

RECONSTRUCTING AMERICAN NEWS

Investing in the transformation of
journalistic processes and power
relations to strengthen civil society

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PUBLISHED BY THE FORD FOUNDATION, JULY 2020

Introduction

This Is Our Chance to Champion Media Equity to Save Civil Society. Are We Willing to Take It?

BY FARAI CHIDEYA

In 1968, during an era of civil unrest and racial oppression, a bipartisan Presidentially appointed commission wrote that “White society is deeply implicated in the ghetto. White institutions created it, white institutions maintain it, and white society condones it.”

One of the white institutions called to account was the press. The National Advisory Commission on Civil Disorders, known more widely as the Kerner Commission, came up with recommendations including expanding coverage of race; establishing better relations with the Black community; recruiting Black journalists starting as early as high school; and making sure Black journalists were promoted “to positions of significant responsibility.” If we had followed those recommendations and applied them to other underserved communities in America, we would be living in a manifestly different nation today.

It is useless to simply bemoan the misspent years between then and now. The question remains, how do we move ahead? As an old saying goes: “The best time to plant a tree was 20 years ago. The second-best time is now.” So, we are at the second-best time to reform American journalism in order to strengthen civil society.

At the time of this writing, early June 2020, COVID-19 cases are rising or holding steady in a majority of states, disproportionately killing Native Americans, Blacks, Latinos, and people with disabilities. The nation is roiled by civil unrest following the brutal killing of George Floyd in Minneapolis and other deaths at the hands of law enforcement officers. In many ways, we have spiraled back to the trauma of the late '60s, with a pandemic added to the mix. Newsrooms across the nation are also having fierce internal debates about what constitutes good coverage and staffing. The degree to which they are prepared to have these conversations often relies on the level of transparency and openness to innovation, in a way that goes far beyond placing content on the tech platform du jour.

Again and again, America has crises of animus and inequality; then reflection and reform; and later a reversal of gains. The recommendations of the Kerner Commission echoed the sentiments of Reconstruction-era advocates, who lobbied for the Civil Rights Act and the 14th Amendment, which guaranteed equal protection of the law. Journalism is a key piece of the democratic puzzle: it holds up a mirror to the society, informs debate, and shows us whose voices matter. Saving journalism won't be enough: it's time to reconstruct it.

The following landscape analysis, *Reconstructing American News*, takes on the question of how we as a nation innovate in the service of media equity. Equitable news coverage, and the culturally competent empowered staff needed to produce it, is a powerful lever which can move civil society toward justice. We are not focusing on journalism philanthropy exclusively—since news media is largely a for-profit business—but approaching the entire ecosystem. We examine people, processes, and power dynamics that shape the industry, with a particular focus on investment, philanthropy, and sustainability.

That said, journalism philanthropy is implicated not only in reinforcing the inequities of media, but also in funding innovation to correct them.

On the one hand, [only eight percent of journalism philanthropy funds between 2013-2017 went to diverse-serving media outlets](#). This includes news for people of color, women, and LGBTQ communities. On the other hand, over the past two years, journalism philanthropy has broken new ground in media equity.

In September 2019, the Ford Foundation co-founded the Racial Equity in Journalism Fund at Borealis Philanthropies, which is helping to bridge the gap in funding and institutional support. The fund, which has \$6.1 million in commitments and is raising more, announced its first slate of grantees this spring, including Buffalo's Fire, which serves Indigenous communities of the Northern Great Plains; *La Noticia*, a Spanish-language newspaper in North Carolina, which has been hard hit by COVID-19, and MLK50, an award-winning, Black-led newsroom whose [investigation of flawed hospital debt collection policies](#) in partnership with ProPublica led to the forgiveness of more than \$11 million of debt. *Inside Philanthropy* profiled the Racial Equity in Journalism Fund's [critical urgency in the era of COVID](#). Other co-founders of this fund are Democracy Fund, the American Journalism Project, Craig Newmark Philanthropies, the Google News Initiative, the John D. and Catherine T. MacArthur Foundation, and the News Integrity Initiative at the Craig Newmark Graduate School of Journalism at CUNY.

The Ford Foundation has also been active in research and best practices in journalism, including work on gender equity. In October 2019, Ford partnered with the Women and Public Policy Program at Harvard's Kennedy School of Government and dean Iris Bohnet on a conference sharing evidence-based research on how to create gender-equitable newsrooms.

Many nonprofit outlets profiled in this report are taking the lead in inventing better ways to serve communities hit hardest by both the pandemic and civil unrest. The Ford Foundation supports journalism organizations that light the way for others in the field, whether those others are nonprofit or for-profit. One example combining best practices in deep community engagement and technology use is grantee [Documented's work on reaching immigrant communities via WhatsApp](#).

Larger newsrooms have lost both trust and market share. That means there's both an economic and a social impact case for adopting best practices honed at nonprofits. As decimation of prior business models for journalism accelerates, a horizon opens for new ideas, and perhaps even a total reset. In this volatile moment, we see a chance to lift up such innovators and in doing so, bring a different cohort of funders and investors—again, for-profit as well as nonprofit—to the table.

This is not short-term work. That means there's no better time to start innovating the future of news that truly serves America and the world than this very moment. An article in *Smithsonian Magazine* marking the 50th anniversary of the report was headlined: "The 1968 Kerner Commission Got It Right, But Nobody Listened." Are we listening now?

Further reading

- [In the Shadow of Kerner: Fifty Years Later, Newsroom Diversity and Equity Stall](#)
- [The Reconstruction of American Journalism in the Age of Culture War](#)

As the novel coronavirus pandemic upends life, work, and ways of sharing information, equity-focused news organizations are bright lights in the journalism world. We're seeing examples of fresh thinking that combine innovation with equity to create meaningful change. However, news innovators and entrepreneurs are often doing their work with limited resources—even fewer than their already struggling counterparts in legacy news organizations.

We need both innovation and equity to break through the old ways of sharing information that aren't serving the majority of citizens. Our current problems will not be solved using only the tools and strategies of the past. Up until this point, much of the focus for funders in this space has been on supporting innovation in products and platforms. It's now paramount to resource new *people, processes, and power relations*.

We need to support ways of achieving media equity goals through experimentation and iteration in both content and business models. And we need to do more than remediate old problems: we must create an equitable future.

Creating such a future will require completely new frameworks. It means “redistribution of power on a scale that can include and empower the people who are most impacted,” said Juleyka Lantigua-Williams, founder and CEO of Lantigua Williams & Co.—a digital production company that produces films and podcasts, including *Latina to Latina* and *Feeling My Flo*, which covers how menstruation affects all types of bodies.

For journalists, it may also mean letting go of old ways of doing things and learning from innovators in other fields: art, organizing, urban planning, and beyond. As author and editor Alissa Quart [wrote](#) in the *Columbia Journalism Review*, “When words and traditional genres fail us, what other techniques might journalists deploy to break through the thicket of bigoted remarks and familiar stories of misery? So here’s a modest proposal: let’s take the forms we use to the brink. And let’s also reach for unexpected genres, and fresh modes of expression.”

Frustrated reporters and editors have already been creating an array of new “journalisms” to experiment with relevant approaches: [solutions journalism](#), [engaged journalism](#), [collaborative journalism](#), [involved journalism](#), [movement journalism](#), and more. Such thinking sheds a light on the functions of journalism, and how they can be disaggregated and reassembled in light of both media and social transformations. These practices are worth not just celebrating but interrogating—through ongoing research, trial-and-error, and sharing of failures as well as successes. A bit of futurism might also be in order—what could journalism look like in 50 years if we actually heeded the recommendations of the Kerner Commission a half century ago?

At Dot Connector Studio, a media strategy firm based in Philadelphia, we work with many of the foundations in the media space to understand and explain the shifting landscape. This report ties together two years of internal research we conducted on behalf of the Ford Foundation—investigating overlapping topics of racial and gender equity in news, changing news business models in a period of rapid disruption, and responsive, innovative funding strategies from within the world of philanthropy as well as outside of it that aim to address the many intersecting problems that currently exist in the industry. In this paper, we discuss a variety of funders who are investing in the space.

As part of this research process, we interviewed 10 individuals working in the space—from independent entrepreneurs to leaders of large nonprofit newsrooms—for their perspectives on how they are adapting given the pandemic, and what they need from funders.

We also led a brain trust of leaders in the field in May 2019 and then worked with Farai Chideya at the Ford Foundation to commission a set of “blueprints” for new ways for funders to maximize investments in this space: a news equity lab and a news equity festival. (See more detail on this process in Appendix B.)

In addition, the Ford Foundation commissioned two companion studies:

- *Investing in Equitable News and Media Enterprises and Projects* by Andrea Armeni and Wilneida Negrón of Transform Finance, written before the pandemic, found that while new business models require a variety of revenue sources, the number of investors and investments in media and journalism start-ups was remarkably limited. “If anything,” they wrote, “the number of early-stage media investments appears to be shrinking. This is due to a variety of factors, such as past media investments that did not work out, concerns about revenue models, and investors’ lack of general knowledge about media.” To the extent that traditional media investors have invested in equity-centered media endeavors, it has not been specifically with impact as a lens; rather, “the relevant community was seen as a market to be dominated, not as a population to be adequately served.”
- *Gender Equity in the News Media*, written by two researchers at the Harvard Kennedy School of Government—Ariel Skeath, master of public policy candidate, and Lisa Macpherson, a fellow in the Advanced Leadership Initiative—took a deep dive into gender equity in the news media. Skeath and Macpherson posited that improving gender diversity in the news media industry can improve business performance by broadening the talent pool, increasing access to new markets, increasing trust in media, and potentially boosting financial returns. They also identified two main challenges women in the news industry face: (1) There are significant gender gaps among content creators and those who make decisions about coverage, and (2) Despite a strong talent pipeline, progress toward increasing women’s representation in leadership roles has been slow.

In publishing this report, we aim to serve as a resource for others in the field grappling with the same issues. While there are nascent avenues emerging for supporting news equity, this report focuses on the two main existing sources of support: philanthropy and private investment. Both of these models have significant challenges, and our goal is not to hold them up as the only possible avenues of support, but rather to shine a light on the current state of the field and the level of revisioning required to fully support the organizations and entrepreneurs in this space.

Below, we explore the challenges we’re facing, and how possible interventions might work in practice.

Rethinking News and Philanthropy in the Face of a Pandemic

Supporting news equity and innovation must ultimately involve large commercial outlets in addition to nonprofits and start-ups since those make up the bulk of the journalism industry in the US. But as COVID-19 has carved a deadly path through America, we've seen nonprofit news outlets step up to the challenge of reinvention.

In Chicago, nonprofit civic media organization City Bureau has adapted to the pandemic by shifting its award-winning Documenters program from in-person production training and coverage of live public events to covering government live streams, developing new assignments outside of government coverage, and hosting skill-sharing web chats. City Bureau has also launched a comprehensive digital COVID-19 resource tracker to help Chicago-area residents access current, verified resources and filter them by need. The pandemic hasn't changed the organization's community-focused strategy of equipping people to take on challenges outside of the newsroom. "What it's done is verified our strategy," said Darryl Holliday, co-founder and news lab director. "Building resilience in the network and the system is where we want to spend the time anyway."

While larger outlets are struggling to pivot to serve their communities, for those working with marginalized populations, this has been the mode all along.

"The realities about people's stories not getting told and people not having access to news outlets and the lack of trust and community between outlets and marginalized people, all of that is the same with COVID," said Lewis Raven Wallace, co-founder and director of Transforming Journalism Trainings at Press On, a collective for movement journalism across the American South and author of *The View from Somewhere*, which has a related podcast. Now, more people may "be able to see through the lens that we're already using," he said. "There is reframing toward a more radical and system-based kind of thinking that is, in some ways, more possible when the crisis that was already underway in marginalized communities is revealed at this mass level."

It's clear that we need more investment in reporting for underserved and stigmatized populations that are hit hard not only by this virus but the waves of associated unemployment and bias, which will likely [worsen as more go jobless](#), and the difficulty of recovery is compounded by social unrest.

Across the United States, Black citizens are [experiencing disproportionate effects, including much higher death rates](#) from COVID-19. Native American communities are [especially hard hit](#). Assisted living facilities and group homes for people with disabilities

[are experiencing devastating outbreaks and deaths](#), compounded by a lack of personal protective equipment—and a culture that often treats people with disabilities as second-class citizens.

People who are already facing systemic barriers in the United States and have access to fewer resources are literally on the front lines of this crisis. “In virtually every arena in this crisis, specifically for women of color, we are seeing really deep and important disparities and effects that we think we need to be documenting,” said Emily Ramshaw, co-founder of The 19th, a news organization that reports at the intersection of gender, politics, and public policy.

“The stories we tell are saving lives, literally, and we need resources to tell stories to save these lives,” said Manolia Charlotin, co-founder and director of development and talent at Press On. But we also need more than stories—we need new, creative ways of reaching and resourcing people on the ground. “There is more proof now that we’re in a crisis that there’s more to do than write stories,” said Holliday. “There’s more service work, there’s more public journalism work. There are more things that can be built and more connections to be made. There are more collaborations to be had. Journalists can do more than write stories—we actually have a lot of power, we have a lot of connections, we have a lot of skills, we can do a whole lot of things that are useful in a crisis or beyond it.”

This is a moment of both rupture and opportunity. We’re seeing in real time how journalism funders and other investors, outlets, and makers are responding to a global crisis, and which approaches are serving people. Some funders are providing [immediate relief](#) to outlets, writers, and artists facing financial challenges and [pivoting to report on the crisis](#). Familiar funders in the space [have stepped up](#) in a big way (see [Media Impact Funders’ COVID-19 Funding Resources](#) database for more details).

Many funders have already shifted strategies in response to the pandemic. Open Society Foundations’ decision to move resources into a centralized crisis fund has received criticism [from foundation employees](#). At the same time, the social media platforms and other players who have contributed to the decline of business models for news are newly motivated to fund and collaborate with journalists, which will create unforeseen opportunities and challenges.

This shows that it’s not just incumbent on journalism grantees to innovate—funders also need to change their practices. But funders in an already precarious space have many decisions to make: place a big few bets on high-performing outlets? Support smaller, more nimble organizations that are reaching the people who need it most right now? Implement a hybrid strategy or a new approach altogether?

One example of new thinking: Resolve Philadelphia—a collaborative, equity-focused journalism organization in Philadelphia—received a \$1 million grant from

the Philadelphia COVID-19 Community Information Fund, a fund created by the Independence Public Media Foundation, the Lenfest Institute for Journalism, the John S. and James L. Knight Foundation, and the Knight-Lenfest Local News Transformation Fund. This grant will enable Resolve Philadelphia to serve as a backbone organization for its collaborative work with news organizations by producing and disseminating public health messaging, guides, and FAQs in multiple languages. Resolve Philadelphia is committed to supporting Philadelphia's news ecosystem by injecting funds directly into newsrooms through existing mechanisms such as ad buys and sponsored content. "We are hoping to provide the news and information that people need to make life-saving decisions—whether it's life-saving or household-saving or business-saving," said co-executive director Jean Friedman-Rudovsky.

This time of crisis is also one of experimentation; innovation must happen to adjust for the loss of business as usual. As Peggy Holman [explained in a recent *Nonprofit Quarterly* article](#): "Disruption liberates us from the status quo. It sparks innovation." She wrote:

Our current paradigm has peaked and is declining. Meanwhile, innovators experiment. New ideas emerge that shape novel, often more inclusive structures. Ultimately, bridges provide paths for people to cross the chasms.

This pattern describes what is happening in journalism. It offers a story of hope and possibility, even as local and regional newspapers implode—an implosion from lost ad revenues, hastened by the novel coronavirus. Intrepid adventurers, mostly working locally or regionally, are reinventing journalism that serves the needs of an inclusive society.

Philanthropy alone can't solve the collapse of journalism business models, but funders can strategically support those who are hustling up new approaches. Journalists and community advocates are deploying and testing mission-focused solutions to get the word out on COVID-19 and will need support for just-in-time evaluation, iteration, and redeployment depending on how local, national, and global entities respond.

Real-time experimentation needs rapid response funding in order to move from prototype to adoptable models. At the same time, a longer view is needed for investing in news equity and innovation projects and evaluating their longer-term impact.

We don't yet know how much the pandemic has changed the investment opportunities for news entrepreneurs, whether through private investment or philanthropy. "I don't even feel like I can have these conversations with donors right now without being seen as completely tone-deaf," said Ramshaw. "Who am I to say that journalism is more important right now than dollars spent feeding people and funding health care systems?"

An added anxiety is that when foundations and investors do have money to spend, “will they take a risk on a start-up?” asked Ramshaw. Richard Tofel, president of ProPublica, noted that as legacy news organizations shutter, there is an opportunity for nimble, equity-focused news outlets to take on the mantle of “most trusted news source” within a given community. There are definitely opportunities here, but “I don’t know where the capital comes from for people to seize those opportunities,” he said.

What Is News Innovation?

In this report we are using the word “innovation” to mean new modes of storytelling, new ways of reaching people, and related experimentation in business models and funding strategies to support journalism that forefronts equity. Innovation also ties into access: using technology to provide accessible ways for people to tell their stories.

As a term, “innovation” can be contentious: some people we talked to felt it had been co-opted by Silicon Valley in ways that associated it with people who already hold power. Others questioned whether it is really an appropriate priority: “Do we need innovation or do we actually need justice in the form of resourcing the people in communities that are already there, doing the work?” asked Wallace. Charlotin explained: “Innovation is critical, we have to continue to invent new ways of being. If you’re poor, you have to innovate to survive. Communities have been innovating how they share information since the dawn of time. They find a way to use the tools at their disposal.” Holliday suggested that innovation may be more about efficiency: “How do we create more efficiencies and existing systems that things are connected?”

“Innovation is a buzzword and there has been a lot of ‘shiny new object syndrome’ in this industry,” said Ramshaw. “When I think about innovation, what I really think about are advancements in sustainability and advancements in the ways you build and communicate with your audience. Tools like those developed by [Hearken](#) that allow journalism to become a two-way street ... building a true community, whether that’s digitally or in person.”

Ramshaw also noted that innovation can come in the form of changing policies to make it easier for women to advance in news leadership: “things as seemingly simple as six months of fully paid family leave for new parents, which is innovative in this space, even though it shouldn’t be.”

What Is News Equity?

When we talk about news equity, we are talking about reshaping systems and structures within journalism to support outlets led by—and content produced by, for, and with—people who have been historically pushed to the margins. This includes Black, Indigenous, and other people of color; women; LGBTQ people; people experiencing economic hardship; people with disabilities; people living in rural news deserts; and others facing entrenched bias. This list is not exhaustive,

and it does not capture the multifaceted nature of identity. Nor is it meant to imply that all of the groups listed above have struggled to the same extent. However, the news industry has had such a narrow focus for so long, that many, many voices have been left out, to varying degrees. The concept of equity is a continual work in progress—it evolves both as key victories are won and as flash points happen that reveal the depth of structural bias.

Everyone we interviewed for this report said that representation in staffing is a key piece of news equity. For example, ProPublica [broke an early story](#) of the pandemic's disproportionate effects on Black communities. "It makes an enormous difference," to have reporters from particular communities reporting on issues that affect those communities, said Tofel. "It is not a coincidence that the two reporters [on that story] were both young African-American women."

But equity demands more than just representation—it requires inclusion, advancement, and when needed, making accommodations to ensure that all perspectives are represented. Emily Ladau of *Rooted in Rights*—which tells accessible stories from a disability perspective—noted that even now, many people envision newsrooms as the kinds of bustling physical places we are used to seeing in movies. But equity in newsrooms also means taking a "multimedia, multimodal approach" to *how* people need to work.

Equity also encompasses coverage, including more equitable representation of who is included in news stories. Friedman-Rudovsky said, "Equity comes into play when thinking about *who is that coverage for?* Are we being equitable in how we frame the reporting?" There is a big difference between doing high-quality service journalism for people experiencing economic hardship and writing about people experiencing economic hardship for more privileged audiences, she said. For *Rooted in Rights*, Ladau noted that equity means amplifying "the voices of people within the broader disability community who are not necessarily consulted when speaking and writing about those communities," particularly intellectually and developmentally disabled communities.

Some people we interviewed viewed "equity" as a buzzword or felt it didn't go far enough. "Equity is a useful framework on the way to freedom and justice," said Charlotin. "We need more than equity. We need radical imagination in order to see what's possible and create drastic change."

Over the past two years, the Ford Foundation has been working with a cohort of foundations that are actively funding news equity. For example, Democracy Fund [defines equity in journalism](#) as "a shift in systems and structures to address inequality at the root" and recommends funders address it by: "investing in newsrooms led by and serving historically marginalized groups; supporting organizations working to shift industry culture and leadership; and closing historic resource gaps that philanthropy has helped to perpetuate."

Current Challenges

A STRUGGLING INDUSTRY

It's no secret that the larger journalism industry has been in dire straits for years. Countless thought pieces have laid out the reasons: the business models don't match the digital media landscape we are now living in and as a result, news organizations are downsizing, folding, or being bought up by large conglomerates.

Commercial approaches to resourcing reporting lead to lowest-common-denominator coverage: sensationalist, celebrity-obsessed, and divisive. Legacy news institutions do not reflect the concerns and needs of many citizens; many people no longer trust the news because it doesn't serve them and their communities. And while public, community, and nonprofit media offer alternatives, too often they are too strapped to provide meaningful alternatives. Traditional business and funding interventions aren't solving this tangled web of challenges—radical change is required.

Compounding this reality is the fact that there is a well-documented [lack of diversity](#) in both news coverage and newsroom leadership. Mainstream news organizations have a dismal record of supporting women and people of color in leadership positions, despite a strong pipeline. In addition, newsrooms too often offer unpleasant and sometimes hostile working environments, which was recently brought into public consciousness through the MeToo movement. There are also increasing threats and [harassment](#) against journalists and commentators, with [Black women experiencing the worst of it](#). These harrowing attacks are exacerbated by anti-press rhetoric coming from the highest offices in the US and around the world.

Challenges within the larger industry can motivate founders to start new journalism projects outside of existing institutions. This remains true, even during a historic global crisis. Lantigua-Williams said that the pandemic reveals that “the people who do the real work, who have always done the real work, have become completely intolerant of BS.”

She continued: “The people who have always done the work, the grinders, the people who have original ideas, the people who really get stuff done, they're going to become even more intolerant. And they will either rise up in the leadership and people will see that these are the people that we should follow or they will leave and then they will start their own thing. COVID has really made priorities completely black and white.”

Some founders of equity-focused news organizations take a nonprofit approach and turn to the philanthropic sphere for support—but there is simply not enough funding in this space.

PHILANTHROPY AND JOURNALISM: ONLY A PARTIAL REMEDY

There's [not enough philanthropic investment into equity in journalism](#), period. Efforts to support equity-focused news projects are scattershot, and the current philanthropic focus often leaves equity out. However, some funders are stepping in to fill the gap. The Ford Foundation, Democracy Fund, the News Integrity Initiative, the Lenfest Institute for Journalism, Craig Newmark Philanthropies, the John S. and James L. Knight Foundation, and others are supporting innovation and equity in journalism. But more funders need to be brought to the table.

When it comes to philanthropic investment for innovation in news, it has largely been limited to developing new tools and demonstration projects that relate to emerging tech platforms. Support for “engaged journalism” does take inclusion into account and prioritizes process over product—but often from the perspective of larger outlets reaching out to members of underserved populations rather than elevating them to leadership. Many of the prominent news innovators elevated and supported by foundations as well as investors are young white men from urban power centers. Women, people of color, and those in rural areas have been largely excluded from this arena, with a few notable exceptions. The focus on innovating products and platforms makes it harder to find dollars for equity-focused investments.

Instead, as noted above, in order to truly center equity, a major shift is needed: the focus should be on resourcing **new people, processes, and power relations**.

Money is needed on all fronts: for basic editorial operations, for retooling, for collaboration, for training or hiring staff members to operate in a news environment now dominated by mobile and social media, and for R&D to produce new forms of news and engagement on the next generation of experiential and automated platforms. Money is also needed for experimentation with new business models and business training. (As Armeni and Negrón pointed out in their report, journalists “tend to lean more heavily toward editorial excellence than having the management skills to execute a commercial strategy.”)

A handful of high-performing nonprofit news outlets demonstrate the promise of philanthropically supported journalism. Similarly, high-performing public stations and public media networks suggest the promise of business models that mix government, foundation, and membership support. However, the size of the gap in news coverage is not matched by the amount of money currently available from these sources. Workable new revenue streams and business models are still needed.

What happens if philanthropy withdraws significantly during a recession? Tofel said that while perpetuity is an important consideration for foundations, the current crisis calls for foundations spending down some of their endowments to solve immediate problems. If they talk themselves out of spending any money beyond what they've already committed, then “they're on the sidelines.” Funds are clearly needed now—and

it may be a [false choice](#) to spend now or spend later. Foundations can still spend more than usual in this time of crisis while investing in the systematic changes that will be needed in the future.

NO START-UP CAPITAL FOR NEWS

What about outside of the philanthropic sphere?

Even before the pandemic, one of the biggest challenges founders of journalism outlets have faced is that it is extremely difficult to secure start-up capital. Private investment is almost impossible to come by for this type of endeavor, and when it is available it can come with its own challenges. As Sabrina Hersi Issa wrote for [Democracy Fund's Engaged Journalism Lab](#): “News media start-ups tend to walk the similar, unfocused path set by Silicon Valley and often build products with an eye toward securing venture funding first and foremost rather than serving and informing the public.”

To private investors, equity-centered news projects are often seen as not viable since they often start out undercapitalized, may have audience members with less disposable income, serve niche communities that command fewer advertising and subscription dollars, and lack access to funds and training that allow them to adapt to the rapidly transforming media industry. Armeni and Negrón also found that adjacent investors (such as those focused on equity more broadly, but not specifically focused on media or journalism) have been hesitant to enter the media equity space: “There is a sense that media is vastly different from other forms of early-stage investments, because of its unique revenue models and its rapidly changing nature as a business. Given the low likelihood of success—whether financial or in terms of impact—there has not been much interest in crossing over into equitable media explicitly.”

INVESTORS ARE LEAVING MONEY ON THE TABLE

Research suggests that investing in equity can be good business: When researchers took a deep dive into gender equity in the news media for the Ford Foundation, they found a lack of longitudinal data, but drawing upon research from other industries, they posited that improving gender equity in the news media industry could improve business performance by broadening the talent pool, increasing access to new markets, and potentially boosting financial returns. It could also increase trust in media.

For example, when the Knight Foundation shifted its investment strategies to invest endowment dollars in more [asset management firms led by women and people of color](#), it found a strong business case for doing so: that such firms performed as well or better than others. [Said](#) Knight Foundation CEO Alberto Ibarguen: “Our decision to invest nearly \$500 million with diverse managers was not an act of altruism. We believe diversity and inclusion in the workplace leads to broader-based, smarter decision making.”

There are now rising efforts to invest in businesses run by women and people of color more broadly. This is the start of addressing a longstanding massive inequity in start-up funding: these funds have traditionally been extremely difficult for women, people of color, and those outside of large metro areas to access.

In 2017, women-led companies received about [two percent of start-up money](#), and the investments they received were only [about half the size](#) of those to firms led by men. Black female founders received only a tiny .2 percent of those VC funds. To make matters worse, founders from [only three states](#)—California, New York, and Massachusetts—received two-thirds of funding. The picture hasn't improved much since then. In 2019, funding for female founders increased to 2.7 percent, but investors [put \\$1.5 billion more into](#) WeWork alone—which had a disastrous year—than into all women-led start-ups combined.

These numbers are disheartening but don't tell the whole story by themselves. As Armeni and Negrón pointed out, very few start-up companies actually receive any outside funding at all; bank loans and other forms of lending are much more common. However, Black founders in particular are more likely to be denied bank loans, and the loans they receive are smaller with higher interest rates, [according to a report](#) from the US Commerce Department.

Nearly half of companies led by people of color with revenues over \$1 million [struggle to obtain a loan](#). One research study [revealed](#) that despite identical qualifications, white men were more than twice as likely as Black men to receive small business loans. Black men also faced intrusive questioning about their personal lives that white men did not. This hostile environment contributes to many companies led by people of color avoiding loans altogether. One study showed that due to fear of rejection, [one-third of companies owned by people of color](#) with revenues under \$500,000 did not bother to apply for bank loans at all.

Now, we are seeing inequities in [who is receiving relief funds during the coronavirus pandemic](#). Applying for such funds is a huge challenge for business owners without existing relationships to banks. Wendi C. Thomas, founder of MLK50, a nonprofit news publication focused on poverty, power, and public policy [explained](#):

Because MLK50 is fiscally sponsored, I'm a contractor rather than an employee. I didn't take out any loans when I started MLK50. We just did it. Now the fact that I don't have a business lending relationship with the bank means it's nearly impossible for me to get any Paycheck Protection Program loans. It's like I'm being penalized for doing something within my means. It's a quirk of the system that doesn't consider the most vulnerable.

Inequities in start-up funding persist for several reasons: there is a lack of diversity within investment firms; there isn't a clear market opportunity for early-stage media projects; and there are specific barriers for women and people of color, including harassment and entrenched bias. This inequity is especially frustrating because these are the people who make up a large portion of both the entrepreneurs and the audience in the space. As Hersi Issa [wrote](#), "There is an innovation Venn diagram in play: women and people of color not only make up the [fastest-growing segment of entrepreneurs](#) but also represent rapidly [increasing audiences](#) for local newsrooms."

Partially because of the difficulty in securing outside investment, many start-ups led by women and people of color are initially self-financed through personal savings, support from family and friends, and credit. Clearly, this makes things much harder for founders without a network of rich family members and friends—research [has shown](#) a tremendous disparity in opportunities to innovate based on family affluence. [Research](#) from [Journalism Entrepreneurship Training Company](#) founder Phillip Smith found that having a year's worth of runway funding was crucial for journalism start-up founders; founders without seed funding relied on personal savings, part-time work, or a partner's income.

Thomas [noted](#) that she was able to live off of credit while building MLK50 without sufficient outside investment but underscores that is not an option for many founders. "I know that funders want to make safe bets and safe investments," she said:

[It] would have made this a lot easier if someone had said, "Here is \$250,000. We're going to check in every month to see if you need any help or guidance." You'll read a lot in business publications about how most businesses fail within however many years, or that with entrepreneurs, the first however many ideas tank before they [succeed]. But women and people of color, we don't get that margin of error. At all.

Thomas's experience in building MLK50 is a rare example of a highly successful bootstrapped journalism organization. MLK50 has since conducted an [award-winning investigation](#) about a hospital's aggressive debt collection practices that led to [the elimination of millions of dollars in medical debt](#) and received investments from the American Journalism Project and the Racial Equity in Journalism Fund, managed by Borealis Philanthropy.

The Ford Foundation helped to launch the [Racial Equity in Journalism Fund](#), a collaborative fund that aims "to strengthen the capacity and sustainability of news organizations led by people of color and partners in equity to increase civic engagement for communities of color" based at Borealis Philanthropy. The fund also currently includes support from Craig Newmark Philanthropies, Democracy

Fund, the Google News Initiative, and the News Integrity Initiative at the Craig Newmark Graduate School of Journalism at CUNY.

Clearly, MLK50's work is vital—what would have happened if Thomas had not been able to live off credit while building it? What is happening to all of the other founders who are not able to live off credit right now?

Some of the people we talked to felt that some investment money is still available, if difficult to access. “My sense is that some investors are still out there investing in this space. Raising money has always been hard. It's still hard,” said journalism entrepreneur Angilee Shah.

THE BENCHMARKS OF SUCCESS NEED RETHINKING

One thing we know is that the old investment models just aren't working. As [Zebras Unite](#) pointed out: “When VC firms prize time on site over truth, a lucky few may profit, but civil society suffers. When shareholder return trumps collective well-being, democracy itself is threatened. The reality is that business models breed *behavior*, and at scale, that behavior can lead to far-reaching, sometimes destructive outcomes.”

There is a clear-cut civic case to be made for investing in news equity and innovation projects at this moment in time: They are imperative for an informed society. They lead to other benefits that may not be immediately quantifiable on a spreadsheet but are saving lives on the ground.

There's also a longer-term investment case to be made: supporting such innovators can lead to new solutions and models that have the potential to influence the entire industry. This means that rather than focusing on audience acquisition and immediate ROI, funders and investors should be tracking both adaptation and adoption as primary outcomes. They should also be aware of the organizing and support systems needed for new ways of working to take root. “We know that different organizations are responsible for meeting the variety of needs of the body politic,” wrote Hearken's Jennifer Brandel and Mara Zapeda. “Yet they are failing because we are not seeing, investing in or strengthening the connective tissue and relationships that sit in the ‘in-between spaces,’ and which are core to flexibility, resilience, and innovation.”

Working collaboratively is a different path to success, which allows equity-focused news projects to iterate and replicate their projects rather than being acquired, as is the goal for many venture-funded projects.

For example, Outlier Media, which uses text messaging to serve communities in Detroit, was acquired by accountability journalism organization MuckRock earlier this year. In [an interview with Nieman Lab](#), Outlier Media founder Sarah Alvarez explained her organization's adaptive mindset: “Outlier was really started as an intervention instead of [aiming] to be a longstanding institution. I think a lot of news organizations

want to be institutions. What we wanted to do was deliver information, make a difference, and change the ecosystem in Detroit. Once we accomplished that, we felt like those functions should get rolled into another organization.”

Such adaptation and collaboration is also evident in a partnership between immigration-focused news organization Documented and Univision, which recently [paired up](#) to use WhatsApp to crowdsource and then fact-check coronavirus rumors prevalent in New York City’s Spanish-speaking communities. Innovation is not contained within individual outlets and efforts: it can take on new life, morph into new services, and reach new audiences through collaboration with existing media organizations.

This requires patient capital, and a different orientation to what constitutes success: prioritizing not scale, but adaptation and mission alignment. We need new models, such as the approach championed by Zebras Unite, which aims to develop alternatives to the start-up model which “balance profit and purpose, champion democracy, and put a premium on sharing power and resources.”

Funneling money into legacy news institutions is not enough—they have trouble adapting, and need new energy and thinking. Nor is sprinkling little bits here and there to innovative new projects facing major uphill battles just to get off the ground. For major transformation, investment at the intersection of these two spheres is necessary.

Possible Solutions

NEW APPROACHES TO FUNDING

Some media funders are taking a hard look at investment strategies and experimenting with new ones that may be more equitable, including at times, collaborating with private investors. Armeni and Negrón noted that “a good starting point is for media funders and media investors to figure out where they sit and how they can support each other.” Additionally, “there is a need to increase the understanding of revenue models, capital flows, and capital gaps for both program officers and investment teams—so they can coordinate and see how they strengthen each other.”

The lines between foundations and investors are already starting to blur. The [infusion of tech dollars into philanthropy](#) (which tends to come with “[an inherently proactive venture capital mind-set](#)”) has contributed to some foundations shifting the traditional philanthropic model and adopting a more entrepreneurial approach. “[Venture philanthropy](#)” refers to a “purpose-, results- and responsibility-driven worldview” that some foundations are embracing. For example, the Lenfest Institute has taken a “venture philanthropy” approach to [innovation in journalism](#), “pairing a nonprofit structure with an entrepreneurial mindset.”

The [Omidyar Network](#) uses a [flexible capital model](#) that invests in both for-profits and nonprofits, funding impact investments as well as traditional grants, with a “particular focus on supporting entrepreneurs who have the potential to impact entire industry sectors, demonstrating the opportunity for others to follow.” [New Media Ventures](#) supports both nonprofits and for-profits and functions as a “combination of a venture capital firm and a foundation,” providing capital and support for progressive media and technology entrepreneurs through its angel network and “evangelizing more thoughtful, sustainable, and impactful ways to support civic and political innovation efforts in both the philanthropic and venture communities.”

As the distinctions between different foundations and private investors, nonprofits, and for-profits continue to shift, there is still much experimentation needed in figuring out the best way to support equity-centered media projects. Armeni and Negrón wrote:

... philanthropy still has a long way to go in understanding how to coexist alongside private capital, fund for-profits, and media and journalism ventures at the early stage. As a result, foundations tend to support well-established journalism and media outlets. This can be a major issue for start-ups that may take three to five years at a minimum to reach financial stability and move out of a “start-up” phase. Making the challenge more difficult, foundations also expect that grantees quickly demonstrate impact.

So, taking a longer view is important in supporting news equity. But also, simply operating within the frame of “nonprofit news” will most likely not be enough. To have impact, foundations must step up to provide support for other models.

Some outlets are taking it upon themselves to experiment with new types of business models, such as public benefit corporations (such as [RadioPublic](#)), hybrids of for-profit and nonprofit structures, [steward-ownership](#) models, and direct public offerings which open up investment possibilities for community members. There are also new, experimental models such as [Civil’s IPO](#), and [Berkeley’s DPO](#). At the same time, discussions about how to reinvent the start-up model for mission-driven news have been rising; for example, the Zebras Unite initiative is focused on providing a more ethical alternative to the current start-up and venture capital culture. In New Jersey, innovative local news projects are finding support [through state funds](#).

Clearly, philanthropy can’t solve these problems on its own, but foundations can make a meaningful difference in this space through a shift in investment strategy (see Takeaways for Foundations and Investors below for more ideas).

FUNDERS ARE ADOPTING INTERNAL EQUITY STRATEGIES

In addition to experimenting with new funding strategies, some foundations are switching to an internal equity lens, with efforts ranging from increasing the diversity of their boards and staff and directing more funds towards advisers from diverse backgrounds to aligning endowments with equity goals. The Ford Foundation [is investing](#) \$1 billion over the next 10 years into mission-related investments, with a key objective of “[promoting] diversity, equity, and inclusion within the investment movement, paying attention to the makeup of investment teams, as well as where they invest, and with what values.”

Recognizing that bias creeps into investment decisions all the time, some funders are working to reduce inequity by partnering with organizations that help reduce bias in investment strategies. As Matt Onek, CEO of [Mission Investors Exchange](#) wrote in the *Stanford Social Innovation Review*: once foundations commit to equity, “a world of investing opportunities opens up, with tremendous potential to positively impact individuals, organizations, and systems.”

Funders are also starting to shift how they set strategy and assess impact. A [report from Arabella Advisors](#) urges funders to move beyond theories of change and instead focus on “people, partners, and platforms” (here, platforms refer to legal and organizational structures as well as integrated approaches). As they navigate this unfamiliar terrain, many funders are now taking on new roles, including systemic analysis, organizing, communications, advocacy, and more. Forward-thinking funders are becoming more systems-oriented, collaborative, transparent, and ready to rethink foundation structure—all of which will better serve grantees in the news equity space.

Foundations are also supporting and sharing related research. At Dot Connector Studio, we’ve collaborated on several such research efforts, including the [Knight Commission on Trust, Media and Democracy](#), which among many recommendations, advises: “News organizations should adopt recruitment, hiring, and retention practices that increase diversity of staff, and even of owners. Newsrooms should develop mentoring and training programs that can help enlist, retain and promote more women and journalists of color at all levels. And they need to include other underrepresented groups, such as underrepresented geographical and political groups, so that the reporting they produce reflects the entire community.”

Democracy Fund has also created the [Journalism DEI Tracker](#), a public database of resources including trade organizations; professional development and training opportunities; historically Black colleges and universities (HBCUs), Hispanic-serving institutions (HSIs), and Tribal colleges with journalism and communications programs; and resources for journalism organizations to promote inclusive coverage. One such resource, the [Journalists of Color Resource Guide](#), was developed by Journalists of Color and

the News Integrity Initiative at CUNY's Craig Newmark Graduate School of Journalism. This collection of materials includes topics such as salary and benefits negotiation, career development, and accountability.

News Equity Blueprints

To understand how funders can support innovation for equity beyond discrete projects, in May 2019 the Ford Foundation assembled a brain trust of experts in media and technology to discuss the pros and cons of two concepts for increasing equity in news: a festival that would match up diverse makers with various types of investors, and a lab, which would support related R&D. While the prospects for a festival currently look dim, given the pandemic, this process yielded promising models for a lab and associated fellowships, as well as surfaced the need for more intentional funder education and cultivation. (For detailed information on the possible solutions that were generated in this process and the members of the brain trust, see Appendix B.)

Takeaways for Foundations and Investors

This research yielded many insights for funders and investors, many of which we are seeing play out in real-time response to the pandemic, such as shifting to more flexible operating funding, loosening restrictions on reporting, and reducing paperwork for grantees.

The most common refrain we heard from those working on news equity projects was that funders must be open, transparent, and acknowledge the power they have, both with individual grantees and on a wider scale. "Big foundations on the coasts, they set the agenda," said Charlotin. Here are some ways that funders can invest in new people, processes, and power relations.

NEW PEOPLE

EXPAND THE POOL

Funders need to expand their pool of grantees beyond "the usual suspects." Many news entrepreneurs who come out of commercial media are not set up to become nonprofits, even as they operate with a similar ethos. The definition of what constitutes "news" or "newsrooms" has also shifted, and foundations must be open to funding outside of traditional confines.

There are also many people doing journalism on the ground who simply don't have access to philanthropic dollars, and funders should be aware of the existing structural inequities that keep many people outside of their sphere. To reach the experts on the ground, opportunities to apply for funding need to be deliberately extended:

Where are the people who didn't even know funding was available? How can you reach them? As Jessica Clark of Dot Connector Studio and Molly de Aguiar of the Independence Public Media Foundation [wrote](#) in a piece for the [SRCCON conference](#): “The same organizations—the ones with the most resources and know-how to ‘play the game’—get the funding over and over again. This risk-averse approach to funding all but ensures that marginalized communities will continue to be cut off from any meaningful access to capital.”

Charlotin agreed: “Those with more access get prioritized and centered. We live in a system that validates degrees, a certain way of speaking, showing up at conferences. We need to center the people with fewer resources.” Shah cautioned that journalism funders in this space should be aware of whether they are funding the organizations with the best websites, slickest COVID-19 packages, and the most complex systems at a time when people need basic information.

PROTECT THE PEOPLE DOING THE WORK

Joel Simon, executive director of the Committee to Protect Journalists, said that support for journalism endeavors should be combined with a strategy for protecting the rights of the journalists doing the work. Many equity-focused news organizations don't have the structures for support that exist in larger newsrooms, including leadership to advocate for the rights of journalists. Funding reporting without funding the people who are at risk doing the reporting often amounts to “throwing money down the drain.”

NEW PROCESSES

EMBRACE A NEW MINDSET ABOUT SUCCESS

As we discussed above, investing at the intersection of news equity and innovation requires a different mindset for funders and investors looking for immediate impact or ROI. This new approach, which prioritizes adaptation and mission alignment requires patient capital and an approach that is focused on long-term social gains and the adoption of promising models rather than immediate returns.

In addition, rather than focusing on the size of the audience served, it's important to take a close look at the depth of engagement, and whether reporting is filling gaps in the larger news ecosystem. Such coverage can in turn lead to reporting by larger outlets, amplifying stories that otherwise would remain hidden.

For these types of endeavors, impact may not be immediate or adhere to existing frameworks for metrics. Impact tracking in this space requires more adaptive frameworks and pivoting if necessary.

LOOK OUTSIDE OF THE FIELD FOR INSPIRATION

There's much to learn from others in adjacent fields such as entertainment, art, community organizing, and more. There is a need to expand beyond the traditional silos of the journalism industry, and to apply a wider lens than "journalism" to understand how people gain, use, and share information.

FUND COLLECTIVE EFFORTS

One way to reach more outlets and individuals doing news equity work is through funding collective efforts and backbone organizations such as Resolve Philadelphia. Lantigua-Williams suggested that funders "utilize the networks of more organized grantees to find those people and give them legitimacy in their work." Similarly, the idea for a News Equity Lab (see Appendix B) would provide multiple organizations or entrepreneurs with funds and space to innovate under a collaborative umbrella that provides structure for sharing learnings and maximizing impact. Investing in ways for smaller, more nimble organizations to partner with organizations with larger reaches is also a way to bridge gaps and maximize impact.

However, collaborations should be structured in such a way that the intermediary organization does not reap all of the benefits at the expense of smaller ones. Money should flow through without rigid restrictions, and collaborations should be structured in ways that rebalance power. "Collaboration is not subcontracting," Shah warned in *Building Equity in Newsroom Collaborations*, a guide produced for the Center for Cooperative Media. In it, she laid out questions for individuals and organizations involved in collaborations to ask to determine whether they are being exploitative—or exploited.

TAKE RISKS

Shah also encouraged foundations to take more risks. Private investors know many of the companies they fund will fail; foundations tend to play it safe with large, existing grantees rather than taking chances that could bring innovation and diversity of perspective. "Just give money to media owned and run by the communities they serve and give more organizations a chance to rise," she said.

NEW POWER RELATIONS

INVERT THE TRADITIONAL MODEL

Lantigua-Williams recommended an inversion of the existing philanthropic model: "There is a foundational crack that we have in the philanthropic sphere, which is that we treat academics and researchers and people with degrees as experts and we treat the people who they're studying and who they're going out to observe in the field as the stakeholders. And that formula is completely wrong. That is a completely upside-

down understanding of how this actually works. The experts are the people on the ground who have been addressing the needs with barely any resources and support. The stakeholders are the observers on the outside who want to use their resources, their money to impact the work of the experts.” Funders can and should bring more experts to the table.

INCREASE TRANSPARENCY

Part of shifting power relations means that funders must be open about existing power dynamics and transparent with grantees. As Clark and de Aguiar wrote: “Just as many funders [exhort journalists](#) to be more transparent and responsive in order to increase trust and fortify democracy, they must be willing to examine their own practices and beliefs so that they are not complicit in perpetuating the very same structural imbalances that fuel inequality.”

REDUCE HURDLES

Funding application processes on their own could be simplified and ask really clear questions that allow organizations to display their strengths. “Making really tight rules about the types of journalism you fund cuts you off from diversity in media,” Shah said. Wallace agreed, saying that having to depict projects in language and frames that are outside of the community, using the preferred terms of a funder, can cause a hurdle. “It’s important to be responsive to people and movements and the historical moment and the needs in that moment,” he said. Reducing the many levels of gatekeeping would be helpful.

COLLABORATE WITH ONE ANOTHER

To respond nimbly to the pandemic and the economic aftershocks sure to follow, collaboration among news outlets and with other community organizations will be critical, with backbone organizations playing a crucial role. Just as important is collaboration among funders, who can share learnings and where appropriate, align to strengthen the sector and bolster key models. As part of this process of continuous learning, funders should continue to research and develop tools and strategies for surfacing innovation and building the field. Funders should also consider how to best partner with private investment and adopt nontraditional funding approaches. At the same time, foundations should beware of existing practices in funding start-ups when supporting innovation for equity.

Within the confines of a particular investment or set of investments, funders should focus on strengthening the business operations for equitable news media outlets and experimental projects. They should focus on providing grant funding for general operations to support the capacity and structure required for innovation and equity in news. They must understand that there is innovation fatigue in some parts of the industry, and skepticism about short-term experimentation at the expense of building stronger organizations and change movements.

Appendices

APPENDIX A

INTERVIEWEES

- Manolia Charlotin, Co-founder and Director of Development and Talent, Press On
- Jean Friedman-Rudovsky, Co-executive Director, Resolve Philadelphia
- Darryl Holliday, Co-founder and News Lab Director, City Bureau
- Emily Ladau, Editor in Chief, Rooted in Rights
- Juleyka Lantigua-Williams, Founder and CEO, Lantigua Williams & Co.
- Emily Ramshaw, The 19th
- Angilee Shah, Journalism Entrepreneur
- Joel Simon, Executive Director, Committee to Protect Journalists
- Richard Tofel, President, ProPublica
- Lewis Raven Wallace, Author, *The View from Somewhere* and Co-founder and Director of Transforming Journalism Trainings, Press On

APPENDIX B

NEWS EQUITY BLUEPRINTS

In May 2019, Chideya and the Dot Connector Studio team brought together a “brain trust” of experts from the worlds of journalism, philanthropy, and tech (see members below) to kick the tires on two concepts designed to advance news equity: a lab and a festival.

Concept #1

The **News Equity Innovation Lab** would be designed to resource a set of outlets led by those badly served in the current news environment to try new approaches to reporting and collaboration on the 2020 election and census. The group discussed a set of potential models for this lab, including:

- a *clearinghouse* for amplifying reporting by and for marginalized groups,
- a *powerhouse* comprised of high-profile reporters and entities,
- a *scoop machine* focused on investigative reporting and misinformation efforts,
- a *gap-filler* that would take a design thinking approach to the question of how to serve the least represented and news literate,
- a *data generator* designed to marshal resources around demographics, polls, etc. related to people of color and other underrepresented groups, and
- a *circuit builder* focused on knitting together a network of existing local, national, and regional outlets with an eye toward building the collaboration

muscle for future projects and increasing the flow of stories, talent, and new ways of working up and down the chain.

Brain trust participants expressed enthusiasm for the mission of the lab, but some caution about the framing, noting that funder-driven mandates to innovate can result in short-term projects that die on the vine, or a mismatch between expectations and the realities of what constitutes innovation on the ground. Attendees also stressed that listening is key—buy-in is needed from both top-level news media executives and the constituencies the outlets in question serve. The group was most enthusiastic about the “circuit-builder” and “gap-filler” models.

Concept #2

The **News Equity Festival** would be a curated space for outlets with diverse leaders to pitch funders of both for- and nonprofit outlets. In addition to gleaning support for these organizations, the event would serve a case-making role: to entice investors to not only support journalism in a moment when the industry is facing serious threats, but to transform it so that it better serves diverse audiences—as well as mainstream audiences who deserve diverse sources of information.

This would center on a lively and compelling event, likely a virtual one, given the current pandemic. Just as the Sundance Film Festival has created a thriving marketplace for films helmed by and featuring talent outside of the mainstream, this event would serve as a magnet for funders and investors seeking to support alternative perspectives. The focus of this work would be bringing together the right mix of entities. That means those willing and eager to invest in equity-focused news media, and projects and outlets that actually have the potential to not just be sustainable, but to either scale, replicate, or collaborate in ways that extend their reach and influence and bolster their revenue. This could be the start of a series of events or a consortium.

A group of business advisers could be assembled to consult with both large and small outlets with diverse owners and leaders, to help them to cultivate new revenue streams and adapt to the mobile- and social-first habits of younger consumers. The festival might be based at an existing innovation hub to support a cohort of diverse news innovators working on promising business models.

While brain trust members were ready and eager to jump in on road-testing the lab concept, they had more questions about the festival concept and felt that it needed additional clarification. The group discussed the importance of carefully selecting not just projects to be showcased but the investors as well; the need to educate both investors in why investing in journalism returns social impact and news leaders in how to position themselves for investment; and the merits of making the festival open vs. closed.

They debated various possible structures for establishing relationships between investors and outlets, and the advantages of a stand-alone event vs. partnering with existing players and events in the field. They also frankly discussed whether investment is an appropriate model for journalism ventures at all, citing efforts such as Zebras Unite, which critiques the bottom-line logic of Silicon Valley venture capitalists and argues for a more sustainable approach to investing for slower growth and civic impact.

To follow up on this conversation, Ford commissioned a set of “blueprints” for the lab and festival, to further explore how each might work, and to assess strengths, weaknesses, opportunities, and threats (SWOT). Jessica Clark of Dot Connector Studio and Erika Owens of OpenNews worked on concepts for the lab, while Sharese Bullock-Bailey of Ghetto Film School and Wilneida Negrón and Andrea Armeni of Transform Finance worked on concepts for the festival.

This thinking revealed that while a lab might be more viable than a festival—especially now, given that the pandemic has effectively shut down major festivals for an unknown period of time—education and cultivation of funders and investors to support news equity is also paramount.

BRAIN TRUST PARTICIPANTS

- Meredith Broussard, Assistant Professor, New York University
- Sharese Bullock-Bailey, Chief Strategy and Partnership Officer, Ghetto Film School
- Richard Cardran, Chief Creative Officer and Vice President of Strategy, HIA Technologies
- Jennifer Choi, Managing Director, News Integrity Initiative
- Robert Hernandez, Professor of Professional Practice, University of Southern California
- Graciela Mochkofsky, Executive Director, Center for Community and Ethnic Media
- Raju Narisetti, Global Publishing Director Elect, McKinsey & Company
- Marie E. Nelson, Senior Vice President, Integrated Content Strategy, ABC News
- Latoya Peterson, Co-founder and CXO, Glow Up Games
- Martin G. Reynolds, Co-executive Director, Robert C. Maynard Institute for Journalism Education
- Randy Siegel, CEO, Advance Local
- Roxann Stafford, Managing Director, Knight-Lenfest Local News Transformation Fund
- Irving Washington, Executive Director, Online News Association
- Jenny Ye, Technologist and Storyteller