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“Not Dead Yet”

The Revson Foundation and re-creating a local news ecosystem in the headwinds of the digital revolution

Rigorous, robust and authoritative journalism is the lifeblood of our civic infrastructure, functioning as society’s ‘civic connector’. It supplies information, both momentous and routine; holding institutions of power, both public and private, accountable as well as giving an account of day to day events in our communities. From its inception to the current day, American democracy has depended on the gathering and dissemination of news as a platform for public discourse and opinion, providing a basis for common knowledge and a public square for dissenting voices.

In a recent article in the *Stanford Social Innovation Review*, Bruce Sievers cites Alexis de Toqueville’s salient observation of the role of news reporting in America as “enabling an independent citizen voice empowered to steer public policy and provide a vehicle for radically different voices to interact freely on public matters”.¹ De Toqueville’s observation is as relevant today as it was in the early 19th Century.

The digital revolution has utterly transformed how information is created, distributed, shared and displayed. The internet has opened the world to us, and at the same time has upended a longstanding profitable business model that enabled news organizations to ‘cross subsidize’ the cost of investigative and public affairs beat reporting with the profits earned from advertising and circulation sales.

Moreover, as digital advertising revenue makes up increasingly larger portions of the news industry’s income, there is increasing pressure to report stories that can attract as wide an audience as possible—the more ‘clicks’ and ‘eyeballs,’ the more advertising revenue. As the former New York Times Public Editor Liz Spayd wrote in August 2016, “When 90% of your audience lives outside of New York, it makes sense to skip the small stuff and write stories with the kind of wattage that attracts attention from a farther distance”.²

In short, the news industry is experiencing a market failure, and the most threatened segment of the American news ecosystem is local news. Consider our local context:

- The number of New York Times reporters covering New York has dropped by over half, from 85 in 2001 to 42 in 2014. In 2001, the paper published 153 metro stories

¹ Bruce Sievers & Patrice Schneider, *The Civic Media Crisis and What Philanthropy Can Do*, Stanford Social Innovation Review, March 8, 2017

² Liz Spayd, “A New York Paper Takes a Look in the Mirror,” New York Times, August 6, 2016

per week; in 2009, 102 metro stories, and by January 2017, only 48 metro stories. After dropping its stand-alone metro section in 2008, column space devoted to New York news dropped by 1/3 on weekdays and a whopping 2/3 on weekends.³

- The Daily News has closed all borough news desks except for Manhattan, virtually eliminating local neighborhood news coverage. Its investigative news team is down from six to one reporter, and its beat reporting no longer covers topics such as health and hospitals, social services, economic development, and politics. Gone are the days of eight reporters covering municipal government out of the City Hall pressroom. They are now down to a bureau chief and one reporter.⁴ Veteran reporters have been replaced with lower paid cub reporters “rewriting trending national stories”.⁵ The Daily News’ post-WWII print circulation was over 2.4 million, and is now 300,000. While their digital circulation is significant at 25.9 million visits, only 18% of the unique viewers are from New York.⁶
- When launched in 2010, the Wall Street Journal’s Greater New York section was hailed as a fresh infusion of local news reporting and healthy competition to spur the New York Times to reinvigorate their local reporting. Six years later, the section was folded into the national paper and reduced to two pages, five days a week. The staff has been reduced by almost half, no one is assigned to cover police headquarters or transportation, and short dispatches have replaced in-depth pieces.⁷
- Over the past few months, DNA Info, which began filling the gap in hyper-local news reporting, has eliminated nine reporting positions, and has merged with Gothamist. DNA Info’s owner has notified staff that those financial challenges “potentially threaten its existence.”⁸
- El Diario, the oldest Spanish daily newspaper in the nation, and New York’s largest and most influential Spanish language news operation, is a shadow of its former self, having reduced its reporting staff in 2016 from 35 to 13, with only two reporters assigned to cover the entire city. Since its acquisition by Impremedia in 2013, El Diario has consistently run in the red, losing on average \$2 million a year.

As Arthur Browne, Editor in Chief of the Daily News recently wrote, “Staff reductions are dangerously undermining the media’s ability to serve as the public’s watchdog over city and state governments, powerful private institutions and critically, the courts”.⁹ He cites the lack of media presence in the Queens and Bronx courthouses and the atrophy of City Hall coverage as exemplified by not only the diminution of Daily News staff, but also the loss of reporters from the AP, UPI, Staten Island Advance, and the New Yorker, as well as the

³ Paul Moses, “The New York Times Turns its Sights Away From New York City,” Daily Beast, April 3, 201

⁴ Arthur Browne, internal memo. May 2017

⁵ Paul Moses, “In New York City, Local Coverage Declines—And Takes Accountability With It,” Daily Beast, April 3, 2017

⁶ Ibid.

⁷ Arthur Browne, May 2017

⁸ Ibid.

⁹ Ibid.

reduction by half of reporters from the Times and the New York Post.¹⁰ These trends are not likely to reverse any time soon, and it is equally unlikely that market forces alone will be able to reverse this tide.

These very same market forces have also eviscerated a critical platform for policy advocates and authoritative 'citizen voices' to capture the attention of the public and those in power. The op-ed pages of the NY Times and Wall Street Journal, which had historically welcomed opinion pieces from authoritative 'outside contributors' opining on important local issues and events, now rarely devote column space on its editorial or op-ed pages to local issues. In fact, The Daily News remains the only outlet where an Editorial Board curates local opinion pieces and devotes consistent editorial voice to issues of importance to New Yorkers.

Moreover, the evisceration of local public affairs journalism has a profound impact on philanthropic efforts to advance public policy, social change and public engagement in civic life. Foundations investing in the health and welfare of New Yorkers rely on their grantees to engage with the press because the news media is the 'civic connector' and authoritative megaphone informing the public, government, and private sector about issues and concerns relevant to their grant making. News operations are indispensable amplifiers of issues and policies that not only advance philanthropic mission and lend a public platform to the ideas and efforts of grantees, but the press also ensures that urgent issues are given voice. Absent a healthy and viable press, those voices are significantly diminished.

The Revson Foundation's investment in building a 'local news eco-system'

In 2008, the first signs of the downward spiral in local journalism's business model were evidenced in a wave of reductions in nearly all NY news operations, including the folding of the Times' metro section into the national paper, and several smaller publications such as the New York Sun, the Blade, Hoy, and Ming Pao New York disappearing entirely. For the Revson Foundation, with its decades long history of media funding and support for public policy organizations working to hold government institutions accountable, concern about the diminishment of a strong and authoritative 'Fourth Estate' was naturally aligned with longstanding interests, values, and mission.

In late 2008, the Foundation funded the Columbia Journalism School to commission Len Downie and Michael Schudson to produce 'The Reconstruction of American Journalism'. This report predicted the continued erosion of local accountability and investigative journalism and proposed a number of remedies, including an array of hybrid models that foster commercial/nonprofit/university partnerships to create and distribute quality journalism. The report also encouraged deeper investment in the expansion of newsroom capacity in such financially sustainable models as local public radio.

Since its initial grant to CJS, the Foundation has invested \$4.4 million to help recreate a local news ecosystem that could start filling the gaps left by legacy news operations. We identified promising content providers and outlets, both citywide and community based,

¹⁰ Ibid.

who had the potential to deepen and expand their reach, with a focus on underreported issues and underserved communities.

Moreover, we understood that the Foundation did not have the financial resources to fully reproduce the range and depth of reporting made possible by journalism's golden age of profitability. We did, however, recognize an opportunity to help build the 'scaffolding' of an emerging infrastructure that would rely on a diversity of revenue sources, outlets, and content providers who, in the aggregate, could constitute a framework for the resurgence of robust local journalism.

This scaffolding included investing in content, both for investigative journalism and ongoing public affairs reporting; strengthening the capacity of existing news organizations both city-wide and community-based, which had the potential to fill both content and 'megaphone' gaps; and tapping into the potential of journalism schools to work with news organizations to create and distribute content. We focused on issues of quality, sustainability, and attention to stories that would otherwise go unreported, while enabling the development of organic partnerships between content providers and distribution outlets, both commercial and nonprofit.

Leveraging editorial potential, a promising 'megaphone' and a sustainable business model: WNYC

Revson's single largest investment, totaling \$2,325,000 over seven years, seeded and nurtured WNYC's efforts to build what is now considered the nation's flagship and model for local public radio news stations. Since 2010, WNYC has grown its newsroom from 30 to 72 staff, and grown its membership base from 120,000 to well over 200,000. WNYC has built a sustainable financial model, relying equally on member donations, corporate sponsorship, individual giving, and foundation grants to support this expansion.

WNYC's local news reporting has garnered numerous awards, including prestigious Peabody, DuPont, and George Polk awards for their accountability and investigative reporting. The station has been the first to report stories such as Stop and Frisk, police abuse and corruption, families caught in the homelessness system, mortgage scams in gentrifying neighborhoods, and the Brooklyn voter purge, to name only a few. WNYC's data news projects alone accounted for 75 breaking stories during 2016. These stories have been routinely picked up by a wide range of local news outlets, amplifying the reach of its reporting.

WNYC has clearly established itself as a major force in the City's news ecosystem, and has earned a reputation nationally as the leader in local public radio news broadcasting, digital and mobile outreach. WNYC has also played an important role in helping to create the scaffolding for a local news ecosystem by forging content and distribution partnerships with content providers and legacy news outlets, including Revson grantees ProPublica, CUNY Journalism School's investigative reporting program, City Limits, and the Marshall Project.

Filling the gap in local investigative news journalism

Among the most pernicious effects of the economics of local news reporting is the diminution of costly, yet essential, investigative stories that require long lead times, intensive labor, and the reporting chops that seasoned journalists are able to render. Because it is geographically circumscribed, local investigative journalism cannot attract the massive number of 'clicks' needed to produce the ad revenue to justify its costs, yet these stories are critical to rooting out corruption, shedding light on the damaging effects of policy decisions and practice, and holding institutions in power accountable for their actions. Revson has initiated and funded a variety of initiatives to help fill this gap, including:

- ProPublica: In 2014, the Foundation helped establish ProPublica's first local news desk. Founded in 2007 as a nonprofit national investigative news organization, ProPublica's New York news desk was an experiment to test the veracity of adapting the organization's hard hitting and incisive long form investigative reporting to local conditions. By almost all measures, the experiment has been a success, and this model is being replicated by ProPublica in other cities and states.

From 2014-2016, ProPublica's New York news desk produced 61 stories. Their coverage of the lack of oversight that has undermined legal protections for rent regulated tenants while granting massive tax abatements to the landlords of these properties led to increased city and state enforcement of regulations and legislative action by elected officials at the local and state levels.

In 2017, ProPublica and the Daily News reported on abuses in the NYPD's enforcement of nuisance abatement actions, which allow police to ban people from their homes or businesses, without due process, under claims that they are being used for illegal purposes. As a result, the NYC Council passed 13 bills that made sweeping reforms in the way NYPD can carry out nuisance abatement actions, including the virtual elimination of one of the most controversial aspects of the law: the city's ability to close locations without warning. The reforms mark the most sweeping changes to the nuisance abatement law since it was enacted in the 1970's and the piece won the Pulitzer Prize for Public Service, the Pulitzer's highest honor.

- CUNY Journalism School's Investigative Journalism Program: Led by award-winning veteran investigative journalist Tom Robbins, Revson supported an initiative to produce investigative stories by soliciting story proposals from prominent journalists, partnering them with journalism students, and placing the stories in major media outlets. Stories have included: two pieces about the major changes in welfare and HRA's implementation of those changes, which appeared as features in the New York Times and Crain's; a partnership with WNYC on a four-part series about the mixed record of impact that federal housing vouchers have on low income New Yorkers, which was broadcast on WNYC and published in the Daily News; a three month investigation into Health Republic, a NYC-based health insurance cooperative that closed its doors in 2015, leaving 209,000 enrollees without healthcare, which ran in Crain's and the Columbia Journalism Review; and a report by Wayne Barrett on the loopholes in NY State's campaign finance laws that keep

Governor Cuomo's potential challengers from raising funds sufficient to wage an electoral challenge, which ran as a two-part series in the Daily News.

- Additionally, the Foundation has made a number of grants for investigative reporting to the Marshall Project, City Limits, and Gotham Gazette, and on a range of issues including an innovative video journalism venture that chronicles the impact of New York City's criminal justice system on a wide variety of New Yorkers; how immigrants are affected by the Trump Administration; and the chronicling of New York City's ambitious re-zoning of low- and moderate-income neighborhoods.

Supporting Community Ethnic Media

In a city with a population including almost 3 million immigrants supporting 250 ethnic newspapers, we saw an opportunity to leverage the collective reach of these publications through efforts to strengthen the editorial capacity and financial sustainability of the community and ethnic press. The Foundation funded CUNY Journalism School's Community and Ethnic Media program to develop a rigorous curriculum and training program to raise the professional standards of reporting and focus on accountability journalism relevant to their readers. Additionally, the Foundation supported the J School and the New York Press Association to strengthen the financial and organizational stability of these outlets by establishing an advertising sales service and training programs in best business practices. These grants also supported an analysis of how the City spends its advertising dollars.

More recently, the Foundation has funded the Newsmakers series at the CUNY J School. Presented monthly, a notable public official is interviewed by NY1 Anchor Errol Louis and two journalists from the ethnic media. The series provides an opportunity for members of the ethnic press to ask questions relevant to their communities, followed by an editorial training session where Louis works with the attendees to shape stories for their publications. The Foundation is also supporting the Futuro Media Group's reporting on immigrant issues in New York.

What have we learned?

Based on our own experience and an extensive literature review of experiences in other locales, we have learned that:

- The most sustainable business model is one that relies on as diverse an array of sources as possible, including philanthropic support, corporate sponsorship, earned income from advertising, individual donations and membership fees, public sector support, including advertising, and monetizing events around local news. A diverse funding base will also help eliminate the potential for conflicts of interest or compromising the integrity of the journalism.
- Content providers and 'megaphone' distributors develop organic partnerships on a 'story by story' basis. Content/distribution partnerships depend on the content provider's ability to deliver high quality stories. Distributors do not have the editorial

staff to labor on pieces that do not meet professional standards. Partnerships are based on mutual interests, trusted relationships and leveraging each other's assets.

- Quality counts. News operations need to pursue important stories and provide information that people want and can't get elsewhere. Excellent journalism inspires loyalty and builds trust with the public. And, as 'civic connectors,' news media needs a strong and rigorous editorial voice that captures the attention of not only the public but also institutions of power.
- Serious news reporting can still hold institutions of power accountable and serve its essential watchdog function. Investigative journalism is essential but content must be amplified by distributors who can reach as wide an audience as possible. Nothing can replace experienced and expert journalists—investment in expanding the number of high quality journalists is essential. And, without the distribution 'megaphones' that are not only authoritative, but also wide-reaching, great content will not achieve its intended impact.
- The scaffolding of a local journalism ecosystem does exist, but is quite fragile. It is very much dependent on the symbiotic and mutually beneficial needs of new and legacy content providers and distributors. The likely further diminution of local news generated by purely commercial news operations will have an adverse impact on the entire ecosystem.
- Success now also depends on civic engagement. Involving news consumers in local events and social media, encouraging participation in the collection of data, and seeking public opinion and views on issues important to them, buys audience loyalty and engagement in the issues of the day.

Looking Forward

In a 2011 report on the status of public access to information resources, former FCC Commissioner Steven Waldman summarized the indicators of the "Information health of a community",¹¹ which include:

- Resources invested/number of reporters;
- Number of news outlets and public access to those outlets;
- Diversity of outlets and healthy competition for news consumers.

By all these measures, the New York news industry has lost significant ground. Revson's investments in supporting a new news ecosystem have helped to mitigate the effects of the severe erosion of news gathering and dissemination. However, we have not, and quite frankly, could not, replace what has been lost— and we cannot rely on a miracle resurgence in legacy media or new purely commercial outlets to reverse the slide.

¹¹ Steven Waldman, "The Information Needs of Communities-The Changing Media Landscape in a Broadband Age," Federal Communications Commission, July 2011.

Local news journalism is on life support and resuscitation of New York's 'information health' has never been more urgent. For foundations and the nonprofit organizations they support, the local news media serves as broadcaster and amplifier of new ideas, policy solutions, and advocacy on behalf those who are all too often rendered voiceless. Evidenced in just a few examples cited above, quality journalism is among the most powerful tools for creating public policy impact and our best insurance policy for holding individuals and institutions accountable for their policies and actions.

The patient is not dead yet, but it will take a broad cross-section of philanthropic sources, including foundations, and civic minded corporations and individuals to breathe new life into what is still the most potent driver of civic awareness, participation and accountability. Investments in rebuilding a strong and viable local news ecosystem might include:

- Strengthening and expanding the capacity of excellent content providers and distributors of news to report on issues that affect the lives of New Yorkers, both at the community level, city-wide, and at the state level;
- Establishing new models of local news production and delivery. The existing gaps in accountability, beat, and investigative reporting will only continue to widen as financial pressures force legacy news operations to prioritize national and international audiences over a money-losing local focus. A diversity of existing and new news outlets need to flourish with viable business models that can finance robust local news reporting, create a more diverse array of reporting, leverage content and distribution through partnerships, and build on the strengths of partners.
- Enlisting the talent offered by journalism schools to assist professional journalists in expanding the number and diversity of stories published;
- Providing authoritative venues for curated opinion pieces that capture the attention of the public and those in power;

The civic health and viability of a city of 9 million people depends on the ability to access reliable and trustworthy information about issues large and small that affect their lives and communities. Excellent local journalism not only provides this information, but also ensures that individuals and institutions of power are held accountable in the 'public sphere', be it digital, print, or broadcast. Excellent accountability journalism is a public good and a public service and its future will depend on socially minded and publicly spirited investment in content creation, civic involvement, and distribution.

