
The Death and Rebirth of Local News - Day 3



Mark Silverman

“It’s no use going back to yesterday because I was a different person then.”

- ***Alice in Wonderland, Lewis Carroll***



About Me

Top editor at newspapers in Detroit, Nashville, Louisville and Gannett News Service, corporate news executive for nation's largest newspaper chain.



Sources:

- Poynter Institute for Media Studies
- Medill University
- Nieman Media Lab & Neiman Reports
- Pew Research Center
- Price Waterhouse
- Pre-publication review of *Hedged* by Margot Susca
- Interviews with editors, publishers, academics, and local politicians and business leaders



Week 1

- Day One: The Business of Publishing

Week 2

- Day Two: Journalism and Communities

Week 3

- Day Three: A Hopeful Future

What we've discussed:

- Sea change: Technology, changing news and advertising preferences, newspaper ownership, management
- Most newspapers and websites are withering or disappearing
- Communities suffer
- There are exceptions: Some newspapers are rebounding

A stack of newspapers is shown on a wooden surface. The top newspaper is open, and the pages are slightly curled. The background is dark, making the white paper stand out. The word 'Today:' is written in orange text inside a white rectangular box at the top center of the image.

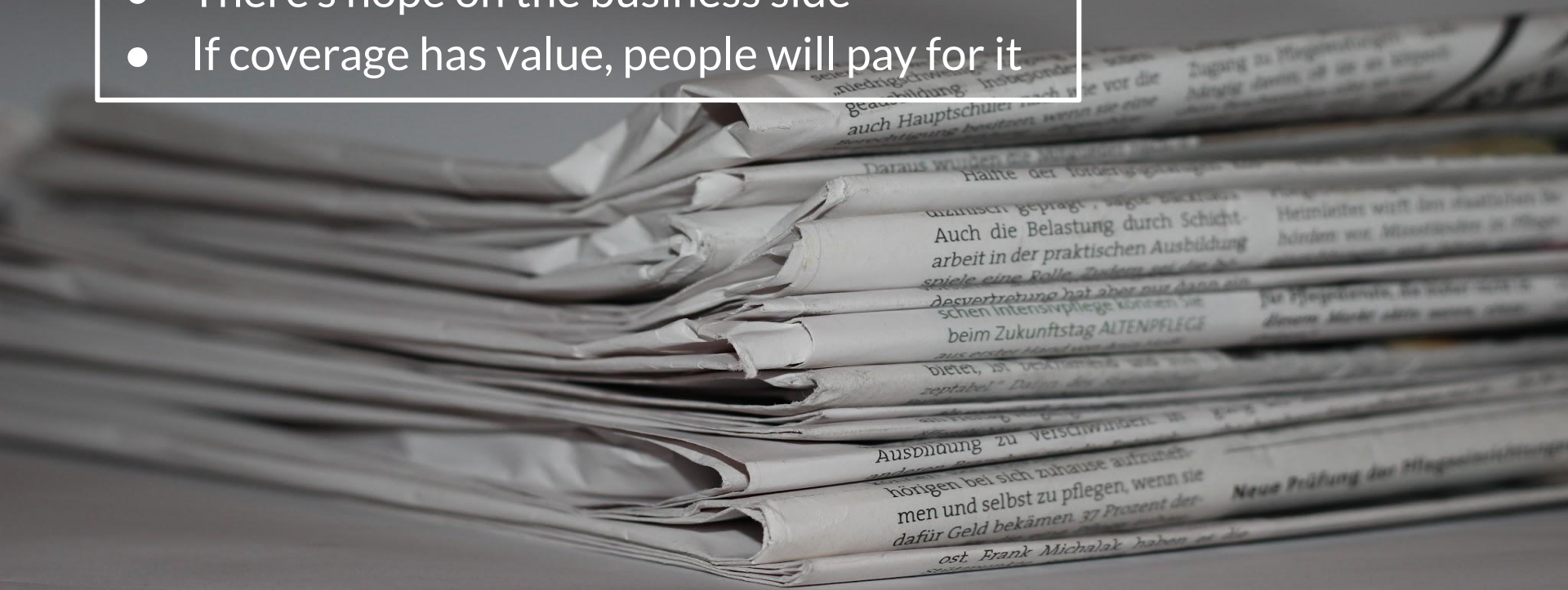
Today:

Some optimism:

- New ownership and funding approaches
- Foundations and other groups underwrite efforts
- Communities pitch in

Looking ahead:

- There's hope on the business side
- If coverage has value, people will pay for it



3 Tracks Going Forward:

- Benevolent Billionaires (Limited number, limited success)
- For-profit Websites (Mixed results)
- Non-profit Websites (Best hope going forward)

Why go into journalism?



A stack of newspapers is piled on a dark wooden table. The top newspaper is partially unfolded, showing some text and a small circular graphic. The background is blurred, suggesting an indoor setting with a window.

Compensation and benefit changes

- What's the future for a new college graduate?
- Can news organizations be competitive enough to attract and retain mid-career journalists?

A black and white photograph of a stack of newspapers on a wooden table. The newspapers are slightly crumpled and layered, with some text and images visible on the top pages. The lighting is dramatic, highlighting the textures of the paper and the wood.

Realities:

- Low entry-level pay for most skill sets
- The smaller the market, the lower the pay and benefits
- Only top news executives and individual “stars” make a lot of money

A stack of newspapers is piled on a dark, textured wooden surface. The newspapers are slightly crumpled and layered. A white rectangular text box with an orange border is overlaid on the right side of the stack. The background is softly blurred, showing more of the newspapers and the wooden surface.

Recent issues:

- Pay freezes, furloughs and roll-backs
- Contentious labor negotiations
- Pension changes: defined contribution (with low or no match) vs. defined benefit
- Health care changes: HSA vs. traditional insurer programs

Billionaires to the Rescue

- MOST are motivated by idealism, concern for communities
- Prepared to lose SOME money
- Few examples, but great when they step up
- Not all billionaires are created equal



The Washington Post

Democracy Dies in Darkness

Jeff Bezos (Amazon, other businesses)

National / Local hybrid

- Graham family sold Post to Bezos for \$250 million in 2013
- Hired Marty Baron, from Boston Globe, scores of nation's best journalists
- Invested heavily in technology
- Expanded product line: Newsletters, podcasts, video



Hired more than 100 new journalists in first several years



- Staffing exceeds 1,000
- Leadership coverage of politics, national affairs
- Innovative digital storytelling
- Goal: National newspaper and local newspaper

But ... Leadership Turnover

- Estimated \$100 million loss in 2023, staff reductions, one-day strike
- Elimination of newsroom research department
- Slipping morale



More of what matters to Minnesota. All day. Every day.

Glenn Taylor (Local businessman, owns Timberwolves)

Local / Regional

- Cowles Media sold Star-Tribune to McClatchy in 1998 for \$1.4 billion
- McClatchy sold it to Avista Capital Partners in 2006 for \$550 million.
- Entered bankruptcy in 2009; 2012 Wayzata Investment Partners became majority owner
- Wayzata sold to Glenn Taylor in 2014 for \$100 million





More of what matters to Minnesota. All day. Every day.

- Stabilized, then grew staff to 250-plus
- Digital subscriptions: 100,000-plus, up 35 percent
- Grew product line, expanded audience footprint
- Revived local and regional coverage
- Grew lifestyles content
- Profitable





More of what matters to Minnesota. All day. Every day.

“The Star-Tribune is not only a good business, it’s an important institution for Minnesotans.”

-Glenn Taylor



The Boston Globe



The Boston Globe John Henry (Fenway Sports Group) Local / Regional

- Taylor family sold newspaper to the New York Times in 1993 for \$1.1 billion
- NYT sold Globe to Henry for \$70 million in 2013
- Hired Marty Baron, stabilized staff

The Boston Globe



- Increased investigative stories
- Revived local coverage, arts, culture content
- Added Rhode Island regional edition
- Added digital products, including video news/sportscasts
- Some labor issues
- Slightly profitable

Success Stories

- Post, Star-Tribune and Globe improved coverage, initially stabilized operations after significant cutbacks.
- Star-Tribune most successful financially
- Sustainability depends on billionaires' commitment (and their heirs)
- Other examples of for-profit local ownership without billionaires: Santa Rosa, CA and Berkshire, MA (From Day Two)



—
**CAUTION -
Careful what you
wish for ...**

**It all depends on the
billionaire and
his/her motives**





Los Angeles Times

- Patrick Soon-Shiong (Finance and medicine)
- Local/Regional/National

Los Angeles Times

- Bought L.A. Times and San Diego Union-Tribune for \$500 million in 2008 from Tribune Co. Later sold San Diego
- Hired Kevin Merida as editor
- Merida resigned over “editorial and business priorities”
- Owner’s daughter demands a say in business, social issues coverage
- Sweeping layoffs: One third of staff in less than a year
- 2023: Projected loss of \$30-\$40 million





Baltimore Sun (Tribune - Alden Global Capital)

- Agrees to sell Sun, several smaller newspapers, to David Smith for \$100 million
- Industry analysis: Significant overpay
- Executive chairman of Sinclair broadcasting – 200 stations
- Known for demanding local stations air prepackaged stories/commentary
- Confidant of Republican politicians





- Hasn't read newspapers in "decades"
- Never read The Sun but told newsroom coverage is sub-par
- Wants Sun to "go after local politicians"
- Said coverage should "come up to" standards of his local FOX affiliate



For timeless over trendy

The Post and Courier

THE SOUTH'S OLDEST DAILY NEWSPAPER · FOUNDED 1803

February 24, 2012

POSTANDCOURIER.COM

Charleston · North Charleston, S.C.

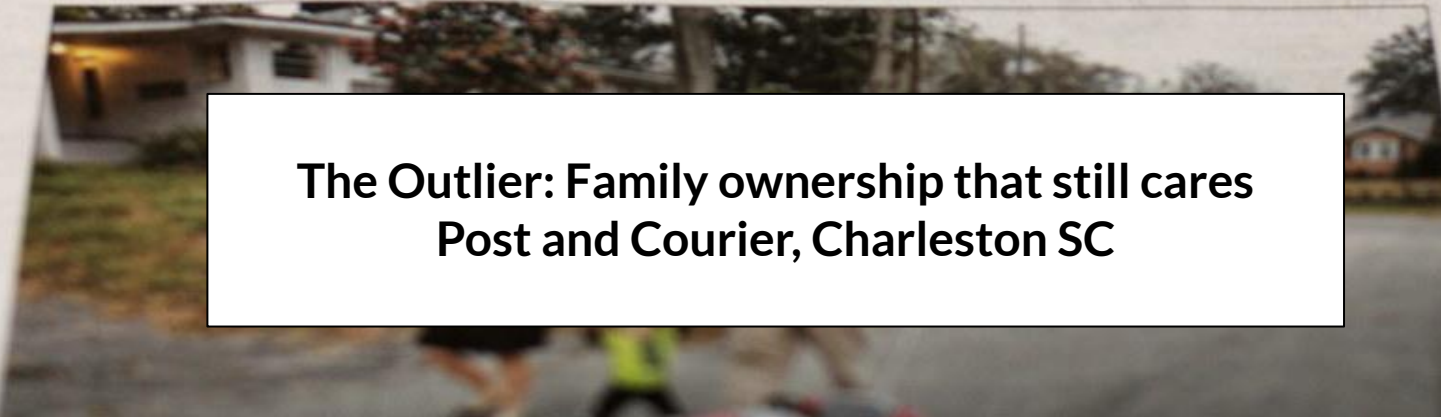
avior of
historic
harleston
uildings
es at 92
cal, 1B



eded
a
e

Neighborhood comes **FULL CIRCLE**

Magazine honors N. Charleston area



**The Outlier: Family ownership that still cares
Post and Courier, Charleston SC**



Joshua Mendoza

DSS
visit
Josh
in 2

Age
track

The Post and Courier

THE SOUTH'S OLDEST DAILY NEWSPAPER · FOUNDED 1803

February 24, 2012

POSTANDCOURIER.COM

Charleston · North Charleston, S.C.

Neighborhood comes **FULL CIRCLE**

Magazine honors N. Charleston area



Joshua Mendoza

DSS

visit

Josh

in 2

Age

track

- Staff: Approximately 100
- Editor: Jeff Taylor
- Hired 27 reporters across state in last 2 years

The Post and Courier

THE SOUTH'S OLDEST DAILY NEWSPAPER · FOUNDED 1803

February 24, 2012

POSTANDCOURIER.COM

Charleston · North Charleston, S.C.

Neighborhood comes **FULL CIRCLE**

- Pulitzer Prize: Domestic violence
- Other major awards:
 - Climate change impact on state
 - Police shootings investigations
 - Impact of China on local economy
- Plus comprehensive daily local and state coverage



Joshua Mendoza

DSS
visit
Josh
in 2

Moral: Choose your
billionaires carefully





For-Profit Start-up Websites

AXIOS

- Launched by Politico's founders
- National sites: News, politics, opinion
- Local sites in 30 cities (Richmond)



- Local sites: Hire 1-5 experienced local journalists
- Polished work - well-reported
- Distinctive “news summary style”
- National site: Daily news, in-depth, investigations
- Local sites: Mostly daily news
- Email newsletters / stories / news summary
- Forums with newsmakers / briefings / live chats



AXIOS

- Revenue: Local / national ad network
- Premium content memberships

Axios makes money



GO LOCAL

- Launched by 3 Kansas City entrepreneurs: Jason Barrett, Tom Carroll, John Jordan – built national marketing company
- Current sites: Portland, Ore., Providence, RI. Worcester, MA





- Hire small number of local journalists, plus freelancers
- Broad news topics but limited number of stories
- Cover several several stories in depth – good quality
- Good photography, graphics
- Some older stories remain in prime space on site
- Revenue from advertising, memberships – hope to sell across sites

Patch

- Founded 2007 as community bulletin boards
- AOL bought in 2014, partnered with Hale Global
- 1,289 hyper-local sites, networked regionally
- Richmond, Newport News closest sites
- About 150 journalists, plus community contributions
- Post your own story! (Facts? What facts?)
- Cops, weather, some government results



Overall: Limited number of for-profit start-ups

Audience breadth varies city to city

Danger: Shallow hit-and-run coverage and/or parachute journalism

Need precise audience segments to target advertising. Segments need to be right size to make economic sense.

An International Success Story

- Print and digital in the U.K. Digital only in the U.S.
- Globally: One third of revenue from advertising, one third from readers, one third from licensing, other sources
- In U.S.: 55 percent from readers, 40 percent from advertising, 5 percent other

**The
Guardian**

An International Success Story

- In U.S.: \$30 million in reader revenue in 2023
- No paywall. Readers contribute if they choose. 250,000 are recurring supporters
- Why? High volume of in-depth stories on subjects that matter to its audience, reported with expertise

**The
Guardian**

Gannett newspaper – proud history

- Then: 20-plus editors and reporters, robust local coverage
- Now: 1 editor, one reporter
- Mostly regional / national coverage in paper, on Web

- Forum Communications: Private company
- 35 news and niche sites, four TV stations
- Market research, on-site interviews
- Launched website last year, then weekly newspaper
- Editor, four reporters (business, sports, news, features)
- Hiring sales associates

Mary Jo Hotzler, Forum's chief content officer:

“The need was getting dire ... a ghost newspaper. But St. Cloud isn't a small town by Midwestern standards.”

“Our strategy was not just to go and open or start a website or even start a newspaper. It was actually to invest in the community.”

Non-Profit websites - Impressive Successes

“Non-profit is really the answer for public service journalism. I think the for-profit model is irrevocably broken.”

-John Bebow, Bridge Michigan



- Many narrowly focused (typically government)
- Some full-scale local news coverage
- Growing number of community coverage startups
- 1,100 non-profit sites of varying degree
- Key: Mix veteran, well-paid journalists with lower-cost beginners
- Quality sells. Quality retains audience. Quality costs money.

Bridge Michigan

- Statewide news / issues / government
- Founded in 2011 by Phil Power, owner of small community newspapers
- Revenue from 40-plus grants plus subscriptions, memberships,
- Members-only events, digital book clubs, etc.
- Hired John Bebow, veteran Michigan journalist as editor
- Now 25 in newsroom, including several from Detroit newspapers
- Launched a separate Detroit site
- 500,000 monthly unique visitors
- 100,000 email subscribers



- High-quality coverage of politics, government, development, the environment, education, health – sets coverage agenda
- COVID Tracker
- Sophisticated audience research: address topics of most concern
- Fights for open records, First Amendment issues
- “Michigan Newspaper of the Year”





ProAccountability.
ProTransparency.
ProGuild.
ProPublica.

- National investigative Non-Profit
- Collaborates with local journalists



ProAccountability.
ProTransparency.
ProGuild.
ProPublica.

- **Founded in 2007**
- **Paul Steiger, Wall Street Journal**
- **Stephen Engelberg, Portland Oregonian**
- **\$37 million in yearly revenue**



ProAccountability.
ProTransparency.
ProGuild.
ProPublica.

- Large foundation grants
- Small contributions from 34,000 donors



ProAccountability.
ProTransparency.
ProGuild.
ProPublica.

- **More than 150 news staffers**
- **Partners with local news organizations**
- **Focus: Health, education, immigration, politics, corruption, regional issues**



The newsroom of ProPublica celebrates the announcement that it won a Pulitzer Prize for the second year in a row in 2011. (Dan Nguyen)

First non-profit to win a Pulitzer Prize

The Newspaper of Tomorrow

Full-service non-profit sites



Daily Memphian

TRUTH IN PLACE.

- Competes with Commercial Appeal
- Daily full-service online city newspaper
- Launched in 2018 by Memphis Fourth Estate
- Funding from local foundations, grants, subscriptions, paywall, ads
- Break-even in 2023



Daily Memphian

TRUTH IN PLACE.

- Revenue: \$3.5 million
- 145,000 email subscribers to 40 newsletters
- 450,000 unique visitors / month
- 30,000 paid subscriptions at \$14/month
- Hired veteran Memphis journalists



Daily Memphian

TRUTH IN PLACE.

- James Overstreet, editor
- 40-plus in newsroom plus freelancers and support staff
- Coverage: Government, politics, education, health, business, pro/college/local sports, community events, arts, music, culture
- Beats Commercial-Appeal to important stories, broader nuts-and-bolts coverage, larger staff



Springfield (MO) Daily Citizen

- Competes with State Journal-Register
- Founded in 2021 by Tom Carlson, Realtor and former mayor
- Matched start-up contributions from community members
- Revenue from grants, memberships
- Angel investor helped fund “proof of concept.”
- Hired David Stoeffler as editor
- Staff: 10 in newsroom, two business, 2 tech, freelancers
- Daily coverage of institutions, breaking news, features
- Community data, things-to-do, etc.



The New Bedford Light New Bedford, MA



- Competes with New Bedford Standard-Times
- Editor Andy Tomolonis, former managing editor of Standard-Times
- Advised by Walter Robinson (Spotlight)
- Robinson: “No journalism of consequence in a city of 100,000”

The New Bedford Light New Bedford, MA



- Staff of 12 full-time, 5 part-time, plus freelance, plus interns
- Government, institutions, arts, culture, and community calendar
- First serious local election coverage in years
- Two major backers underwrote 50 percent of first year budget
- \$100,000 matching gift from another donor
- Now 1,400 donors
- Community advisory group

The New Bedford Light New Bedford, MA



Robinson: “People in Massachusetts once had more journalism available. They’ve hungered for what they had. So they have been quick to embrace a rebirth of journalism that matters.”

Full-service site launches in early stages: Wichita, Nashville

Steve Cavendish, Nashville:

- “The challenge is sustainable funding. You need an angel to start. Foundation money is there, but you need big dollars from local people - especially once the initial funding dries up.”
- “Your content needs to fill a need that isn’t currently met, or that is better, more trustworthy, than other content.”
- “Define your audience. Engage your audience.”





- Smaller market sites and niche sites abound
- Some very good, some very bad
- Key: Involvement of professional journalists with community input
- Quality depends on professionals in addition to community members
- Do it yourself: Substack

OUTLIER

MEDIA

Website and niche newsletters:

- “Detour” - Detroit news
- “The dig” - Real estate and development
- “Documenters” - Government coverage





OUTLIER

MEDIA

- Founded in 2016
- 5 full-time journalists, plus 4 support staff
- Large freelance network
- Three major grants: Knight, Walton Family, plus \$1 Million from McArthur Foundation in 2023





OUTLIER

MEDIA

- Memberships, small donors
- News Match up to \$43,000 per grant
- Partner with Bridge, Chalkbeat Detroit (education site), Detroit Free-Press, public TV, ABC affiliate



- Freelance stories by accomplished journalists
- Focus: Health care, education, public policy, socioeconomic disparities
- Funded by Pell Institute and Salve Regina College
- Run by G. Wayne Miller, longtime R.I. reporter and editor with distinguished background



**OCEAN
STATE
STORIES**

PELL CENTER
Celebrating 25 years | 1997-2022

Spotlight Delaware – in planning stage

- \$1 million grant from American Journalism Project
- Delaware public policy coverage
- Community guidance on coverage





- Aggregators
- Post stories from originating sites
- OK if no charge
- Not OK if they sell others content
- VA Press association: VA News Reader

VIRGINIA
NEWS READER

BRINGING YOU VIRGINIA'S LOCAL NEWS

Help for Nonprofits





Non-profit trade association LION (Local Independent Online News)

- 475 members in US and Canada
- 14 employees





- Helps find philanthropic funding
- Works with Knight Foundation, Google News Initiative, Meta Journalism Project
- Training
- Best Practices
- Newsletters





Institute for Non-Profit News

- Confederation of very small sites
- Helps projects that contribute to civic life, democracy
- “Decodes bias”
- Provides administrative, legal, accounting help



News Resource Hub

- Helps non-profits find funding, manage budgets, handle legal paperwork

A pair of black-rimmed glasses is resting on a newspaper. The newspaper is slightly out of focus, with some text visible but illegible. The lighting is dramatic, with strong highlights and deep shadows, creating a moody atmosphere. The glasses are positioned in the upper right quadrant of the frame, with the text 'Press Forward' overlaid on a white box to their left.

Press Forward >>

- McArthur Foundation: \$500 million for local news. Collaboration with 21 other Foundations
- Knight Foundation, Ford Foundation, Carnegie Corporation, Sloan Foundation
 - \$100 million a year for 5 years for digital and print

Press Forward >>

John Pallery, MacArthur president:

“It’s hard to have a democracy when you don’t have good local news. When you lose credible news sources, misinformation and disinformation swoop in.”



Northwestern | MEDILL **Local News Initiative**

Tim Franklin, director of Medill University's local news initiative:

“This makes a powerful statement to other potential donors and to policymakers in Washington and in statehouses that the local news crisis is a serious one for our democracy.”

A photograph of a stone building facade. On the right, the word "PULITZER" is carved in large, bold, black letters into the light-colored stone. To the left, a decorative stone pillar topped with a large, ornate urn stands near a black metal gate. In the background, a multi-story brick building with windows is visible under a clear blue sky. A black street lamp with two globe lights is mounted on the wall.

**Columbia University's
Journalism School:
Grants to pay off college loans for
graduates in non-profit journalism**

A close-up photograph of a stack of newspapers on a wooden surface. A white ceramic mug is partially visible on the right side, containing a tea bag. The tea bag is white with a red floral design and the words "FIVE ROSES" printed in red. The newspapers are stacked and slightly crumpled, with some text visible on the pages. The background is a light-colored wooden surface.

American Journalism Project:

- Start-up grants

News Match:


- Links nonprofits with funders

A close-up photograph of a stack of newspapers and a white ceramic mug on a wooden surface. The newspapers are stacked, with some text visible on the top page, including "The New York Times" and "The Washington Post". A white tea bag is hanging over the side of the mug, with the words "FIVE ROSES" printed in red on the tag. The background is slightly blurred, focusing attention on the foreground objects.

In addition to McArthur initiative, other major grant funders:

- **Knight Foundation, Google News Initiative, Pew Charitable Trust, Meta News Initiative**
- **National Trust for Local News**
- **Small regional foundations, community foundations**
- **Anonymous private donors – upwards of \$100,000 each**

Reality check -- Boston Consulting: \$1.75 billion to cover funds needed by local newspapers and sites.

A black and white photograph of a stack of newspapers on a wooden table. The newspapers are slightly crumpled and layered. A white rectangular box with an orange border is overlaid on the center of the image, containing text. The background is a blurred wooden surface.

Other kinds of help for both for-profits and non-profits, start-ups and legacy publications

A black and white photograph of a stack of newspapers on a wooden table. The newspapers are slightly crumpled and some text is visible on the top page, such as "A method...", "tray's budget", "signalled the", "leaders were", "The billio", "boasted earl", "trust him b", "reporters at". The table has a rough, textured surface.

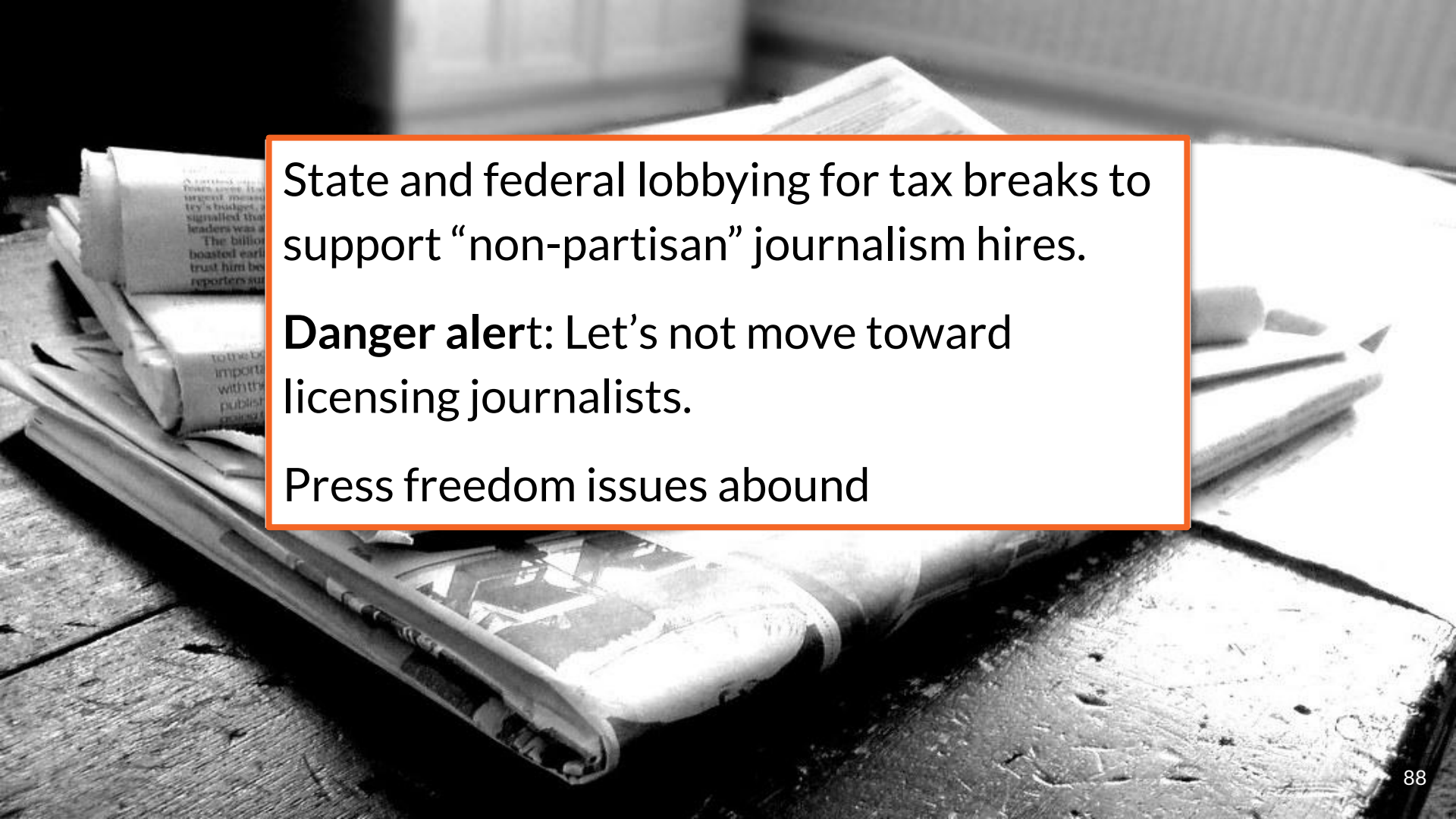
Report for America:

- Two-year grant pays half salary for young reporters, newsroom pays balance
- Newsrooms apply for reporter
- Specific role/coverage; training requirement
- Funded by grants and foundations, plus the news organization



Local News Fund

- Grants support new or expanded coverage of climate, education, healthcare, social justice, and investigative reporting.
- Solicits tax-deductible contributions



State and federal lobbying for tax breaks to support “non-partisan” journalism hires.

Danger alert: Let’s not move toward licensing journalists.

Press freedom issues abound

More good news:

- Collaboration grows
- NPR partners on local issues coverage
- Competitors now partner on large issues



The other crisis: Media Literacy



Days of one-stop shopping for news and information are gone.

Some sites produce ethical, quality journalism.

Others: axe to grind, political or social bias, rebroadcast lies, misinformation, conspiracy theories





Be your your own editor:

Bias detector – Know the news site, its funding, its history.

Look for red flags:

- Indiscriminate use of anonymous sources
- Lack of variety in sources, opposing views
- Quality of sources – primary vs secondary.
 - Is the source in a position to know?
 - Expertise of sources
- Timeliness of information
- Lack of direct quotes



Internal contradictions in content

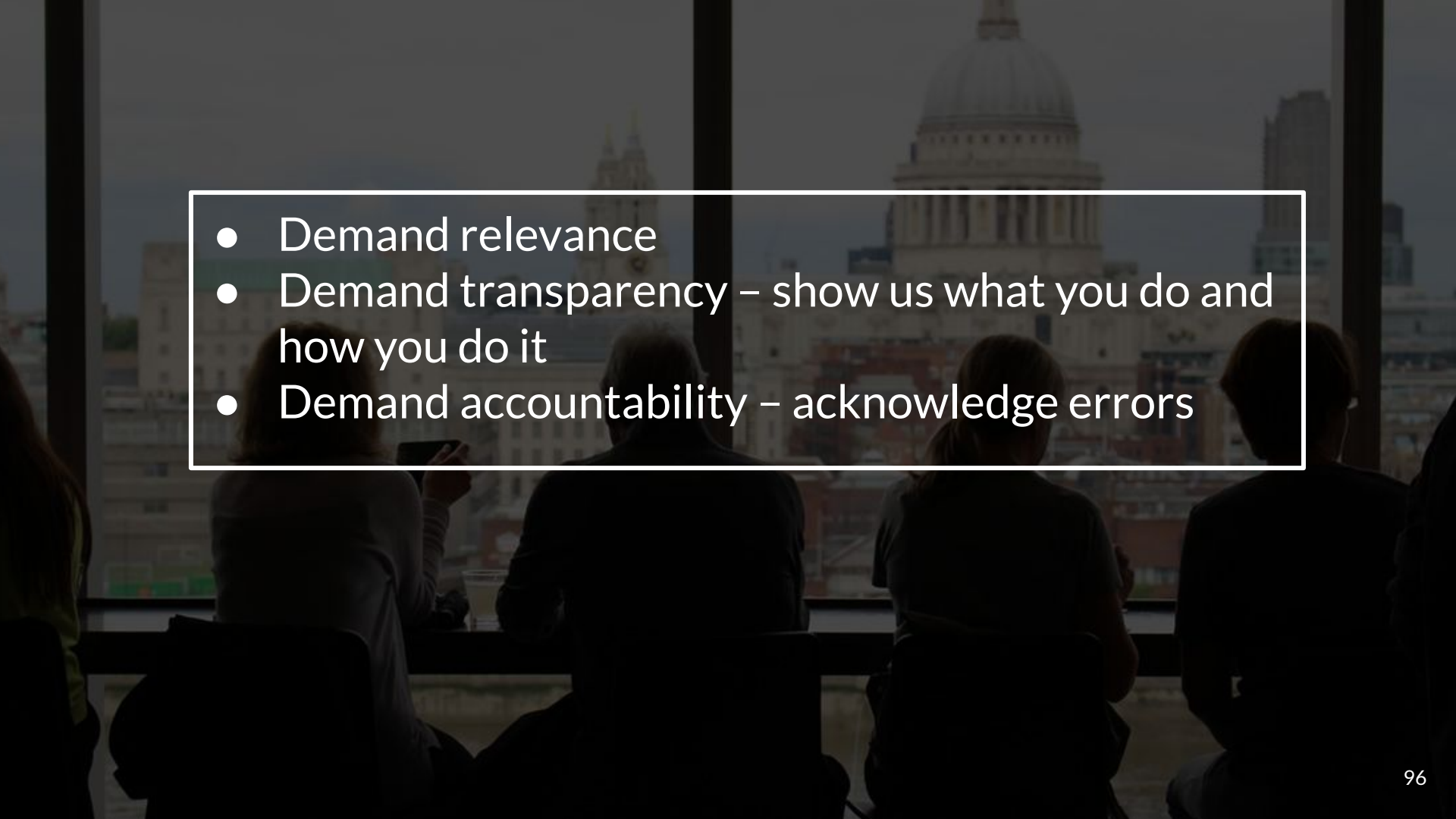
- Do stories dispassionately report facts, describe a situation? (adverbs and adjectives are your enemy)
- Are news pieces clearly differentiated from opinion pieces?
- Do stories use facts to allow you to form an opinion, or does it presuppose an opinion and build a case to justify it?



Use of AI-reporting and writing



Danger signs

- 
- Demand relevance
 - Demand transparency – show us what you do and how you do it
 - Demand accountability – acknowledge errors

A group of people are seated at a table in a restaurant or cafe, looking out a large window at a cityscape. The scene is dimly lit, with the primary light source being the window. The silhouettes of the people are visible against the bright light from the window. In the background, a large, ornate building with a prominent dome, likely a state capitol, is visible. The overall atmosphere is quiet and contemplative.

**Bottom line: sustainability, whether for-profit or
non-profit**

“It Takes a Village”

DISCUSSION



—

Mark Silverman

silver4mark@icloud.com

