
CENTER FOR COOPERATIVE MEDIA

MONTCLAIR STATE UNIVERSITY • SCHOOL OF COMMUNICATION AND MEDIA

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Health and wealth in local news:

How community wealth, publisher background, and source of revenue relate to success for online local news organizations

Center for Cooperative Media
School of Communication and Media
Montclair State University
By Sarah Stonbely, PhD, and Professor Tara George

About the Center for Cooperative Media

The Center for Cooperative Media is a grant-funded program based at the School of Communication and Media at Montclair State University. Its mission is to grow and strengthen local journalism, which it does through professional development and training, networking, coaching for entrepreneurial and independent news organizations, research, events and by coordinating and advocating for editorial and business collaborations.

The Center for Cooperative Media's flagship program is the NJ News Commons, which is a network of more than 265 publishers and 50 freelancers in the state of New Jersey, and the NJ College News Commons. The Center's focus within the NJ News Commons is to grow and strengthen New Jersey's local news and information ecosystem for the benefit of residents.

The Center has regular and project-based partnerships with several organizations whose work complements our own, such as the Local Independent Online News Publishers, the Institute for Nonprofit News, the Center for Investigative Reporting, Solutions Journalism Network, Free Press and many others, as well as major platforms including Facebook and Google.

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To learn more about the Center and its work, visit www.centerforcooperativemedia.org.

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Executive summary

This research looks at the influence of three commonly cited features on the success of digital local news outlets: the background of the publisher, experimentation with different revenue streams, and the wealth of the surrounding community.

Of the three, only the wealth of the community is statistically correlated with “success” (which we define as organizational longevity + three indicators of economic success). Despite the relatively small sample, which must be taken into account (N=43), these findings suggest some important points.

First, tepid experimentation with different revenue streams is due to the fact that a majority of both thriving and struggling outlets still rely on traditional (digital) advertising for their primary source of revenue – and thriving outlets are actually making money from it.

Second, most local news outlet publishers – “successful” or not – still have backgrounds in legacy journalism. This may change as we get further from the legacy period (of print newspapers, a “one to many” model of broadcasting, and a strong wall between the editorial and business sides), but having a background in journalism does not appear to increase the chances for success. Rather, it may be beneficial for small publishers to have diverse backgrounds that include some business or sales experience.

Finally, and perhaps most importantly, while more research is needed to determine the causal direction of the positive correlation between wealthy communities and local news outlet success, it seems clear that outside support is crucial to ensure that local news outlets can be sustained in poorer communities.

Introduction

The challenges facing local journalism are well documented (e.g. Pope, 2018). What are not always as salient are the success stories, which are important to highlight especially as journalists young and old alike – the potential news entrepreneurs of the future – are still being laid off in record numbers. Therefore the question driving this research was, what do successful local online news outlets look like today? And what role are certain organizational and structural features playing in that success?

Here we look at 43 online local news outlets, to see how the background of the publisher, experimentation with different revenue streams, and the wealth of the surrounding community relate to desirable outcomes such as organizational longevity and economic viability. This analysis backgrounds concerns about content and impact and foregrounds the question of what it takes for an outlet merely to survive. We focus here on for-profit newsrooms, as opposed to nonprofit news organizations.

The topline finding to emerge is that the wealth of the surrounding community matters greatly to the success of local news outlets. Whether they rely on advertising or reader revenue, a threshold amount of wealth among the audience and potential advertisers is crucial to allowing a local news outlet to thrive. However, we have more work to do on why this is; are wealthy communities better at “growing” online local news sites because they can provide more ad dollars, have more highly educated people, or have a better chance of having someone with the capital (both economic and professional) to start an online outlet? Or do online news entrepreneurs more often choose to set up shop in affluent communities?

We also find that nearly all thriving outlets – and the not-so-successful ones, too – still rely on traditional (digital) advertising for their primary source of income. Though audience revenue such as memberships and subscriptions are becoming increasingly important revenue streams, we find evidence to contradict the conventional narrative that local news cannot be supported by advertising as it moves online. Finally, though the majority of small publishers come to news entrepreneurship with a background in legacy journalism, it is clear that when one is performing many roles that used to be separated by a “wall” between business and editorial, it is beneficial to have also had experience in fields such as business or sales. This contradicts traditional journalistic practice, and supports newer research showing that the economics and technological affordances of digital journalism are shifting long-held norms.

Method and data collection

All of the outlets analyzed here are online (usually digital-native), produce substantive, multi-sourced journalism, and are independent sites, meaning they are not affiliated with legacy news organizations (though, as we will see, many are owned and operated by people formerly employed as journalists with legacy news organizations). They are also all for-profit sites, as opposed to nonprofit 501(c)3s. Digital-native local news outlets are not the subject of as much academic research as they might otherwise be because they can be difficult to reach, given the extreme resource constraints of many small publishers. To gather the data presented here we leveraged institutional relationships with both a national network of local news outlets and our Center for Cooperative Media-based New Jersey News Commons. We gathered a purposive sample of 43 local online news and information outlets, and asked them questions about their organizational structures and operations.¹ Of the 43 outlets we studied, 23 met at least three of the four criteria for “success,” which included an outlet’s longevity, revenue, profitability, and sustainability.

To assess organizational longevity, we asked the publisher for the month and year in which their outlet had launched, and calculated the number of months they had been in existence; we also asked whether there had been any breaks in publishing. For revenue, we asked publishers for their gross annual revenue in the previous year; if they did not want to give an exact number, we gave them a scale from which to choose an option, based on our knowledge of the general range of incomes for local outlets of this size.² Profitability was gauged by asking publishers to give the number of months out of the last 12 during which their outlets had been profitable (i.e. generated income greater than their expenses). Finally, we asked whether the publisher took a paycheck, which suggests, first, that there is enough revenue for the publisher to pay himself or herself, and second, augurs sustainability in terms of a person making a living from the outlet. These data acted as the dependent variables.

We recognize that using these variables to represent “success” leans heavily toward the economics of an outlet, without considering the quality of the content being produced or any externalities such as whether the outlet is generating community cohesion or holding local government accountable. As important as these considerations are, they are beyond the

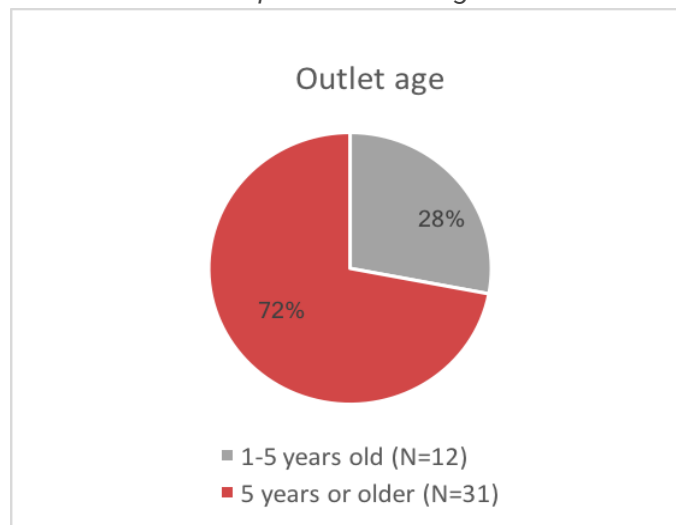
¹ Several rounds of individual email solicitations and phone calls resulted in completed interviews with 32 publishers, and 5 rejections. To gain a greater number of respondents, the interview questions were transferred to the online survey platform Qualtrics, and sent to approximately 200 additional publishers, with the help of LION Executive Director Matt DeRienzo. From that one-time request, an additional 23 publishers responded, with 11 filling out the survey in its entirety, bringing the final sample to 43. This represents an 18% response rate, which is just below the typical response window for publishers and journalists of 19.5 to 29.7% (Carpenter, Nah, & Chung, 2015; Cassidy, 2007).

² See Appendix for the interview schedule, which includes the revenue scale.

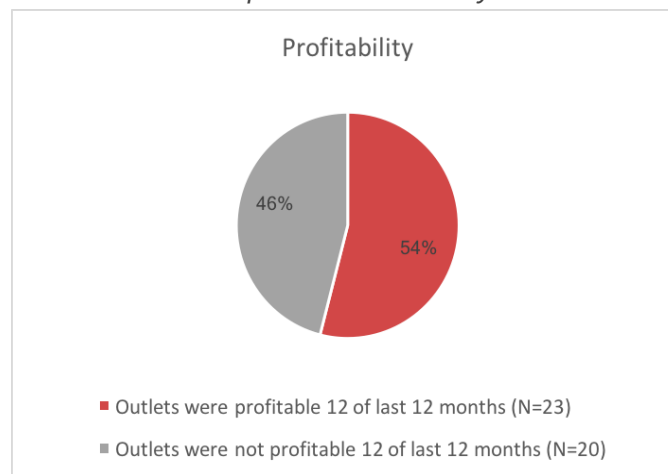
scope of this project; in addition, no matter how good the content is, it will not be produced for long if an outlet is not in some way economically successful and sustainable.

Using these four variables, we identified a subsample that met our criteria for “success,” which we defined as: have published continuously for five years or more; allow the publisher to take a paycheck from the profits; were profitable twelve of the last twelve months at the time the publisher was interviewed; and had gross annual income of \$25,000 or more. The graphics below show the frequencies for these variables within our sample. As one sees, our sample had good diversity on all four of our success criteria, with the most stringent factor being revenue and the most inclusive factor being outlet age.

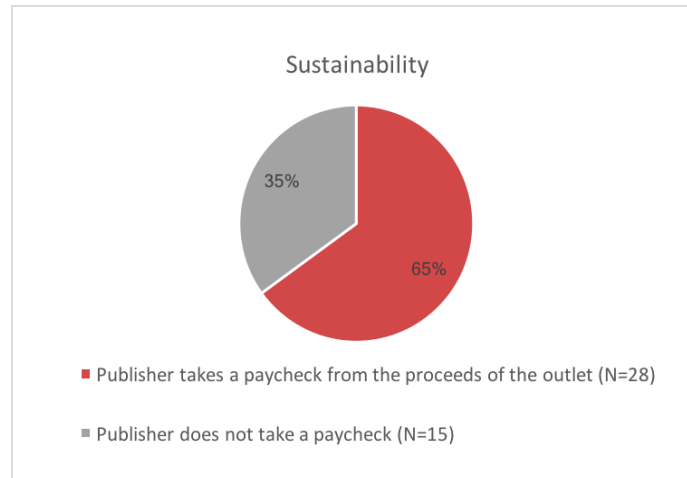
Graphic 1: Outlet age



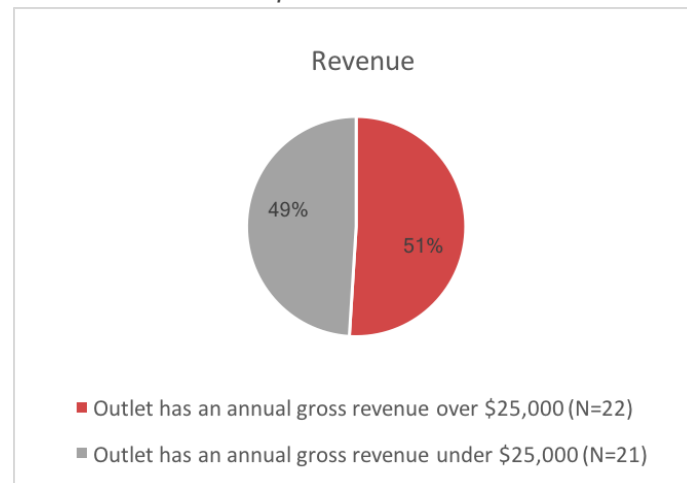
Graphic 2: Profitability



Graphic 3: Sustainability



Graphic 4: Revenue



It is difficult to know how representative our purposive sample is of the universe of online local news outlets within the U.S., because a comprehensive, up-do-date, “state of the local media” report does not exist.³ However, there is some related data that makes us confident

³ For example, Pew Research Center’s annual “State of the Media” report covers, among its eight topics, local television news, newspapers, and digital news, but none of those include local radio, local newspapers, or online local news outlets; e.g. “The digital-native news outlets included in this analysis are those whose primary domain – the outlet’s flagship website – averaged at least 10 million unique visitors per month from

that our sample is at least generally representative. For example, a 2014 survey of online local news outlets in the U.K. (which has a dynamic sector similar in many ways to the U.S.) looked at 183 local news providers, finding that roughly three-quarters of outlets had been in existence three years or more, and a third had been in existence for five years or more. Half of the respondents likewise had some experience with legacy media, and advertising was the also the primary source of funding (Williams, Barnett, Harte, & Townend; 2014).

A 2016 Tow survey of small-market local journalists found that 57% of respondents had more than 10 years of experience in legacy media (Ali & Radcliff, 2017). A 2014 survey of online local news outlets in the U.S. by Michele McLellan (founder of the hyperlocal directory “Michele’s List”) found that half of the sample of 60 publishers reported revenue of \$50,000 or less, but 62% reported that revenue had increased from the previous year, and that “independent local online publishers rely heavily on ad revenue” (McLellan, 2014a; 2014b). Likewise, Holcomb and Mitchell (2014) found that advertising continued to be the largest, and growing, source of revenue for digital news outlets.

The factors we hypothesized would act as the independent variables were: background of the publisher, experimentation with different revenue streams, and community wealth. To assess the publisher’s background, we asked the interviewee if he/she had a background in legacy media (all interviews were conducted with the publishers of the outlet), and clarified what was meant by “legacy” if needed (media such as print newspapers, network or network-affiliate television, and radio). To assess experimentation, we asked whether the publisher had ever experimented with “nontraditional” revenue streams, such as memberships, subscriptions, or events.

To assess the economic wealth of the community, we asked the publishers to tell us whether they would rate their readership as generally lower, middle, or upper class, reasoning that their perception of the community’s wealth was better than Census data because by “community” we mean the audience served by the outlet, which is not necessarily the same. The interviews were conducted mostly by phone (see footnote 1), and the publishers were offered anonymity. After gathering the data, we used SPSS for the analysis. Questions not addressed in this research but of definite interest for the future include the race/ethnicity of publishers and staff, whether more successful outlets tend to have an ad sales person on staff (anecdotal evidence suggests they do), and including in the mix outlets with nonprofit business models (all studied here are for-profit).

October-December of each year analyzed” (the online local news outlets analyzed here average closer to 50,000 unique visitors per month, as per other findings for this sector, e.g. Carpenter, Nah, & Chung, 2015).

Defining ‘success’ in the digital-native local news space

To produce a single variable for “success,” we combined organizational longevity (continual publishing for five years or more) with the positive outcome for the three economic variables: the publisher takes a paycheck, profitable 12 of the last 12 months, and annual gross revenue in the year prior of \$25,000 or more. The reason we do not look at organizational longevity and economic success separately is because outlet longevity by itself doesn’t tell us much; several publishers within our sample work full-time jobs in addition to publishing the site, or are retired, or fund the site themselves as a labor of love. Therefore our definition of success provides that the site has stood the test of time, while also necessitating that it provides some level of income for the publisher, which is going to more reliably point to efficacious business models, and is probably the only sustainable route to true long-term success for the field as a whole.

As may have been predicted, only eleven (26%) of our 43 outlets met *all four* success criteria (Table 1). An additional twelve outlets met three of the four criteria (in some combination). All told, 23 of the 43 outlets (54%) met at least three of the four criteria for success (Table 2). This larger subsample (of 23) therefore includes younger outlets that are achieving economic success but did not meet the organizational longevity criterion, outlets that are profitable but from which the publisher may not take a paycheck, and outlets that are still figuring out how to make money but have established name recognition in the community (i.e. did not meet one of the other economic criteria). From these 23 outlets, what can we learn about what success looks like for online local news outlets?

Table 1: Org. longevity + Profitability + Publisher paycheck + Revenue

	Frequency	Percent
Outlets that are five years or older, from which the publisher takes a paycheck, that were profitable 12 of the last 12 months, and that gross more than \$25,000 annually	11	26%
Outlets that do not meet all four criteria	32	74%
Total	43	100%

Table 2: At least three: Org. longevity, Profitability, Publisher paycheck, and/or Revenue

	Frequency	Percent
Outlets that meet at least three of the four success criteria (“thriving”)	23	54%
Outlets that do not meet at least three criteria (“struggling”)	20	46%
Total	43	100%

Which organizational and contextual factors are related to success?

We focus here on three organizational and contextual factors that have been shown in previous studies to relate to success for online local news outlets: professional background of the publisher, experimentation with nontraditional revenue streams, and the wealth of the surrounding community. Of these we ask, how influential do they appear to have been for the 23 digital-native local news outlets who have achieved success?

Nearly all publishers still come from legacy journalism, but a diverse background is more important as the wall between editorial and business erodes

Existing studies have suggested that the professional background of local news entrepreneurs is an important component in the long-term success of an outlet. Specifically, a legacy journalism background helps the local publisher convert existing relationships in the industry into early financial backing and credibility for the fledgling outlet (e.g. Ferrucci, 2017; Wagemans, Witschge, & Deuze, 2016, p. 168).

On its face this argument makes sense; for example, Powers and Vera Zambrano (2016) compared the thriving hyperlocal field in Seattle to the anemic field in Toulouse, France and argued that a key difference was the depth of experience among local news entrepreneurs in the United States versus the youth and inexperience of those in France. However, what was not taken into account, in this and other studies, was the background of those publishers who failed. In other words, we do not know if those outlets that failed were also run by publishers whose background was in legacy journalism.

Of the 43 outlets we study here, publishers of thriving outlets are slightly more likely than publishers of struggling outlets to have a background in journalism – though the difference is not statistically significant (see Table 3). Coupled with the fact that online local news outlets continue to rely on advertising for their primary source of revenue, this finding suggests that it is becoming equally important to also possess business or other sales-related skills learned

from a diverse professional background. In a deep-dive study of nine European online news outlets, Bruno and Nielsen (2012) found that at least four of the founders came from professional backgrounds other than journalism. Even if the outlets they ran did not always survive long-term (which most of them did not), having non-journalistic backgrounds was instrumental in making early advertising deals and pushing through innovation.

Table 3: Publisher background

	Publisher has a background in legacy media?		
	Yes	No	Total
Thriving outlets ⁴	18	5	23
	78%	22%	100%
Struggling outlets	12	8	20
	60%	40%	100%

One of the defining characteristics of the outlets studied here is their small size. Eighty-six percent of our sample (N=37) had between zero and two full-time employees; 78% (N=18) of the 23 thriving outlets had the same. What this means is that publishers and employees have to play many roles, including non-journalistic roles. Unfortunately we did not look specifically at whether the outlets in our sample had ad sales people on staff, but interview and other data show that many did not, and therefore handle the advertising sales themselves. This is part of a broader trend in which the traditional wall between the editorial (news) and business sides of a journalism outlet is eroding, and new norms are emerging to reconcile this development (e.g. Artemas, Vas, & Duffy, 2018).

Leaving aside the very real possibility of a chilling effect on watchdog or critical reporting, from a pragmatic standpoint a small publisher who has to also sell advertising clearly benefits from having some experience in business or sales. Follow-up interviews were conducted with the five publishers of thriving outlets who do not have backgrounds in legacy journalism. One publisher we interviewed spoke about the initial challenge of gaining name recognition for his digital-native site, but said that once people learned about it, they kept coming back because of the quality of the content. During the first two to three years, he was a “one-man gang,” selling advertising as well as writing all of the content; now, he has an editor who writes most of the content while he handles the business side, though he still signs off on everything that’s posted. He specifically cited his background on Wall Street as having been key in helping him talk about the business side to potential advertisers.

⁴ Here and below, “thriving” outlets are the 23 that have met at least three criteria for success; “struggling” outlets are the remaining 20 that did not.

Another small publisher argues that the goals of the ad salesperson and the local news entrepreneur are organically aligned, seeing both as “helping to improve local businesses,” in the small-town sense of promoting civic economic development. Yet another publisher we interviewed rejected the notion that playing both roles was problematic, while also acknowledging the potential conflicts:

At the top level is it all that different from any organization? ... I don't see a problem with being objective because it's my reputation at stake and it's my ability to get resources from leaders. But the more money that comes from subscriptions the easier that question gets answered, because you're only accountable to subscribers, versus the large advertisers who will make or break you.

Publishers whose backgrounds are not in journalism may likewise benefit by feeling unbound from the rules and norms of a traditional news outlet. For example, a publisher whose background is in urban planning grew his outlet from an initial Facebook page to a site with 200,000 unique views per month, largely by ignoring the traditional format and rules of legacy newspapers.

The fact that a majority of publishers, running both thriving and struggling outlets, still come from a legacy background may simply be a product of the fact that we are still just a decade out from the legacy period,⁵ and so early in the digital revolution. Though it is entirely conceivable that having a background in journalism does convert to valuable social and cultural capital in the field, until comparative research involving more news entrepreneurs from different backgrounds is conducted, it is difficult to know whether this factor is determinant. More and more often, publishers are also the salesperson, the web developer, the editor, and the reporter – and a varied skill set acquired through a diverse professional background may become a greater asset than many years steeped in the rules and norms of legacy journalism.

Thriving outlets are experimenting with different revenue streams, but advertising is still the primary source of revenue

One of our key findings – in the sense that it contradicts the dominant narrative – is that advertising continues to be the primary source of revenue for the local online news outlets studied here: 77% (N=33) of the outlets we looked at listed advertising as their primary source

⁵ The exact years of the legacy differ depending on which medium one is focusing; for example, Lotz (2009), in a social history of television, identifies the years between the mid-1980s and 2000 as the “multi-channel transition,” to describe the period between television’s “classic public service and three-network age (from the early 1950s to the 1980s)” and the “post-network era” [post-2000] (p. 50). Print’s legacy era arguably lasted into the early 2000s (e.g. The Economist, “Tossed by a gale,” 14 May 2009).

of revenue, with 87% of thriving outlets and 65% of the struggling outlets saying so (see Appendix for Table 1a listing the other primary sources of revenue for all outlets). This finding was a bit counterintuitive given both the dominant narrative that online advertising cannot support a local news outlet, and the salience of efforts to diversify the revenue streams of local news outlets into other, usually reader-driven revenue sources (e.g. Associated Press, “Digital Monetization for Publishers,” Aug. 6, 2018). On the other hand, the finding of a continuing reliance on ad revenue supports data like that from a 2014 survey in which 94% of outlets from a sample of 60 reported that advertising was their primary source of revenue (McLellan, 19 May 2014).

It is not a surprise to people like Kenny Katzgrau, the CEO of Broadstreet, which sells digital advertising software to publishers. “I really hope the world comes around and starts paying for quality news content,” Kenny said when we interviewed him recently, “but advertising hasn’t gone away and will always be around. ... So it makes sense to grow both [reader revenue and advertising]. And those two are probably the great pillars of revenue for local news in the future.” The continued reliance of local online outlets on advertising is in tandem with our finding that a willingness to experiment with different revenue sources was not related to an outlet’s success; in fact, nearly the exact percentage of thriving and struggling outlets reported having done so (Table 4).

Table 4: Have experimented with other revenue streams

	Outlet has experimented with nontraditional revenue streams		
	Yes	No	Total
Thriving outlets	14	9	23
	61%	39%	100%
Struggling outlets	12	8	20
	60%	40%	100%

For those outlets that had not experimented, it was often not because of a lack of willingness on the part of the publisher. Nearly every publisher we interviewed who answered that they had not experimented with nontraditional revenue streams lamented this fact, expressed a desire to do so, and wanted to learn more about how they might do so with limited resources. And when we looked more closely at the 14 thriving outlets that do generate revenue from sources other than advertising, we saw that reader revenue (paywalls, subscriptions, events) was most important, and will almost certainly provide key income in the future. The continuing strength of advertising suggests that the move to digital has not completely altered the legacy-era business model.

The wealth of surrounding community matters

Of the three factors we hypothesized would affect the success of an online local news outlet, only the wealth of the surrounding community proved to be statistically significant. Though not entirely surprising – existing research has shown that this straightforward and somewhat obvious contextual feature has a strong influence on whether a news startup can “make it” – only a handful of studies have offered empirical data to support that point, as we do here.

For example, Napoli, Stonbely, McCollough, and Renninger (2016) compared the quality and quantity of local news for three New Jersey towns, finding that community wealth was closely related to the amount of news produced by the local journalism ecosystem (both online and on social media), and to the quality of that news. The local journalism ecosystem in the wealthiest community produced substantially more content than that of the poorest community – more than 20 times the amount, after controlling for population size. In terms of quality – defined as original, about the community, and addressing a “critical information need” (Friedland et al., 2012) – the wealthier community also outperformed the two less affluent, though not as drastically by some measures. The findings “raise[d] significant questions about whether community characteristics such as per capita income and ethnic diversity might be related to the infrastructure, output, and performance of local journalism” (Napoli et al., 2016, p. 17).

Another study to link the wealth of a community to the health of its local news is Abernathy (2016), which documents the rise of a “new media baron,” in the form of large, non-media corporations that buy media properties purely for investment purposes, then often gutting these properties in the name of cost-savings, causing many outlets ultimately to disappear. This strategy hits poorer communities hardest, Abernathy finds, because those communities are the least likely to support a profitable news outlet, and are the least likely to sustain news startups that might in other places be formed to take their place (see also Ferrier, 2018; Napoli, Weber, McCollough, & Wang, 2018). In our data, 96% of thriving outlets were located in a community with middle, high, or mixed income (see Table 5). While a strong majority (75 percent) of struggling outlets were also in communities with some level of wealth, 25% (versus 4% for thriving outlets) were not.

Table 5: Community/audience wealth, the 23 vs. the others

	Community is generally low-income	Community is middle-, high-, or mixed-income	Total
Thriving outlets	1	22	23
	4%	96%	100%
Struggling outlets	5	15	20
	25%	75%	100%

Though the causal direction of this relationship is not known, our interviews provided some insight into why wealth matters. Again Katzgrau of Broadstreet:

We do notice that community wealth usually means that there's a downtown and a number of businesses, and it usually means they'll have bigger marketing budgets and they're more likely to sustain a news org or several news orgs. There are some publications we have maybe in less affluent parts of say Missouri and Mississippi, for example, and [those towns' businesses] don't have a ton of ad budgets and \$100/month is a big deal. Versus pubs around New England and the Berkshires and the Cape, and they tend to be in towns where businesses have real marketing budgets and so they do pretty well. So the wealth of the area definitely has an impact, and it's noticeable.

Another publisher who experimented with a subscription program said the following: “I can see the wealth more in terms of the membership subscribers, those folks come from the better off communities; so that individual support is definitely related to folks who have more resources.” The relationship between wealth and the presence of local news is significant beyond the inherent importance of local news for the health of communities: a lack of local news is statistically correlated with voting patterns, showing that people without a professional local news source may be relying on questionable news or none at all. A 2016 analysis by Politico of the areas in which Donald Trump won most convincingly showed a strong correlation between lack of local news and support for Trump:

The results [of our study] show a clear correlation between low [local news] subscription rates and Trump's success in the 2016 election, both against Hillary Clinton and when compared to Romney in 2012. Those links were statistically significant even when accounting for other factors that likely influenced voter choices, such as college education and employment, suggesting that the decline of local media sources by itself may have played a role in the election results (Musgrave & Nussbaum, 2018).

Discussion and recommendations

The findings presented above are based on a sample of 43 digital-native local news outlets that contains good variation in terms of the three independent variables studied here. Of those, the wealth of the community is the one thing that is most predictive of success; or, stated differently, only one outlet located in a community that the publisher characterized as low income met at least three of the four criteria for organizational longevity and economic success. We are quick to point out that economic success is definitely not the only metric by which an outlet should be deemed “successful” – indeed, there are many important

non-economic metrics on which a news outlet can and should be judged rejected the notion that playing both roles was problematic, we focused here on economic success and organizational longevity because the future of online local news seems likely to hinge on finding a business model that can provide a living wage to the publisher and possibly some employees.

“Nontraditional” revenue streams (memberships, subscriptions, paywalls) tend to rely largely on the demographic that can afford to pay. However, it may be the case that for outlets not situated in affluent communities, diversification of revenue streams is the key to survival. This includes reader revenue such as subscriptions and paywalls. And there are signs that when people value the local news being produced, and the outlet can attract an audience, they will pay for it; a recent round of funding for local news entrepreneurs in communities with varying levels of affluence found that advertisers would pay to advertise in a local online outlet even in poorer communities (DeRienzo, 2018).

It is difficult to overstate the importance of strong, substantive, local news. If democracy depends on citizens holding their political representatives accountable, there must be an independent reporting of the goings-on of government, at all levels. Local news is the most immediate level on which people interact with their government (e.g. Costera Meijer, 2010). It also helps provide a sense of community (e.g. Ball-Rokeach, 2001), and often puts news from beyond the community into context. When local journalism is absent, democracy suffers. This study sought to provide insight for those who would start, fund, or support local news outlets in the 21st century. By looking at the organizational and contextual characteristics of thriving local news outlets, we can begin to identify what works and what does not. Crucially, if contextual features such as the wealth of the community are highly predictive of outlet success, more support should flow to publishers who are willing to open outlets in less affluent communities.

Our recommendations are therefore as follows:

1. Foundations and other philanthropic organizations that support journalism should strongly consider targeting local news entrepreneurs and outlets in less affluent communities. This may include supporting existing outlets with operational funding, or incentivizing news entrepreneurs to start outlets in these communities.
2. Not discussed here is the issue of visibility for local news outlets, especially digital-native outlets. Many digital-native outlets acquire recognition in the community only through actions such as sponsoring local events, or advertising campaigns on social media such as Facebook, which require money they often do not

have. Organizations that support journalism could play a bigger role in helping the new generation of local news provider become more visible in their communities.

3. Studies like the one presented here rely on comprehensive data about the field of local journalism. There are currently only a handful of organizations that produce scattershot data about ad revenue or employer statistics at the local level. A recurring study such as those done for national news media (e.g. Weaver, Willnot, & Wilhoit, 2018) would pay dividends for those trying to understand the trends and developments in local news.

Appendix

Interview Schedule

Q1 What is the name of your publication?

Q2 Which town(s)/city(ies)/community(ies) does your publication cover?

Q3 What is your name and title?

Q4 What was the month and year in which your publication became active? (mm/yyyy)

Q5 Has there ever been a break in publishing?

Q6 How many full-time contributors (journalists, photogs, ad sales; paid or unpaid) work for your publication?

Q7 If applicable, are your full-time contributors paid?

Q8 How many part-time people (journalists, photogs, ad sales, freelancers; paid or unpaid) contribute to your publication?

Q9 If applicable, are your part-time contributors paid?

Q10 Do you have a background in legacy media (i.e. have worked at a newspaper, radio station, news magazine)?

Q11 If your professional background is not in legacy media, please state the field/industry in which you worked.

Q12 What is your publication's primary source of funding (please rank if more than one)?

- _____ Advertising (1)
- _____ Sponsored content (2)
- _____ Events (3)
- _____ Memberships (4)
- _____ Subscriptions (5)
- _____ Classifieds (6)
- _____ Self-funded (7)
- _____ other (8)

Q13 Have you experimented with non-traditional funding methods (i.e. not advertising; e.g. memberships, subscriptions, paywalls, events, crowdsourcing, etc.)?

Q14 If you have experimented with non-traditional funding methods, please briefly explain.

Q15 What was the approximate revenue (before expenses) generated by your site over the last year?

\$0-\$10,000
\$10,001-\$25,000
\$25,001-\$40,000
\$40,001-\$65,000
\$65,001-\$80,000
\$80,001-\$100,000
\$100,001 or more
I prefer not to say

Q16 What was the approximate income (after expenses) generated by your site over the last year?

(same scale as above)

Q17 Do you take a paycheck from your publication?

Q18 Do you have another job outside of your publication?

Q19 Over the last 12 months, in how many months was your publication profitable (i.e. was gross income positive)?

Q20 If you are willing/able to provide an exact number for last year's income, please enter it here.

Q21 Do you rely on a source other than your news site for your primary income?

Q22 How many pieces of original content do you publish per week, on average?

Q23 Please provide the approximate or average number of monthly uniques for your online news site (or provide the url if available publicly).

Q24 Please provide the approximate or average number of monthly page views for your online news site (or provide the url if available publicly).

Q25 On which social media (if any) is your publication active (i.e. regular or semi-regular posts)?

Q26 Does your publication produce an email newsletter?

Q27 How many other news outlets (if any) cover your area?

Table 1a: Primary sources of income

	Thriving outlets	Struggling outlets
Advertising	20	13
	87.0%	65.0%
Self-funded	2	4
	8.7%	20.0%
Investor(s)/Grant(s)	1	2
	4.3%	10.0%
Other	0	1
	0.0%	5.0%
Total	23	20

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