

# Reconstructing American News

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

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## Executive Summary

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 inclusion to create meaningful change.

Innovation for news equity must ultimately involve large commercial outlets 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 both nonprofit news outlets and foundations step up to the challenge of reinvention.

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 the journalism funding space has been on supporting innovation in products and platforms. It's now paramount to resource *new people, processes, and power relationships*.

We need to do more than remediate old problems: we must create an equitable future.

This will require completely new frameworks. For journalists, it may also mean letting go of old ways of doing things and learning from other fields: art, organizing, urban planning, and beyond. A bit of futurism might also be in order—for example, what could journalism look like in 50 years if we had 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's journalism program officer Farai Chideya—investigating overlapping topics of equity in news, changing journalism business models in a period of rapid disruption, and responsive philanthropic funding strategies that aim to address the many intersecting problems that currently exist in the industry.

In publishing this report, we aim to serve as a resource for others in the field grappling with the same issues. Below, we outline the challenges we're facing, and how possible interventions might work in practice.

## Rethinking News and Philanthropy in the Face of a Pandemic

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.

We heard insights from independent producers, as well as leaders of The 19th, City Bureau, Resolve Philadelphia, Press On, ProPublica, the Committee to Protect Journalists, Rooted in Rights, Lantigua Williams & Co., and *The View from Somewhere* on how their work is building resilience, saving lives, and building trust with communities.

This is a moment of both rupture and opportunity. We're seeing in real time how funders and investors, outlets, and makers are responding to a global crisis, and which approaches are serving people. This shows that it's not just incumbent on grantees and entrepreneurs to innovate—funders and investors also need to change their practices. Philanthropy alone can't solve the collapse of journalism business models, but funders can strategically support those who are hustling up new approaches.

### Current Challenges

- **A struggling industry**

It's no secret that the larger journalism industry has been in dire straits for years. Compounding this reality is the fact that there is a well-documented [lack of diversity](#) in both news coverage and newsroom leadership.

- **Philanthropy and journalism: Only a partial remedy**

Overall, there's simply [not enough philanthropic investment into equity in journalism](#). Efforts to support equity-focused media projects are scattershot, and the current philanthropic focus on saving the news business often leaves equity out.

- **No start-up capital for news**

Outside of philanthropy, it's extremely difficult for equity-focused founders to access start-up funds. There is an unequal distribution of funds in the private investment space, and funds for equity-centered news endeavors are scant.

- **Investors are leaving money on the table by ignoring diverse audiences and entrepreneurs**

Research suggests that investing in equity can be good business. However, inequities in start-up funding persist for several reasons: investment firms themselves aren't diverse, there isn't a clear market opportunity for early-stage media projects, and there are specific barriers for women and people of color.

- **The benchmarks of success need rethinking**

Current metrics for news investments prioritize audience and income. However, there's a longer-term case to be made: supporting innovators focused on news equity can lead to new solutions and models that have the potential to influence the entire industry. This requires patient capital and a different orientation to what constitutes success: adaptation and mission alignment.

## Possible Solutions

- **New approaches to funding**

Philanthropy can't solve these problems on its own. Foundations and other investors can make a meaningful difference in this space through a shift in investment strategy and how they conceptualize success. Some outlets are also taking it upon themselves to experiment with new types of business models, such as public benefit corporations, hybrids of for-profit and nonprofit structures, and direct public offerings.

- **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 toward advisers from diverse backgrounds to aligning endowments with equity goals. Funders are also starting to shift how they set strategy and assess impact.

- **Exploring interventions**

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.

## Takeaways for Foundations and Investors

- **New people**

- **Expand the pool:** Many people are doing journalism on the ground who simply don't have access to philanthropic dollars; funders should be aware of the existing structural inequities that keep many people outside of their sphere.
- **Protect the people 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. Protecting the workers taking the risk should be integral to funding.

- **New processes**

- **Embrace a new mindset about success:** Prioritize adaptation and mission alignment through an approach that is focused on long-term social gains and the adoption of promising models rather than immediate returns.
- **Look outside of the field for inspiration:** Expand beyond the traditional siloes 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. 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.
- **Take risks:** Private investors know many of the companies they fund will fail; foundations tend to play it safe with large, existing grantees. They should take chances that could bring innovation and diversity of perspective.
- **New power relations**
  - **Invert the traditional model:** Bring the people on the ground who are experiencing social issues into the conversation, rather than prioritizing the perspectives of experts such as academics.
  - **Reduce hurdles:** Application processes could be simplified to ask clear, simple questions that allow organizations to display their strengths.
  - **Increase transparency:** Part of shifting power relations means that funders must be open about existing power dynamics and transparent with grantees, and be willing to examine their own practices and beliefs to ensure they are not perpetuating structural imbalances.
  - **Collaborate with one another:** News organizations are already collaborating to respond nimbly to the pandemic and the economic and political aftershocks. It is equally important that funders collaborate, by sharing learnings and, where appropriate, aligning to strengthen the sector and bolster key models.

**Learn more:** Read the full report, plus companion reports on gender equity in news and financing for innovations related to news equity at [fordfoundation.org](https://fordfoundation.org).