



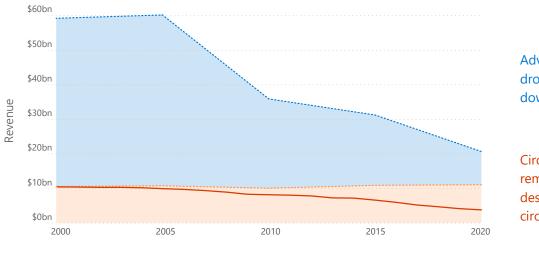
# The challenge

Local journalism is in crisis as it grapples with business model disruption, diminishing resources and unprecedented challenges of the digital age, threatening not just the survival of newsrooms but also the crucial role they play in fostering informed, engaged communities.

Threats to a free and sustainable press are inherently threats to a healthy, functioning democracy. The accelerating crisis in local journalism is mirrored by an exponential rise in disinformation, abuses of power, political corruption, and authoritarianism in many regions around the world. Amid these twin threats to our communities and society there has been a steady increase in digital, legal, and physical attacks targeting journalists, further amplifying the ongoing collapse of the traditional media business model. The stark reality is that small, local newsrooms are departing our communities – and our collective consciousness – at an alarming rate.

If a community wants to protect or rebuild its local news ecosystem, what does the journey to that destination look like? Which markers and connections along the way are critical to slowing down and reversing the steady decline in reporting capacity?

# Since 2000, combined revenue from circulation and advertising has dropped 65%.



Advertising revenue has dropped significantly, down **80%**.

Circulation revenue has remained consistent, despite a **56%** drop in circulation size.

Advertising revenue



Circulation size

There are 29,620 Newspaper publishers have been most affected with fewer employees in -40,250 employees. the industry in 2020 **71K** 31K compared with 2008. 2008 2020 Digital-native has shown the most growth with **+10,630** employees. **7K** 18K 2008 2020 Newspaper publishers **Broadcast** television **Digital-native Radio broadcasting** Cable television 2014 2020 2008

To arrive at a thriving and healthy journalistic landscape, we need a map that clearly outlines the routes and intersections vital to successfully navigating these challenges. At Microsoft, we've spent the last three years examining the often convoluted and confusing pathways that have led journalism and the business of news into crisis. We've been listening, learning, and experimenting with a variety of approaches to help address these challenges and to map the potential routes that might lead us out.

Since our journey began, we've learned that a key to rebuilding local news capacity lies in the ability to adapt and innovate. Akin to introducing a more efficient subway system to a sprawling city, we need to employ a mix of approaches, or pathways, to help reinvigorate the news industry. These insights have led us to focus on six critical tracks – leveraging existing resources, centering collaboration, integrating technology, sustainability, market transformation and education.

We've recognized the need for strategic partnerships and shared resources on this journey. Like different subway lines converging at a central hub, the integration of various entities—tech, the private sector, philanthropy, civil society, academia, and governments—will help to form a more robust, resilient response to the journalism crisis. The relationships established by Microsoft across industries, our commitment to the principles of

# A quarter century of news partnerships

As the world's largest provider of news on the desktop, Microsoft has for more than 25 years championed the importance of news to our audience of Windows users. We've collaborated closely with more than 1,200 media publishing partners, who represent more than 4,500 media brands. We distribute their stories via MSN and other Microsoft Start newsfeeds to hundreds of millions of readers in more than 180 countries and 31 languages. And even with the \$1.5 billion in revenue we've generated for these partners over the last past eight years, they continue to struggle financially.

As a global technology leader, Microsoft is also at the forefront of developing cloud, Al, and data analytics software and services, as well as content distribution and ad platforms, that journalists and newsrooms leverage to help transform their business, helping to both drive down costs and increase revenue.





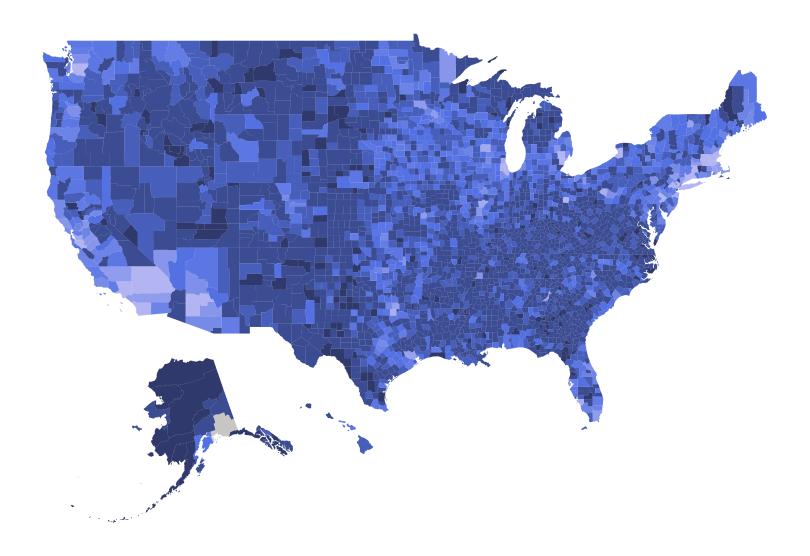
open dialogue and collaboration, and our willingness to leverage our resources for the common good will assist in orchestrating and enabling these connections.

Reducing risk for journalists and news publishers is another critical aspect of our journey. We've been reminded of the importance of protecting journalists, legally, physically and digitally, through our work with the <a href="Reporters Committee">Reporters Committee</a> for the Freedom of the <a href="Press">Press</a>, the <a href="Thomson Reuters Foundation">Thomson Reuters Foundation</a>, the <a href="Committee">Committee to Protect Journalists</a>, and the <a href="Clooney Foundation for Justice">Clooney Foundation for Justice</a>. Like a reliable transit authority that ensures the safety of its passengers, Microsoft is committed to leveraging our technological expertise and resources to help protect journalists from threats and to promote justice and freedom of the press.

Just as travellers in a bustling subway system like to navigate their route while being able to explore freely, consumers of digital media want to navigate the complex network of information available online on their terms. Research indicates that an informed and critical reader is better equipped to identify authoritative content amid the confusing web of stops, detours, and delays created by disinformation campaigns. But with public trust in the news media experiencing its own crisis, it's crucial that we upgrade consumers' media navigational skills through a comprehensive media literacy effort that offers clear directions for finding, consuming, and sharing trusted, fact-based news and information. Our partners the <u>Trust Project</u>, <u>News Literacy Project</u>, and <u>NewsGuard</u> are on the front lines of providing digital media literacy education and countering disinformation.

Of course, the journey toward remaking and reenergizing local journalism is far from over. The challenges are varied and complex, with new issues and opportunities appearing frequently along the way. We're committed to staying the course, to continue mapping out this system, and to keep working toward a future where journalists have the tools, protections, and resources they need to do their critically important work.

While the issues facing journalism are too important for any one organization to try and solve in isolation, Microsoft is determined to play its part in this collaborative effort to rejuvenate journalism and strengthen democracies worldwide. As we continue this journey, we'll share our insights, learnings, and progress.



# How many newspapers do you have near you?



<u>The State of Local News</u> (2022) 'Expanding News Deserts, Growing Gaps, Emerging Models' Penny Muse Abernathy Northwestern University 206 Counties with no newspaper1632 Counties with only one newspaper

**54** Counties have **10 or more newspapers** 

Cook County (Illinios) has the most newspapers with 84 followed by Los Angeles County with 55.



# The purpose

Healthy democracies depend on a vibrant independent press, but journalism faces an accelerating, multifaceted crisis that poses an immediate and existential threat to our communities and democracies around the world. Declines in journalism capacity directly contribute to a litany of problems, including a less-informed public, reduced accountability for elected officials, lower voter participation, increased polarization and a population that's potentially more susceptible to propaganda and information manipulation.

We believe that technology has played a role in the disruption of news, but it can also be an important part of restoring independent journalism. This is why we launched the <u>Microsoft Journalism Initiative</u>. It's our goal to explore ways to provide journalists and local newsrooms with new sustainable revenue models, modern journalism tools and technology, enhanced legal and cyber security protections, and additional distribution opportunities to expand reach and grow audiences.



# The landscape

The rise of digital platforms and ad tech, social networks, and mobile devices has forever changed the relationship between audiences and the content they consume and between newsrooms and the communities they serve. The pace of innovation continues to accelerate with the emergence of AI technology and large language models, which enable chatbots and other new software and services that will continue to both disrupt and present opportunities to the market for news and information.

Communities searching for high-quality, fact-based information are challenged by the collapse of local news coverage occurring in a time of unprecedented technological change. Since 2005, over 2,500 communities have lost their local newspapers, with many more relying on "ghost newspapers" that provide little or no local coverage.<sup>1</sup> The number of newspaper newsroom staff per 100,000 people living in the U.S. has declined 62 percent, and the number of reporters per \$100 million in local government spending has fallen 67 percent.<sup>2</sup>

Increasingly polarizing national media, coordinated information operations, and a proliferation of fake websites posing as local news emerged in the wake of this loss of reporting capacity, complicating the already difficult task of navigating today's complex media landscape. Some civic leaders have dubbed the current moment a new 'Dark Age' in which even engaged citizens are forced to sift through social media and compare scraps of rumor and gossip in an attempt to get an accurate picture of events and issues in their communities. This can exacerbate a growing sense of apathy and cynicism, further fraying our social fabric and capacity to compromise in the service of finding solutions to our most pressing challenges.

- The State of Local News (2022) 'Expanding News Deserts, Growing Gaps, Emerging Models' Penny Muse Abernathy Northwestern University
- 2 State of the News Media (2021) Pew Research Center

These trends are not all inherently negative. In fact, many recent changes have created new high-impact opportunities for newsrooms to reimagine their public service missions in ways that better meet the needs of the diverse communities they serve. Fundamentally, technology provides tools that have been applied in critical ways by everyone from legacy newspapers to public media to new digital startups. These include new channels of revenue generation. More importantly, new practices and behaviors have catalyzed a movement to not only protect local journalism, but to also create a new journalism that is sustainable for today and future generations.

# Finding your way

Navigating toward a sustainable future for journalism can be confusing and complex, requiring a clear plan and path to the destination: a healthy information ecosystem. This outcome is not optional if we are to maintain healthy communities and a resilient democracy.

To help define that path, we've developed this comprehensive guidebook. It is inspired by classic subway maps and travel books that efficiently and effectively help people navigate complex systems. We have intentionally kept the guide straightforward, with an emphasis on helping people make simple choices to get from Point A to Point B and beyond. We believe it provides a framework for understanding choices available to journalists, newsrooms, civic institutions, and community stakeholders.



# Leveraging resources

Perhaps you're a reporter intrigued by the possibility of launching a nonprofit focused on a critical issue. Or your foundation is interested in opportunities to invest in preserving local news. Or you're a community member who sees a gap in local reporting and wants to do something to help. Before beginning your journey, having a sense of scope and scale for the project you want to develop and some guidance on where to begin can be tremendously valuable.

One of the core principles of this guidebook is the understanding that there are multiple entry points for this work. Who you are and where you start is less important than what you hope to achieve, how committed you are to making it happen, and how you use the resources at your disposal.

### **Existing programs**

A number of innovative projects have been launched by journalists to solve problems confronting the industry. These have often been supported by philanthropic investment and driven by extreme need. Many have also launched new collaborations to bridge stakeholder communities and codify learnings across the field.

As communities and newsrooms respond to the crisis in journalism, there are important resources

to engage because of these ongoing efforts. These are readily available to those interested in accelerating their own learning and approaches. They include veteran reporters and editors, as well as newcomers, who were able to identify solutions by applying a fresh perspective to longstanding challenges. Many of these solutions have been codified and are available to those interested in accelerating their own learning and approaches, including:

#### Pro bono legal assistance

ProJourn, a partnership between Microsoft, the Knight Foundation, the legal firm Davis Wright Tremaine and the Reporters Committee for Freedom of the Press, is an innovative free legal support service for local newsrooms at various stages of reporting and publication. Small news organizations, nonprofit newsrooms, documentary filmmakers and freelancers can request no-cost legal help with pre-publication review, access to public records and responding to subpoenas.

#### **Training opportunities**

There are many mature nonprofits dedicated to training and supporting journalists and news organizations. They provide ongoing technical and programmatic education for newsrooms, including

Pictured: Jane Alexander, President and CEO, Community Foundation for Mississippi





nonprofit and commercial organizations. Some of the larger ones are the <u>Institute for Nonprofit News</u>, <u>Online News Association</u>, <u>American Journalism Project and the Lenfest Institute</u>.

#### New forms of funding

One of the key drivers of the new journalism is philanthropic support, which has a set of best practices that can be learned and applied in any community. The <u>Local Media Association</u> offers a free <u>Lab for Journalism Funding</u> available to newsrooms of all types, from legacy newspapers to broadcast television to nonprofit startups.

#### Ongoing research

Penny Abernathy, a pioneer in the exploration of "news deserts" and their impact on communities and society, continues to lead essential research at Northwestern Medill on the ongoing State of Local News in the United States, regularly producing critically important reports analyzing the latest data.

#### **Public policy**

As people and organizations struggle to sustain local journalism, many in the field are exploring and advocating for policy interventions to provide relief and incentives for local ownership and protecting reporting capacity for newsrooms. The **Rebuild Local News** coalition, a new nonpartisan,

nonprofit organization that advances public policies to counter the collapse of local news, revitalize community journalism and strengthen democracy, is leading ongoing efforts in Congress and new efforts at the state and local level.

## Philanthropic investment

Community programs, scientific research, and cultural programming depend on philanthropic support. When local journalism began to decline in many communities it was natural for funders and donors to step in to help maintain this public good. Though novel for newspapers and digital startups, philanthropy has been core to the public media community-supported model. Since 2010 there have been many important breakthroughs in local journalism philanthropy.

Some of these include:

#### **Community funding**

Local newsroom pioneers in community funding such as <u>The Seattle Times</u> have broken new ground in attracting foundation and donor support for projects such as its multiple <u>Reporting Labs</u> and <u>Investigative Journalism Fund</u>. Both examples have been thriving for years and provide a framework that other organizations have followed.

#### Regional and statewide superstructures

Regional and statewide initiatives have blossomed in a range of locations including California's Central Valley, Colorado, and Louisiana. The Central Valley Journalism Collaborative was launched by the place-based James B. McClatchy Foundation to provide holistic support for rebuilding local journalism. In Colorado, the Colorado News Collaborative and Colorado Media Project have created a network of support and collaboration opportunities for newsrooms from every part of the state. In Louisiana the Times-Picayune, The Advocate, and The Acadiana Advocate created the Louisiana Investigative Journalism Fund, launched a unique statewide Rural News Desk and successfully expanded into Shreveport-Bossier, which was on the verge of becoming a news desert.

#### **National initiatives**

National initiatives have connected a wide range of stakeholders, from traditional funders like the Knight Foundation to next-generation initiatives such as the American Journalism Project. These national efforts serve to model and inform partnerships with local communities and aggregate additional peer support from legacy and emergent funders.

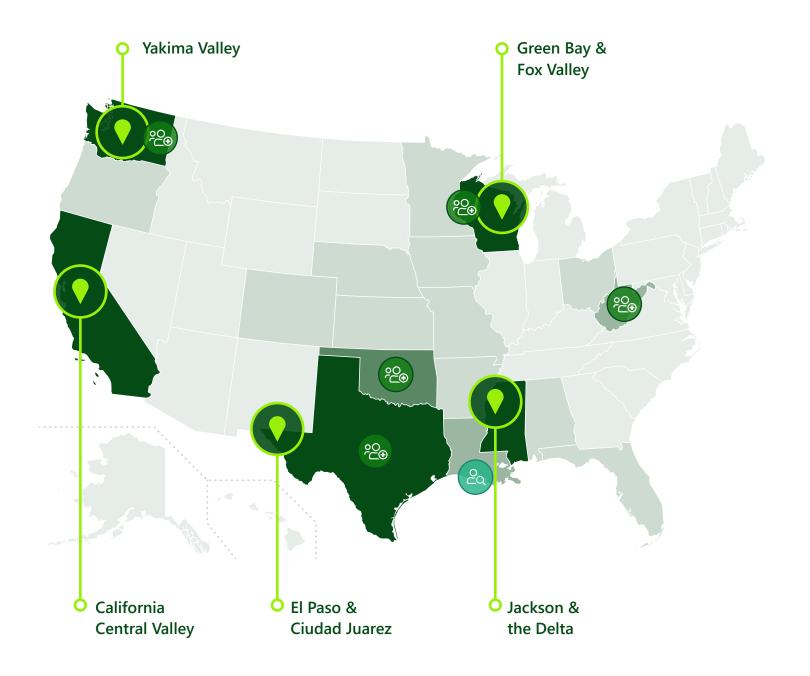
# Creating local stakeholders

Local journalism does not happen in a vacuum. Nor should the fight to protect its existence. In any community, there are many diverse members who have a vested stake in the ongoing viability of fact-based local reporting. These range from small business owners to local policy makers to nonprofit leaders. The economic, health, education, and social dynamics of every community deserve a strong, independent free press to provide community members with the facts they need to make informed choices and hold powerful interests accountable.

## **Community foundations**

The United States has a unique tradition of community philanthropy initiatives that have served almost every part of the country. This is best expressed by community foundations, which serve as a hub for local giving, public service, and cultural initiatives. Community foundations have also proven to be essential drivers of economic development, often establishing public-private partnerships to create jobs and opportunities for their regions. Community foundations are already

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Five pilot communities collaborating with Microsoft to explore and experiment with new models for local journalism.



The Louisiana Investigative
Journalism Fund partnering with
Microsoft on the Rural News Desk
and newsroom expansion across
the state.



Report for America cohort of rural newsrooms supported by Microsoft sponsored reporters helping to increase capacity where it's needed most. playing a vital role in rebuilding local journalism and offer some key advantages, including:

- Purpose-built leadership, staff, and boards that are embedded in the communities they serve.
- A deep understanding of the community and the individuals and organizations that make up the existing information ecosystem.
- Fundraising and grant making experience and infrastructure in place and ready to deploy.
- Local insights and focus on critical issues and existing relationships with key community leaders and organizations.

# Media funds at community foundations

A key trend in philanthropic support for journalism is the development of media funds at community foundations. Pioneered in several communities, these funds range from the <u>Central Valley</u> <u>Community Foundation</u>'s Media Impact Fund to <u>Report for America</u>'s model of <u>Community News</u> <u>Funds</u>. These funds are designed to protect the firewall for both newsrooms and funders to avoid any real or perceived undue influence of funders over the journalism supported by philanthropy. The funds also provide a clear narrative for stakeholder development and invite new partners to participate in driving investment in local reporting.

## Local news pilots

Learning through direct engagement with communities is a strategic way to introduce and experiment with new ideas and practices for local journalism. Piloting local reporting initiatives also creates space for new voices in the community to help define why journalism matters to them. One of the key benefits of piloting is building relationships that can grow through the work and build trust by sharing resources and responsibility. Collaboration, particularly across formerly competing newsrooms, is a big part of the new journalism and essential for achieving gains that can be translated into sustainable models.

Microsoft has been working with five pilot communities, and their corresponding community foundations, since 2020 to help develop and support new local journalism collaborations. These pilots provided an excellent opportunity to gain insight, create greater impact, experiment with new practices, and unlock local, regional, and national funding for shared sustainability. In some communities they also provided additional support for the development of larger superstructures essential to rebuilding a robust local news ecosystem across a wider geographic region.



These communities and new local news collaborations include:

#### El Paso and Ciudad Juarez

The Puente News Collaborative

#### Green Bay and Fox Valley

The Northeast Wisconsin (NEW) News Lab

#### Jackson and the Delta

Mississippi Spotlight

#### California Central Valley

The Central Valley News Collaborative and the Central Valley Journalism Collaborative

#### Yakima Valley

The Yakima Valley News Collaborative

# Learnings from local news pilot collaborations

 A news desert is harmful to the social fabric of a community as well as to democracy, negatively impacting businesses, access to education and healthcare, economic opportunity, and local government.

- In many places across the country, we're seeing a lack of even the most basic news and information vital to an informed and engaged citizenry creating a vacuum for disinformation to fill and helping to fuel a sense of apathy or cynicism in the community.
- There is a growing realization that the collapse of local news is an existential crisis for communities and democracy, and there are people and organizations that recognize this and are ready and willing to step up and provide leadership, resources, and support.
- Collaboration across newsrooms, even formerly competing organizations, is possible and key to both community impact and long-term sustainability.
- Partnering closely with local community foundations or other community organizations and leaders is critical to identifying key partners, gaining broad support, managing funding requirements and moving quickly.



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# EL PASO MATTERS

#### The Puente News Collaborative

#### El Paso, Texas and Ciudad Juarez, Mexico

The Puente News Collaborative represented a first of its kind binational, bilingual border journalism platform. It has produced shared reporting across the United States-Mexico border, including translation of stories for English and Spanish speaking audiences. This unique collaboration has also featured joint content distribution and leveraging the reach of the Microsoft Start news platform. Through this networked approach, participating newsrooms were able to increase focus on timely and complex border and immigration issues that resonated both locally and nationally.









**El Paso Times** 

Pictured opposite: Robert Moore, Founder and CEO, El Paso Matters Above: El Paso, Texas

- Many important local stories and issues can also gain attention and engagement nationally. Stories that cover topics like border and immigration challenges shine a light on the importance of high-quality local news beyond its community of origin.
- Building a collaboration and plugging into the wider network of available resources for journalists and newsrooms reduces costs and expands revenue streams for publishers struggling to achieve sustainability.
- Shared services and reporting, like translation of articles into other languages, can increase the amount and quality of coverage on important issues and drive more awareness and understanding among underserved communities.
- New digital-native newsrooms can become a key part of a healthy information ecosystem and a powerful resource for the community in a short time. They can provide much-needed coverage on important issues such as abuses of power by local officials and agencies.

#### **Profiles**

**Rocío Gallegos** – Co-Director of <u>La Verdad</u> and a critical member of the cross border, bilingual collaboration. La Verdad led efforts to report on challenges faced by immigrants and other underrepresented communities in an increasingly dangerous environment for journalists.

Robert Moore – Founder and CEO of El Paso Matters was part of the first wave of successful new non-profit digital native newsrooms that were created by longtime members of legacy news organizations that have been decimated by media consolidation and the financialization of the news business to the detriment of communities across the United States.







# The Northeast Wisconsin (NEW) News Lab

#### Green Bay and Fox Valley, Wisconsin

The Northeast Wisconsin (NEW) News Lab represented the largest and most varied network of partner newsrooms of the five pilots. With a unique mix of legacy daily and weekly print publications, public radio, and a new nonprofit digital native, these formerly competing newsrooms have worked together to support each other and the information ecosystem through shared reporting on critical community issues. Focusing on underreported issues, they explored healthcare quality and access, challenges faced by marginalized groups, affordable housing, the court system, racial equity, and the local impact of climate change. In addition to an emphasis on joint publication and distribution, a key feature of this pilot was the pursuit of shared fundraising opportunities. This openness to engage together on sustainability created a mutually beneficial model that can drive an entire ecosystem.

Pictured opposite: Jim Fitzhenry, Milwaukee Journal Sentinel Above: Madison, Wisconsin. Photo by Jordan Richmond - Flickr







Post Crescent.



Green Bay Press Gazette.







- Collaboration across multiple community foundations and newsrooms, including legacy dailies, weeklies, new digital-natives, and public radio, can be successful and lift up the entire information ecosystem.
- Collaboration beyond editorial partnerships, including business operations such as fundraising, can be more successful than going it alone.
- Shared reporting across a news collaboration consistently expands the impact on important underreported stories and empowers underrepresented groups within the community.
- Having strong leaders from the existing news community step up to build and manage often highly complex groups of journalists and newsrooms is a difficult but important element of success that drives cohesion, collaboration and long-term success.
- The collaboration's stories not only resonated in Green Bay and the Fox Valley, but across Wisconsin and the United States, helped in part by encouraging republication and distribution through the Microsoft Start news platform.

#### **Profiles**

Andy Hall – Co-Founder and Executive Director,

<u>Wisconsin Watch</u> and a critical central figure and
organizer for the larger <u>NEW News Lab</u> collaboration.

Much of the success of the local news pilot is credited
to his leadership, organization, and willingness to try
new approaches.

Jim Fitzhenry – Another key member of the collaboration, Jim is taking innovation in local news a step further as the editor of Milwaukee Journal Sentinel's Ideas Lab. In addition, Jim will lead the organization's statewide editorial board and serve as the director of community engagement for the Journal Sentinel and the 10 other Gannett newspapers in Wisconsin.











# Mississippi Spotlight

#### Jackson, Mississippi

The Mississippi Spotlight collaborative addressed several real-time crises confronting the community simultaneously. The partner newsrooms represented the diversity of audiences with the necessary depth of relationships and trust to cover issues facing residents and underserved communities of Jackson and Mississippi as a whole. The range of stories the newsrooms covered spanned healthcare and diabetes, water access and quality, and corruption and abuses of power by government officials and law enforcement. In addition to highlighting incredible challenges, the newsrooms also conducted the necessary solutions-oriented reporting and community engagement critical to empowering communities.







**Clarion Ledger** 

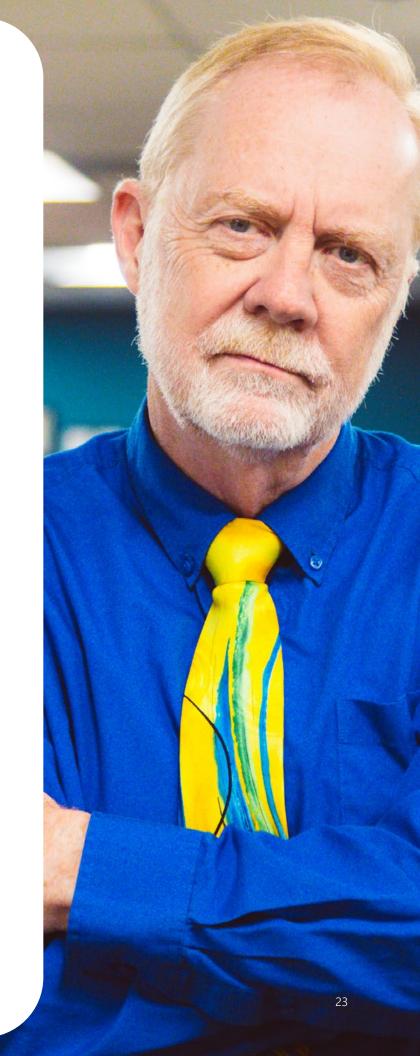


- Most of the time, the best reporting on local stories that end up resonating nationally is not done by the national media but by experienced, trusted local journalists for local publishers.
- Important national stories reported by national media outlets are often first surfaced by local news reporters asking questions that nobody else is asking.
- The local press plays an important role in putting pressure on local and state governments and officials to address urgent social and health issues.
- Community foundations and other local leaders are essential for bringing awareness and additional philanthropic funding support to existing efforts to preserve and protect local journalism.
- National media organizations can play a role in highlighting the reporting of local journalists and newsrooms and help train, support and encourage them.

#### **Profiles**

**DeAnna Tisdale Johnson –** Publisher and Creative Director for the <u>Jackson Advocate</u>, which is her family legacy and one of the oldest Black-owned newspapers providing news and information for an underserved audience in Jackson and the Delta. DeAnna, a key member of the collaboration, is a Jackson native and one of the youngest publishers in the history of Black-owned newspapers.

Jerry Mitchell – Founder of the Mississippi Center for Investigative Reporting and legendary investigative reporter. A winner of more than 30 national journalism awards, including a MacArthur "genius grant." His stories resulted in a Justice Department investigation of the state's prison system and an FBI probe into a possible homicide in police custody.













# The Central Valley News Collaborative and the Central Valley Journalism Collaborative

#### Fresno and the Central Valley, California

The success of the Central Valley News Collaborative pilot in Fresno has been driven by a strong media collaboration that combines print and radio coverage across newsrooms to cover issues critical to underserved communities. Reflecting the unique combination of challenges in the region, the focus on agricultural issues, including migrant worker conditions and the impact of climate change, meant community members had access to additional stories while also being introduced to new sources for news and information. The learnings from the pilot helped inform the effort to develop the Central Valley Journalism Collaborative, a journalism "superstructure" that took advantage of innovative funding and organizational models to sustainably support a local news ecosystem across a wider geographic region.

The Fresno Bee

radio bilingüe

Vida en el valle

kvpr

Pictured opposite: Hugo Morales, Founder and Executive Director, Radio Bilingüe Above: Fresno, CA

- Using a single community to pilot an initial news collaboration allows for potential expansion to other communities in a hub and spoke model and supports the development of a larger, more sustainable superstructure.
- Building a larger superstructure helps to attract additional regional and national funding and resources and allows for expansion to other nearby communities, creating overlapping healthy information ecosystems that better serve and inform a wider geographic area and more underserved communities.
- A clearly defined program manager that cuts across the various newsrooms and other partners in a local news collaboration to orchestrate the editorial focus, distribution and translation, and shared resources is vital to long-term success and impact.
- Sharing coverage of important stories and reporting across multiple newsrooms and media types from print, to broadcast, to podcast and social and ensuring translation into multiple languages increased the value of the original content and its ability to inform and attract an audience.
- Shared services and operational capacity expand the potential for stakeholders to launch newsrooms in underserved communities.

#### **Profiles**

Rebecca Plevin – Projects Editor at <u>The Fresno Bee</u> and program manager for the Central Valley News Collaborative. Rebecca, who began her career in Fresno reporting for bilingual newspaper <u>Vida en el Valle</u> and <u>KVPR</u>, was brought in to help direct the collaboration and was vital to its immediate impact and success, particularly across newsrooms, media types, and translation into Spanish.

**Priscilla Enriquez** – CEO of the James B. McClatchy Foundation and the initial Executive Director of the Central Valley Journalism Collaborative. Priscilla led the effort to develop a groundbreaking Journalism Feasibility Report for the Central Valley, which was the cornerstone of the roadmap for building out one of the first regional superstructures for local news.



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# The Yakima Valley News Collaborative

#### Yakima, Washington

Originating as the most discrete of the pilots, the Yakima Valley News Collaborative was characterized by strong community connections, civic engagement, and stakeholder development. Powered by award-winning journalism focused on underserved communities, it shines light on important untold stories. Yakima represents a critical region for Washington, and the community has catalyzed around the need for watchdog reporting that highlights essential coverage and holds powerful interests accountable. It also has identified opportunities to build stronger community trust by exploring new models for ownership, engagement, and shared development of new capacity.

El Sol de Yakima



YAKIMA HERALD-REPUBLIC

Pictured opposite: Patsy Whitefoot Above: Yakima Valley, WA

- It's critical that communities have a strategy and structure in place to partner effectively with local newsrooms and ultimately repatriate legacy newsrooms if that opportunity arises, protecting a long-standing and well appreciated local institution.
- At the end of the day, people want essential news about their community. Saving local news to protect democracy is important in the abstract, but people just want to know the high school sports scores, the new businesses that are opening in town, what the school board and city council decided and who is running for mayor.
- When there are few newsrooms left, the opportunities that come from banding together and sharing services are much more limited. It needs to be easier and less costly to start and grow new newsrooms serving more diverse audiences.

#### **Profiles**

Greg Halling – Executive Editor of the Yakima Herald-Republic, a traditional long-standing community institution that is struggling to meet the needs of its readers as the business model for local news collapses around it. Greg led the collaboration while at the same time helping educate the community and civic leaders about the challenges facing local news.

**Tammy Ayer** – A reporter at the Yakima Herald-Republic and the force behind the nationally recognized and award-winning investigative series <u>The Vanished</u>, a project that leveraged the power of data journalism to help tell the stories of missing and murdered Indigenous women.







# The Louisiana Investigative Journalism Fund

#### New Orleans, Louisiana

An innovative new effort from the leaders at The Advocate, The Times Picayune and the Acadiana Advocate demonstrated that with alternative forms of funding, for-profit legacy news organizations can continue to provide specialized, high-impact reporting that might otherwise be sacrificed because of a challenging business environment. Microsoft established a partnership with Louisiana's largest news organization and The Louisiana Investigative Journalism Fund to help support a Rural Communities Desk, an experimental approach to provide news and information about Louisiana's rural areas, towns, and small cities that no longer receive adequate coverage due to the shrinking of local news.







- In its first year, Faimon Roberts, the Rural News Desk's initial staff reporter, was able to log stories from 22 of the 64 state parishes. These stories, which covered agriculture, corruption, politics, and economic development at a local and rural level, were read by 439,000 users, 256,000 from inside Louisiana and two-thirds of those from outside of New Orleans.
- Building on the initial success of the various efforts, the leadership of the LIJF now believe they can eventually develop a sustainable model based on reader revenue and local and regional advertisers who have few options as media conglomerates and hedge funds shrink local reporting staff further or close papers altogether.
- Other parts of the state have taken notice, and some are asking the LIJF team to set up a similar operation in their communities. Based on the above, the team thinks they can do it sustainably. They will start small with help from funders, and then expand reporting capacity as they build back up the ad market and generate more reader revenue.

#### **Profiles**

Judi Terzotis – President of The Advocate/Times
Picayune and an innovator in developing the LIJF, an
alternative funding approach in support of for-profit
news organizations. Developer of the Rural News
Desk—the first of its kind in Louisiana—she is leading an
expansion into Shreveport-Bossier, a major metropolitan
area, that was slowly becoming a near news desert.

**Faimon Roberts** – The first reporter hired to staff the Rural News Desk, an innovative concept in statewide hyper-local news reporting. His reporting covered the gamut, from agriculture to crime to politics and economic development. He was often the only reporter in months to ask questions of mayors and other public officials.







# Report for America, Microsoft Rural News Cohort

# Texas, West Virginia, Wisconsin, Oklahoma, and Washington State

Report for America is a national service program that places emerging journalists in understaffed local newsrooms to cover topics that are underreported in communities across the United States. It was launched in 2017 as an initiative of The GroundTruth Project, a nonprofit journalism organization that trains and supports journalists across the world. Microsoft partnered with RFA to develop a specific cohort of rural newsrooms in need of additional reporting capacity to cover stories unique to rural communities. The newsrooms and reporters were located in five different states and covered topics from economic and educational access to health and childcare to the challenges facing immigrants and minorities.

Pictured opposite: Jasper Kenzo Sundeen, Report for America Reporter, courtesy of Report for America

Above: 250 Report for America corps members at Loyola University Chicago, June 8-10, 2022 (photo by Nathan Tisdale / Report for America)

# REPORT SAMERICA



- The program attracted a deeply diverse set of members, who brought new and different perspectives to the communities they joined and the stories they told through their reporting.
- The response by the community members and state and local funders was beyond expectation, with each newsroom averaging more than \$40,000 in additional fundraising. This success demonstrated that the rural cohort could on average outperform the broader RFA cohort.
- A significant portion of this additional funding came from organizations, associations, businesses, and individuals, reflecting their understanding of the importance of local news to the overall health of their communities.

#### **Profiles**

**Xcaret Nuñez** – An RFA reporter who covers agriculture and rural communities for <u>KOSU</u>, an NPR affiliate in Oklahoma City, Oklahoma. Nuñez was a Missouri Statehouse reporter for the <u>Missouri News Network</u>, and has worked at <u>KBIA</u>, the NPR affiliate in Columbia, Missouri, as a reporter, producer, and anchor, where she covered the community and education beats.

Jasper Kenzo Sundeen – An RFA reporter who covers education and economics in the Latino community for the Yakima Herald-Republic in Yakima, Washington.

Before moving to central Washington, Sundeen was an editor, writer, and, eventually, editor-in-chief of <a href="The Daily Californian">The Daily Californian</a>, the student-run paper at the University of California, Berkeley and the paper of record for the Berkeley community.





# **Centering collaboration**

One of the central tenets of the new journalism is a renewed commitment to having newsrooms listen to their communities to better inform their approach. This has deep roots in the legacy dynamic of the binary publisher and consumer relationships which defined the analog age of information. In the age of social media and Al, the choices and platforms for consumers have changed the way we create and consume news and information. To understand and adapt to these changes, journalism organizations must start by listening to the needs of communities. The easiest way to do this is by asking questions, listening deeply, and responding to questions with transparency.

### **Community listening**

Community listening brings a range of critical benefits to newsrooms. By engaging directly with the community, newsrooms can surface insights that would otherwise remain undiscovered, as understanding the lived experiences of community members provides unique perspectives and deeper context to inform editorial coverage and sustainability. Community listening also fosters the development of new relationships, which will improve news organizations' strategies in terms of content production, distribution, and audience targeting. By establishing diverse channels for

content distribution and engagement, community listening enables newsrooms to reach a broader, more diverse audience and encourages a more inclusive dialogue. Furthermore, it strengthens the connection between local news and the community. By becoming an integral part of stakeholders' experiences, newsrooms not only gain trust and loyalty but also enhance the community's willingness to support and preserve journalism as a public good.

### Community engagement

As newsrooms were confronting dramatic reductions in staffing over the last twenty years, a novel concept began to percolate in the nonprofit and digital startup community. Newsrooms began to realize that part of the disconnect between communities and declining newsroom capacity often occurred with very little public response or challenge. For many, this indicated a lack of awareness that resulted from an arm'slength relationship between newsrooms and the public they were covering. To address this gap, they began to embed community engagement as a core pillar of their work. This resulted in a renaissance of creative and unexpected intersections where traditional reporting not only got closer to the audience, but newsrooms also actually began to learn more from their communities than ever before

Community engagement yields profound impacts for newsrooms, transforming the way they operate, innovate, and connect with their audiences. Direct engagement provides valuable insights and learnings that can be applied to strategic initiatives and investments, leading to more informed decision-making and resource allocation. By understanding the community's issues, interests, and concerns, newsrooms can adjust their coverage and approach to ensure they are providing the most relevant and meaningful content. Furthermore, such commitment instills new accountabilities for responsibly reflecting the diversity of their regions. Newsrooms become more conscious of the need to represent different voices, perspectives, and experiences in their reporting, contributing to a more comprehensive and balanced portrayal of the community. This can enhance credibility, improve public trust, and strengthen the impact of a newsroom's coverage.

## **Expanded stakeholders**

The net result of these new journalism practices is clearly seen in the increased surface area of activity for innovation and acceleration. New behaviors in engagement are commonly coupled with new experimentation around content and tech. When driven by a unity of purpose to sustain local reporting that impacts communities, this provides important lessons and guardrails for

adoption. The increasing number of promising new journalism initiatives nationally is a positive sign that this is working.

#### **Expanding coverage**

A key indicator of success for the new journalism is a clear increase in the depth and diversity of reporting produced because of the resources these new behaviors unlocked. Both quantitatively and qualitatively measurable, increased local reporting is a force multiplier for stakeholders and philanthropic supporters. A consistent rhythm of great reporting and authentic community engagement have been shown to develop a virtuous cycle where impact drives increased funding for reporting that is focused on the diverse coverage needs of audiences.

One of the primary examples of this is the widespread adoption of the reporting labs model developed at The Seattle Times. Beginning with the Education Lab and now encompassing four labs and its investigative team, The Seattle Times has created a model for other newsrooms launching their own labs. This was codified in the curriculum of the Local Media Association Lab for Journalism Funding, which has now trained over 80 newsrooms in the methodology.



# **Technology integration**

Technology and tech platforms have created significant opportunities as well as challenges for the news industry and contributed to the breakdown of the legacy business model in fundamental ways. On one side, it has precipitated a significant disruption, both fragmenting audiences and diluting traditional revenue streams. Conversely, technology also possesses the potential to be a transformative force, offering innovative software and services designed specifically for journalists and publishers. From enhanced methods of storytelling to data-driven journalism, more dynamic content management systems and hosting solutions and wider audience reach, technology could hold the keys to not only stabilizing but also revitalizing the future of the news industry.

Microsoft, its <u>Democracy Forward</u> program, and partner organizations provide a host of these and other tools and services to help journalists and newsrooms achieve more.

# Rebuild capacity

In partnership with newsrooms, community foundations, and other civic organizations, we're experimenting with new hybrid operating models, with the goal of providing valuable insight into sustainable solutions that can be deployed at scale across the world. These include:

- The Media Viability Accelerator —

   a partnership between Internews,

   Microsoft and United States Agency for International Development
- <u>Microsoft Excel</u> and <u>Power BI</u> data journalism and visualization tools
- Microsoft <u>training for data journalists</u> in Excel and Power BI
- Microsoft 365 for Journalists apps and tools to address your editorial needs, from research, to reporting and newsroom operations
- Microsoft Start a worldwide news platform to help build reach and generate additional revenue from your news content
- <u>LinkedIn for Journalists</u> helping journalists use LinkedIn to their advantage
- Microsoft <u>technology discounts</u> for nonprofit newsrooms

#### Restore trust

To restore trust, we'll need to use a combination of tools and technologies to counter deep fakes and other online disinformation. Our goal is to promote digital media literacy education that provides the framework for finding, consuming, and sharing trusted, fact-based news and information through:

- Content provenance solutions from the <u>Coalition for Content Provenance</u> and <u>Authenticity</u>
- The Journalism Trust Initiative from
   Reporters Without Borders an international standard for showcasing and promoting trustworthy journalism
- Trusted News Ratings from NewsGuard the leading providers of transparent tools to counter misinformation for readers, brands and democracies

#### Reduce risk

Journalists around the world are increasingly subject to physical, cyber, and legal attacks, especially reporters covering protests, armed conflicts, governmental abuses, and corruption. To enhance their safety, cloud computing, AI, and a pro bono legal support program are crucial tools, along with:

- AccountGuard for Journalists a
   cybersecurity service that adds an extra layer
   of protection to high-risk, highly targeted
   individuals and organizations
- <u>ProJourn</u> a pro bono legal service that provides no-cost legal help with prepublication review and public records access

- Clooney Foundation TrialWatch which monitors criminal trials globally and defends the rights of individuals who are unfairly imprisoned
- <u>Cybersecurity</u> hybrid threat training specifically designed for journalists
- <u>TrustLaw</u> a global legal support network from the Thomson Reuters Foundation

#### Al in the newsroom

Artificial Intelligence continues to make significant advancements, transforming countless industries, including journalism. With the emergence of large language models (LLMs), also known as generative AI, we have seen a substantial shift in how newsrooms operate, influencing reporters, editors, and the entire news and information ecosystem.

Powered by deep learning and neural networks, LLMs are designed to understand and generate natural language. Companies like Microsoft, in collaboration with <a href="MopenAl">OpenAl</a> and others, are creating these advanced Al systems to help empower individuals and organizations to achieve more.

In journalism, these AI tools can revolutionize the way content is generated, edited, published and distributed. For instance, AI can predict the



next sequence in a text, based on a vast amount of pre-learned language data, which can help journalists and editors produce or edit articles quickly and efficiently.

As with the internet and smartphones, AI has the potential to reshape both personal and professional life significantly. In the context of journalism, AI can stimulate creativity and critical thinking, aid in more efficient research, reporting and complete a variety of tasks helping to free up a reporter or editor's time.

Al systems like <u>DALL-E</u> for image generation can inspire creative visuals for articles, while tools such as <u>GitHub Copilot</u>, an Al-powered coding assistant, can streamline data analysis in investigative journalism. These advancements facilitate more effective reporting and reduce administrative burdens, allowing journalists to focus more on unearthing and communicating important stories.

Microsoft partners such as <u>Nota</u> are focused on building Al tools that optimize the publishing process for newsrooms. This includes using Al to improve SEO, create videos of published stories, and write engaging headlines. Their tools also help publishers, journalists, and audience growth teams focus on creating meaningful content with greater efficiency, using fewer resources.

Despite these advancements, the integration of AI into journalism also poses challenges that must be acknowledged. Issues surrounding algorithmic bias, transparency, and accountability need to be navigated carefully to ensure the integrity of journalism and to uphold the principles of a free press.

To learn more and get access to these and other resources for journalists and news publishers from Microsoft and other providers, visit the Journalism Hub - Tech Tools for Journalists



## Sustainability

Sustainability requires balancing a complex set of factors beyond the need for alternative funding to replace the decimated legacy advertising models in journalism. It must be connected to deeper structural change, new skill sets, and stakeholder relationships in an ever-shifting media landscape. This requires a holistic approach and understanding of the dynamic between a free press and communities. As complex as this can seem, it can be understood in simpler terms. Do people understand and engage with the stories that newsrooms are producing? Do they believe it is relevant to them? Are they committed to its ongoing survival?

In this context, sustainability refers to the ability of local news organizations to maintain operational, financial, and journalistic integrity over the long term. The importance of this is clear: local newsrooms can quickly become victims of financial pressures, leading to cutbacks, closures, and a decline in quality reporting. A sustainable newsroom needs diverse revenue streams and funding sources to weather market fluctuations and robust editorial policies that foster trust and engagement with the local community.

## Supporting journalism

The proof that local journalism can be sustainable is reflected in how and why people support it. Having a broad mix of support provides a more consistent model for sustainability, but demands innovative approaches, experimentation, and new skill sets. This includes behaviors and practices that drive revenue, such as:

- Audience activation demonstrated by consumption, participation, and attendance.
- Donor activation expressed by individual contributors, memberships, and major gifts.
- Institutional philanthropy at the national, regional and local level which can include foundations, corporations, and new venture philanthropy entities.
- Governmental support by public sector organizations, political leaders, regulators, and agencies proposing and passing new laws, policies, and programs specifically designed to create an environment that enables the growth and sustainability of local news.



#### **Funder mix**

National, regional, and local funders play a pivotal role in creating sustainable local newsrooms. At the national level, organizations like the Knight Foundation and the Borealis Racial Equity in Journalism Fund provide essential support, focusing on innovation, community engagement, and promoting diversity in journalism. Regional funders, such as the James B. McClatchy Foundation and the Revson Foundation, bridge the gap between national support and local needs by concentrating on specific geographic areas, reinforcing the local media's ability to respond to unique community concerns. Local funders, meanwhile, give grassroots support that's attuned to the specific needs and dynamics of the community, promoting journalism that's responsive and relevant to the local population. This combined scaffolding provides a necessary platform to continue building the movement to protect local journalism.

#### Skill development

Skills critical to building a sustainable news ecosystem include business and financial management, product development, audience growth, community engagement, technological literacy, collaboration, and entrepreneurial thinking. Furthermore, organizations that provide training, support, funding, and advocacy play a crucial role in fostering sustainability, helping local news providers to develop the tools and strategies they need to thrive in the long run. In essence, sustainability is not just about survival; it's about creating a resilient, dynamic local news landscape that can continue to perform its vital role in democracy, regardless of the challenges that arise.





### **Market transformation**

There is no underestimating the global pressures confronting local journalism. An increasing number of actors see considerable benefit from actively destabilizing fact-based reporting and polluting information ecosystems. There is undoubtedly profit to be made challenging social norms in democratic society by treating reporters and the press with disdain and mistrust. We must act collectively to reverse these trends. Like other threats confronting freedom worldwide, the challenges facing journalism require a holistic and urgent response.

This guidebook is offered as an approach and way of seeing the challenges through the lens of creative necessity for everyone trying to protect or regrow local journalism in their community. It's likely we'll continue to see the emergence of new threats to reporting and reporters. We must ready ourselves and our communities to rigorously defend against these threats. We must also resist the temptation to see journalism as a lost cause or low-value enterprise that's somehow compromised beyond repair by the disruptive elements of the digital, online, and social revolutions.

Journalism has survived every major technological shift of the last three centuries. It did so not by predicting them, but by challenging and attempting to adapt to them. We believe that through a rigorous focus on market transformation this can and will happen again.

#### Diversification of revenue

As we evaluate the evolving media landscape, it becomes increasingly clear that there are reassuring signs of adaptation that merit our collective attention. At the forefront of these changes is an increase in focus on diversifying revenue beyond the customary advertising model. Digital subscriptions and membership programs, crowdfunding and community support, events, ecommerce and affiliate marketing, partnerships and syndication are just a few of these new revenue generating alternatives. This paradigm shift is not just encouraging, it is essential for news organizations to stay relevant and financially viable in a dynamic digital marketplace, as it equips them to better manage operational risks and seize on new opportunities.

Particularly in the nonprofit sector, local news outlets are increasingly funded by philanthropic grants. These are typically provided by foundations interested in supporting journalism as a public good. The breadth of funder activation continues to become broader and more diverse, supporting a wider range of newsrooms focusing on communities, important societal issues or underrepresented audiences. This shift offers a wider scope for potential investments, leading to a robust funding ecosystem, and hence more financial stability for news publishers.

The ongoing digital revolution has dramatically increased the number and variety of channels that journalists and news publishers can leverage to share their stories and generate incremental revenue. Now, apart from traditional platforms like the web and email, they have new and compelling options, including various social media apps and platforms, podcasts, and even virtual reality experiences, each offering a unique way to engage audiences and monetize content.

#### New production models

The emergence of innovative production models that are making local journalism more sustainable and efficient is another sign of continued market transformation. The strategic use of Customer Relationship Management systems by newsrooms is a leading example of this trend. These tools are increasingly being harnessed by local newsrooms for community building, audience tracking, and garnering insights about reader behaviors and preferences. A robust CRM system can help news outlets foster deeper connections with their readers, which can, in turn, help increase audience loyalty and potentially open up new revenue opportunities. Meanwhile, leveraging Content Management Systems, like Newspack, is another burgeoning trend. These platforms, designed specifically for news publishers, are revolutionizing

the production of news by significantly reducing costs and accelerating innovation. They offer pre-built features tailored to newsrooms' needs, making it easier for journalists to publish, monetize, and distribute their stories.

The rise of networked legal and insurance solutions also marks a significant shift in operational models and cost efficiencies. By sharing resources and costs across networks, local news providers can access critical services that may have been out of reach individually. This innovative approach provides protection against legal threats and operational risks, ultimately enhancing the resilience and sustainability of local journalism.

## Local ownership

The revitalization of local journalism can be bolstered by efforts to facilitate local ownership and control, imbuing news operations with a critical community-centric perspective. A promising approach toward this is seen in the rise of replanting initiatives, which empower local communities to buy and operate their own news outlets. This not only fosters a sense of community ownership and pride, but it also ensures that the news coverage is truly reflective of local concerns, aspirations, and experiences.



Additionally, the concept of community shareholders in public-private models is increasingly being explored. This innovative approach combines private investment and public engagement, leveraging the strengths of both to create a locally connected, sustainable news enterprise. Furthermore, the establishment of nonprofit news outlets governed by local stakeholder boards is another important trend. Such models offer an effective way to safeguard the public service ethos of journalism, ensuring that the interests of local stakeholders guide the editorial direction. Local ownership anchors journalism to its community, helping to ensure that news outlets remain robust, relevant, and responsive to the people they serve.

#### Structural change

Ultimately, ambitious and deep seated structural change is required to truly transform the market for local news. Such transformation is evident in the emergence of novel platforms and regional superstructures, such as the Central Valley Journalism Collaborative and the <a href="Western">Western</a> <a href="Iowa Journalism Foundation">Iowa Journalism Foundation</a>. These innovative structures are redefining the journalistic landscape by rebuilding reporting and editorial capacity, encouraging collaborative reporting efforts and amplifying local voices, all while sharing resources and expertise.

Further evidence of this transformation can be seen in the development of regional and statewide platforms like the Louisiana Investigative Journalism Fund and the South Carolina Public Service and Investigative Reporting Fund. These initiatives are reshaping local journalism, making it possible for journalists to undertake comprehensive investigative reporting projects that would otherwise be beyond their reach.

Lastly, consider the groundbreaking model of the Colorado News Collaborative, a state-wide initiative covering more than 170 newsrooms, that provides coaching, training, and collaboration among journalists, thereby elevating the quality of news production and fostering a sense of community among media professionals. Each of these examples underscores the fact that by implementing structural changes, we can truly revitalize the market for local journalism, ensuring it not only survives but thrives.

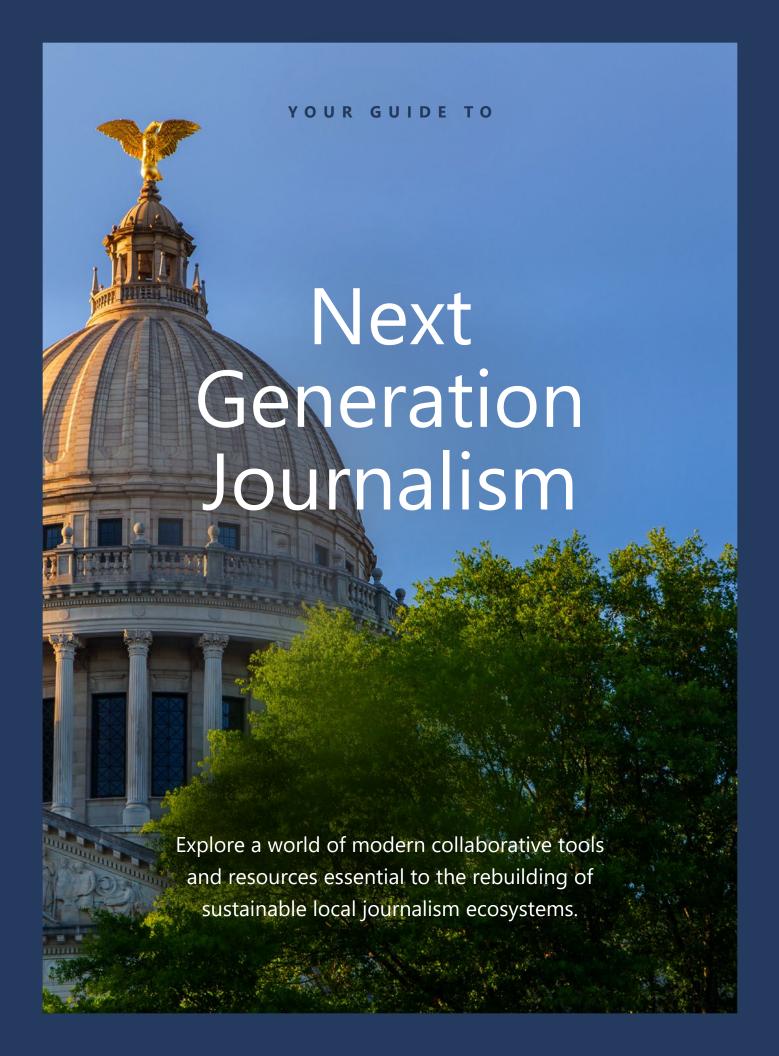
### **Public policy**

The application of public policy is a critical element in a comprehensive strategy aimed at countering the ongoing crisis in local news. Given that local journalism serves as the lifeblood of our communities, ensuring an informed citizenry and fostering civic engagement, it is imperative

to harness the power of policy to help address its current challenges. This involves various types of policies, including legislative reforms, financial incentives, regulations encouraging transparency and diversity in media models and ownership, and policies that facilitate collaboration and resource sharing among media organizations. The Rebuild Local News coalition and other organizations, associations and private-sector companies are leading these efforts, but more support is needed.

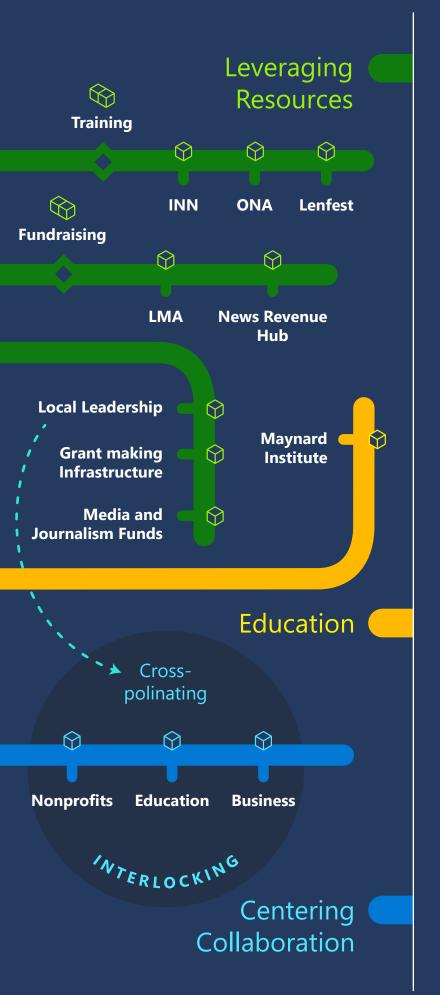
In creating these policies, generating bipartisan support is vital to the passing of effective legislation. The necessity for a robust local news ecosystem transcends political divides, contributing to the health of our democracy by nurturing informed communities and promoting accountability at all levels of government. Therefore, advocacy for these policies should appeal to lawmakers on both sides of the aisle, establishing local journalism as a common ground that resonates with shared democratic values.

Furthermore, this advocacy must be conducted at both federal and state levels, as both have unique roles and capabilities in fostering a vibrant local news environment. While federal policies can provide broad-based solutions and national funding opportunities, state-level policies can be tailored to address the specific needs and challenges of local news ecosystems.











# Find your path to a sustainable future for local journalism

The route you take in support of local journalism can start in many different locations. Everyone can explore options that fit their organization, community, or individual interest by locating a departure point and following it to other stops on the map. It is easy to cross over to new lines by following connections or building new ones.



#### **Station**

Broad starting points for ongoing exploration

#### **Substation**

Component parts and transfer points for creating new pathways and connections

#### Stop

Specific resources providing knowledge and support





