commission said. What is needed, it added, is "fresh thinking and new approaches to the gathering and sharing of news and information."

From the standpoint of public need, the Commission said, the challenge is not to preserve any particular medium, but to promote the traditional public service functions of journalism. The question to be answered, the Commission said, is this:

How can we advance quality, skilled journalism that contributes to healthy information ecologies in local communities?

The Commission's definition of journalism broadly encompasses "the gathering, preparing, collecting, photographing, recording, writing, editing, reporting, or publishing of news or information that concerns local, national, or international events or other matters of public interest for dissemination to the public."

This paper offers strategies and action ideas to strengthen local journalism. The paper focuses on journalism supported by marketplace incentives, including both for-profit and not-for-profit models. (Public media is examined in a separate Aspen Institute white paper entitled, "Rethinking Public Media: More Local, More Inclusive, More Interactive," by Barbara Cochran.)

Journalism traditionally has involved a mostly one-way communication from producers to consumers. Journalists gathered and edited news, then distributed it to people who consumed it rather passively. Journalism operated that way because information was scarce, gathering and distributing it was expensive and technology was a limiting factor.

The Internet and digital communication technologies are remarkably changing what is possible. Information is moving from scarcity to over-abundance; distribution from expensive to cheap, and news consumption from passive to interactive. People now have unprecedented ability to be their own reporters, editors and distributors of information.

Examples of this dramatic shift abound, but none is more powerful than the “Facebook Revolution” in Egypt. The social network enabled protestors to organize, coordinate and act. They could instantaneously communicate, not just to each other, but to the world. Almost unimaginably, they ended the 30-year reign of President Hosni Mubarak.

After Mubarak stepped down, Wael Ghonim, the Google marketing manager who became a leader of the revolt, was asked where the next uprising would be. His answer: “Watch Facebook.”

That statement has profound implications for the future of journalism, including the local journalism that has been so vital to American democracy.

This paper rests on a fundamental premise: If journalism did not exist today, it would not be created in the form that it has been practiced for the past century. The values, functions and purposes of journalism are as important as ever, but journalism must be re-invented as an interactive endeavor if it is to remain relevant and accountable. Journalism education must play a key transformative role.

The key elements of that re-imagining are: experimentation, collaboration and engagement. Because one cannot know what ideas might work in a time of technological disruption, this paper offers five strategic areas that are broad and structural. They are not intended to be exhaustive, but they can be catalysts for thinking about possibilities.

I. For-profit media organizations must re-invent themselves to extend the role and values of journalism in interactive ways

Despite their economic challenges, traditional for-profit news organizations continue to play a central role in providing local news and information. The paper offers ideas for how they can transform themselves more rapidly and contribute more effectively to healthy information ecologies in local communities through greater collaboration and a renewed emphasis on diversity.

II. Not-for-profit and non-traditional media must be important sources of local journalism

Digital technology is enabling many new forms of local media, but there are not yet clear pathways to how these efforts can be financially sustainable. The paper

offers ideas for how these emerging efforts can best serve local community information needs. It suggests their chances of success will be greater if these efforts are targeted at meeting specific information needs of communities, if results are measured and if capacity is built through networking and shared resources.

III. Higher education, community and non-profit institutions can be hubs of journalistic activity and other information-sharing for local communities

The paper applauds ways in which many schools of journalism are embarking on new endeavors to teach and create journalism. But it suggests the need for a systematic re-examination of journalism curriculum. Because journalism education is not bound to any particular media platform or industry, it can play a lead role in re-inventing journalism for the networked world. This includes training non-traditional journalists to contribute to the flow of local news and information. The paper also identifies ways in which community institutions such as libraries can create journalistic activities.

IV. Greater urgency must be placed on relevance, research and revenues to support local journalism

The paper asserts that traditional and emerging media—for-profit and non-profit—need to better understand how to create information value in the interactive world. It suggests that content creators and technology service providers develop shared principles and mechanisms to appropriately compensate creators for the value of their work. It calls for improved audience metrics and research as part of re-inventing potential revenue streams.

V. Government at all levels should support policies that create an environment for sustainable, quality local journalism

The paper starts from a view that government likely will not fund journalism, directly or indirectly, in the near term. This is because of strained budgets at all levels and political polarization. Nonetheless, the paper identifies ways in which government can facilitate new ownership and collaboration models, encourage competition and stimulate public awareness of the importance of local journalism to community health.

In conclusion, the paper asserts that everyone has a role in advancing quality, skilled journalism that serves local communities. In an interactive world, journalism must be a trusting partnership between journalists and the public. Building that partnership will require enlightened leadership within news organizations and deep public engagement with the news media.

The Internet is giving journalism a fresh start. A chance to recreate itself in the way it should have been originally, if the technology had allowed.

It is also a fresh start for the public. For all the bad things people say about news media, they understand its importance in their personal and civic lives. They now have a genuine opportunity to help shape the future of journalism, and a responsibility to do it.

**RE-IMAGINING JOURNALISM:
LOCAL NEWS FOR A NETWORKED WORLD**

Michael R. Fancher

Re-Imagining Journalism: Local News for a Networked World

Direct media policy toward innovation, competition, and support for business models that provide marketplace incentives for quality journalism.

— Recommendation 1, *Informing Communities: Sustaining Democracy in the Digital Age*

Introduction

The financial plight of news media companies was alarmingly clear when the Knight Commission released its report in October 2009. Newspapers were closing or filing for bankruptcy. Print and broadcast news staffs were being cut and coverage reduced. There was growing concern that the loss of traditional media at the local level would lessen citizens' ability to have the information they need for their personal lives and for civic engagement, as well as their ability to hold government accountable.

The Commission's conclusion was stark: "The current financial challenges facing private news media could pose a crisis for democracy."

The Commission also made several counter-intuitive assertions:

- This is a moment of journalistic opportunity.
- From the standpoint of public need, the challenge is not to preserve any particular medium. It is to promote the traditional public service functions of journalism.
- Journalistic institutions do not need saving, they need creating. America needs "informed communities" in which journalism is abundant in many forms and accessible through many convenient platforms.
- This will require experimentation and will include for-profit, non-profit and public models. Universities, other community institutions and the public should participate in these experiments.

Starting with those assertions, this paper will offer strategies and action ideas to strengthen local journalism. The paper focuses on journalism supported by marketplace incentives, including both for-profit and not-for-profit models. (Public media is examined in a separate Aspen Institute white paper, “Rethinking Public Media: More Local, More Inclusive, More Interactive,” by Barbara Cochran.)

This paper rests on a fundamental premise: If journalism did not exist today, it would not be created in the form that it has been practiced for the past century. The values, functions and purposes of journalism are as important as ever, but journalism must be re-invented as an interactive endeavor if it is to remain relevant and accountable. Journalism education must play a key transformative role.

Technology is creating a networked world in which people have unprecedented control over their use of media. They can be their own editors; they can create and widely share their own stories. Therefore, everything about journalism should be re-examined in light of what is newly possible. Policies, structure and practices should be explored to transform traditional news organizations and to promote the creation of true journalism in non-traditional ways.

True journalists distinguish themselves most by their commitment to finding and reporting the truth as fully and fairly as possible. They dedicate themselves to serving the public, independent of commercial, political or other forces that would compromise their responsibility and accountability to the public. Knowing that truth is elusive and that they are fallible, they approach their craft with humility, open-mindedness and a ready willingness to acknowledge and correct their mistakes. They understand that their work has little meaning if it is not respected and trusted by the public it intends to serve.

The modern form of journalism in America is about 100 years old. Throughout that time there have been debates as to whether journalism truly is a profession, but its functions have been performed by a relatively small number of practitioners who have been the Fourth Estate, the gatekeepers, watchdogs for the public. Also throughout that time, journalism schools have taught the craft and standards of journalism. There have been associations of journalists and codes of ethics to guide professional conduct. There have been laws and legal rulings that codify, to some degree, the importance and standing of journalism in a democratic society.

And there was a business model that linked content, audience and advertising to financially sustain the work of journalists. The news business was based in large measure on the scarcity of information and on the cost of gathering, processing and distributing that information. While journalism itself is a consumer service, the method for processing and distributing it has been essentially industrial, with high barriers to entry for new competitors.

Of necessity, journalism through most of the past century has been a one-way communication system. The practical definition of “news” has been whatever journalists published or broadcast. There has been minimal public involvement in

the functions of journalism and diminishing public trust in its performance. That is all changing profoundly and permanently.¹

The Knight Commission observed that the same digital network technology that is disrupting the business model that has supported American journalism “can lead to a new ecology of journalism in which reporters and their publics intermix in new ways.”

Technology is opening amazing possibilities to give people convenient access to both civic and life-enhancing information, without regard to income or social status, the Commission said. What is needed, it added, is “fresh thinking and new approaches to the gathering and sharing of news and information.”

The question to be answered, the Commission said, is this: *How can we advance quality, skilled journalism that contributes to healthy information ecologies in local communities?*

The “we” in the Commission’s question is all of us—citizens, journalists, civic and government leaders, educators. Traditional and emerging media organizations obviously play lead roles, but meaningful journalism can also be produced in non-traditional organizations. A key question is how these efforts can happen in symbiotic ways to best serve the information health of local communities.

If the purpose of journalism in America is to give citizens the information they need to be free and self-governing,² then each of us has a stake in the future of local journalism. And, with emerging communication technologies, all of us have opportunities to help create journalism that is better, more accurate, more thorough, more diverse and more trusted than ever.

The Challenge

The Knight Commission concluded that the information needs of America’s communities “are being met unequally, community by community.” In summary, the Commission said:

Some populations have access to local news and other relevant information through daily newspapers, radio and television broadcasts, local cable news channels, hyper-local websites, services that connect to police reports and other sources of local information, blogs, and mobile alerts. Others are unserved or are woefully underserved.

Even as the Commission did its work, the situation was getting dramatically worse. Traditional media, most notably newspapers, have been severely impacted by the faltering economy and by a fundamental shift of advertising revenue to the Internet. In response, they have cut journalistic resources dramatically. The result is less reporting of all kinds, but especially the independent local reporting that holds government and the private and corporate sector accountable and that helps people to participate fully in their communities.³

Imagine the public outcry if, in a matter of three years, the nation lost nearly 30 percent of its schoolteachers, or there were nearly a third fewer police officers keeping the peace. That is what happened to local newspapers across America from 2007 to 2009. The result is dramatically fewer journalists to cover school boards, city councils, legislatures and civic issues.

At the same time, there has been an increase in emerging news media and exciting examples of journalism being created in non-traditional settings. In some cases this emerging journalism can address coverage needs that were never effectively reported by traditional media, such as neighborhood news. This is complementing but not replacing the reporting lost in traditional media. Perhaps most importantly, emerging media struggle to be sustainable businesses.

The Opportunity

The premise of this paper is that journalism must be re-imagined for a networked world. There are three key elements of that re-imagining:

- Experimentation
- Collaboration
- Engagement

In a time of technological disruption, it is difficult to know what might advance local journalism. So the first priority is **experimentation**—try everything, learn from what does not work and build on what does.⁴ Experimentation is needed in new business models for journalism, in new strategies for public and non-profit journalism and in new funding strategies for foundations.⁵

The second order of business is **collaboration**. Competition is necessary for a healthy news ecosystem, but may not be sufficient.⁶ Modern news and information is an intensely interactive ecosystem in which all elements interrelate, making collaboration essential.⁷

The third priority is public or community **engagement**. Digital technology enables news consumers to participate meaningfully in all of the traditional functions and purposes of journalism. Engagement is at the heart of re-inventing journalism, but it requires journalists to rethink their role. They need to enable people to act collectively in networks that create and share information.⁸

Jeff Jarvis of the City University of New York, said it well in 2007:

The tools journalists can use are constantly expanding. Links and search enable journalism to be found. Blogs allow anyone to publish and contribute. Mobile devices help witnesses share what they see—even as it hap-

pens—in the form of text, photos, audio and video. Databases and wikis enable large groups to pool their knowledge. Social services can connect experts and communities of information.

This, I believe, is the natural state of media: two-way and collaborative. The one-way nature of news media until now was merely a result of the limitations of production and distribution. Properly done, news should be a conversation among those who know and those who want to know, with journalists—in their new roles as curators, enablers, organizers and educators—helping where they can. The product of their work is no longer the publication-cum-fishwrap but instead a process of progressive enlightenment.

So, the means, economics, architecture, tools and technology of journalism all change. What I hope changes most, though, is the culture. I hope journalism becomes more open, transparent, inclusive, flexible.⁹

Incremental change will not suffice. The necessary transformation requires that those who would advance quality, skilled local journalism embrace a sense of inquiry and possibility, rather than certainty or fear. This is a moment of discovery, a time for questions.

What can citizens and journalists do together? How does the role of journalism change in an interactive news ecology? What fosters experimentation? Why does an experiment work in one community and not another? How can we measure the level of engagement people feel with content, and what drives their feelings of connection? How can we take the long view, even as economics pressure us to respond immediately? What is the measure of leadership in such a moment?

Information Needs of Communities—A Case Study

Seattle, Washington is a microcosm of the changing local news and information ecosystem. It suffered substantial losses in mainstream journalistic resources, and experienced an infusion of emerging media.

Notably, the Greater Seattle area lost two daily newspapers:

- The *King County Journal*, a once robust newspaper serving multiple suburban newspapers with daily editions, closed in 2007.
- The *Seattle Post-Intelligencer*, the city's oldest newspaper with a history dating to 1863, stopped printing and went to online-only in 2009.

Those newspapers and the *Seattle Times*, the city's surviving daily, all lost money every year through the past decade because of decreasing print advertising.

Almost 60 percent of the newspaper journalism jobs that existed in Seattle in 2001 were gone by 2010. That is about double the percentage lost nationally during the same period.

Experimentation, collaboration and engagement provide useful prisms for viewing the activity that is occurring in that void.

Experimentation

Hyperlocal news sites abound in neighborhoods and communities throughout the Greater Seattle area. A Washington News Council database shows about 90 place-based news and blogs sites just within the Seattle city limits.¹⁰ Twenty-one of these are “KOMO Communities,” a Fisher Communications network of hyperlocal neighborhood websites begun in 2009, which includes additional sites through western Washington. It operates in cooperation with KOMO TV 4 and KOMO Newsradio.¹¹ Most of the other place-based news sites are independent operations or small networks, such as Next Door Media, a network of 10 news sites and a regional portal serving the North Seattle area.¹² Experiments supporting these sites include Seattle-based local technology innovators, such as Instivate and Datasphere Technologies, which offer hyperlocal web technology and sales solutions, such as providing sales teams and self-serve ad technology.

Perhaps the most noteworthy experiment is the decision by the Hearst Corporation to stop printing the *Post-Intelligencer* in March 2009 and to become the nation’s first newspaper to switch to an online-only publication. Two years later, the site is serving about 4 million readers each month, about the same number as when the newspaper was printing. Its staff of about 20 people generates news content that is augmented by media partnerships, content from the community and curated content in partnership with other media.¹³

Former print journalists have launched online news sites in recent years, including sites devoted to coverage of investigative stories, government coverage, “social justice journalism,” technology industries and the high-tech economy.

The *Seattle Times* won the 2010 Innovator of the Year Award from the Associated Press Managing Editors for its use of digital and social media in covering the shooting deaths of four police officers and for partnering with neighborhood blogs in its Networked Journalism Project. The police shooting coverage also won a Pulitzer Prize in 2010 for breaking news.

Seattle clearly benefits from a robust technology sector that infuses the local news and information ecosystem with innovative ideas, leading-edge people and endless spin-off and startup businesses. The list of names starts with Microsoft and Amazon.com, but now includes MSNBC.com, Expedia, RealNetworks, Newsvine, Evri.com, Intersect.com, Corbis, Getty Images, Zillow.com, Trumba.com, Picnik, Razorfish.com, InfoSpace, Starwave, Classmates.com, and the list goes on.

Collaboration

Local news collaboration in Seattle involves many forms of networking, including content sharing, co-creation, distribution and promotion. Examples include:

- Legacy media working together and with emerging and ethnic media
- For-profit, public and non-profit media working together
- Ethnic media sharing content and capacity building
- Mainstream and minority journalism associations working together on training

For example, the *Seattle Times* is partnering with some 40 news websites. In addition to neighborhood sites, the partners include sites devoted to topic areas such as open government, local health, gardening, hiking, cycling, boating, Seattle history and even beer news. The project began with a grant from J-Lab: The Institute for Interactive Journalism, but grew well beyond the initial expectations and funding.¹⁴

In addition to the ongoing coverage resulting from these partnerships, the *Times* utilized a different form of partnership to produce a special report on the area's homeless families, "Invisible Families: The Homeless You Do Not See." The project was produced as part of a fellowship through Seattle University, funded by the Bill & Melinda Gates Foundation. Fellows included the *Times*, journalists from three other media organizations and two freelance journalists.¹⁵

InvestigateWest, which is funded by various foundation grants, has collaborated with more than 20 national and regional media partners to distribute its work. Rita Hibbard, executive director and editor, says the major lesson learned in the non-profit startup's first year was the value of collaboration. "It meets so many goals. It does not re-create the wheel. It preserves and expands resources. It gets the important work to broader audiences. It allows regional projects with broader impact to be done."¹⁶

The *Seattle Times* and KING 5 television announced in October 2010 that they had formed a partnership to build and manage a local, online advertising network. The announcement said media sales teams from the newspaper and television station would work with community blogs and other niche online publications to sell ads on their web pages and share the corresponding revenue as part of the "beLocal Ad Network."¹⁷

An inspiring ethnic media collaboration is Sea Beez, a "hive for hyperlocal ethnic news." Dr. Julie Pham, founder and director, says it focuses on building capacity. Sponsors are the City of Seattle's Department of Neighborhoods and New American Media, which also supports "Beez" in San Jose, Los Angeles and New Orleans. More than 30 Seattle area ethnic media outlets have participated in

the program, which includes forums, workshops, citizen journalism and developing a common website so that participating media outlets can share news content and gain wider readership.¹⁸

Other collaborations include:

- The formation in the fall of 2010 of a Seattle Chapter of Hacks and Hackers, which brings journalists (hacks) and technologists (hackers) to share insights and demonstrate civic-minded projects
- A partnership between Crosscut.com, a non-profit online news site, and the Seattle Foundation to improve public awareness of philanthropic needs and opportunities (funded by a \$185,000 matching grant from the John S. and James L. Knight Foundation)¹⁹
- A global health journalism collaboratory to foster more and better coverage of a growing story in Seattle²⁰

Public Engagement

Much of the thinking about the future of local news takes place in a journalistic echo chamber with little public involvement. For the past year, Journalism That Matters (JTM) has been trying to change that in Seattle. JTM, a national collaborative that brings together journalists and the public, hosted a gathering at the University of Washington with the theme “Re-Imagining News and Community in the Pacific Northwest.”²¹

Over 240 people attended, including citizens, legacy and emerging media journalists, entrepreneurs, philanthropists, educators, students, technologists and public policy experts. More than a year later, nine initiatives are still progressing, including the following:

- Journalism That Matters Pacific Northwest Collaboratory, an ongoing initiative to encourage experimentation and collaboration to improve the news and information health of communities in the Pacific Northwest
- Puget Sound Civic Communications Commons, an effort to enhance civic engagement in neighborhoods, communities, the non-profit sector, government and business—including a pilot project to create a “journalism commons” as a clearinghouse of information and engagement on journalistic needs and opportunities in the Northwest
- Public Eye Northwest, an independent non-profit entity “to boost digital civic literacy, build community news creation capacity, and best practices in voluntary government transparency”

- Online Media Guide, a project under development by the Washington News Council as a means of mapping the state’s news and information ecosystem
- Seattle Digital Literacy Initiative, which aims “to help empower youth in our region as educated consumers and critics of—and producers and participants in—today’s complex media landscape”
- The “TAO of Journalism Seal,” also developed by the Washington News Council, aims to encourage news sites to gain public trust through Transparency, Accountability and Openness

Even with all of this experimentation, collaboration and engagement, a New America Foundation case study of Seattle’s news ecosystem describes it as “a digital community still in transition.” The report concluded:

However, despite the relative vibrancy of the media scene, and even with all its demographic and other advantages, it is unclear how much of this innovation is sustainable. The local web is littered with websites that are no longer updated, and few of the startups boast anything like the journalistic firepower or profitability of the papers of the past. We applaud the efforts of these startups but are skeptical that many will sustain if their benchmark of success is profit alone. Moreover, much development is still needed for Seattle’s information environment to reflect the diverse perspectives of traditionally less-covered minority and financially disadvantaged communities. In short, though the media landscape in Seattle has many green shoots, few conclusions can be drawn about its longer-term future.²²

With all of its advantages as a city that is civically engaged and technically savvy, Seattle still must work hard to become the kind of informed community envisioned by the Knight Commission on the Information Needs of Communities in a Democracy.

Strategies and Ideas for Action

The Knight Commission’s focus was communities, not journalism. But journalism is a thread that runs throughout its report.

Five of the Commission’s 15 recommendations deal directly with media and journalism. Two of the Commission’s recommendations are particularly central to this white paper:

- **Recommendation 1:** Direct media policy toward innovation, competition and support for business models that provide marketplace incentives for quality journalism.
- **Recommendation 3:** Increase the role of higher education, community and non-profit institutions as hubs of journalistic activity and other information-sharing for local communities.

The Commission’s definition of journalism broadly encompasses “the gathering, preparing, collecting, photographing, recording, writing, editing, reporting or publishing of news or information that concerns local, national or international events or other matters of public interest for dissemination to the public.”

The Commission noted that the main source of journalism throughout American history has been private enterprise. While embracing the importance of public media, the Commission said:

Journalism supported by marketplace incentives—including both for-profit and not-for-profit models—is likely always to provide the lion’s share of original and verified reporting. The health of the private media sector is an important public policy goal. So too is the independence of private media from governmental intervention on content grounds.

Below are five areas of strategic importance and ideas for action to implement the recommendations of the Knight Commission. Because one cannot know what ideas might work in a time of technological disruption, these strategic areas are broad and structural. They are not intended to be exhaustive, but they can be catalysts for thinking about possibilities.

Key areas of strategic importance:

- I. For-profit media organizations must re-invent themselves to extend the role and values of journalism in interactive ways.
- II. Not-for-profit and non-traditional media must be important sources of local journalism.
- III. Higher education, community and non-profit institutions can be hubs of journalistic activity and other information-sharing for local communities.
- IV. Greater urgency must be placed on relevance, research and revenues to support local journalism.
- V. Government at all levels should support policies that create an environment for sustainable, quality local journalism.

I. For-profit media organizations must reinvent themselves to extend the role and values of journalism in interactive ways

If news and information form an ecosystem, the dominant species has been private media organizations. Their influence is waning, but it is still substantial. For their own well-being, they need to contribute to the overall vibrancy of their local news and information ecosystem. This requires creating opportunities for coordination, collaboration and co-creation of content.

It is unlikely that private media will fully restore their journalistic resources in the near future, if ever. Their best hope to expand their journalistic service is through networking. Many mainstream news organizations are leading the way by partnering with each other and with emerging media, both for-profit and non-profit organizations. These affiliations need to be accelerated in both content and revenue generation.

Established media have infrastructure that start-ups lack. Start-ups may have entrepreneurial strengths that could benefit more traditional organizations. Collaboration is vital. Ethical standards and values must be vigorously discussed and clearly articulated as old and new media operations work together.²³

The public should be encouraged to participate in shaping the future of local journalism. News organizations should use interactive technology to enhance the transparency, openness and accountability of journalism.²⁴

As they develop new revenue sources and funding models, established media need to make space for open and honest conversations about the ethical issues that are raised. Again, they would do well to bring their readers, viewers and listeners into these conversations.²⁵

Established media should dedicate themselves to serving all parts of their communities. Their staffing and content should reflect the full breadth of the communities they serve. And, they should help create bridges among subcommunities.²⁶

Private media organizations should have great urgency about developing new revenue strategies, as discussed below in this paper. Even with diminished profits, they should invest in research that informs their revenue and content strategies. They should re-invent their sales and marketing forces with an emphasis on selling access to audiences across platforms.

Wherever possible they should shift their cost structure to spend a greater percentage on research, revenue generation, content development, technology innovation and marketing. They should develop brand and marketing strategies that promote the importance of journalism and, specifically, the importance of the journalism they create. These messages must reach beyond their current customers.

Where appropriate, they should work with competitors, coordinating and collaborating across media. Industry associations should share insights and best practices. They should partner and cross-promote wherever possible.

A. Be digital first

For legacy media, the key to re-imaging journalism for a networked world is to be digital first. This is particularly hard for newspapers because so much of their revenue comes from their printed products. But it seems clear that a print-driven strategy gets in the way of implementing robust interactive strategies.

John Paton, CEO of the Journal Register Co., made this point in a keynote address to Editor & Publisher's 2010 Interactive Media Conference: "I do not know why, but the number of editors, publishers, ad directors and circ (circulation) directors who do not get this is still very high. They act as if the last two decades are a phase."

Paton added, "We spend 20 hours of a day producing a newspaper then shovel it onto the web. True, we update on the web sporadically, but essentially as an enhancement to print. And that is nothing like understanding that we are dealing with different mediums that have different strengths and different audience expectations."²⁷

Marissa Mayer, vice president of search products and user experience at Google, has said that online journalism is struggling to adapt to the format of the web. Social media constantly invite people to interact with content and with each other. With a news story on the web, there is nothing for the reader to do until the end of the story. Even then, all the reader can do is comment. News publishers could utilize and monetize the same techniques of interactivity, including hyper-personalized news streams on various devices.²⁸

In an interactive world, professional journalists should have an ethic around gaining public trust through public engagement.²⁹ Professional journalists should leverage their knowledge and skills by helping citizens participate in the functions of journalism. Likewise, they should aggressively adopt the best practices for crowdsourcing and user-generated content. They should see consumers not as an audience, but as a community able to help create credible journalism.

Michele McLellan studied emerging news sites as a 2009/2010 Donald W. Reynolds Journalism Institute fellow at the Missouri School of Journalism. She found a stark contrast in terms of community engagement between traditional and emerging media. "Community connectedness and diverse revenue streams are critical ingredients for success for non-profit news organizations," she reported.

"I was struck by how different they (emerging media) sound from the 'old traditional' like the newspaper newsrooms where I worked. We used to talk about serving the community. But with the advertising dollars flowing, we did not really depend on our communities and as a result, we did not always know them or reflect them effectively. So it's refreshing and inspiring that the leaders of these 'new traditional' see community engagement as a vital component of their future sustainability."³⁰

Having a mindset of “digital first” is essential to seeing and seizing the opportunities of improving local journalism with mobile technologies. It opens doors to the community interaction made possible by social media tools. And, it creates opportunities for covering some local stories for a global audience.

B. Invest to develop the digital capacity of news staffs

Traditional media newsrooms struggle with the lack of time, training and talent to deal with technology issues. A survey released by the American Society of News Editors (ASNE) in January 2011 presented the challenge:

- More than half said they are spending more time on technology issues; one-fourth put the time at 9 to 12 hours or more a week.
- Six of 10 editors responding said they now spend fewer hours planning and discussing news coverage or working directly with their staffs.
- Only 15 percent said they have a deep and wide pool of staff members with digital knowledge; 51 percent said their newsrooms are thin on digital knowledge workers.
- Only 20 percent said their company has a strong internal training program on new technology.
- Six in 10 said they are learning on their own, away from the job.³¹

News organizations and industry associations must develop a greater sense of urgency about helping their people succeed in the digital media ecosystem. Failing to do so will mean that many established, capable journalists will not be able to keep up, but it also means the journalism industry will not attract and retain the digital natives who will be tomorrow’s leaders.

An example of the thinking that is necessary can be seen in an October 2010 report by the Society of Professional Journalists’ (SPJ) Digital Media Committee, “Will SPJ Remain Relevant in the Digital Age?” The report made these recommendations to the Society:

- Bridge the divide between new and old media by aggregating and spotlighting high-quality journalism and facilitating communication among online start-ups and legacy media.
- Create a vibrant network for new media start-ups to share ideas online and in person.
- Become an advocate for expanding access to the Internet, news and information.

- Teach reporters to use powerful emerging technologies.
- Educate members and citizens in the basics of information-gathering and storytelling.
- Engage the public in a dialogue about the purpose, value and standards of journalism.
- Train new media start-ups in entrepreneurial journalism.
- Teach journalists and their managers the theories behind new media technologies.
- Ensure SPJ staff and leaders are hyper-literate in digital journalism trends and theories.
- Poll members to learn and address journalists' needs and track the industry's direction.³²

C. Create regional and local news networks

Newspapers became local monopolies not because of their quality journalism or customer service; they became local monopolies because quality content is expensive to create, print and deliver. They could give advertisers reach and penetration to audiences within defined geographies. Over time, they mostly did not encroach on each other's territories because they could not. They owned their markets.

Those days are gone. In the digital world, distribution is cheap, content is over abundant and everyone can join the competition. Network effects—the ability to gain critical mass among consumers—will determine who thrives and who dies.

Legacy media—print and broadcast, private and public—are better positioned than any others to nurture the local networked news ecosystem. They can create the interactive networks that connect those who want to create and distribute content.

Many competing legacy news organizations are finding ways to share content and coverage as a response to severe staffing cuts. Some are providing coverage cooperatively in ways they could no longer afford to do competitively, such as covering state government. Their initial discomfort toward collaboration is giving way to an emerging reality about the true nature of the competition they face.

As one editor commented, the competition is no longer the daily newspaper in a nearby town, "Our competitors are everybody else." Another editor commented, "The question is: How can we remain competitors but also support one another at a time when we are looking for all the ways to extend our reach?"³³

By sharing resources to report generic information, media organizations may be able to invest more in ferreting out stories that otherwise would go unreported. One possibility is that they will create new forms of content syndication that operate more like social networks. Scott Karp of Publish2, an online news aggregation and curation startup, argues:

Traditional syndication is based on a hub-and-spoke model, where a newswire middleman takes in content from many sources, combines it with original content, and redistributes it. This is an inefficient, obsolete model and will be replaced by a model that has proven wildly successful in the consumer world—the social network.

News organizations have already been forming direct distribution networks to route around the traditional newswire middleman. In 2011, these networks will evolve beyond ad hoc email distribution to become truly scalable in a way that only a Facebook-like platform can enable. News organizations will create a network of trusted sources, the equivalent of ‘friends,’ but where the relationships are based on distribution and the affiliation of editorial brands.³⁴

D. Collaborate with local startups

Partnerships between legacy and emerging media outlets can benefit all parties, as evidenced by the *Seattle Times*’ local news partnerships mentioned above.

Another noteworthy example of legacy media partnering with emerging media has surfaced in the broadcast arena. Comcast has promised to establish partnerships between at least 5 of the 10 NBC television stations it would gain in acquiring NBC Universal. The arrangements would follow the model of an existing arrangement between the KNSD, the NBC-owned station in San Diego, and voiceofsandiego.org, which share content and cross promote each other’s websites.³⁵

Some observers saw the Federal Communications Commission’s approval of the Comcast merger as a validation of these partnerships, at least in principle. Steve Waldman, a senior adviser to the chairman of the FCC, observed before the approval that innovative reporting is happening in the non-profit web sector, but very few outlets have yet developed sustainable business models. “Commercial media have distribution and money and gaps in their reporting, and the non-profits have strong specialties in reporting but weaknesses in distribution and revenue. So it seems like a perfect match,” said Waldman.³⁶

The potential for established media to partner with startups seems clear, but it is happening slowly so far. Jan Schaffer, executive director of J-Lab, says, “Legacy news outlets are not yet in the game.” In a report entitled “New Voices: What Works,” she said, “Projects that counted on partnerships with legacy news outlets

ultimately found it best to go it alone as newsroom cutbacks left editors with no time to partner. Once launched, though, the New Voices projects found that partners came knocking.”³⁷

The reality is that only a tiny fraction of the local news projects proposed to foundations can be funded. The unfunded projects are ideas that legacy media could incubate, if they saw themselves in this role. This is not easy to envision in a resource-starved environment, but possibilities could emerge just by initiating the conversation.

E. Explore new ways to achieve diversity

In 1978, the American Society of News Editors challenged its members to achieve racial parity in news staffing. By 2000 or sooner, the makeup of news staffs should be as diverse as the community they serve. It did not happen.

In 2000, ASNE reaffirmed its goal. Its mission said, “To cover communities fully, to carry out their role in a democracy, and to succeed in the marketplace, the nation’s newsrooms must reflect the racial diversity of American society by 2025 or sooner. At a minimum, all newspapers should employ journalists of color and every newspaper should reflect the diversity of its community.”

Today ASNE concedes, “Over three decades, the annual survey has shown that while there has been progress, the racial diversity of newsrooms does not come close to the fast-growing diversity in the U.S. population as a whole.”³⁸

In its 2011 diversity report, ASNE said newspaper newsroom employment increased very slightly from the previous year, but the percentage of minorities in newsrooms declined for the third year in a row. It rested at less than 13 percent.

ASNE president Milton Coleman said, “At a time when the U.S. Census shows that minorities are 36 percent of the population, newsrooms are going in the opposite direction. This is an accuracy and credibility issue for our newsrooms.”³⁹

In light of the interactivity that is possible with digital communications technology, legacy news organizations need to rethink how they can enhance diversity efforts to better serve all parts of their communities:

- In addition to increasing efforts to diversify their own staffs, mainstream media can diversify their coverage through content sharing and capacity building with local ethnic media and emerging media.
- Mainstream media associations such as ASNE should partner with organizations such as New America Media and Unity: Journalists of Color to create programs that enable people and communities to be better informed and to have their own media voices.
- Legacy news organizations could work with journalism schools to develop digital media/news literacy programs to help youth, ethnic minorities and immigrants have the tools, skills and understanding to communicate effectively.

- Mainstream media could also utilize 2010 Census information to better understand and to report on the diversity of communities and to help parts of the community to connect with each other more effectively.

II. Not-for-profit and non-traditional media must be important sources of local journalism

The potential for new sources of local journalism is breathtaking. Consider this insight: In the past five years, J-Lab has funded 52 news startups with \$900,000 in micro grants. During that time, J-Lab received 2,734 proposals for these grants.

In total, J-Lab has tracked \$143 million in grants to news projects since 2005. Jan Schaffer of J-Lab told an FCC hearing in April 2010 that new digital entities cover daily happenings in their areas and do watchdog reporting. “They are expanding the definition of news and the idea of ‘objectivity.’ And, they are building stronger communities with active, engaged citizens.” They are making a difference, she noted, “Voter turnout has increased, empty ballot positions have been filled, new players are occupying local offices, wrongdoing has been exposed, issues have been unpacked—all because communities have news they did not have before.”⁴⁰

These newcomers include:

- Hyper-local news sites, some launched by citizen volunteers or “citizen journalists” and others started by independent professional journalists
- New metro news sites, usually with a small paid staff
- Statewide investigative news networks
- University-led community news sites
- Soft advocacy news sites

Schaffer said a small hyper-local news site can go live with as little as \$1,000, a free WordPress blog and a handful of volunteer reporters. J-Lab gives grants of up to \$25,000 over two years to launch sites, enough to give them a presence that, in most cases, leverages more support. Larger metro sites with paid staffers need \$400,000 to \$1 million-plus a year to start. Some have larger annual budgets. All are experimenting with hybrid models of support: a combination of grants, donations, memberships, sponsorships, ads, events and some licensed content.

Schaffer said, “While charitable foundations have jump-started many of these sites, almost all need either public or philanthropic support to bolster their attempts to survive. With the oldest of these new sites now about five years old, they are also able to articulate what kinds of support they need—not only to continue robust reporting but also grow their operations with new technology as well as business and development help.”

Michele McLellan at the Reynolds Journalism Institute amassed a smart, comprehensive body of knowledge about the new news ecosystem. Included in her work is a list of more than 100 promising community news sites, which is especially helpful because it sets out criteria for evaluating sites as well as “broad categories to help us see the new media landscape more clearly.”⁴¹

An extensive survey of 66 of the sites provides meaningful insights, including these findings:

- Seven in 10 said they are greatly or somewhat optimistic about making their sites sustainable; none said they were not optimistic and only one said “somewhat unoptimistic.”
- Fifty-six percent of the sites said they operate as for-profits, and half of those said they made a profit in the previous year. About a third of the sites are non-profit.
- Most of the sites are relatively young. More than half launched less than two years ago; more than a third launched within the last two to five years.⁴²

McLellan concluded her fellowship by convening Block by Block, a community news summit to help identify what publishers of news startups need. A number of constructive, workable ideas emerged from this September 2010 workshop:

- Create a more granular typology of sites that will make it easier to define success and appropriate revenue sources as well as to connect publishers with support resources.
- Develop metrics beyond page views to reflect levels and ranges of community engagement.
- Gather community publishers in an online network where they can share questions and answers.⁴³

There are not yet clear paths to sustainability for emerging media, but the chances of success will be greater if efforts are targeted at meeting specific information needs of communities, if results are measured and if capacity is built through networking and shared resources.

A. Map and measure changes in the local news and information ecosystem

Thinking of news and information as an ecosystem creates a dynamic sense of what the public needs and how those needs might be met. The Commission said:

Communities lack good tools to assess the quality of local information ecologies. There are no widely accepted indices for comparing different communities' ecologies or determining whether information flow within a particular community is improving or degrading. Communities need measures of both kinds. If activists, policymakers, and the general public had more concrete ways of describing, measuring and comparing the systems of community news and information flow, it would be much easier to mobilize public interest around community information needs.

In Recommendation 5, the Commission called for developing quality measures of community information ecologies and studying how they affect social outcomes. In terms of local journalism, this suggests the need to map and measure what is happening. What news resources are being lost? What is being created? What information gaps can be identified and how might they be filled?

Among the many ways to answer these questions, the New America Foundation launched a Media Policy Initiative to build on the findings of the Knight Commission. Work to date includes case studies of five communities that are effective templates for creating an overview of the information resources of communities.⁴⁴

Another way to visualize the news ecology was demonstrated at “Re-Imagining News and Information in the Pacific Northwest,” a January 2010 gathering in Seattle that was organized by Journalism That Matters, a national journalism collaborative. Participants provided URLs for news and information websites in the Northwest, and these were mapped to show the extended network through a technique called co-link analysis.⁴⁵

These maps were created by Richard Rogers, director of the Digital Methods Initiative, Amsterdam, and director of the Govcom.org Foundation in Amsterdam. Rogers explained that all URLs of attendees were crawled and outlinks were captured on maps. Rogers said the placement, as well as the size, of nodes on the maps are significant. Size of node is based on quantities of links given and received, and placement is determined by strength of ties (i.e., of all ties, which ties bring nodes closest together, according to quantity, in a standard network analytical sense?).

Coming out of the JTM session in Seattle, the Washington News Council, an independent forum for news ethics, developed a Washington News Directory. It presents yet another way to identify, categorize and map news entities throughout the state.⁴⁶

Columbia Journalism Review (CJR) launched the News Frontier Database (NFDB) which it describes as “a searchable, living, and ongoing documentation of digital news outlets across the country. Featuring originally reported profiles and extensive data sets on each outlet, the NFDB is a tool for those who study or pursue online journalism, a window into that world for the uninitiated and, like

any journalistic product, a means by which to shed light on an important topic.” CJR says it plans to build the database into the most comprehensive resource of its kind.⁴⁷

B. Index news resources to identify needs and opportunities

Often new journalism ventures flow from what the creators want to do, more than from the actual needs of communities. Startups will be more successful, and communities will be better served, if the strategies for new endeavors address unmet information needs. Indexing news resources can help foundations target funding and help would-be content providers find sustainable opportunities.

Community organizations can work with communication, journalism and business departments at colleges and universities to understand how well local news media are meeting information needs. Various methods are emerging that can serve as models for local action.

The Knight Foundation and Monitor Institute have launched a “Community Information Scorecard” project, initially piloted in the three communities of Macon, Georgia; Philadelphia, Pennsylvania; and San Jose, California, to help local leaders take action to improve information health. The Toolkit builds upon the Knight Commission’s eight-point checklist of ingredients that healthy communities have (see Appendix I in the Knight Commission report). While the checklist is broader than just local journalism, the data gathering in the pilot projects included a key-word analysis to assess the quantity and diversity of journalism in each pilot community.⁴⁸

A critical element of the Toolkit, as demonstrated in the pilot communities, is the selection of local advisors to provide insights and feedback. Local leaders were selected from five critical areas:

- Public Sector: Mayor’s office, county office, chambers of commerce, emergency services coordinators, public transportation center, library, etc.
- Private Sector: Business leaders’ council, Internet service providers
- Non-profit Sector: Community foundations and community centers (serving the elderly, immigrants and youth) focusing on economic development, immigrant services, cultural life, and health care
- Media: Local news organizations, public media providers
- Academia: Journalism schools, school district representatives

Looking more specifically at local news, Esther Thorson of the Missouri School of Journalism recommends conducting an informal content audit that examines

what media is available in the community and how well it performs. Students can assist with data collection about coverage topics, such as politics, crime, development, business and government.⁴⁹

Thorson and Eric Newton of the John S. and James L. Knight Foundation developed a checklist that looks at legacy news channels and start-up media, as well as other information flows that affect how well communities function and solve problems. This information can be the basis for developing resources and partnership to fill coverage gaps.⁵⁰

C. Measure the social benefits of local journalism to better understand what works

While experimentation in local journalism abounds, there is too little shared learning and knowledge. Measurement of the social impact of media grants is mostly anecdotal.⁵¹ Developing better measures of the social benefits of local journalism would enable better decision making and stimulate greater investment.

The Internet is awash in information about the emerging news ecology, including some very good attempts to track and make sense of what is happening. MediaShift and IdeaLab, both hosted at PBS.org, are outstanding examples. J-Lab: the Institute for Interactive Journalism, offers wonderful insights through its Knight Citizens News Network and J-Learning, a how-to guide for hyper-local community media. The Knight Digital Media Center demonstrates the power of partnership with the Annenberg School for Communication at the University of Southern California and the University of California at Berkeley Graduate School of Journalism.

Other sources of encouragement for and insight about innovation include competitions such as the Knight News Challenge, Knight-Batten Innovation Awards, J-Lab's New Voices, and the We Media Game Changer Awards, as well as forums such as "Seeking Sustainability," an April 2010 Knight Foundation roundtable discussion with 50 people representing 18 non-profit news organizations.⁵²

Despite all of the information circulating about local journalism initiatives, this chaotic landscape is moving too fast to create much synthesis. The most dedicated observer cannot hope to keep up with all of the activity, much less see trends and make good sense of what is happening. There is too little learning, especially from failures. And, there is too little public engagement in the conversation about where local journalism is headed.

A commitment to new tools and platforms for digital networking and shared knowledge would help. Organizations like the Sunlight Foundation and Code for America are using open source methods, cutting-edge technologies and smart people to improve government transparency. They could be models for creating new tools and building new platforms for journalism networks that are about content, context and community.

Participants in the Knight Foundation roundtable on sustainability of non-profit journalism ventures expressed dissatisfaction with tools for measuring audience participation and engagement online. Several were interested “in analyzing non-web metrics: the social return-on-investment from a piece of investigative journalism, the community value of the organization, the progress it makes toward its information mission and so on.”⁵³

The Knight Foundation and FSG Impact Advisors, a non-profit consulting firm, have released a primer to help practitioners and funders measure the online impact of information projects. Based on reviews of 15 websites funded by Knight, the primer offers a six-phase evaluation process that can be used for any information project. It includes suggested metrics for reach, penetration and engagement, as well as questions for analyzing the metrics and aligning them to site goals.⁵⁴

D. Create metrics for the Social Return on Investment in local journalism

In his book, *Cognitive Surplus: Creativity and Generosity in a Connected Age*, Clay Shirky makes the case that people are terrible at predicting their own behavior in response to a new medium. He writes:

Because we are so lousy at predicting what we will do with new communications tools before we try them, this particular revolution, like the print revolution, is being driven by overlapping experiments whose ramifications are never clear at first. Hence creating the most value from a tool involves not master plans or great leaps forward but constant trial and error. The key question for any society undergoing such a shift is how to get the most out of that process.

Shirky adds, “What matters now is not the new capabilities we have, but how we turn those capabilities, both technical and social, into opportunities. The question we now face, all of us who have access to new models of sharing, is what we’ll do with those opportunities.”⁵⁵

Developing methods to measure the Social Return on Investment (SROI) in local journalism might provide useful insights to this process of trial and error. It could lead to a more formal and useful body of knowledge and provide a common vocabulary and definitions for the social value of local journalism. It could help innovators and funders more systematically evaluate priorities and results. It could clarify and shorten the paths to sustainability. Eventually, it could lead to the development of technology tools to help journalism content providers generate and track the social benefit of their efforts.

The National Science Foundation (NSF) should request proposals for research to measure the social capital produced by investments in local journalism. This work would not be for the marketing of commercial products, but to enhance the social

value and lasting impact of journalism in service to local communities. The resulting research could have broad application to other areas of SROI methodology.

Such an undertaking fits the purpose of the NSF as an independent federal agency, which includes advancing national health, prosperity and welfare. The NSF has the structure to solicit and evaluate proposed research, as well as to fund the most promising ideas. A program of this sort would support the Knight Commission's call for "new thinking and aggressive action to ensure the information opportunities of America's people, the information health of its communities and the information vitality of our democracy."

This endeavor likely would generate further proposals for measuring growth in media ecology and their effect on connections and trust among civic networks, as well as civic engagement. Promoting public engagement is one of the three key goals of the Knight Commission.

E. Build capacity by funding networks, collaboratives, infrastructure and technology

Philanthropists and foundations should recognize the centrality of journalism to their ability to achieve their missions. Without abundant, credible journalism, stories do not get told. Problems and solutions are not brought to light. There is a growing sense that some foundations are beginning to recognize the problems in the journalistic ecosystem because they increasingly cannot get their messages out to the public.

For example, Robert Rosenthal, executive director of the Center for Investigative Reporting (CIR), says that when he started appealing to foundations in 2008 there was a common response: "We're not going to fund media." Some of those foundations are now funding CIR, he says, "but others feel strongly that it is not something they understand or want to support. The attitude is changing, but slowly."⁵⁶

A March 2010 report of Grantmakers in Film + Electronic Media asserts that philanthropy "has yet to meet the challenge of keeping pace with the growth and influence of media." Among the report's recommendations:

- Foundations should acknowledge the prevalence and impact of media.
- Funders should support the development of new networked media production and distribution systems.
- Funders and grantees alike should utilize and advocate for open technology.
- Funders should collaborate to create a comprehensive platform for information sharing.

- The impact of media grantmaking should be measured, and the field should undertake new efforts to do so.
- Funders should recognize that media reinforces their mission.⁵⁷

Stimulating new local journalism requires funding not just for individual projects, but also for networks, collaboratives, shared infrastructure and open source technology.

One example is the Investigative News Network (INN), a non-profit consortium of watchdog news organization throughout the U.S. The effort was launched in July 2009 with the “Pocantico Declaration,” a statement of the “urgent need to nourish and sustain the emerging investigative journalism ecosystem to better serve the public.”⁵⁸

By 2011, the INN had grown to 51 non-profit, non-partisan news organizations. Its focus is sustainability, back-office support, technology, editorial collaboration and “community and audience activation.” It is funded by grants from eight foundations.

Other examples of news networks funded by foundations:⁵⁹

- The Hawaii Community Foundation is funding a statewide student news network, in partnership with PBS Hawaii, to provide original reporting on television and the web.
- New Era Colorado Foundation is funding NewEraNews.org, a collaborative experiment with articles written by foundation staff, interns, guest bloggers and young people.⁶⁰

Collaborative entities may well become a powerful vehicle for advancing journalism in service to communities. This is especially likely given the need for synergy among established and emerging news outlets, as well as the desire for public engagement.

An example of a local collaborative is underway in Philadelphia, where the William Penn Foundation launched a series of targeted investments intended to establish an independent journalism collaborative. The idea emanated from a J-Lab report the foundation commissioned, which found a steep decline in public affairs reporting by traditional news organizations. The report also said Greater Philadelphia has a rich pool of non-traditional newsgathering operations, but they are diffuse and fragmented. The report itself is a form of mapping the local news ecosystem.

Among the purposes of the Philadelphia journalism collaborative is to strengthen ties among these emerging news producers, to fund experiments with content delivery, audience engagement and collaborative investigative news projects.⁶¹

In December 2010 J-Lab announced that the William Penn Foundation had approved a \$2.4 million, three-year grant for the collaborative, to be centered at Temple University.⁶²

III. Higher education, community and non-profit institutions can be hubs of journalistic activity and other information-sharing for local communities

The Knight Commission observed that, through networked journalism, technology is enabling a diffusion of news gathering functions, creating greater coverage of local affairs. In addition to teaching, schools of journalism are increasing production of local news content and partnering with news organizations and community groups. Community and non-profit organizations are undertaking journalistic activity in response to the decline in local news. Local foundations are supporting local news and information projects.

The Commission wrote, “Non-profit institutions are reservoirs of expertise. Local community organizations, such as community development organizations, churches, fraternal organizations, and chambers of commerce, are critical in the transmission of information. All should make a priority of sharing information within the community and providing the tools necessary to turn information into knowledge.”

The Commission acknowledged, “Situating journalistic activity in non-profit advocacy organizations raises critical ethical questions. Independence of judgment and sensitivity to conflicts of interest are hallmarks of the best journalism. Because non-profit advocacy organizations are committed to mobilizing public support for their particular issues, striving for dispassionate reporting will pose important issues.”

But it asserted that, with appropriate training and resources, local non-profits could help their communities by performing some functions of journalism. This can be a vital part of re-imagining journalism for a networked world.

How far might this expansion of self-reporting journalism go? In California, the Los Angeles Kings hockey team, the Los Angeles County supervisor’s office and the state trial lawyers’ group all hired former journalists to report about them. In Portland, Oregon, the local Metro government hired a reporter to cover it.

A Portland *Oregonian* story about these examples quoted Geneva Overholser, director of the University of Southern California’s Annenberg School for Communication and Journalism, as saying that any contribution of information in the public interest is valuable. “The key is transparency—being forthright about who pays for the work, what the intentions of the organization are in putting the work forward, who edits it, etc. I think the public needs to train a keen eye on self-reporting. But I’d rather have it than no reporting.”⁶³

It is increasingly clear that the traditional functions of journalism can and will be performed outside of traditional news organizations. The critical questions concern how good this new journalism will be, what values and standards it upholds and what public service it provides. Professional journalists and journalism educators should embrace this reality and help make the most of it.

A. Re-invent journalism education for the networked world

While many schools of journalism are embarking on new endeavors to teach and create journalism, there is a need for a systematic re-examination of journalism curriculum. Journalism is unlikely to re-imagine itself for a networked world if journalism education does not lead the way.

The Association for Education in Journalism & Mass Communication (AEJMC) should pursue foundation support for an organized, field-wide review of journalism education, curriculum, research and accreditation standards. This would be a concerted effort to re-invent journalism education.

It could examine everything from journalism ethics to communication theory. It could explore new areas of interdisciplinary study, including communication technologies, networks, community building and social capital. It could teach news and media literacy to non-journalism majors. It could teach non-journalists to create content and use digital communication technologies.

Educators are well suited to lead this exploration because they are not bound to any particular media platform or industry. They are naturally more connected to the next generation of journalists, who must imagine how the next generation of consumers will get their news.

This endeavor would unfold against a backdrop of tighter academic budgets and threatened programs, but journalism and communications schools are in a period of transformation and new possibilities.⁶⁴

Foundations are already investing substantial dollars in new journalism education programs, such as entrepreneurial journalism at the City University of New York.⁶⁵ New forms of collaboration, such as News21, a national initiative to revitalize journalism education, can bring synergy at the same time that they foster innovation. Teaching others what has been learned and how they can develop similar programs is part of the expectation News21 has for itself.⁶⁶

In addition to teaching journalism, colleges and universities are creating and sharing content that enhances a healthy flow of news and information. This clearly is a step on the path toward the Knight Commission Recommendation 3, to increase the role of higher education as a hub of journalistic activity.

AEJMC can lead the effort to scale such activities to benefit journalism education generally.

B. Use journalism schools to produce digital news and to create content partnerships with news organizations

Some journalism schools are creating new models to help fill the void in local news coverage. They are teaching by doing in unprecedented ways. For example:

- Boston University's College of Communication created the New England Center for Investigative Reporting. NECIR describes itself as the "first non-profit, university-based investigative reporting collaborative in the country focused on local and regional issues."⁶⁷
- The Berkeley Graduate School of Journalism created hyperlocal news sites with J-school students covering underserved communities in the Bay Area.⁶⁸
- The Annenberg School at the University of Southern California created Intersections: The Los Angeles Reporting Project. It is a community news website that uses multimedia reporting by students, community residents and community leaders. It also created Alhambra Source, which presents community news in English, Chinese and Spanish.⁶⁹
- Wayne State University created GrossePointeToday.com, which uses content from online journalism students and citizens with oversight from professional journalists.⁷⁰
- The Teachers College at Columbia University created the Hechinger Report to provide in-depth coverage of national education issues. It operates in collaboration with other news organizations.⁷¹
- Journalism students at Columbia College Chicago produce AustinTalks, a community newsletter serving Chicago's largest neighborhood. Professional journalists and citizens also contribute content.⁷²
- The *New York Times* and New York University's Arthur L. Carter Journalism Institute are collaborating on the Local East Village, as part of the newspaper's network of community websites. The site was built by NYU faculty and students, working with *Times* journalists and software developers.⁷³

NYU journalism professor Jay Rosen, who helped create the East Village effort, said, "When the crisis came, and all of a sudden there was this need for innovation and new practices and new business models and new technology, the industry did not have a journalism school to rely on because it never asked for it. I see these partnerships as correcting a misalignment between journalism schools and the news business."⁷⁴

A preconvention discussion at the 2010 AEJMC national conference examined how journalism schools are functioning as news providers.⁷⁵ This topic should be established as an ongoing interest of AEJMC to promote the rapid replication of successful models.

C. Create journalistic activity within libraries

Librarians, like journalists, are redefining their roles in the networked world. In examining how libraries can serve networked individuals, Lee Rainie, director of the Pew Internet & American Life Project, observes:

- Curating means more than collecting.
- Creating media involves alliances among networked creators.
- Librarians must find new ways to distribute their collections and point people to good material through links.
- Librarians must exploit their skills in knowing the highest quality material and aggregating the best related work.⁷⁶

There are clear parallels between the evolving roles of journalists and librarians. Both are increasingly called upon to regard community building and engagement as part of their mission. But there has been little study, experimentation or dialogue about how journalists and libraries might work together to promote community news.

One example of collaboration between journalists and librarians is the Black Hills (South Dakota) Knowledge Network, funded by grants from the Knight Foundation Community Information Challenge and the Black Hills Area Community Foundation. Journalists and librarians aggregate content developed by local government, media, non-profits and other community institutions. The project also aims to train community journalists to fill gaps in local news coverage.⁷⁷

Efforts of this sort could be catalyzed by a grant competition, soliciting proposals for innovative projects. The Institute of Museum and Library Services, the primary federal agency dedicated to library services, should initiate the endeavor. Such an undertaking is consistent with the Institute's mission to "create strong libraries and museums that connect people to information and ideas. The Institute works at the national level and in coordination with state and local organizations to sustain heritage, culture, and knowledge; enhance learning and innovation; and support professional development."⁷⁸

Journalism That Matters, the American Library Association, the MIT Center for Future Civic Media and other associations conducted a work session at MIT in April 2011 for journalists, librarians and the public. Approximately 130 people

participated in the gathering, which generated a consensus statement for future journalist/librarian collaboration. It says, in part:

Healthy communities need individuals and institutions that support and enable broad-based participation in governance, education and civic life. As journalists, librarians, educators and civic agents, we are committed to communities where members can participate in self-governance. In these communities the common pursuit of truth in the public interest prevails through essential democratic values of openness, inclusion, participation and empowerment. Our libraries and our free press share a common mission of civic engagement and information transparency.⁷⁹

Success in this effort almost certainly would inspire other community and non-profit institutions, such as science museums, to explore ways to become hubs of local journalistic activity.

IV. Greater urgency must be placed on relevance, research and revenues to support local journalism

Many traditional for-profit news organizations are one disaster away from extinction. They have cut costs so drastically in the past decade that more significant cutting could put them into a death spiral. Many do not have the financial strength to survive another 9/11 terrorist attack or economic shock. They must better understand how people interact with information online, then turn that knowledge into new services, products and revenue streams. They urgently need to focus on relevance, research and revenues.

The 3Rs of relevance, research and revenues are also vital for public media and non-profit media. They must understand and utilize market incentives to build engagement, loyalty and financial support. They need to be smart about how their journalism can be relevant to the communities they serve, especially when news consumption habits are shifting dramatically.

Relevance is about understanding the value propositions for consumers, advertisers and donors. What benefit do they derive from the time, attention or money spent?

Research is needed to identify unmet needs in the changing news and information ecosystem and to drive revenue. Whether the dollars come from advertising, pay-for-content, donations or transactions, revenues are a function of the value that is provided.

Value is not about merely giving people what they want; it is about knowing what matters to them and establishing a relationship of trust and enrichment. It is about respecting their values in the news judgments one makes. Interactive technology enables more meaningful connections between news producers and consumers than ever before.

An example of the importance of relevance and research can be seen in the Pew Research Center's work on understanding the participatory news consumer. "In the digital era, news has become omnipresent. Americans access it in multiple formats on multiple platforms on myriad devices. The days of loyalty to a particular news organization on a particular piece of technology in a particular form are gone." News is becoming portable, personalized and participatory.⁸⁰

Advertisers, too, are changing. They are increasingly able to bypass media as a go-between with potential customers. Digital technology promises to give them unprecedented knowledge of whether and how their ad dollars are effective. The effect is ravaging the business model that sustained journalism for the past century. Even new, low-cost competitors are struggling to get financial viability in a world where content is presumed to be free.

The 2010 "State of the News Media" report from the Pew Project for Excellence in Journalism said the situation is urgent:⁸¹

- Newspaper ad revenue, including online, fell 26 percent during 2009, which brings the total loss over the last three years to 41 percent.
- Local television ad revenue fell 24 percent; triple the decline of the year before.
- Radio ads dropped 18 percent.
- Magazine ad pages fell 19 percent.
- Network TV ads fell 7 percent (and news alone probably more).
- Online ad revenue overall fell about 5 percent, and "revenue to news sites most likely also fared much worse."

The report quotes one estimate that in 2013, after the economic recovery, "three elements of old media—newspapers, radio and magazines—will take in 41 percent less in ad revenues than they did in 2006."

Despite all of the activity in journalism startups, the report's conclusion is dire.

Unless some system of financing the production of content is developed, it is difficult to see how reportorial journalism will not continue to shrink, regardless of the potential tools offered by technology. And as we enter 2010 there is little evidence that journalism online has found a sustaining revenue model. A new survey on online economics...finds that 79 percent of online news consumers say they rarely if ever have clicked on an online ad.

This is a daunting challenge, made even more so because journalistic organizations historically have not adequately invested in nor valued research and development. Despite their current economic plight, their future may depend on carving out dollars to better understand relevance, research and revenues.

A. Develop shared principles and mechanisms to rationalize the online content economy

Content creators and technology service providers must collaborate to develop shared principles and mechanisms to protect content from misuse and to appropriately compensate creators for the value of their work. This will stimulate new forms of journalism from traditional and emerging media, and it will encourage the growth of new technology and services.

Two observations by the Pew Project for Excellence in Journalism drive this call for action:

- The problem facing American journalism is not fundamentally an audience problem or a credibility problem. It is a revenue problem—the decoupling, as we have described it before, of advertising from news.⁸²
- Unless some system of financing the production of content is developed, it is difficult to see how reportorial journalism will not continue to shrink, regardless of the potential tools offered by technology.⁸³

Many content providers are testing ways to have consumers pay for the online content they access from the content provider. But those payment mechanisms do not address the issue of content that is accessed through search engines and other third parties.

The Fair Syndication Consortium, a group of some 1,500 publishers, measured the extent to which newspaper content is reused and monetized by unlicensed websites. It found that 75,000 unlicensed sites reused newspaper content during a 30-day period ending November 15, 2009. “On these sites, 112,000 nearly exact unlicensed copies of articles were detected.”

The consortium asserted that, “Google and Yahoo’s ad networks dominate the unlicensed monetization of U.S. newspaper content. Google represents 53 percent of the total monetization with Yahoo accounting for 19 percent.” Blog sites made up less than 10 percent.⁸⁴

This issue has been getting a lot of attention, but it is unlikely to be addressed effectively by legislation, legal action or even revenue-sharing deals among key players. Legislative consensus is highly unlikely with so many complex and contentious issues involved. Legal action is likely too slow to be helpful in such a fast-paced marketplace. And deals among interested parties may or may not serve the need for broad, collaborative understandings that serve the public good.

Chris Ahearn, president of media at Thomson Reuters, voiced what might be possible when he wrote:

Let's stop whining and start having real conversations across party lines. Let's get online publishers, search engines, aggregators, ad networks, and self-publishers (bloggers) in a virtual room and determine how we can all get along. I do not believe any one of us should be the self-appointed Internet police; agreeing on a code of conduct and ethics is in everyone's best interests.

Our news ecosystem is evolving and learning how it can be open, diverse, inclusive and effective. With all the new tools and capabilities we should be entering a new golden age of journalism—call it journalism 3.0. Let's identify how we can birth it and agree what is 'fair use' or 'fair compensation' and have a conversation about how we can work together to fuel a vibrant, productive and trusted digital news industry. Let's identify business models that are inclusive and that create a win-win relationship for all parties.⁸⁵

In proposing guidelines to speak to the issue, the Fair Syndication Consortium said:

To date, there is no uniform manner in which the undesired reuse of content is handled by publishers of media content. A rare and unique opportunity exists to define the set of rules which are reasonable and benefit everyone. Other industries like music, movie, television, and software have handled this in a variety of ways, with varied results. We feel that the publishing industry can learn from and leverage past experiences to provide a contemporary approach....⁸⁶

Two examples of what might be possible in support of journalism can be found in the area of principles for user-generated video online.

"Principles for User Generated Content Services" were announced October 18, 2007. These principles say, "In coming together around these Principles, Copyright Owners and UGC Services recognize that they share several important objectives: (1) the elimination of infringing content on UGC Services, (2) the encouragement of uploads of wholly original and authorized user-generated audio and video content, (3) the accommodation of fair use of copyrighted content on UGC Services, and (4) the protection of legitimate interests of user privacy."⁸⁷

The companies supporting these principles included CBS Corp., Dailymotion, Fox Entertainment Group, Microsoft Corp., MySpace, NBC Universal, Veoh Networks Inc., Viacom Inc. and the Walt Disney Company. Their announcement of the principles said:

Widespread adoption of these principles will encourage innovation, enable new creative expression and further the goal of eliminating infringing content from UGC services. It will allow innovative business models to develop. Most importantly, it will benefit consumers by encouraging further cooperation between the creators of content—from the largest entertainment company to the individual artist—and the companies that distribute their works.⁸⁸

On October 31, 2007, the Electronic Frontier Foundation (EFF) and several other public interest groups issued a document called “Fair Use Principles for User Generated Video Content.” The principles were intended to offer guidance to media companies and video hosting providers who were negotiating “new mechanisms to address copyright infringement while protecting fair use.”⁸⁹

Fred von Lohmann, EFF senior staff attorney, wrote at the time that a critical component of the principles was a detailed description of the threshold to be met before materials are automatically blocked from posting. “In addition, the document includes a ‘humans trump machines’ rule, which is to say that users must be afforded the opportunity to dispute and override the conclusions of automated identification or filtering mechanisms.”⁹⁰

Others who endorsed the EFF principles were the Center for Social Media and the Program on Information Justice and Intellectual Property at American University, Public Knowledge, the Berkman Center for Internet and Society at Harvard Law School and the ACLU of Northern California.

The UGC principles explicitly recognized that respecting and accommodating fair use was a critical goal. The Fair Use Principals then expanded on that point from the perspective of its public interest signatories.

Negotiations and deals among media and Internet companies to share revenues are frequently announced and are to be encouraged. But they are not a substitute for shared principles and mechanisms intended to serve the interests of all stakeholders in the news and information ecosystem.

What is needed is an open, voluntary and collaborative process to help rationalize the online journalism content economy. This process could be convened by neutral entities. The design of the process would include emphasis on the experience of alternative dispute resolution mechanisms.

This convening would be in line with the Knight Commission’s recommendation for policies that support innovation, competition and business models that provide marketplace incentives for quality journalism by traditional and non-traditional entities.

Protecting content from misuse and appropriately compensating creators for the value of their work is not a total solution to the question of how to pay for and sustain local journalism. But it could help provide foundational principles and some economic relief to legacy and emerging media as they work toward new revenue sources and sustainable business models.

Finding symbiosis in the news ecosystem

Tom Rubin, chief counsel for intellectual property strategy at Microsoft, received an award from the Dispute Resolution Services of the Los Angeles County Bar Association for his role in leading and successfully completing the “Principles for User Generated Content Services.” His comments in accepting the award¹ provide insight into what might help in developing a similar understanding about journalism content.

Rubin said the keys to success were:

- A shared commitment to the process—“a strong belief that launching principles would break a decades-long cycle of acrimony and disputes, and would best facilitate the adoption and growth of new technology and services.”
- A “shared respect for each other that let us break through typical posturing that often arises during negotiations.... We were willing to move off of many firmly held positions to achieve our goal, and all of us had to do that at one time or another during the process.”

In other remarks, Rubin addressed the need for a healthy symbiosis in the news and information ecosystem. “And symbiosis it must be, for journalism and digital consumption are forevermore inextricably linked.... Media companies are dependent upon technology firms for two things, readership and monetization online. And conversely, technology firms are dependent upon media companies to produce quality content that fuels their own business models online.”

Rubin said the central elements are copyright, competition and collaboration:

First, publishers and editors must be able to maintain appropriate control of their own branded content and the experience of their readers, and not cede those to search engines or aggregators. Second, the online publishing business must remain free and competitive, with plenty of room for new creators to emerge, and with no single entity—be it a publisher or a technology company—able to gain a chokehold over revenue streams or reader experiences. And third, publishers and technology companies must collaborate to ensure that the great promise of our digital age is realized in ways that preserve and enhance the quality journalism that free societies depend upon.”²

1. Rubin, T. C. (2010, May 5). Remarks to Los Angeles County Bar Association. Los Angeles, CA. Retrieved from http://www.lacba.org/Files/Main%20Folder/DRS/Files/Microsoft_Rubin_Speech_May10_2010.pdf

2. Rubin, T. C. (2008, November 20). The change we need. UK Association of Online Publishers. London, England. Retrieved from <http://www.microsoft.com/presspass/exec/trubin/11-20-08copyright.msp>

B. Improve audience metrics

A significant and urgent need is to develop better metrics for print and online audiences. Speaking at the 2010 Aspen Institute Forum on Communications and Society, Mark Contreras, E.W. Scripps Company senior vice president/newspapers, said simply, “Audience metrics are a mess.” There is no lingua franca for print and online audiences together, he said.

Contreras pointed out that during the first 15 years of broadcast television, audience metrics were chaos. That changed in the early 1960s after Congress threatened to intervene. “As soon as trust was put into that ecosystem, revenue followed.”⁹¹

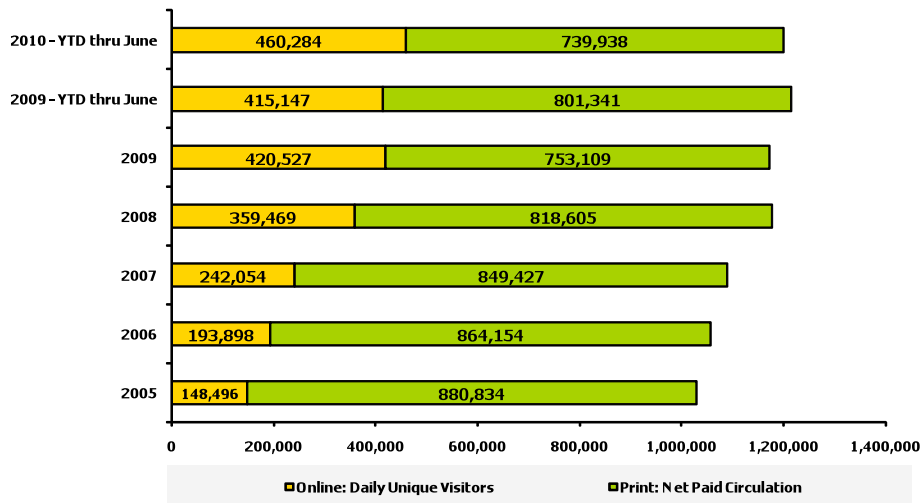
In September 2010, Nielsen unveiled what it calls “Nielsen Online Campaign Ratings,” which will provide online audience data comparable to its television ratings. This will provide a common language across media for the television industry.⁹²

In an interview for this paper, Contreras said print and online publishers need a comparable unified metric. The key players to make this happen, he said, are the Audit Bureau of Circulations (ABC), the Interactive Advertising Bureau (IAB) and the Newspaper Association of America (NAA).

Contreras, who served as chairman of the NAA board of directors for 2010–2011, commented, “If it were easy, it would be done,” but he said that it can be done. He added that more trusted online metrics would benefit emerging news sites as well as legacy media.

Audience metrics are a mess

Integrated audience



Source: Mark G. Contreras, presentation made to the 2010 Aspen Institute Forum on Communications and Society. Available online: http://www.knightcomm.org/wp-content/uploads/2010/08/FOCAS10_Mark_Contreras_Scripps_Presentation.pdf

Unfortunately, the 2011 Pew State of the News Media report says that, if anything, the metrics of online news have become more confused, not less. It said:

Many believe that the economics of the web, and particularly online news, cannot really progress until the industry settles on how to measure audience. There is no consensus on what is the most useful measure of online traffic....

More audience research data exist about each user than ever before. Yet in addition to confusion about what it means, it is almost impossible get a full sense of consumer behavior—across sites, platforms, and devices. That leaves potential advertisers at a loss about how to connect the dots. In March 2011, three advertising trade groups, supported by other media associations, announced an initiative to improve and standardize confusing digital media metrics called Making Measurement Make Sense, but the task will not be easy.⁹³

The three trade groups are the Interactive Advertising Bureau, the Association of National Advertisers and the American Association of Advertising Agencies.

C. Use research to optimize strategic investments

The value of research to traditional and emerging media can be seen in a resource optimization model that publishers can use to assess their investment allocation among news, advertising and distribution departments for maximum revenue and profits. Researchers concluded that many newspapers lack a clear picture based on quantitative data. As a result, newspaper managers assume they are over-investing in their operations when in fact they are under-investing.⁹⁴

The model can be developed for any individual newspaper and has been estimated and validated using annual compilations of hundreds of newspapers' financial and operations data collected by the Inland Press Association. The findings demonstrate that there is considerable opportunity for newspaper profit enhancement using quantitative models.

This "econometric model" was one of several strategies laid out at a conference titled "How Newspapers Could Have Saved Themselves and How Some Still Can," in May 2009 at the Reynolds Journalism Institute. Other strategies included:

- Guidelines based on dozens of newspapers' experiences in deciding optimal distribution of layoffs and buyouts among departments
- A new page-view pricing strategy for both online and print ads that offers a more accurate picture of consumer online behavior for use by advertisers

- Online pricing strategies that can help publishers decide whether and how to repurpose, hold back, or charge for online content that also appears in print
- Surprising data about monetizing out-of-area users of newspaper websites

Esther Thorson, director of research for the institute, said, “Newspapers hold rich sources of information and data, all of which can be mined for additional revenue generation. Academic researchers have the expertise to mine this data to the benefit of newspapers and their customers.”⁹⁵

D. Re-invent revenue streams

In addition to re-imagining journalism for a networked world, news organizations need to re-invent the revenue streams that sustain journalism. This is true whether the news organizations are for-profit or non-profit. To date, experimentation in new revenue models has lagged behind innovation in content creation and collaboration.

The survival of traditional media and the sustainability of emerging media require experimenting with new revenue models that go beyond traditional notions of money from paid circulation and advertising. Among the notions being explored are the following:

- An emerging strategy called “Local Online 2.0” positions local media sales forces as experts in the digital space for small businesses⁹⁶
- Ad sales networks in which legacy and emerging media work with local ad agencies to help local advertisers collect, analyze and present data on performance and return on investment⁹⁷
- Media companies redefining their potential revenue streams in relation to their journalistic functions⁹⁸
- Media companies becoming active leaders in developing trustworthy behaviorally targeted advertising⁹⁹
- Experimenting with revenue models outside the traditional role of intermediary for advertisers, including the possibility of direct involvement with commerce¹⁰⁰
- Brokering web marketing services¹⁰¹
- Integrating web marketing services with social media and personalization¹⁰²

- Providing consulting services to local businesses in the use of social media¹⁰³
- Running sponsored messages on non-profit news sites such as ProPublica through a public media ad sales network¹⁰⁴

Researchers have studied textual online advertising with some encouraging findings. Research done on behalf of the Associated Press Managing Editors and in conjunction with the *Seattle Times* addressed questions such as the following: Would contextual advertising damage the credibility of online news sites? Would it harm the credibility of advertisers? Would readers even notice it? And if they do, what would they think of it? The conclusion was contextual advertising is valuable if it is relevant and appropriately placed.¹⁰⁵

To date, efforts to monetize online content have been disappointing.¹⁰⁶ As of this writing, for-profit media companies seem committed to experimenting with some form of pay model for content; or maybe not. Predictions from industry observers, even for the short-term, vary widely.¹⁰⁷ The long-awaited and closely watched *New York Times* digital subscription effort generated more than 100,000 orders in its first 3 weeks. The company said the results were better than expected, but the experiment was too new to judge.

The rapid adoption of smartphones and the emergence of the iPad and other tablet devices further complicate the picture. The year 2011 has seen the emergence of “social magazine” apps and news personalization services, such as Zite, NewsMix, News.Me, Ongo, the *Washington Post’s* Trove, Yahoo!’s LiveStand. While these offerings complicate issues about content control and revenue, they do not provide a clearly sustainable business model.

A survey in the 2011 Pew State of the News Media report says that nearly half of all American adults (47 percent) report that they get at least some local news and information on their cellphone or tablet computer. But, the report adds, “Currently, only 10 percent of adults who use mobile apps to connect to local news and information pay for those apps. This amounts to just 1 percent of all adults.”

The survey indicated “roughly three-quarters of adults say they would not be willing to pay for online access to their local newspaper, even if it was the only way to access the newspaper’s content.”¹⁰⁸

Perhaps for the moment, the best bet for news organizations is to focus on the quality, while emphasizing the uniqueness, the multi-platform availability and the perceived value of their content among consumers.

V. Government at all levels should support policies that create an environment for sustainable, quality local journalism

It is highly unlikely that in the near term government will directly fund journalism, especially in a time of strained budgets at all levels. Even indirect subsidies or added tax breaks may be problematic.

One area where government at all levels can directly facilitate the functions of journalism is to operate openly. Knight Commission Recommendation 4 states: “Require government at all levels to operate transparently, facilitate easy and low-cost access to public records and make civic and social data available in standardized formats that support the productive public use of such data.” This topic is the subject of another Aspen Institute white paper, “Six Strategies for More Open and Participatory Government,” by Jon Gant and Nicol Turner-Lee.

The Knight Commission said that media policy should be directed toward innovation, competition and support for business models that provide marketplace incentives for quality journalism. It added, “Government’s first role should be to let experimentation thrive. Governments should avoid regulations that distort incentives. Rules should not make investments in traditional media artificially more attractive than new ventures, or vice versa.”

A. Convene a national conversation about the importance of local journalism to community health

The Knight Commission asserted, “Information is as vital to the healthy functioning of communities as clean air, safe streets, good schools and public health. People have not typically thought of information in this way, but they should.”

Often when government, foundations or community organizations develop agendas to focus civic attention, local news and information are not called out for specific attention. There seems to be an assumption that healthy news and information flows are a given, but they are not.

According to the National Conference on Citizenship (NCoC), connection among citizens is the most powerful force in American democracy, and news is high on the list of activities that create connectedness. At least a few times a week:

- 89 percent of people eat dinner with members of their households
- 86 percent receive news from television sources
- 68 percent receive news from newspaper sources
- 55 percent receive news from radio sources
- 54 percent talk to family and friends online
- 46 percent talk with neighbors¹⁰⁹

In its 2010 Civic Health Assessment, the NCoC called for the “development and collection of new measures of civic engagement that broaden our understanding of the term and more accurately capture the full range of participation.” It said these include metrics associated with social innovation, online engagement, corporate citizenship, social capital, public service, trust among individuals and confidence in institutions. “These are crucial indicators to understanding what an informed, engaged, giving and trusting citizenry will look like in the 21st century.”¹¹⁰

News was not on that highlighted list, despite its importance in creating connectedness. This speaks to the need for a national conversation about the importance of local news to community health.

In December 2010, President Obama created the White House Council for Community Solutions. The council is to provide advice to the president on the “best ways to mobilize citizens, non-profits, businesses and government to work more effectively together to solve specific community needs.” Its charge includes “making recommendations to the president on how to engage individuals, state and local governments, institutions of higher education, non-profit and philanthropic organizations, community groups, and businesses to support innovative community-developed solutions that have a significant impact in solving our nation’s most serious problems.”¹¹¹

This council should take up the issue of local news and information as part of its deliberations. It should initiate a national dialogue about how communities can measure and improve their information health and where journalism fits. It should be a model for how communities throughout the nation can convene their own conversations about the importance of local news to community health.

B. Facilitate new ownership and collaboration models

New models are emerging for non-profit or hybrid organizations that integrate the social purposes of journalism with business activities. Uncertainty about tax status is getting in the way of experimentation and collaboration. Fixing this is one of the few things government can do to help journalism that should be relatively non-controversial, although complicated.

In May 2009, the Federal Trade Commission (FTC) announced a project to explore “How will journalism survive in the Internet age?”¹¹² Following the first two of three scheduled public hearings, the FTC staff issued a discussion draft of potential policy recommendations to support the re-invention of journalism. It asserted, “In sum, newspapers have not yet found a new, sustainable business model, and there is reason for concern that such a business model may not emerge. Therefore, it is not too soon to start considering policies that might encourage innovations to help support journalism in the future.”¹¹³

Additionally, the FTC draft statement noted “hybrid organizations that blend social purposes with business methods are emerging at the intersection of the three

traditional sectors (for-profit business, non-profit, and government.) Some for-profit corporations are looking to pursue socially beneficial goals in addition to profits. Similarly, some socially oriented non-profits and government entities are incorporating traditional business practices and principles.”

In a background paper prepared for the Knight Commission, Stephanie R. Hoffer, assistant professor at the Ohio State University Moritz College of Law, wrote that federal and state law should value such for-profit/non-profit ventures. But, she noted, “These agreements are cumbersome, costly to draft, and severely restricted by the Internal Revenue Service.”¹¹⁴

Similar observations have been made in other examinations of non-profit or hybrid media. Four distinct types of media hybrids emerged in the discussions at a Duke University conference on non-profit media in May 2010:

- Media organizations run as non-profits
- Media companies organized as low-profit limited liability corporations, denoted by the acronym L3Cs
- For-profit media outlets with “affiliated” non-profit investigative funds
- For-profit media firms that accepted funds from foundations and non-profits to support particular areas of coverage.

A report on the conference said a non-profit organizational structure could offer ways to increase support for watchdog journalism and should qualify as a charitable purpose. “When asked what policy change they would favor affecting non-profit media, the most frequent response from conference participants was a desire for the IRS or Congress to make clear that newspapers could be run as non-profits.... To date the IRS decisions about the non-profit status of publications, especially those with advertising, have generally been negative.”¹¹⁵

Some states have acted to provide flexibility in forming hybrid organizations. Examples include a Maryland law passed in April 2010 to create a new corporate form known as a “benefit corporation.” It will let social entrepreneurs codify social benefits as part of the corporate charters.¹¹⁶ Other states considering similar legislation include California, Colorado, New York, North Carolina, Oregon, Pennsylvania and Washington.

Several states have established or are considering “low-profit limited liability companies.” These L3Cs are for-profit businesses established to advance charitable, educational or other socially beneficial purposes.¹¹⁷ They are designed to encourage a “program-related investment” (PRI) from private foundations. But Hoffer pointed out that, as yet, it is unclear how the IRS will react to the L3C. “Although it is a beneficial first step, simple adoption of the L3C statute by states will not entirely remedy the federal tax barriers for for-profit/not-for-profit joint ventures. Additional work is needed,” she said.¹¹⁸

The need for greater flexibility and regulatory clarity in new ownership and collaboration models is obvious. Answering key questions could encourage more entry into the news business by non-profit startups.

Among the actions that would be fairly straightforward:

- The IRS or Congress should explicitly authorize “any independent news organization substantially devoted to reporting on public affairs” to be created as or converted into a non-profit entity or L3C serving the public interest.¹¹⁹
- The IRS should change its regulations to clarify when newsgathering and publishing may be a tax-exempt purpose under Section 501(c) (3). Alternatively, Congress should amend the statute to add a separate subsection to Section 501(c) specifically exempting qualifying news organizations.¹²⁰
- The IRS should issue guidance to clarify which business operations, such as an increase in profits or advertising space, will cause a news organization to lose its tax-exempt status.¹²¹

C. Facilitate private to non-profit ownership

Given the economic plight of newspapers, there is the clear likelihood that some current private owners could want or be forced to sell their companies. In her paper prepared for the Knight Commission, Professor Hoffer outlines several ways in which tax policies would work against not-for-profit entities in acquiring these newspapers. She outlines three ways in which Congress could make it easier for private news companies to transition to non-profit ownership:

- Removing the deduction limitation for the contribution of ownership interests in newspapers to not-for-profit organizations
- Deferring taxable gain on the sale of news organizations to not-for-profit organizations
- Ensuring that tax-exempt bond financing is available to not-for-profit purchasers

“The availability of local journalism is undoubtedly a public good that provides positive externalities even to those members of the public who do not consume it,” Hoffer writes. “Accordingly, it would be fitting to move local journalism, which is threatened in the current regulatory and business climate, into the public sector.”¹²²

D. Encourage competition

In May 2010, the Federal Communications Commission (FCC) released a Notice of Inquiry (NOI) as part of the 2010 quadrennial review of its media ownership rules. The NOI initiates a fresh look at the current rules to determine whether they promote the commission's goals of competition, localism and diversity.¹²³

The NOI specifically asked for input on the following:

- Whether the current rules continue to foster competition, localism and diversity
- How to define, measure and promote competition, localism and diversity and how ownership structure affects these goals
- How to weigh these public interest goals if they conflict with each other

As of this writing the issue remains open, and debate about the consolidation of media ownership persists, although the FCC has released a report of its inquiry into the future of media and information needs of communities. The Knight Commission did not take a specific stand on the issue, and a full analysis of the matter is well beyond the scope of this white paper. It is worth noting, however, that the trend in recent years has been toward more outlets for journalism and commentary, but less original reporting.

The Pew Project for Excellence in Journalism 2010 media report made the following observation:

The notion that the news media are shrinking is mistaken. Reportorial journalism is getting smaller, but the commentary and discussion aspect of media, which adds analysis, passion and agenda shaping, is growing—in cable, radio, social media, blogs and elsewhere. For all the robust activity there, however, the numbers still suggest that these new media are largely filled with debate dependent on the shrinking base of reporting that began in the old media. Our ongoing analysis of more than a million blogs and social media sites, for instance, finds that 80 percent of the links are to U.S. legacy media.”¹²⁴

Reporting from established media remains critical, even as it diminishes substantially. One of the major factors in that erosion is the debt burden associated with media consolidation. The key question going forward is what policies will promote original reporting in local communities. Further consolidation of media ownership is unlikely to do that.

E. Expand the definition of who is a journalist

In a world where essentially anyone can perform journalistic functions, what distinguishes someone as a journalist in the eyes of the law? One answer is, “We’re

all journalists now.”¹²⁵ Scott Gant, who wrote a book by that name, argues that the web is having a dramatic transformative effect for three reasons:

1. It is inexpensive to access and use.
2. Its access and use are unregulated and largely unconstrained by either government rules or physical scarcity.
3. Unlike communications innovations that preceded it, the web allows the interaction of many-to-many rather than one-to-one.¹²⁶

Journalism increasingly is being practiced outside traditional industries and businesses. One analysis suggests journalism jobs in the U.S. actually grew by 19 percent from 2007 to 2010, despite the fact that employment was down in newspapers, periodicals, radio and television.¹²⁷ Government policies need to recognize, understand and encourage this new reality.

Inevitably, it seems, laws will address themselves to the functions of journalism, rather than to defining who is a journalist. But one area that is already an issue is “shield laws” that allow journalists to keep confidential the names of their sources. Most existing protections to journalism do not clearly extend to people working outside traditional news outlets.

In May 2010, Wisconsin became the 39th state to pass such a shield law, and its law is more inclusive than most. It protects a “news person,” someone who gathers and disseminates news to the public through any medium, including print publications, books, news agencies or wire services, broadcast, cable, satellite or electronic services. A Kansas shield law that passed a month earlier specifically gave online journalists protected status.¹²⁸

All states and the federal government should have shield laws, and those laws should protect all who perform the traditional functions of journalism.

Who Should Do What

This paper recommends a number of different strategies and ideas for action. The following section summarizes what each of the different stakeholders should do to further the goal.

Local communities

Local communities might help themselves best by embracing the idea that their information health is as important as good schools, safe streets, environmental quality and economic vitality. Healthy information flows help enable all of those other qualities.

A critical step after that is to develop their own “Community Information Scorecard” project to help local leaders take action to improve information health. Such an assessment can help citizens and media identify information needs and opportunities.

Content creators and technology service providers

Content creators and technology services providers have a mutual interest in convening an open, voluntary and collaborative process to help rationalize the online content economy. This process would identify principles to protect content distributed on the Internet from misuse and to appropriately compensate creators for the value of their work.

Local and national foundations

By many accounts, local and national foundations are showing new interest in funding journalism. A 2010 Knight Foundation survey found that “locally focused foundations are making news and information projects a funding priority. Of the 135 responding to the survey, half reported investing in the area, for a total of \$165 million.... Thirty-four percent said their funding in news and information increased in the past 3 years—and that they expected it to increase in the future.”¹²⁹

But foundations will never be able to fully fund even the very best ideas. Funding decision makers should place a premium on ideas that specifically re-imagine journalism for an interactive world. They should build capacity by funding networks, collaboratives, infrastructure and technology. This will create the greatest leverage for their dollars and will stimulate the creation of journalistic endeavors in non-traditional institutions.

They should support efforts to measure the information health of communities, as well as the social benefit of investments in local journalism.

Legacy news media companies

Legacy news organizations have more to lose than anyone else if they fail to transform themselves for a networked world. They should “be digital first,” to fully seize the opportunities in a digital, interactive media environment. They should invest to develop the digital capacity of their newsroom staffs. They should create regional and local news networks to share costs of coverage whenever possible. They should collaborate with emerging and non-traditional media startups to help replenish lost journalistic resources. They should explore new ways of achieving long-held diversity goals, including partnering with ethnic media to share and co-create content that connects communities.

Emerging news media

Beyond creating content, emerging media should focus on building community and achieving sustainability. They should target unmet needs in the news and information ecosystem to increase the social benefit and market value of their work. Whenever possible, they should collaborate to share technology and infrastructure.

Professional and educational journalism associations

Professional associations such as American Society of News Editors, Radio and Television Digital News Association and the Association for Education in Journalism and Mass Communication must develop a greater sense of urgency about helping their members survive and thrive in the digital media age. This should start with greater efforts to find synergy and better efficiency among the associations themselves. It should extend to ethnic and minority media groups, as well as media reform organizations. It should encompass for-profit, public and non-profit entities.

In addition to emphasizing training and capacity building for their members, these associations can foster a spirit of collaboration across industry segments and academic disciplines. They can be bridges between practitioners and academicians. They can be catalysts for inviting the public to participate meaningfully in rethinking the future of local journalism that serves communities.

Newspaper Association of America, Audit Bureau of Circulations and Interactive Advertising Bureau

The Newspaper Association of America (NAA), the Audit Bureau of Circulations (ABC) and the Interactive Advertising Bureau (IAB) should continue to collectively develop a unified metric system to measure print and online audiences. This would promote greater trust, which could lead to increased revenues.

Association for Education in Journalism and Mass Communication

The Association for Education in Journalism and Mass Communication (AEJMC) should pursue foundation support for an organized, field-wide review of journalism education, curriculum and accreditation standards to connect new knowledge and technological change. This would be a concerted effort to re-imagine journalism education for a networked world. It would examine everything from journalism ethics to communication theory.

In addition to bringing its own strategic plan to reality, AEJMC could offer its services and expertise to other journalism organizations in developing similar plans. It could create an online model and database for strategic thinking about local journalism endeavors.

AEJMC has an opportunity, perhaps unlike anything since the instigation of journalism schools a century ago, to be the connective tissue between the study of journalism, the practice of journalism and the purpose of journalism.

Institute of Museum and Library Services

The Institute of Museum and Library Services (IMLS) is an independent agency that advises the President and Congress and is the primary source of federal support to libraries and museums. Among its national initiatives are “Museums, Libraries and 21st Century Skills,” which helps citizens build capacity in areas such as information and technology. As an agency administering discretionary federal programs, the IMLS should initiate a grant competition to solicit proposals for how libraries and journalists can work together to improve local news and information.

Congress

Given the precarious condition of many for-profit journalism companies, Congress should make it easier for private news companies to transition to non-profit ownership. This could be done specifically by the following:

- Removing the deduction limitation for the contribution of ownership interests in newspapers to not-for-profit organizations
- Deferring taxable gain on the sale of news organizations to not-for-profit organizations
- Ensuring that tax-exempt bond financing is available to not-for-profit purchasers

Internal Revenue Service

The IRS should clarify tax policies to encourage the formulation of non-profit and hybrid journalistic entities and collaboration among non-profit and for-profit entities. The policies should reflect the social benefit of accountability or watchdog journalism.

National Conference on Citizenship

The National Conference on Citizenship (NCoC) is chartered by Congress to measure, track and promote civic participation in the U.S. It seeks research/academic institutions, non-profits, and funders to serve as local partners to cooperatively produce and release *Civic Health Index* reports in all 50 states and 100 com-

munities in the next few years. The NCoC also calls for more metrics to assess how technology affects social connection. This is a laudable undertaking that could add greatly to our understanding of the role local journalism plays, provided news is identified as a variable to be studied.¹³⁰

National Science Foundation

The National Science Foundation should solicit proposals for measuring Social Return on Investment (SROI) in local journalism. This work would not be for the marketing of commercial products, but to enhance the social value and lasting impact of journalism in service to local communities. The resulting research could have broad application to other areas of SROI methodology.

White House Council for Community Solutions

In December 2010, President Obama created the White House Council for Community Solutions. The council is to provide advice to the President on the “best ways to mobilize citizens, non-profits, businesses and government to work more effectively together to solve specific community needs.” The council should include the issue of local news and information as part of its deliberations and should initiate a national dialogue about how communities can measure and improve their information health, including local news.

Conclusion

After the release of the Knight Commission Report, Eric Newton of the Knight Foundation wrote an article commenting, “How do you make ‘news and information’ everyone’s issue?” He responded, “The hard part is ahead of us: that is, involving every aspect of our communities in this issue, governments, non-profits, traditional media, schools, universities, libraries, churches, social groups—and, especially, citizens themselves.”¹³¹

Perhaps the place to start is to remember that journalism belongs to all of us. It always has. Just like the freedoms of speech and religion and the rights to peaceably assemble and petition our government for redress of grievances.

But journalism has not always felt like that to many people. Through most of the past century, journalism has been largely a one-way conversation. The methods and costs of production and distribution made it so. Journalism was done for people, and sometimes to people, not so much with people.

At the end of the 20th Century, consolidation of media ownership into big public companies took journalism even further from people. Increasingly, profits trumped public service. Public trust and confidence in the integrity and quality of the news media had been on a long downward slide, which is still accelerating.

The Internet and search engines have turned the world of professional journalism on its head. A journalism colleague said recently, “I do not know anybody from my profession who is not heartbroken, devastated, terrified, scared, enraged, despondent, bereft. I just do not know anybody.”¹³²

Those feelings are raw and real. The words sound like something a journalist might report out of the mouth of a steelworker or autoworker, a family farmer or a logger or a shrimp boat operator on the coast of Louisiana.

When you feel that your life’s work is endangered, it is hard to see the possibilities. But, the Internet is also giving journalism a fresh start—a chance to recreate itself in the way it should have been originally, if the technology had allowed.

It is also a fresh start for the public. For all the bad things people say about the press, they understand its importance in their personal and civic lives. They want journalists to live up to the standards and values they espouse.¹³³ The people now have a genuine opportunity to help shape the future of journalism and a responsibility to do it.¹³⁴

Are people really up to the task of being partners in developing their own news? Is the press capable of creating a “next journalism?”

Bill Kovach and Tom Rosenstiel ask those questions in their new book, *Blur: How to Know What’s True in the Age of Information*. They write, “The answers are hardly a matter of philosophy or academic curiosity. If the public and the press are not up to the task, then the question of whether democracy works falls into doubt.”¹³⁵

This raises two final area of strategic importance: (1) public engagement and trust and (2) leadership.

Public Engagement and Trust

Journalism has little purpose if it is not trusted by the public it is meant to serve. Public engagement and public trust are inseparable in the networked world of digital journalism. Advancing local journalism will require both.¹³⁶

When people have unprecedented control over their use of media, engagement is essential for journalism to have value in their lives. Not just the kind of engagement that allows people to post comments at the end of online news stories, but engagement that sees journalism as being *by*, *for* and *of* the communities it serves.

Transparency is necessary to establish journalistic credibility, but it is not sufficient if journalists do not understand and respect the values of the people they serve. People who are motivated and have the opportunity to be part of creating journalism will be more trusting of it. Journalists and journalistic organizations should celebrate this fact and utilize it to create content that is more complete and accurate than they could produce on their own.

The point is that whatever one calls it—public insight journalism,¹³⁷ networked journalism, citizen journalism, open-source journalism¹³⁸—it will be better for being inclusive and tapping into the collective knowledge of the community. This is the essence of journalism for a networked world. It is a partnership between journalists and the people they are meant to serve.

Leadership

Leadership is not a strategy, but it may be the essential ingredient in advancing local journalism in these turbulent times.

Geoffrey Cowan, dean emeritus of the Annenberg School for Communication & Journalism at the University of Southern California, observes that in recent years “commentators have looked for structural or financial solutions designed to stop the cutbacks in industry and to restore daily papers to greatness.... In the end, the key ingredient is leadership, creativity and commitment of the owner, editor, and/or corporate manager.”

He says that to produce and protect great journalism, the leaders of companies must have two sets of important qualities: (1) a commitment to great journalism and to the financial investment that makes it possible and (2) the range of business skills needed to build and sustain great companies in a world where there are certain to be continuing changes in technology, society, markets, regulations and tastes.

What sets the great leaders of journalism apart from other great business leaders, Cowan says, is “their willingness to stand up to government when the public’s need for information demands it and to use a disproportionate share of their resources to support, and at times subsidize, the needs of their newsroom, even when shareholders might wish them to beef up the bottom line.”¹³⁹

This is an especially tricky proposition at a time when news organizations are necessarily reaching beyond the realm of traditional journalism to find leaders who understand the digital world. That understanding is pointless if future leaders do not also understand the mission, values and standards that give journalism meaning in a democratic society.

And, leadership within news organizations will not be sufficient to advance local journalism if it is not accompanied by leadership elsewhere.

When the Aspen Institute convened a forum on “Models for Transforming American Journalism” in 2009, participants spoke of the need for financial markets and foundations to show courage in support of journalism.¹⁴⁰ That is a call to leadership.

In looking at building community, author Peter Block offers that transformation requires a certain kind of leadership. He describes a person with a mindset of abundance and generosity, a belief in the social fabric, a focus on citizens and an emphasis on possibility rather than problems.¹⁴¹ In a dynamic, interactive

world, the people who advance local journalism, individually and collectively, will embrace all of these qualities.

The leadership that is needed will come in many forms from many places. As Peggy Holman, a co-founder of Journalism That Matters,¹⁴² writes in her new book, *Engaging Emergence: Turning Upheaval into Opportunity*:

We no longer need to wait for formal leaders or facilitators to declare an initiative or pose a good question. Any one of us can do so by taking responsibility for what we love as an act of service. When invited to do so, people consistently rise to the occasion.¹⁴³

This truly is a moment to make news and information everyone's issue.

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112. The FTC explained the project by saying, “Consumers are increasingly turning to the Internet for news and information. Advertisers are moving ads to online sites and scaling back on ad buys as a result of the recession, and news organizations are struggling with large debts they took on during better times. As a result, some are questioning how journalism can survive and thrive in the future.” Federal Trade Commission (2010, February 23). FTC announces second workshop on the future of journalism March 9–10 at headquarters [Press release]. Retrieved from <http://www.ftc.gov/opa/2010/02/news2010.shtm>

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‘L3C’ or ‘Low-profit limited liability company’ means a person organized under this chapter that is organized for a business purpose that satisfies and is at all times operated to satisfy each of the following requirements:

(A) The Company significantly furthers the accomplishment of one or more charitable or educational purposes within the meaning of Section 170(c)(2)(B) of the IRS Code of 1986, 26 U.S.C. Section 170 (c)(2)(B); and (ii) would not have been formed but for the company's relationship to the accomplishment of charitable or educational purposes.

(B) No significant purpose of the company is the production of income or the appreciation of property; provided, however, that the fact that a person produces significant income or capital appreciation shall not, in the absence of other factors, be conclusive evidence of a significant purpose involving the production of income or the appreciation of property.

(C) No purpose of the company is to accomplish one or more political or legislative purposes within the meaning of Section 170(c)(2)(D) of the IRS code of 1986, 26 U.S.C. Section 170(c)(2)(D).

(D) If a company that met the definition of this subdivision (27) at its formation at any time ceases to satisfy any one of the requirements, it shall immediately cease to be a low-profit LLC, but by continuing to meet all the other requirements of this chapter, will continue to exist as a limited liability company. The name of the company must be changed to be in conformance with subsection 3005(a) Nearly identical legislation has passed in Illinois, Michigan, Utah, and Wyoming.

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120. For a discussion on these issues, see the testimony of Rick Edmonds of the Poynter Institute, Joel Kramer of MinnPost and James O'Shea of the Chicago News Cooperative. Federal Trade Commission. (2010, June). Hearing transcript (pp. 48–54). In J. Leibowitz (Chair), *From town criers to bloggers: How will journalism survive the Internet age?* Washington, DC. Retrieved from <http://www.ftc.gov/opp/workshops/news/transcripts/100309transcript.pdf>

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123. Federal Communications Commission (FCC). (2010, May 25). Notice of Inquiry: 2010 Quadrennial Regulatory Review [MB Docket No. 09-182]. Retrieved from http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-10-92A1.doc

In conjunction with the NOI, Commissioner Michael Copps issued a statement saying there has been a 39 percent decrease in the number of commercial radio station owners and a 33 percent decrease in the number of television station owners between 1996 and 2010. "It is difficult to fully quantify the harmful effects that media consolidation has had on the news, information and entertainment we receive. Fewer and fewer voices do not an informed electorate and robust democracy make.

Our country urgently needs a media that is reflective of our diverse communities and interests. While minorities currently comprise roughly 34 percent of the nation's population, they own only 3.15 percent of full-power commercial TV stations. And, while women make up 51 percent of the population, they only own 5.87 percent of full-power commercial TV stations. These numbers are appalling. If a central tenet of our FCC mandate is to promote diversity in the media, which it is, then we need diverse ownership policies to help that happen.

Anyone who actually thinks that who owns the media does not significantly affect how our country is being informed is not paying attention. Shortchanging ownership diversity is shortchanging our civic dialogue.

(Retrieved from http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-10-92A2.doc) Commissioner Robert McDowell issued a statement saying, "Burdensome rules that have remained essentially intact for more than a decade should not be allowed to continue impeding, or potentially impeding, the ability of broadcasters and newspapers to survive and thrive in the digital era. It is not at all clear, of course, that relaxation or elimination of the existing rules necessarily will lead to a major wave of ownership consolidation.... We have a statutory obligation to eliminate unnecessary mandates and bring our regulations into line with the modern marketplace." (Retrieved from http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-10-92A3.doc)

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Internet age. New York, NY: Free Press. The author writes, “These technological advances are converging with a series of social and economic forces to transform journalism. This transformation should help bring into focus a reality we somehow lost sight of—that journalism is an endeavor, not a job title, it is defined by activity, not by how one makes a living, or the quality of one’s work. Although we are not all engaged in the practice of journalism, any one of us can be if we want to. In that respect, we’re all journalists now (p. 6).”

126. *Ibid.*, pp. 24–25.

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141. Block, P. (2008). *Community: The structure of belonging* (p. 85). San Francisco, CA: Berrett-Koehler.

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APPENDIX



About the Author

Michael R. Fancher is a co-convenor of Journalism That Matters Pacific Northwest, an effort to improve the news and information health of communities in the Pacific Northwest. He is an investor in and a member of the Journalism Advisory Board of Intersect, a web platform to enhance people's ability to share stories. He is also vice president of the Washington Coalition for Open Government and serves on an advisory committee to the Fordham University Graduate School of Business.

Fancher retired from *The Seattle Times* in 2008 after 20 years as executive editor. During his tenure as executive editor *The Times* won four Pulitzer Prizes and was a Pulitzer finalist 13 other times. After retiring he served as a 2008-2009 Donald W. Reynolds Fellow in the Missouri School of Journalism. In 2009, he was a contributing writer to the Knight Commission on the Information Needs of Communities in a Democracy and author of the 2009 Aspen Institute Forum on Communications and Society report. Also in 2009, the Western Washington Chapter of the SPJ cited Fancher for Distinguished Service to Journalism.

He received a B.A. in journalism from the University of Oregon, a Masters in Communication from Kansas State University, and his MBA from the University of Washington. In 2002 he was inducted in the University of Oregon School of Journalism and Communication Hall of Achievement.

The Aspen Institute Communications and Society Program

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The Communications and Society Program is an active venue for global leaders and experts to exchange new insights on the societal impact of digital technology and network communications. The Program also creates a multi-disciplinary space in the communications policy making world where veteran and emerging decision makers can explore new concepts, find personal growth, and develop new networks for the betterment of society.

The Program's projects fall into one or more of three categories: communications and media policy, digital technologies and democratic values, and network technology and social change. Ongoing activities of the Communications and Society Program include annual roundtables on journalism and society (e.g., journalism and national security), communications policy in a converged world (e.g., the future of international digital economy), the impact of advances in information technology (e.g., "when push comes to pull"), and serving the information needs of communities. The Program has taken a deeper look at community information needs through the work of the Knight Commission on the Information Needs of Communities in a Democracy, a project of the Aspen Institute and the John S. and James L. Knight Foundation. The Program also convenes the Aspen Institute Forum on Communications and Society, in which chief executive-level leaders of business, government and the non-profit sector examine issues relating to the changing media and technology environment.

Most conferences utilize the signature Aspen Institute seminar format: approximately 25 leaders from a variety of disciplines and perspectives engage in roundtable dialogue, moderated with the objective of driving the agenda to specific conclusions and recommendations.

Conference reports and other materials are distributed to key policymakers and opinion leaders within the United States and around the world. They are also available to the public at large through the World Wide Web, <http://www.aspeninstitute.org/c&s>.

The Program's executive director is Charles M. Firestone, who has served in that capacity since 1989, and has also served as executive vice president of the Aspen Institute. He is a communications attorney and law professor, formerly director of the UCLA Communications Law Program, first president of the Los Angeles Board of Telecommunications Commissioners, and an appellate attorney for the U.S. Federal Communications Commission.