# Explaining your ownership, funding, and business model

Without the transactional nature of other industries (we give you a product, you give us money), it makes sense that people don't really consider the need to pay for news. But that situation has led to a perception that journalism is — and should be — free. On top of that a collapsing economy is endangering news businesses even though news consumption is high and people need accurate, ethical journalism more than ever.

It's time to lay out for your community how you make money, why you need their support (if applicable) and how funding does or does not influence your coverage.

## Talking about ownership

For many reporters and possibly even editors, the impact of who the biggest advertiser is or who owns the paper, website, or TV or radio station may not be felt on a daily basis. But do your users know that?

Through <u>in-depth user interviews</u>, Trusting News partners heard repeatedly that many consumers assume corporate owners and their financial interests dictate news coverage. One user said, "mainstream media, because of corporate status, have an agenda. They write the article to gain money, get advertising. It's all about the money." While you might not think about your ownership and association with a corporation, many of your users could be.

#### Actions you can take:

- Write about who owns your news organization and make sure it is easy to find.
  Consider adding it to your <u>about page</u>.
- If you are in a position to draw attention to the independence of the decision making in your newsroom, do it.
- If you're locally owned, make that clear..
- Explain to your audience what being an affiliate or part of a chain means. Really spell it out. For example: If your station is an NBC affiliate, you don't have any control over what happens on the Today show. Tell users that and direct them to who to contact if they have questions about the Today show.

Once you've been transparent about who owns your organization, the next step is to talk about how that ownership might impact your news coverage:

- If it doesn't, please share that.
- If it does (maybe you publish certain editorials or a segment each week from the corporate team, or maybe you abide by an ethics code or a standards guide that

comes from corporate) consider writing or talking about. You could do this in a stand-alone story or also consider adding an editor's note or language to each story when they air/publish or when news decisions are made that did not happen locally.

### **Check out this example from Cedar Rapids TV station KCRG**

## Asking for financial support directly and persuasively

When you ask for financial support, focus more on what's in it for your community than what's in it for you. Go ahead and talk about the commitment of your staff and how you're doing more with less. The nut graf of your appeal should be how the community loses out if you have to cut back.

<u>Josh Stearns at Democracy Fund</u> shares data about the effects an erosion of local news can have on the following:

- Civic engagement (voting rates and the number of people running for office)
- Public benefit (from saving lives to exposing corruption)
- National news (which relies on local reporters to raise alarms, identify issues that become trends and document history unfolding)
- Social cohesion ("reflecting the voices, concerns and stories of local people back to each other in ways that build connection and empathy")

Tell a compelling story about what's needed for you to survive and thrive — and what will be collectively lost if you don't. Gallup/Knight Foundation research found that information on the industry can change minds. When given information on local news finances and the impact news organizations have on a healthy democracy, respondents were more likely to donate to a nonprofit organization that supports local journalism.

You might start by tracking what a typical day or week looks like in your newsroom, including what your staff does. Then add up the hours or the cost of employing people to do those things. Say to your audience: If you want us to be keeping an eye on this meeting and analyzing this budget and explaining this school district decision and covering this game and highlighting this new family business and telling you where to get free tax help, here's what it costs and here's how you can help.

Here's example language you can use to ask for money and explain your business model

For more examples on this topic, please review <u>Need financial support? Talk to your community about the cost of your journalism.</u>