

Franklin Center

Nonprofit News Part 2

Nonprofit News Up Close — Even Personal

In our previous post examining the [Pew Research Center's report on growing nonprofit news outlets](#), we identified five examples out of the 172 in the report that fit our eye as being somewhat representative of the various levels of organizations working in this area of news reporting.

So, what do these select few nonprofit news outlets look like? To answer this question from a financial perspective we spent some time examining their IRS 990s for 2012. The IRS 990 is a required annual report for all 501(c)(3) nonprofit organizations. We felt that this publicly available information would at least provide a ready base of financial information to compare these five organizations and allow us to dig beyond the Pew Research Center's report's concerns about the ongoing business viability of these organizations.

We also spent some time on each of the organization's websites to gain more information about their staff numbers and the nature of their reporting, including any journalism awards.

Up Close

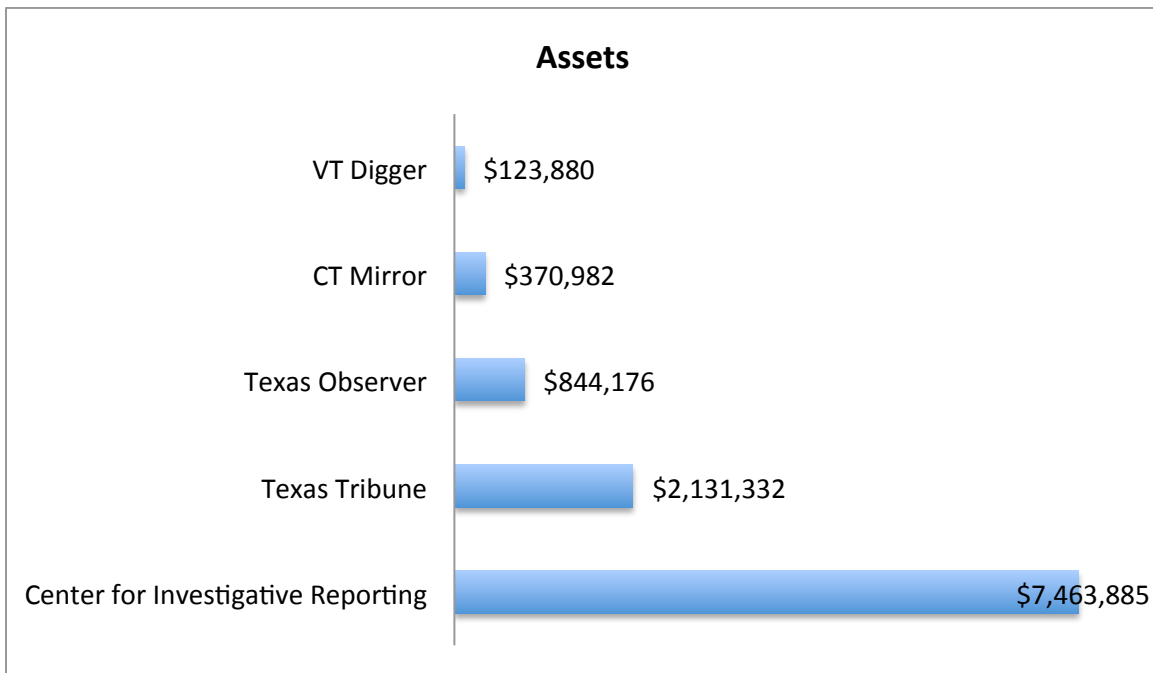
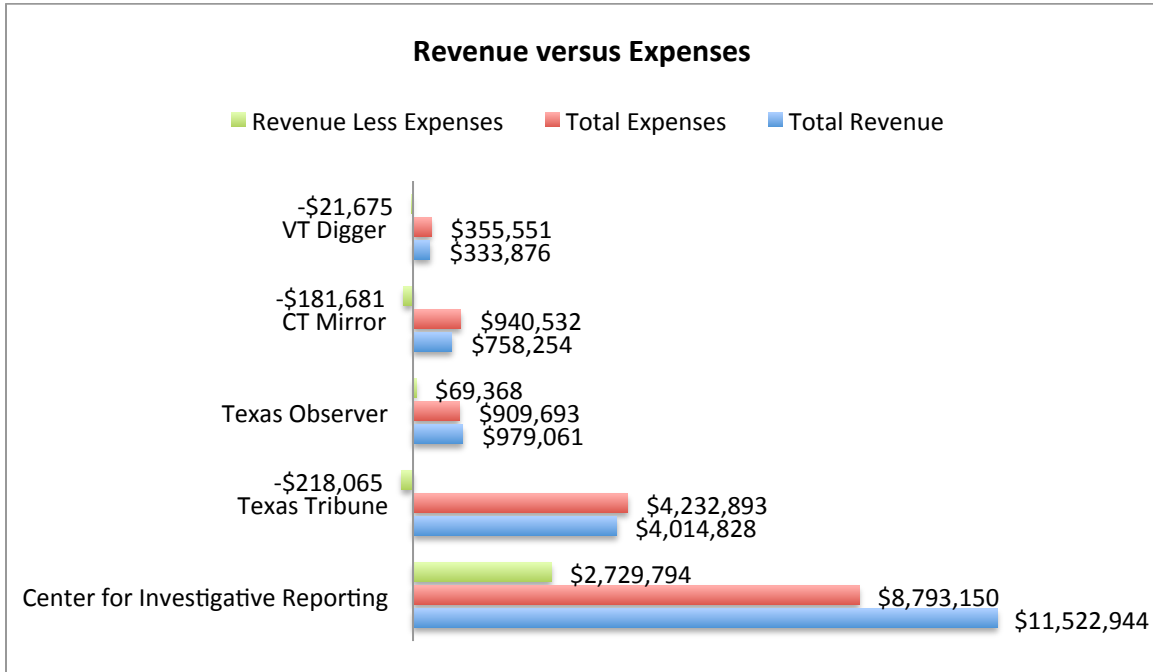
For this review we looked at the following five nonprofit news organizations:

- [Center for Investigative Reporting](#) – Founded in 1977, nonprofit and nonpartisan. Over 300 news outlets partner with them or feature their reporting.
- [Texas Tribune](#) – Founded in 2009, nonprofit and nonpartisan, it has the largest statehouse bureau of any news organization in the country.
- [Texas Observer](#) – Covering the statehouse for 60 years (since 1954).
- [Connecticut Mirror](#) – Founded in 2009 to provide deep coverage of statehouse policy and politics.
- [VTDigger.com](#) – Founded in 2009 to publish watchdog reports on state government, politics, consumer affairs, business and public policy.

Show Me the Money

As we examined the financial data on each of these organizations, the Pew Center's Research was confirmed. Those with more revenue, had more staff, and were in generally sound fiscal shape. They were also able to allocate more staff to the business side of the operation.

Looking at 2012 total revenue these organizations ranged from the top of \$11 million to the bottom of \$300,000. Three of the organization operated at a loss that year. Balance sheet assets reflected a similar trend ranging from \$7 million down to \$100,000. You can see this displayed in the charts nearby.



A more challenging task came when using IRS 990 data to look a bit closer at the sources of revenue. The form allows a broad interpretation of how to label different

sources of revenue. So it was a bit like comparing apples and apricots. But even so, you could still gain some understanding of the base of funding for each of these organizations.

For example, the Center for Investigative Reporting reports that 97% of their revenue came from contributions and grants with the remaining 3% from content fees. The Texas Tribune reported the broadest range of revenue sources consisting of contributions and grants (71%), membership dues (16%), subscriptions (4%), content production (4%), along with advertising revenue (2%), festival ticket sales (2%), and sponsored events (1%).

The Texas Observer reports 57% of their revenue comes from contributions and grants while 25% comes from content production, 15% from subscriptions, and 2% from advertising revenue. Virtually all of the CT Mirror's revenue comes from contributions and grants. The VT Digger shows 58% from contributions and grants with 38% from sponsorships and 4% from news revenue.

Where's the Staff?

As you would surmise from a review of the financials, the better funded organization is going to have the larger staff along with more reporting. Moreover, the better funded organization will be able to allocate more staff to the business side of the operation including the fundraising side.

We gathered these staffing numbers from the websites of each organization. This differs to quite an extent from the methodical survey conducted by the Pew Research Center. Moreover, our review isn't able to make the distinction between full and part-time staff members. Even so, it does provide a quick hitting basis for comparison and insight into nonprofit news outlets.

The Center of Investigative Reporting shows that it has 42 staff members working across the newsroom including photo and multimedia with another 18 working on the business side. The Texas Tribune's split is 34/11. The Texas Observer is at 11/3 with use of contract design services. The CT Mirror is at 10/1 and the VT Digger at 7/2. Of further note, it isn't readily apparent from the website listings whether some of these are part time or perhaps even volunteers.

Awards – Winning and Presenting

One aspect of the nonprofit news business is the quality of reporting that is generated by each organization. Our quick review of websites showed that as expected the better funded organization had more resources, including time, to generate better stories.

As might be expected the Center for Investigative Reporting was able to list a number of awards including the 2013 Pulitzer Prize in public reporting and 2012 Pulitzer Prize in local reporting as well as the 2011 and 2012 Investigative Reporters and Editors Gannett Award for Innovation in Watchdog Journalism.

The Texas Tribune's 2014 list included 16 news awards including the Investigative Reporters and Editors Gannett Award for Innovation in Watchdog Journalism and the National Edward R. Murrow Awards for Overall Excellence and Best Website (Video). The remaining organizations on our list also showed their awards, often from organizations with a decided local and/or regional focus.

It was also intriguing to see that the Texas Observer grants its own award. It's [The MOLLY National Journalism Prize](#) that recognizes superior journalism in the "Tradition of Molly Ivins."

What Does it All Mean?

Given this deeper review you can see that the better funded and typically longer lived the operation the more resources they have to do their reporting. This includes funding and staffing. Moreover, they no doubt have more time to conduct longer investigations and stick with a story, rather than running from one event to the next trying to keep up with the broad sweep of news emanating from the statehouse.

As the Pew Research Center report noted, they are all doing an important job of addressing the decline of traditional news coverage of the statehouse and local government. And, as we showed in our last post, that is where the action is happening that needs clear reporting along with enduring financial support.

Micro Content

Nonprofit News Organizations

More Financial Resources = More Reporting

They Need Your Support