

THE TRIBUTARY

A NORTHEAST FLORIDA JOURNALISM COLLECTIVE

THE LOCAL JOURNALISM
CRISIS AND THE COST
TO OUR COMMUNITY

PREFACE

Local news drives civic engagement and improves government. Fewer news sources are correlated to more expensive municipal borrowing, greater polarization and lower turnout in local elections. In other words, local news is essential to Jacksonville’s future success. Yet local news has evaporated in the last two decades — a market failure brought about by the loss of advertising to social media paired with readers’ unwillingness to pay the rising cost of subscriptions.

We cannot stand by and watch as local news collapses under the weight of broken business models. As a foundation committed to the well-being and vibrancy of the communities that Jessie Ball duPont loved, we believe it is important for us to meet the local news crisis head-on and commit ourselves to finding and funding innovative solutions.

In the last few years, we’ve seen incredible energy from Jaxsons ready to build a city where we can all live, work and play. From riverfront development to urban parks and greenways, the people and organizations in Jacksonville are committed to helping the city realize its potential. But a community will never thrive if it lacks the accountability that comes from a vibrant press.

“If we in the 21st century are to remain true to [the Founding Fathers’] vision, we must find a way — indeed, many ways — to reinvent local journalism before it is too late,” wrote Margaret Sullivan in *The Atlantic*. Democracy needs independent journalism to thrive, as does our sense of ourselves. Let us join forces to meet this challenge to reinvent the way in which we produce, distribute and act upon the news.

Mari Kuraishi, President

Jessie Ball duPont Fund

THE LOCAL NEWS CRISIS AND ITS COSTS TO JACKSONVILLE

EXECUTIVE SUMMARY

Our community faces a quiet but significant crisis, one defined less by what you see and more by what you increasingly don't see: the demise of local news.

The number of reporters in Jacksonville has dwindled. Most of the local news lost comes from the daily newspaper, a community institution that locally and across the country has historically provided the in-depth journalism that communities and democracies need to thrive.

Research tells us what happens next. Political polarization. Loss of community identity and civic engagement. Less accountable governments. Higher municipal bond costs.

This seismic shift in market forces means that in-depth local news — a public good — is no longer as profitable as it once was. Yet cities across the country are finding the local news they need through news nonprofits that focus on stories that drive impact and reflect the communities they serve. Mid-sized metro areas have restored local accountability reporting through a new business model that incorporates philanthropy and other types of public support.

JACKSONVILLE NEEDS LOCAL NEWS

Jacksonville seeks to be a thriving city with robust businesses, engaged citizens and a unique identity that attracts visitors and makes residents proud. Jacksonville can achieve these goals, but its success is threatened by the local news crisis.

There are fewer local reporters, fewer local photographers and fewer local editors, and consequently, there are fewer local news stories, fewer local features and fewer in-depth reports.

Why does this matter? Because local news is the mortar that holds a community's building blocks together.

Businesses reach prospects; residents find opportunities; voters hear from and speak to elected leaders. Local news nurtures community conversation and stimulates civic engagement. A strong identity emerges with an engaged citizenry, making a place distinctive.

But as local journalism shrinks, our community diminishes. We know less about each other. Forces from outside of the community shape our ideas. Our unique identity fades.

A local agenda ought to be driven by local voices and ideas rather than national pundits and outside commentators. If we lose this ability to set our own agenda, define ourselves in our own terms and hold ourselves and our leaders accountable, we will have lost our collective identity and our ability to control it.

JACKSONVILLE'S NEWS CRISIS

In Jacksonville today, there are many news outlets. There are at least seven printed local newspapers.¹ Some publish daily, weekly, monthly or less often than that.

Three television stations carry local newscasts.² WJCT Public Media provides a regular public issue show, First Coast Connect; daily local newscasts; and a new daily newsletter, Jacksonville Today. There are multiple commercial radio stations, though few, outside of WOKV, have a regular local newscast.

If there are so many outlets, why is there grave concern about the decline of local news? Because despite the number of outlets, staffing declines, especially at the main local newspaper, have cratered. TV and radio aren't making up for the loss in newspaper staffing. Research of 100 communities across the United States found local newspapers, even with diminished staffs, produced more local reporting than TV, radio and online-only outlets combined.³

The losses have been significant at the *Florida Times-Union*. It went from a newsroom staff of 130 in 2009⁴ to 21 in 2023,⁵ tasked with covering everything from prep sports to local government in a metro of 1.6 million residents.

The cadre of reporters and editors at other outlets hasn't filled the gap. In their online staff directories in 2021,⁶ News4Jax listed 25 staffers it calls "reporters." First Coast News had 16 reporters. Action News Jax had 15 reporters. WJCT had four reporters (though its news director said that six more people do some reporting as part of their overall duties). The Jacksonville Business Journal had three reporters and three editors, while the Jacksonville Daily Record had one reporter, a researcher and three editors who report stories. The *Times-Union* listed 13 reporters and three columnists.

Local reporting tells the stories that reflect and shape local communities. Local reporting is about what is

¹The *Florida Times-Union*, The Jacksonville Daily Record, The Florida Star, The Jacksonville Free Press, The Jacksonville Business Journal, The Resident, The Beaches Leader/Ponte Vedra Leader.

²News4Jax, First Coast News, Action News Jax, carried on five channels: WJXT, WTLV, WJXX, WJAX, WFOX.

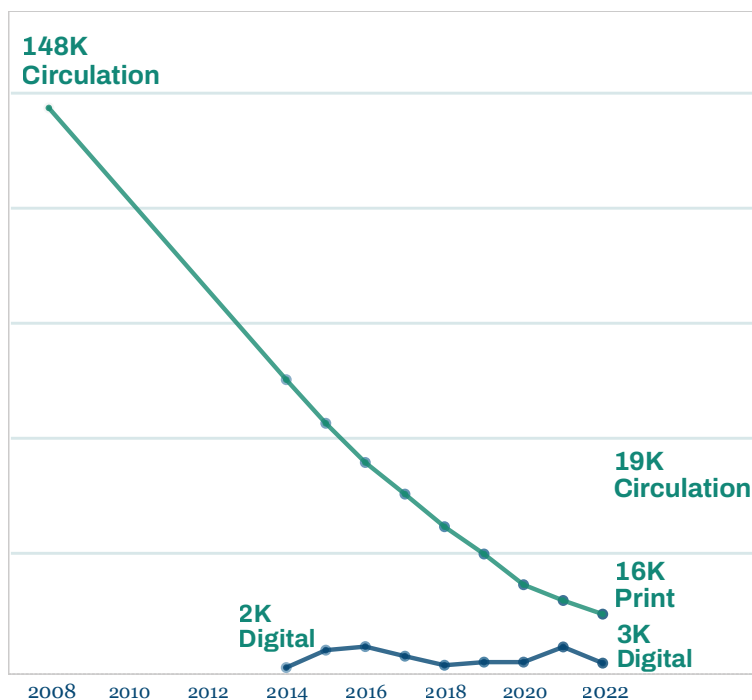
³Mahone, Jessica; Wang, Qun; Napoli, Philip; Weber, Matthew; McCollough, Katie. "Who's Producing Local Journalism: Assessing Journalistic Output Across Different Outlet Types." Duke University. August 2019.

⁴Based on the Jacksonville.com staff directory, archived at Archive.org, for 2009. (44 reporters, 34 copy editors and designers, 16 assigning editors, 14 digital staffers, 11 photographers, 10 columnists, four editorial writers and four assistants)

⁵Based on the Jacksonville.com staff directory accessed in January 2023. (12 reporters, three editors, three columnists, one digital producer and two photographers)

⁶Based on the outlets' online staff directories accessed in October 2021.

Since 2008, the *Times-Union* has lost 87% of its circulation



Source: U.S. Postal Service statements of ownership, PS Form 3526, 2008-2021

“For the last few years, our staff had been shrinking by dozens, causing us to lose the ability to tell as many important stories about our community.”

MARY KELLI PALKA, EXECUTIVE EDITOR, WRITING IN A SEPTEMBER 2021 COLUMN⁷

happening in schools, businesses, churches and nonprofits. It is about the hundreds of decisions made by local elected officials that impact everything from bus routes to trash collection, property taxes to library hours, water and sewer lines to park access. Reporting news accurately and promptly is labor intensive, but it is a service that communities need if their residents are to be knowledgeable and well-informed.

What has happened in Jacksonville is not unique.

The collapse of the advertising-driven, for-profit business model combined with the rise of Facebook and Google have meant a sharp and irreversible decline in revenue for newspapers⁸ and, with it, an attendant drop in staffing and readership.

Locally, the *Times-Union* has seen an 89% decline in its paid print circulation since 2008. Even with digital subscriptions, the paper has fewer than 19,000 subscribers, compared to nearly 150,000 print subscribers in 2008.

The newspaper business model has collapsed, leading to the elimination of thousands of news jobs. Newspapers were supported by print advertising until ad revenue cratered. Craigslist renders classifieds obsolete. Facebook and Google dominate national and local advertising.

Newspapers tried to make up the lost revenue by raising subscription prices. But readers resisted in the face of fewer staff producing less content.

In the last 15 years, more than 2,000

⁷Palka, Mary Kelli. “*Florida Times-Union* continues to grow its newsroom, releases updated diversity numbers.” *The Florida Times-Union*. Sept. 1, 2021.

⁸Ardia, David; Ringel, Evan; Ekstrand, Victoria Smith; Fox, Ashley. “Addressing the decline of local news, rise of platforms, and spread of mis- and disinformation online: A summary of current research and policy proposals.” UNC Center for Media Law and Policy, University of North Carolina at Chapel Hill. December 2020.

A MARKET FAILURE

newspapers disappeared across the United States.⁹ Newspapers have seen a stunning 57% decline in news employment since 2008. That decline is so steep that even though TV and digital newsrooms increased staffing, overall news employment declined.¹⁰

Research shows TV newscasts revolve around “soft features,” crime, weather and sports.¹¹ Increasingly, the “local” newscast relies on national stories provided by networks to fill airtime less expensively. The local TV business model is under threat from viewers who “cut the cord” in favor of streaming services.

“Local television news [is beginning] the downward slide that has plagued local newspapers,” said Rachel Davis Mersey, associate dean of research at Northwestern’s Medill School of Journalism.¹² Local TV viewership and revenue declined slightly from 2016 to 2020.¹³

Organizations report challenges finding workers when Starbucks baristas and Costco workers easily make a higher wage than entry-level reporters.

Today, an additional threat looms over newsrooms: absentee owners.

“Massive consolidation in the newspaper industry has shifted editorial and business decisions to a few large corporations without strong ties to the communities where their papers are located,” said Penelope Muse Abernathy, a professor at Northwestern University’s Medill School of Journalism. “As profitability has superseded journalism’s civic mission on many newspapers, trust in local media has declined.”¹⁴

“[Local newspapers are] targeted by investors who have figured out how to get rich by strip-mining

local-news outfits,” reports *The Atlantic*.¹⁵ “The model is simple: Gut the staff, sell the real estate, jack up subscription prices, and wring as much cash as possible out of the enterprise.”

NATIONAL TRENDS WITH LOCAL IMPACT

The journalists working in Jacksonville are talented professionals committed to their craft and their community, often in adverse circumstances. They and their colleagues do yeoman’s work for our community and deserve deep appreciation — and help. What crisis exists in Jacksonville is not the fault of the community’s hardworking journalists.

If it feels as if Jacksonville’s news outlets have a smaller stake in Jacksonville, it may be for good reason. Most of the prominent outlets are owned by national companies.

The *Times-Union* is owned by Gannett, which controls one out of six U.S. newspapers.¹⁶ Tegna (First Coast News) owns news brands in 51 U.S. markets. Cox Media (Action News Jax & WOKV) owns or operates brands in 20 markets. American City Business Journals (Jacksonville Business Journal) publishes in 44 markets. Graham Media Group (News4Jax) operates in six markets. Observer Media Group (the *Daily Record*) publishes in 12 Florida communities.

Absentee owners control the number of local reporters and their compensation, significant factors influencing the volume and quality of content a newsroom can produce.

Absentee ownership of local media amplifies a tension between the owners and the reader: Owners may care

⁹ Hendrickson, Clara. “Local Journalism in Crisis: Why America Must Revive Its Local Newsrooms.” The Brookings Institution. 2019.

¹⁰ Pew Research Center.

¹¹ Abernathy, Penelope Muse. “News Deserts and Ghost Newspapers: Will Local News Survive?” Center for Innovation and Sustainability in Local Media, the Hussman School of Journalism and Media, University of North Carolina. 2020.

¹² Mersey, Rachel Davis. “The business of local TV news will enter its downward slide.” Nieman Lab. 2020.

¹³ Pew Research Center. Local TV News Fact Sheet. July 2021.

¹⁴ Abernathy, Penelope Muse. “News Deserts and Ghost Newspapers: Will Local News Survive?” Center for Innovation and Sustainability in Local Media, the Hussman School of Journalism and Media, University of North Carolina. 2020.

¹⁵ Coppins, McKay. “A Secretive Hedge Fund Is Gutting Newsrooms.” *The Atlantic*. November 2021.

¹⁶ Hendrickson, Clara. “How the Gannett/GateHouse merger could deepen America’s local news crisis.” Brookings. Nov. 18, 2019.

A NEWS ECOSYSTEM

most about profits and shareholders, while readers care about the community's well-being.

In Tennessee, where Gannett owns six daily newspapers, critics in Memphis felt the impact of absentee ownership. Said one Memphis nonprofit news executive: "You could regionalize backend design — that's one thing, fine. Centralize your accounting. Okay, that's fine. But you can move [only] so much decision making out of the local markets before it is [no longer] really the Memphis *Commercial Appeal*."¹⁷

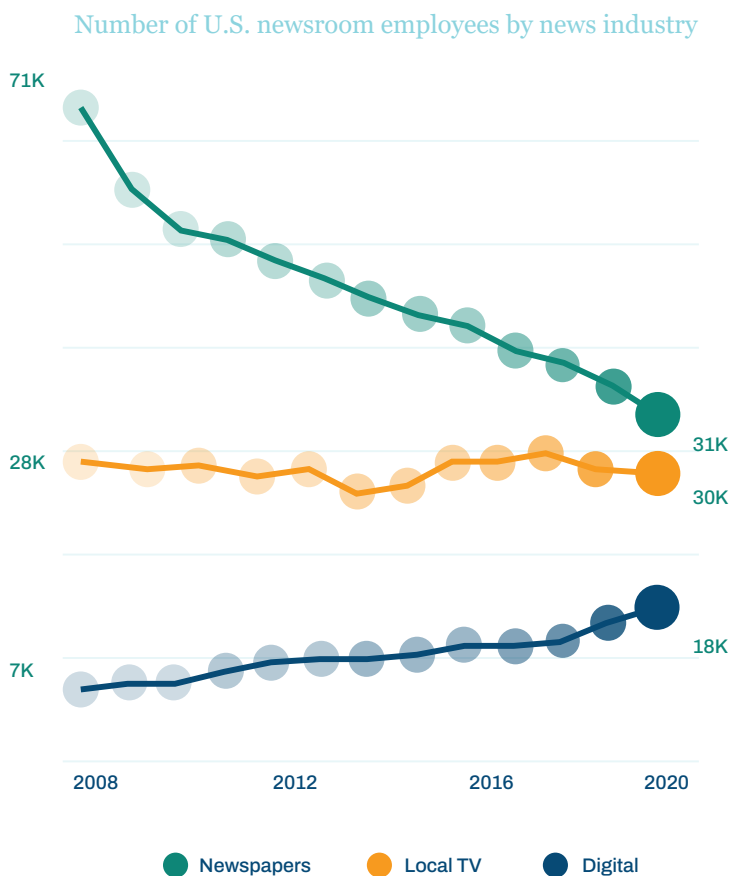
There are many benefits of robust news coverage. Locally, City Hall was spurred to act on food deserts after stories published in the *Times-Union*, helping bring government resources to a problem philanthropy had focused on for years.¹⁸

A growing body of research shows solid local news coverage serves to "increase voter turnout, reduce government corruption, make cities financially healthier, make citizens more knowledgeable about politics and more likely to engage with local government ... encourage split-ticket (and thus less uniformly partisan) voting, [and] make elected officials more responsive and efficient."¹⁹

Sometimes news coverage sets the agenda by presenting an issue to the community. When the *Times-Union* focused resources on the attempted sale of the JEA, Jacksonville's municipal utility, in 2018, the newspaper put that issue before a community that responded with vigor.

In an ideal world, with multiple robust news outlets in a community, the proliferation of choices intersects with a

NATIONALLY, NEWSPAPERS LOST 57% OF EMPLOYEES SINCE 2008



Source: Pew Research Center analysis of Bureau of Labor Statistics Occupational Employment and Wage Statistics Data

¹⁷ Doctor, Ken. "Newsonomics: In Memphis' unexpected news war, The Daily Memphian's model demands attention." Nieman Lab. Feb. 20, 2020.

¹⁸ Bauerlein, David. "New Town could get faster trips to grocery stores after *Times-Union* report on food deserts." The *Florida Times-Union*. Feb. 17, 2021.

¹⁹ Benton, Joshua. "When Local Newspapers Shrink, Fewer People Bother to Run for Mayor." Nieman Lab. April 2019.

NON-LOCALLY OWNED OUTLETS

The below chart is a snapshot of local news organizations that are not locally owned.

OUTLET	OWNER	MEDIUM
<i>The Florida Times-Union</i>	Gannett	Newspaper
<i>The Financial News & Daily Record</i>	Observer Media Group	Newspaper
<i>Jacksonville Business Journal</i>	American City Business Journals	Newspaper
First Coast News	Tegna	TV
Action News Jax / WOKV	Cox Media	TV
WJXT-News4Jax	Graham Media Group	TV
Florida Politics	Extensive Enterprises Media / Peter Schorsch	Digital

LOCALLY OWNED OUTLETS

NEWS OUTLET	MEDIUM	OWNER	NOTES
WJCT & Jax Today	Television + Radio + Newsletter	WJCT Public Media (nonprofit)	Jacksonville's public media outlet
<i>The Resident News</i>	Newspaper	The Resident Community News Group	Serves the neighborhoods of Riverside, Avondale, Ortega, Murray Hill, Downtown, Springfield, San Marco, St. Nicholas, San Jose
<i>Jacksonville Free Press</i>	Newspaper	Free Press of Jacksonville Inc.	Serves Jacksonville's Black community
<i>The Florida Star</i>	Newspaper	Family of Clara J. McLaughlin	Serves Jacksonville's Black community
<i>Beaches Leader</i>	Newspaper	David and Aline Bailey	Serves the Jacksonville Beaches communities
The Tributary	Online	Northeast Florida Journalism Collective (nonprofit)	Digital news platform focused on investigative reporting on undercovered topics
The Jaxson Magazine	Online	A collaboration of WJCT and Modern Cities	Online periodical focusing on urbanism and culture in Jacksonville
<i>Folio/EU Jacksonville</i>	Magazine	Boldland Press Inc. / John Phillips	Alternative magazine focused on arts and politics

WHY LOCAL NEWS MATTERS

diversity of editorial decisions to create a rich and well-rounded portrait of community values — the community’s agenda.

LOCAL NEWS IMPROVES THE QUALITY OF GOVERNMENT

Good local news coverage allows voters to observe the actions of local leaders, make informed decisions about whom to elect for public office and then hold officials accountable.

In separate studies, researchers examined how the closure of daily newspapers in Seattle, Denver and Cincinnati impacted local politics. They found a drop in citizen engagement after the closures. Fewer candidates ran for municipal office, incumbents won more easily, and voter turnout and campaign spending declined.²⁰

Without local news, residents have a diminished ability to hold the government accountable.²¹

Similarly, researchers studied declines in staffing at 11 California newspapers over 20 years. They found “staffing cuts and a shift to online publishing have dramatically changed the reporting model of local newspapers [prompting] a reduction in press attention to local government activities and a more reactive press that is less able to set the agenda in communities.”²²

Other researchers looked at municipal bond data in the years after newspapers closed and found that “cities where newspapers closed up shop saw increases in government costs as a result of the lack of scrutiny over local deals.”²³

LOCAL NEWS REDUCES POLARIZATION

Local news also impacts state legislatures and the U.S. Congress.

In years past, local outlets had reporters based in Tallahassee and Washington to cover the local legislative and congressional delegations. Readers and viewers learned how their elected officials had voted on major issues and what policies they were advancing. Elected officials who failed to assertively represent their constituents were identified and criticized.

Today, however, the area has no full-time local reporters dedicated to covering the people Northeast Florida voters put into state and national offices. As a result, these officials are less connected to their constituents and less accountable for their actions.²⁴

“The collapse of local news is an important contributor to congressional dysfunction and extreme partisanship,” writes Paul Glastris in *Washington Monthly*. “The views most voters have about Congress today are shaped not so much by the members they elect (who’s my congressman, again?) but by the congressional leaders they see on national TV. Individual members ... have less and less incentive to learn the issues and deliver results important to their constituents. Why bother, when the voters have no way of knowing whether you’re actually doing your job?”²⁵

LOCAL NEWS HELPS BUILD COMMUNITY

Local news coverage reveals a community to the nation. Traditionally, local news moves up the “food chain,” proving fodder for regional and national news reporters. The national news report is influenced by the upward percolation of local ideas and issues. In the absence of local news, the flow of ideas gets reversed, with national

²⁰ Abernathy, Penelope Muse. “News Deserts and Ghost Newspapers: Will Local News Survive?” Center for Innovation and Sustainability in Local Media, the Hussman School of Journalism and Media, University of North Carolina. 2020.

²¹ Hendrickson, Clara. “Local Journalism in Crisis: Why America Must Revive Its Local Newsrooms.” The Brookings Institution. 2019.

²² Rubado, Meghan E. and Jennings, Jay T. “Political Consequences of the Endangered Local Watchdog: Newspaper Decline and Mayoral Elections in the United States.” 2019.

²³ Goa, Penjie; Lee, Change Joo; Murphy, Dermot. “Financing Dies in Darkness: The impact of newspaper closures on public finance.” The Brookings Institution. September 2018.

²⁴ Reichel, Chloe. “Political Polarization Increases After Local Newspapers Close.” *The Journal of Communication*. 2018.

²⁵ Glastris, Paul. “Did the Fall of Local News Bring Us Authoritarianism in Washington?” *Washington Monthly*. 2018.

JACKSONVILLE TRUSTS LOCAL NEWS

perspectives being more dominant.

Local news connects employers with workers, connects businesses with consumers and helps average citizens understand the mechanics of the local economy.

It can encourage local economic growth,²⁶ foster social cohesion,²⁷ and develop civic engagement.²⁸

“Americans who turn to local TV, radio or newspapers for political news tend to have more accurate perceptions of people with different political views than do those who rely mostly on the *New York Times* or Fox News, according to research by More in Common, a nonprofit that analyzes political divides,” reports Amanda Ripley in *The Atlantic*.²⁹

Jacksonville residents appreciate local news. A 2018 Pew survey found Jacksonville had the second-highest rate of people who valued news that is accurate and thorough, and Republicans and Democrats were equally likely to say they paid for local news.

What residents lack is an understanding of the challenges facing local news.

With support from the Jessie Ball duPont Fund, The Tributary and the University of North Florida’s Public Opinion Research Lab polled Duval County residents from Oct. 19 to 26³⁰ to understand their opinions about local news. The poll found residents have a healthy appetite for local news and an appreciation for the role it can play in the community, but they misunderstand the financial state of local media.

- **LOCAL NEWS IS MORE TRUSTWORTHY.**
75% of residents trust local news “a lot” or “some” compared with 60% who trusted national news. Only 18% said they trusted social media.

- **LOCAL MEDIA ARE INFLUENTIAL.**

63% of residents said they think the local news media have “a lot of influence” on the local community.

- **LOCAL MEDIA REPORT THE NEWS ACCURATELY.**

58% of residents said local news media do well when it comes to reporting the news accurately.

- **RESIDENTS USE LOCAL NEWS DAILY.**

55% of respondents said local news media do well at providing news they can use daily. More than anything, Jacksonville residents felt news about elections and voting were important to their lives, followed by news about city government, the Legislature, police and prosecutors, public health, jobs and schools.

Despite these positives, respondents noted some ways local media fell short.

- **LOCAL NEWS IS VIEWED AS DOING A POORER JOB HOLDING ELECTED LEADERS ACCOUNTABLE.**

Only 39% said local news does well in holding elected leaders accountable.

- **SOMETIMES ELECTION COVERAGE IS MISSING.**

43% of residents said they had voted in a local election where they could not find news coverage about candidates. And residents indicated a lack of understanding of the challenges facing local news.

- **MOST THINK LOCAL NEWS IS FINANCIALLY HEALTHY.**

²⁶ Deshpande, Shreesh and Svetina, Marko. “Does local news matter to investors?” *Managerial Finance*. Vol. 37, No. 12. 2011. <https://doi.org/10.1108/03074351111175092>; David Baines. “Hyper-local news: A glue to hold rural communities together?” *Local Economy*. Vol. 27, No. 2. 2012. doi:10.1177/0269094211428860

²⁷ Kim, Bumsoo; Lowrey, Wilson; Buzzelli, Nicholas; Heath, William. “News Organizations and Social Cohesion in Small, Large, and Global-Local Communities.” *Mass Communication and Society*. Vol. 24, No. 3. 2021. DOI: 10.1080/15205436.2020.1839103.

²⁸ Thorson, Esther; Chen, Weiye; Lacy, Stephen. “National and Local News Consumption and Indices of Community Participation in an American Civic-Journalism News Environment.” *Journalism Studies*. Vol. 21, No. 4. 2020. DOI: 10.1080/1461670X.2019.1672576.

²⁹ Ripley, Amanda. “Can The News Be Fixed?” *The Atlantic*. May 18, 2021.

³⁰ The UNF poll surveyed 806 registered voters through an opt-in online panel. Data was weighted by partisan registration, age, race and sex; these weights matched the demographics of active registered voters in Duval County.

Despite the staff reductions and declines in coverage, two out of three residents think local news is doing well financially.

- **FEW FINANCIALLY SUPPORT LOCAL NEWS.**

Only 19% of residents said they pay for news through subscriptions, donations or memberships. While that number is low, it was an increase from a 2018 Pew survey that showed only 9% had paid for local news in the last year.

- **THOSE WHO KNOW LOCAL NEWS IS STRUGGLING ARE WILLING TO PAY.**

Those who said local news wasn't doing financially well at all were more than five times as likely to say they paid for local news as those who believed local news was doing very well financially.

- **ALTRUISM, NOT PAYWALLS, DRIVE PAYING FOR NEWS.**

Two-fifths of residents who said they paid for local news do so to “fund good journalism” rather than paying because it was the only way to get better quality news than free sources or needing particular information for their jobs.

Among frequent news consumers who report getting news several days a week or every day:

- 48% rely on television
- 42% rely on a website (which could be a local TV or newspaper website)
- 40% rely on radio
- 15% rely on a newspaper

HOW OTHER COMMUNITIES HAVE RESPONDED

Those committed to local news are looking to new financial models — nonprofit models based on the notion that local journalism is a public good rather than a profit-driven enterprise.

Communities own and support these local news assets. They may still sell advertising. They may still sell subscriptions (or “memberships”). But for now, they anchor their revenue in contributed funds — from donors and institutions willing to underwrite local news because of its innate importance to the local community.

“Nonprofit fundraising ... also gives community members a ‘buy in’ on your service without concerns or questions that the type of reporting you see is being influenced by outside interests,” said Debbie Blankenship of the Center for Collaborative Journalism at Mercer University.³¹

The Knight Foundation found those 18 to 34 years old were twice as likely as older adults to donate to nonprofit news.³² Hundreds of nonprofit digital news outlets have spread across the country in the last decade,³³ often becoming a region's largest newsroom.

In 2021, the Institute for Nonprofit News listed 337 organizations in its directory, including two in Jacksonville — WJCT Public Media and The Tributary.

These models depend on support from three key areas: philanthropy, memberships and earned revenue. Each year, outlets are finding ways to diversify income.³⁴

In some communities, new enterprises try to supplant the legacy daily printed newspaper, covering a wide range of topics and producing a large volume of coverage. In other communities, new outlets provide narrower coverage and collaborate with other organizations.

Some cover only particular topics. MLK50 is a Memphis-based nonprofit that focuses on the intersection of poverty, power and policy. Delaware Currents is dedicated to reporting on the Delaware River, from its headwaters in New York State to the

³¹ Glaser, Mark. “5 Business Models for Local News to Watch in 2020.” Knight Foundation. 2020.

³² “Putting a Price Tag on Local News: Americans’ Perceptions of the Value and Financial Future of Local News.” The Knight Foundation and Gallup. 2019.

³³ “INN Index June 2021: The State of Nonprofit News.” The Institute for Nonprofit News. 2021.

³⁴ Glaser, Mark. “How Philanthropy Became a Growing Revenue Stream for Local News.” Knight Foundation. Aug. 19, 2021.

A WAY FORWARD

Delaware Bay.

These nonprofit outlets employ different revenue mixes. Some rely almost entirely on philanthropic organizations and donors. Others aggressively sell memberships or subscriptions, seeking to build a reliable revenue stream and lessen the need for perpetual fundraising. Many sell sponsorships or advertising. And some find unique revenue opportunities, like event hosting.

Last year, as newspapers cut staff, nonprofit outlets increased staff by 17%. About two-thirds of those outlets even increased revenue during the pandemic.³⁵

A few examples of these emerging news organizations:

SAN ANTONIO REPORT

Started in 2012 as a blog, this nonprofit news site has grown into a robust, intensely local newsroom with 17 journalists who cover government, education, the environment, technology, business, health and the arts. It competes aggressively with the daily newspaper and multiple television outlets in a

“These stories are the connective tissue of a community; they introduce people to their neighbors, and they encourage readers to listen to and empathize with one another. When that tissue disintegrates, something vital rots away. We don’t often stop to ponder the way that a newspaper’s collapse makes people feel: less connected, more alone. As local news crumbles so does our tether to one another.”

ELAINE GODFREY, *THE ATLANTIC*, “WHAT WE LOST WHEN GANNETT CAME TO TOWN”³⁶

metropolitan area of 2.5 million. It distributes news through its website (sanantonioreport.org), free newsletters (email) and other resources for dues-paying members.

It is governed by a seven-person board supported by a 21-person advisory board. Financial support comes from contributions, individual memberships and business memberships. Its most recent tax filing (2019) shows total revenue of \$2.05 million, with 48% coming from contributions, 24% from memberships, 18% from advertising and 9% from fundraising events. Expenses were \$2 million, with \$1.3 million dedicated to employee salaries and benefits.

SPOTLIGHT PA

Spotlight PA focuses on covering state government. It is reminiscent of “capital press corps” composed of state government reporters. As a collaborative, Spotlight PA draws on the strengths of the *Philadelphia Inquirer*, WITF Public Media and other outlets. It distributes news through its website (spotlightpa.org) and through partnerships with publications across the state.

Spotlight PA has a reporting and editing staff of 12 and is supported by contributions and by the Lenfest Institute for Journalism, which also owns the *Inquirer*. Spotlight PA operates under the 501(c)(3) status of the Lenfest Institute.

MISSISSIPPI TODAY AND MISSISSIPPI FREE PRESS

Mississippi Today, based just north of Jackson, launched in 2016 and provides daily and investigative coverage focusing on politics, policy, public health, justice, environment and equity. In addition to a CEO and editor in chief, it has a staff of 20. It distributes news through its website (mississippitoday.org) and email newsletters.

³⁵ “INN Index June 2021: The State of Nonprofit News.” The Institute for Nonprofit News. 2021.

³⁶ Godfrey, Elaine. “What We Lost When Gannett Came to Town.” *The Atlantic*. October 2021.

It is governed by a nine-person board and funded through individual contributions and support from foundations and private investors. Its most recent tax filing (2019) shows revenue of \$1.6 million and expenses of \$2 million, of which \$1.4 million went to employee salaries and benefits.

The Mississippi Free Press, based in Jackson, was launched in March 2020 and this year was named the “startup of the year” by the Institute for Nonprofit News. “Mississippi Free Press is doing super impressive work on all fronts — journalism that doesn’t just inform Mississippians but also leads the way for national readers and media outlets. They have created a statewide presence in a short period of time, and they clearly have very strong growth,” the judges wrote.

In addition to having a publisher and executive editor, the Free Press has a staff of 14 and two dozen contributing journalists. The Free Press distributes news via its website (mississippifreepress.org) and an email newsletter.

It is governed by a nine-person board with support from a 35-person advisory board. It is funded through individual contributions and support from foundations and private investors. Its first tax return is not yet public.

VTDIGGER

Among the older all-digital sites, VTDigger started in 2009 and, in 2011, became a project of The Vermont Journalism Trust, a nonprofit entity. Its newsroom staff of 22 covers all of Vermont, with a population of about 625,000, focusing on politics, education, health care, criminal justice, business and the environment. Its news distributes through a website (VTDigger.org) and email newsletters.

A 15-member board governs Vermont Journalism Trust/VTDigger. Its most recent tax filing (2019)

showed total revenue of \$2.4 million, of which 81% came from contributions. Total expenses were \$2.1 million, with \$1.4 million going to employee salaries and benefits.

THE DAILY MEMPHIAN

Launched in 2018, this digital-only news operation has made headlines by going head-to-head with the local daily, the *Memphis Commercial Appeal*, in ways reminiscent of 20th-century newspaper wars.³⁷

It raised \$8 million through foundations and anonymous giving in its first year.³⁸ With a newsroom staff of 39, the Memphian covers local news by place — Metro, Suburbs, Neighborhoods — as well as business, sports, arts & culture and food.

The Memphian operates differently than most news nonprofits: it has allowed for anonymous donations, disqualifying it from membership with the Institute for Nonprofit News, and it has a paywall limiting access to its news. The Memphian is the rare nonprofit trying to build a business model off of subscription revenue. “It wasn’t local journalism that failed,” CEO Eric Barnes said. “It was the business behind local journalism. It’s a simple fact that gets lost.”

Since it raised its initial \$8 million in seed funding, the Memphian has had to run multimillion-dollar deficits. In 2020, the Memphian earned \$1.4 million from subscriptions, nearly half of its revenue, a far higher share than other nonprofits, yet it didn’t keep pace with the nonprofit’s \$5 million budget.

Memphis is also home to public radio and TV stations as well as nonprofit news sites Chalkbeat Tennessee and MLK50, all of which depend on philanthropic giving. The city also hosts a neighborhood news site called High Ground News and an alt-weekly, Memphis Flyer. Memphis Flyer, Chalkbeat, MLK50 and High Ground News formed a collaborative last year to provide

³⁷ Doctor, Ken. “Newsonomics: In Memphis’ unexpected news war, The Daily Memphian’s model demands attention.” Nieman Lab, Feb. 20, 2020.

³⁸ Lawton, Beth. “The Daily Memphian: How the digital startup fundraised \$8 million for its subscriptions-based news business.” Local Media Association. Dec. 2019.

COVID-related news and share funds that MLK50 raised.³⁹

The Daily Memphian operates under the legal entity Memphis Fourth Estate Inc., governed by a 14-member board. Its 2020 tax return showed total revenue of \$2.9 million, with 9% from contributions, 48% from subscriptions, 30% from advertising, 11% from content licensing and 2% from sponsorships. Its expenses were \$5 million, with \$3.7 million for salaries and benefits.

PATHWAYS FROM DECLINE TO RENEWAL

As 2021 winds down, Jacksonville's news ecosystem faces opportunities and challenges.

The area is blessed with outlets — both upstarts and legacy institutions — that can deliver news to residents. Jacksonville has a daily newspaper — The *Times-Union* — with a small but professional staff and knowledgeable local news editors.

But there are challenges.

“We are seeing more and more philanthropists — especially local philanthropy — stepping off the sidelines to build a future for local news. The rapid decline of commercial local reporting in our country combined with an unprecedented year that magnified the essential role local news plays in our day-to-day lives is driving more philanthropists to rise to the moment and ensure the public has the information they need.”

SARABETH BERMAN, CEO OF THE AMERICAN JOURNALISM PROJECT⁴⁰

The *Times-Union* has an absentee owner that exhibits little interest in the growth of Jacksonville news media. The newspaper has a paid circulation of 18,795, of which 3,004 are digital subscribers,⁴¹ meaning it has limited reach and declining influence in the community.

A healthy, vital community uses the assets of all of its people and seeks to engage all quarters in local civic life. That means people from all walks and all means must have access to local news.

In Jacksonville, as in many communities, lower-income consumers may have less digital access because of the costs of in-home internet access and the tools needed for effective connections. For subscription- or fee-based news services, costs also may be a deterrent: a full subscription to The *Times-Union* carries a list price of \$1,005 annually. A digital-only subscription is about \$120 a year. Yet that increased pricing has not made up for the loss of revenue and has come with a cost of further shrinking the newspaper's audience.

Nationally, increased pricing and digital subscriptions have not allowed local newspapers to increase circulation revenue. Instead, it's led to declining readers. Any shifts toward fee-based models come with the downside of restricting easy access for all. Fee-based models are expensive and require more up-front investment, as seen at the Daily Memphian, the rare nonprofit prioritizing subscription revenue.

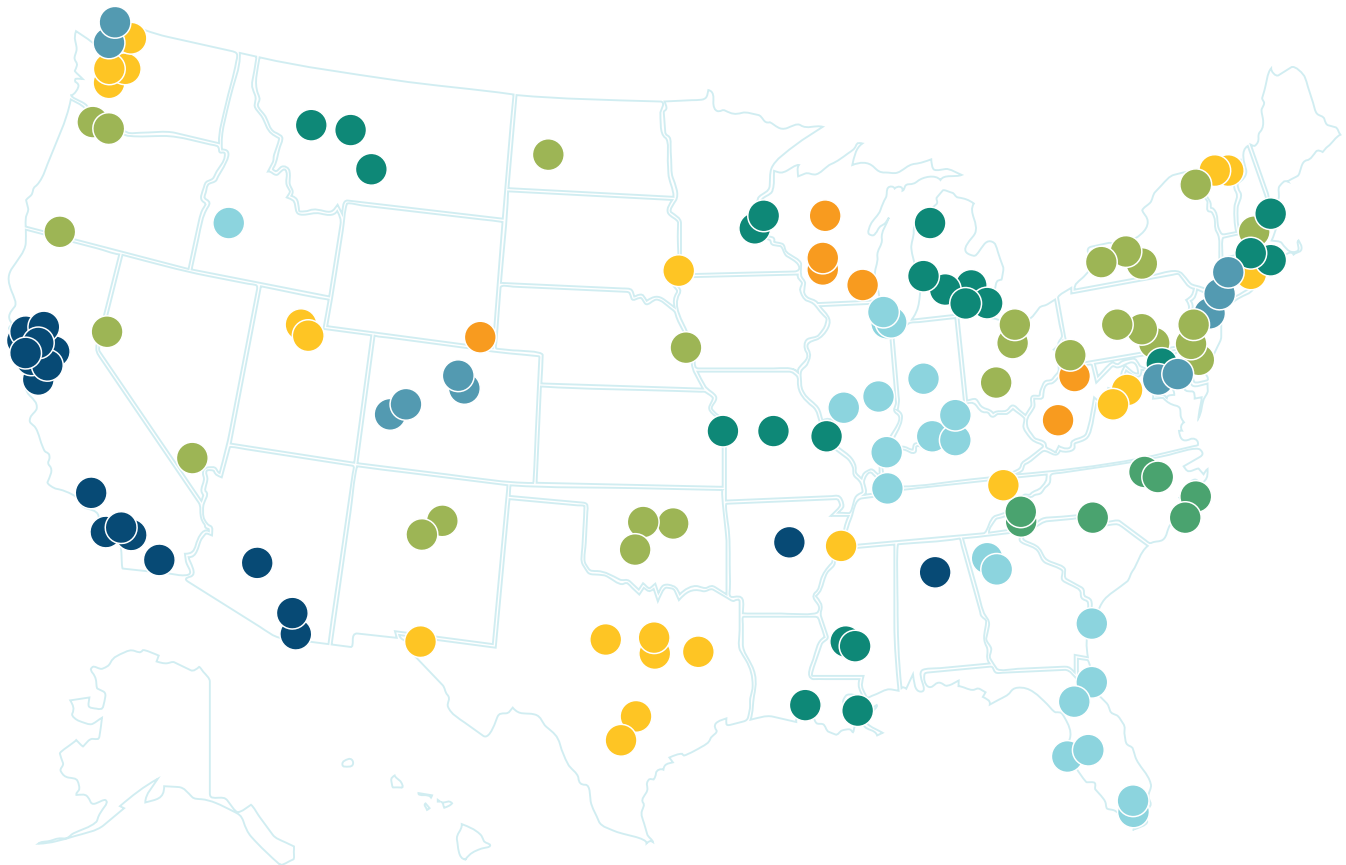
Locally, we've seen WJCT, our city's public media station, hire new staff and kick off a daily newsletter with a focus on filling in some of the daily gaps, while The Tributary's focus on in-depth investigative reporting has made an immediate impact: leading to the resignation of Jacksonville's sheriff and sparking a federal lawsuit that threw out the city's racially gerrymandered council districts.

³⁹ “Memphis media outlets join forces to meet COVID-19 information needs.” MLK50. May 27, 2020.

⁴⁰ Glaser, Mark. “How Philanthropy Became a Growing Revenue Stream for Local News.” Knight Foundation. Aug. 19, 2021.

⁴¹ “The *Florida Times-Union*.” Statement of Ownership, Management, and Circulation. (USPS form 3526). Filing date Oct. 1, 2022.

NONPROFIT NEWS IS BOOMING IN PLACES LIKE JACKSONVILLE



Source: Institute for Nonprofit News member directory

Philanthropic-funded journalism comes with its challenges. It might subject the financing of journalism to the goodwill of those with capital on the one hand. But, as one academic study found, nonprofit news has been more able to focus on accountability and investigative reporting than for-profit news. “Foundation officers want to fund journalism that has impact.”⁴²

Across the country, in markets like Jacksonville’s, digital startups show promising trends with varying revenue models. With a particularly eager audience that trusts local news, Jacksonville must find a way to save its local news.

If Jacksonville doesn’t, then without local news, “more of American life will occur in shadows. We won’t know what we won’t know.”⁴³

“Something must change in order to connect readers to the democratic value that robust, localized reporting can offer, and that’s a challenge worthy of extra attention. There’s not a single solution, but there are a host of possibilities that can be used in concert.”

LAUREN HARRIS, COLUMBIA JOURNALISM REVIEW⁴⁴

⁴² Ryfe, David. “The Economics of News and the Practice of News Production.” *Journalism Studies*. Vol. 22, Issue 1. Dec. 22, 2021.

⁴³ Tom Rosenstiel, director of the Project for Excellence in Journalism, an affiliate of Columbia University Graduate School of Journalism, that was funded by the Pew Charitable Trusts, in an interview with *Who Needs Newspapers*, circa 2011.

⁴⁴ Harris, Lauren. “We need to complicate the ‘save local news’ mantra.” *Columbia Journalism Review*. June 16, 2021.

ABOUT THIS REPORT

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ABOUT THE JESSIE BALL DUPONT FUND

The Jessie Ball duPont Fund is a private foundation that works to expand access to opportunity and create inclusive growth for the people, organizations and communities that Jessie Ball duPont knew and loved. We envision a world in which every member of those communities feels they belong, and is engaged in shaping the future of their community. Our work focuses on increasing equitable access to opportunities and resources for members of society who have historically been excluded, and placemaking to build stronger communities where all voices are heard and valued. Learn more at www.dupontfund.org.

ABOUT THE TRIBUTARY

The Tributary is a nonprofit newsroom that investigates Jacksonville's entrenched problems and proposed solutions to strengthen democracy through data-driven, investigative journalism. Working in collaboration with local media outlets and local residents, it focuses on under-reported topics, and it engages the community to create a more responsive government and to democratize access to information.