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The First Draft: Emerging Models for Regional and State Non-Profit Investigative Journalism Centers

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Over the past year a non-profit model for investigative and public service journalism at a state and local level has been developing across the U.S. In many ways the model follows the usual scenario of grassroots non-profit efforts: A few believers with little money join together to establish an organization to promote a particular cause.

In this case, the cause is investigative journalism. The believers are investigative reporters who have quit, been bought out, or laid off from traditional newspapers or broadcast stations. Often, the reporters are already disillusioned about pursuing investigations within the for-profit corporate setting because of the diminishing resources and management support over the past decade.

The reporters have already embraced the digital world and intend for their organizations to use computer-assisted reporting techniques – data analysis and visual representation of that analysis. They foresee their work as being presented first and foremost on the Web with the idea that the investigations can be spun off into print or broadcast products.

The reporters are attracted to a non-profit model because they believe it will allow them to focus more on their investigative work with fewer impediments and a truer mission.

They are encouraged by the successes of long-time national non-profits such as the Center for Investigative Reporting, the Center for Public Integrity and Investigative Reporters and Editors. In addition, they are aware of the models offered by new investigative journalism ventures such as Pro Publica, the Stabile Investigative Journalism Center at Columbia University, the Schuster Institute at Brandeis University and the Investigative Reporting Workshop at American University.

The reporters often approach a journalism department at a local university for part of their initial support. The reporters seek free office space and help with overhead, access to student help and interns, and significant institutional endorsement of their efforts. The departments are willing to enter into the collaboration because the reporters bring practical experience to the university. The reporters can teach classes and possibly create high profile projects that will bring attention to the university and improve the education of the students. They can provide

internships at a time when news organizations are eliminating those positions and they can attract funding for projects that benefit both the centers and the universities.

The universities, however, generally cannot offer sufficient money for salaries and overhead. The reporters seek start-up money from foundations and individual donors that have supported investigative journalism in the past. The centers also consider whether to form independent 501(c)3 nonprofits that can enter into contracts with their host universities rather than be a part of the university.

First steps

In January, two centers announced their existence and each had followed a version of the scenario outlined above. The Wisconsin Center for Investigative Journalism began in Madison with an office at the University of Wisconsin and soon received a \$100,000 grant from the Ethics and Excellence in Journalism Foundation. The Wisconsin center is not a part of the university, but had applied for 501(c)3 status, which it recently received.

The center's executive director is Andy Hall, a long-time investigative journalist who left his job at the Wisconsin State Journal. He has a five member board – four are journalists - of which I am president. His wife assists him on a volunteer basis and he is in the process of hiring three student interns. He plans to collaborate on investigative work with university classes, mainstream media outlets and nonprofit newsrooms.

The New England Center for Investigative Reporting established itself at Boston University as a part of the Journalism School with a \$250,000 grant from the James S. and John L. Knight Foundation. The center's founders are Joe Bergantino and Maggie Mulvihill, both long-time investigative reporters. Their operations are run through the university's journalism school and they have a journalism advisory board of which I am a member.

Investigative reporters throughout the U.S. have contacted the founders of these two organizations and reporters, who were recently laid off from the Seattle Post-Intelligencer, are close to establishing a center at the University of Washington. Reporters who lost their jobs when the Rocky Mountain News closed also are in ongoing discussions with the journalism department at the University of Colorado. Similar efforts are underway in several other states by reporters who have not yet left their jobs.

Although the reporters have expressed dismay at the lack of resources for investigations in mainstream news organizations, they plan to collaborate with those organizations and hope to supplement the mainstream offerings. They also plan to collaborate with other non-profit journalism organizations - from the local NPR and PBS stations to the national non-profit investigative reporting centers.

To be sure, there are other state and regional models. The Texas Watchdog group, which formed last year with major funding from one Chicago foundation, has no university affiliation. The Voice of San Diego began with the contribution of one donor, but is working to be self-sustaining through other revenue.

In another example, Walter Robinson, a former investigative editor at the Boston Globe now at Northeastern University, produces investigative stories with his students that appear in the

Globe. Many other journalists turned professors at other schools also develop investigative stories that are published in a newspaper, are broadcast or appear on the Web.

The Challenges

The obvious challenge for all these efforts is sustainability and all the underlying factors.

The Under-funded Start-Up

The centers are under-funded. The grants they receive are not intended to ensure much more than a year, if that, of operation. The grants allow the reporters to have a salary while they build the organization. But that also ensures that the reporters will have to juggle their time so that they can produce investigative stories (their mission) while attending to administrative and fundraising duties.

Fundraising

The new centers again follow the model of the traditional grass-roots nonprofits, where success partly depends on knowledgeable professional volunteers who can help with fundraising. In general, the investigative reporters have had little experience with fundraising and the first start-up grant is often the first grant they have worked on and been awarded. This means they must simultaneously learn how to fundraise while working on investigative stories.

Management Experience

Many of the centers are being established by reporters who have little management experience in a newsroom, but important, have little or no management experience in non-profit businesses or in the university environment.

This means that the reporters may be further drawn away from their primary work by learning about accounting systems, working with boards and deans, managing interns and staff, and bringing in revenue to pay expenses.

The University Setting

By being in a university setting - whether as an independent nonprofit or being a part of a university - the centers will have to deal with a traditional bureaucracy that has the potential to slow grant processing and contracts for months. Despite the public entreaties of chancellors and provosts to university middle managers to become nimble, quick and entrepreneurial, university offices can take weeks and sometimes months to process grants, approve hires and contracts. Without support from top administrators, centers can lose precious time to get mundane tasks done.

In addition, university lawyers often are not familiar with media law and also may worry about the safety of students in doing projects. Because of that, they may be so cautious that it is not practical to carry out some investigative projects. In one recent case, an investigative journalism project – funded by a private foundation - decided to move from a university to an independent investigative center because of the university's concern over libel and safety issues.

Administration of the Independent Non-Profit

The independent 501(c)3s also have their special challenges. If they are not a part of the university, they face a host of business and funding issues.

The founders of independent centers have more administrative tasks, even if they are able to move on them faster than a university. Those tasks range from accounting to the need for insurance - both media insurance and insurance to cover any errors and omissions by the organization.

They also have to make pro bono arrangements with attorneys. In addition, they must create boards, which can bring their own challenges, ranging from too involved to too uninvolved.

Needs and solutions

Despite the wide array of challenges, regional and state centers are encouraged by the aforementioned national models that show that non-profit investigative journalism organizations can be successful and enduring. But the regional and state centers will have to deviate somewhat from those models.

Pooling resources

The independent nonprofit centers could benefit from sharing some management and accounting services. The processing of checks, benefits, and payments could be handled by one organization, such as the Tides Center or through a consortium. Management guidance could be ongoing online through seminars and discussions run by a management team.

While each of the centers has and will have data analysis expertise, it can be time-consuming to obtain data and to analyze it. Initially, the centers might consider teaming with national organizations on collaborating on data-heavy projects until the centers build up enough staff. The centers might each contribute to establishing a data institute that works with the national centers since national centers might be straining under their own workload.

In addition, the centers could also distribute each other's work and that of the national centers' to enhance their offerings and there is now wide discussion on how a national network could go forward.

Sustainability through diverse revenue

The pooling of resources and management advice, however, are expense-cutting and time-saving measures and do not address the primary questions of how to raise revenue to sustain ongoing, independent watchdog journalism.

Strategies are forming that combine traditional non-profit approaches with advances in online technology that can create and expand community support in several ways.

While national foundations have the funds to donate considerable money for start-ups, the regional and state centers will need to seek long-term support from community and family foundations and local individual donors. That show of support establishes the need for the centers and their credibility and will be necessary to attract further donations, matching or otherwise, from national foundations and major donors.

The centers also may consider memberships (in the NPR and PBS models) or online payments through subscriptions. (Thus far, micro-transactions for online stories have not proven

successful, going back as far as the mid-90s, when writer Jon Franklin teamed with Investigative Reporters and Editors to form Bylines.net and offer specific stories for a small fee.)

While there has been some doubt about online subscriptions, Premesh Chandran, the head of the Malaysian online news organization, said at a recent conference that the subscription method had worked at his \$1 million a year organization. He said that \$600,000 in revenue now comes from subscriptions, \$200,000 in grants, and \$200,000 in advertising. He said the subscriptions were based on asking subscribers to support a free and independent media that would offer credible stories.

The centers may also consider the special topic newsletter model, where some subscribers pay extra fees for more value-added information or special access. This is an ongoing practice at Guidestar.org, which offers data and services on nonprofits nationwide, and at Investigative Reporters and Editors, where members get more access to Web resources.

Other specific sources of revenue could include special data analysis work done under contract or agreement – a service Investigative Reporters and Editors provides for journalism organizations. The Wisconsin center is considering a “rent a reporter” service, where a local newspaper could hire the center to work on a particular story.

The centers can also augment their revenue by accepting advertising as many nonprofit organizations already do. As demonstrated by Malaysiakini, the advertising does not have to be the dominant source of revenue, but can provide crucial income.

Revenues can also be project specific not only in donations from a foundation for a particular topic, but through numerous individual online donations for particular coverage by the center. Spot.us in San Francisco is working through this model and trying to fine-tune this method. The method has the added advantage of being a marketing tool for the organization and increasing public awareness and support for the organization.

New business opportunities

The centers also have a business opportunity they need to consider. Recent articles in trade magazines have publicized the drastic cuts in Washington D.C. bureaus and statehouse bureaus.

Establishing a service that provides both weekly and long-time watchdog stories on the statehouse and local Congressional delegations may provide both interest and additional revenue streams for the centers that can support the overall operations.

The overall challenge, as it is for many nonprofits, will be to produce revenue without drifting from the primary mission.