



JOURNALISM AND PHILANTHROPY: GROWTH, DIVERSITY, AND POTENTIAL CONFLICTS OF INTERESTS

A new study examining the role and influence of philanthropic funding of journalism in the United States finds evidence of substantial growth in the nonprofit journalism sector in the last five years, increased funding to for-profit newsrooms, and a growing focus on communities of color. At the same time, however, the survey reveals a need for more adoption of written policies to increase public disclosure of donors and address potential conflicts of interest that put editorial independence and public trust at risk.

These are some of the major findings from a new survey of grantmaking institutions and newsrooms. NORC at the University of Chicago and a University of Maryland journalism professor conducted the survey in partnership with Media Impact Funders and The Lenfest Institute for Journalism. The study builds on the last comprehensive survey of funders and newsrooms in 2015 by the American Press Institute (API).

More than half of funders say their journalism grantmaking increased in the last five years. A third report funding journalism for the first time in that period. And most nonprofit and for-profit news outlets in the survey say they have seen increases in philanthropic funding.

Funders identified top priorities in their grantmaking. More than 70% say they currently make grants to increase local journalism or reporting on a specific topic. More than 50% say they make grants to help journalists increase community engagement, produce overall investigative reporting, or support news organizations with fundraising and business sustainability.

In a growing trend, 38% say they've provided philanthropic support to a for-profit news organization in the last five years.

The study also includes various signs of a focus on marginalized communities and communities of color. Nearly six in ten funders, for instance, say they have made grants to news outlets primarily focused on serving communities of color, and 7 in ten of them say those grants have grown. But just about half of nonprofit news outlets and for-profit news organizations who focus primarily on those communities say their funding has increased.

Nearly 80% of the journalism funders who participated in the survey say they consider the diversity of a grantee's team, board, and leadership before making a grant.

The new study also offers mixed signals about the ethics of funding. Some progress has been made since 2015 on how funders and newsrooms address the public disclosure of donors. But questions remain about how funders

and newsrooms navigate potential conflicts of interests. And written policies developed in the aftermath of the 2015 survey for both funders and news organizations have not been widely adopted beyond nonprofit news organizations that belong to the Institute for Nonprofit News (INN), a network of more than 400 nonpartisan, independent, non-profit news outlets.

Newspaper publishers historically maintained firewalls between newsrooms and advertisers to protect editorial independence. Commercial, for-profit newsrooms were further insulated by having so many different advertisers that no one source of funding could have undue influence. As most nonprofit news operations are relatively small, and philanthropic giving is a major revenue source, the ethics of this emerging landscape is critical. The risk increases when the reporting is focused on a single topic and the funder's other priorities include advocacy to change public policy or public behavior in that same area. Or, if there is not a mix of funders and revenue streams.

Nearly half of nonprofit news operations have written guidelines about what money they will accept. Seven in ten nonprofit news operations also have written policies about disclosing funders, up from half eight years ago when INN began making such disclosure a requirement for members. But 72% of for-profit news organizations say they do not have written policies, perhaps because most are new to philanthropic funding. Thirty-seven percent say they didn't disclose donors on their websites.

There are warning signs in survey responses about potential conflicts of interest on editorial independence. More than half of funders say they are financing journalism in areas where they also do policy work. And nearly four in ten nonprofits have been offered funding to do specific stories or investigative reporting suggested by a funder, though that is down from more than half eight years ago.

Among the study's key findings:

- Funders describe making grants in multiple areas, with 74% reporting they fund journalism that addresses a specific topic or problem and 71% saying they make investments to increase local journalism. And of those who fund local journalism, 52% say they have increased their investments in the last five years.
- When asked about the most important possible factors in their funding decisions, 81% say promoting "civic engagement with trusted news and information," is extremely or very important. Sixty-nine percent say addressing the crisis in trusted local news is an extremely or very important factor in their funding decisions.
- Sixty-eight percent of funders say ensuring racial equity and inclusion in the production of news is extremely or very important. Seventy-three percent of funders who support journalism primarily focused on serving communities of color have increased that funding in the last five years.
- About half of both nonprofit and for-profit organizations that primarily serve communities of color have seen increases in philanthropic funding to address the news and information needs of those communities.
- Fifty-one percent say ensuring coverage of important topics that align with "our mission, such as education, climate change, health inequities" is extremely or very important, while 35% say mission-driven funding is somewhat or not very important in their decision making.
- Sixty-seven percent of for-profit media say they provide free online access to reporting supported primarily with philanthropic support. Twenty-one percent do not.

The study includes three separate online surveys: a survey designed for private foundations, community foundations, family foundations and other grantmaking institutions that support journalism and news media; a

survey of mostly digital nonprofit news organizations and NPR-affiliated and PBS-affiliated public media stations; and a survey of for-profit news organizations, including legacy news organizations and online independent local outlets. Interviews were conducted between April 13 and July 21, 2023.

The research team included a consultant from Media Impact Funders who previously worked at one of the nation's biggest funders of journalism. Some members of the NORC research team were involved in the 2015 API. Funding for the research project was provided by The Lenfest Institute for Journalism, the John D. and Catherine T. MacArthur Foundation, Arnold Ventures, and Media Impact Funders.

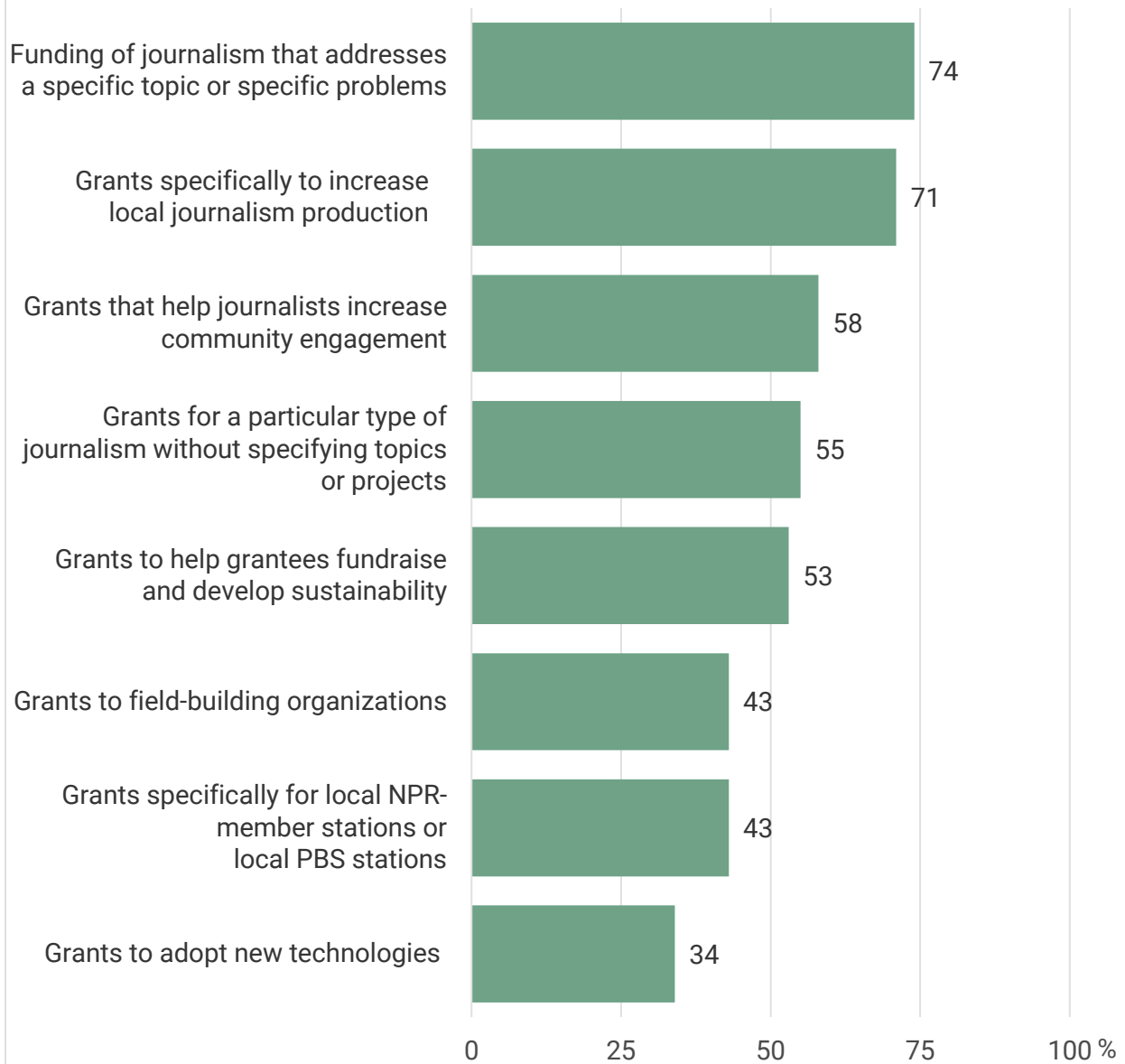
WHY ARE FUNDERS INVESTING IN NEWS AND MEDIA ORGANIZATIONS?

Funders offered varying reasons for their investments. Asked to choose between advancing their foundation's strategic agenda and strengthening a free press and reporting to educate the public, 45% say strengthening a free press and 20% say funding journalism to increase their foundation's impact and agenda. Twenty percent say both equally. When asked a similar question, 62% of nonprofit organizations and 72% of for-profit outlets say they believe funders are more likely motivated to support journalism to strengthen a free press and educate the public over other factors such as advancing another agenda.

When asked about possible types of grants, 74% say they fund journalism to address a specific topic or problem; 71% make grants specifically to increase local journalism production; 58% make grants to help increase community engagement; 55% fund investigative reporting in general, and 53% help grantees fundraise and develop sustainability.

Most funders are investing to benefit different aspects of journalism.

Percent of funders who make each of the following kinds of grants



Question: Funders: Does your organization currently make any of the following kinds of grants to journalism and news media organizations?

Source: NORC survey for Media Impact Funders and The Lenfest Institute for Journalism.

CHARTING THE GROWTH OF PHILANTHROPIC SUPPORT FOR NEWS

The findings show the growing role of philanthropy in the production of nonpartisan, independent news, and information in the United States at both nonprofit news outlets, public media stations and for-profit news organizations.

INN counts more than 400 publishers in its network, up from about 120 in 2015. While steadily growing, most nonprofit digital news outlets are small with more than half operating on budgets of less than \$1 million.

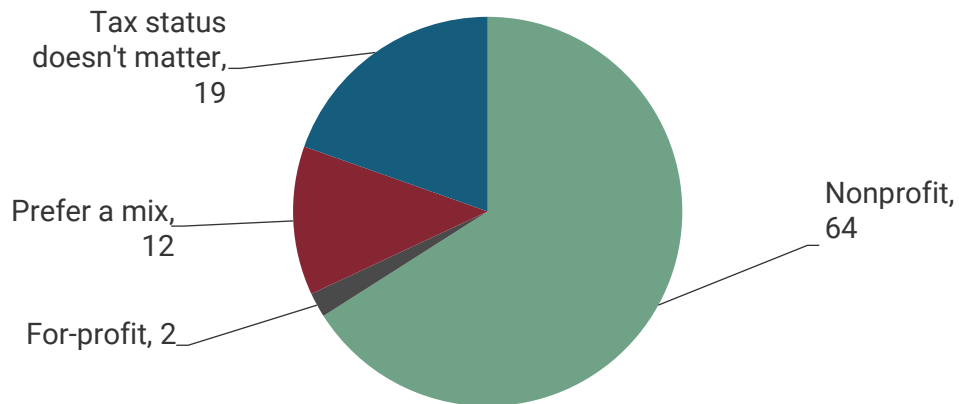
The 2023 survey of nonprofit organizations and public media stations found 67% deliver reporting on a local or regional area and 27% cover a statehouse or statewide issues. Thirty-seven percent focus their coverage on a single topic or related topics, such as education, criminal justice, or the environment. Sixteen percent report on a specific community of color, ethnicity, or religion.

The study also shows increased investments in organizations that are helping newsrooms achieve sustainable revenue growth and putting more journalists on the ground. Philanthropic giving has helped fuel new funding approaches and field-building work at organizations, such as Report for America, The News Revenue Hub, LION Publishers, The Pivot Fund, INN’s NewsMatch, the American Journalism Project, the Local Media Association and the National Trust for Local News.

Sixty-four percent of funders say they prefer to fund nonprofit journalism, but 19% say tax status didn’t matter and 12% prefer a mix.

Most funders prefer to invest in nonprofit news organizations.

Percent of funders



Question: Funders: Does your organization prefer to fund nonprofit or for-profit journalism and news media?

Source: NORC survey for Media Impact Funders and The Lenfest Institute for Journalism.

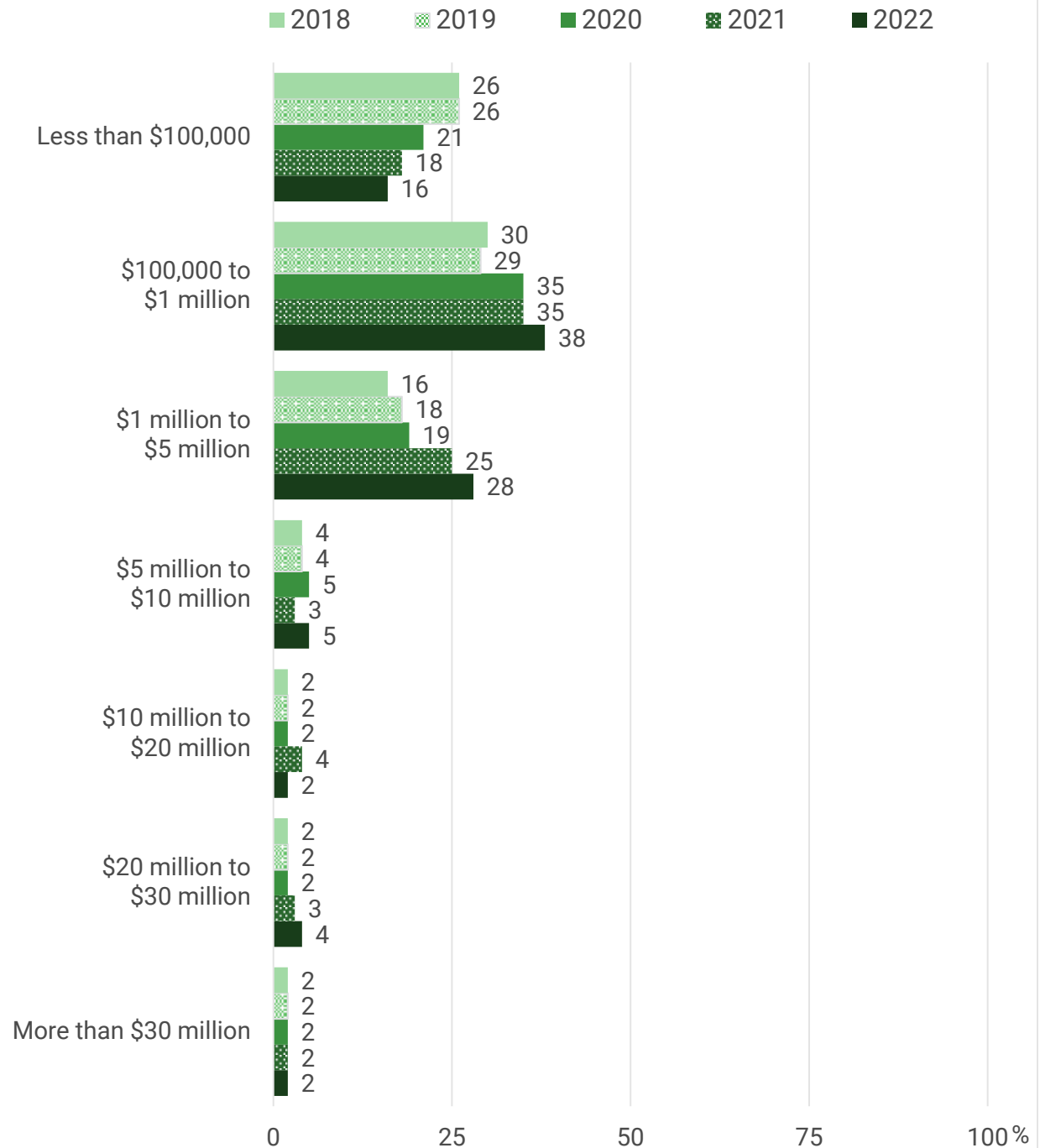
While philanthropic giving for journalism is increasing, grants are mostly small and represent, for the most part, a small percentage of an overall foundation's portfolio. While 12% of funders say that they spent more than half of their foundation's giving on journalism and news media last year, 70% say such giving represented less than a tenth of their portfolio.

As the 2015 study first showed, journalism is a relatively new area for charitable giving in the United States. For example, it doesn't appear as a category in *Giving USA: The Annual Report on Philanthropy*, which has tracked the sources and uses of charitable giving in the United States for decades.

Still, there's opportunity, the study suggests, for growth in grantmaking for journalism and news media. In what appears to be a hopeful trend, the number of grants over \$100,000 steadily rose in the last five years, according to the survey. But only a handful of funders invested more than \$5 million.

Many grants over \$100,000 have increased in the last five years.

Percent of funders



Question: Funders: What was the approximate amount of grants and direct charitable activity dollars allocated for journalism and news media grantmaking each of the following years?

Source: NORC survey for Media Impact Funders and The Lenfest Institute for Journalism.

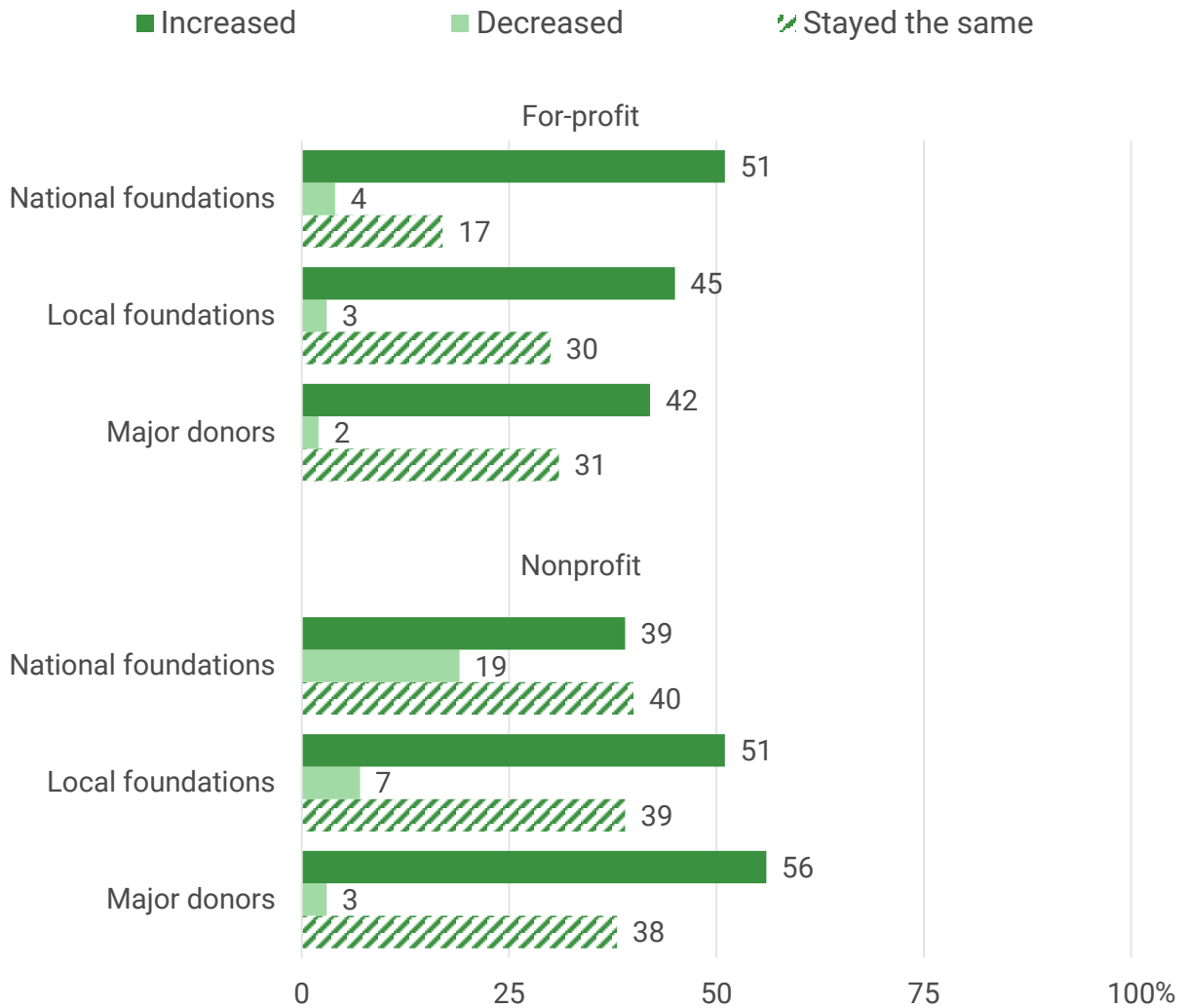
More than 80% of the for-profit news organizations that responded to the survey say they received direct philanthropic support or participated in training and leadership programs funded by philanthropy during the last five years. Of those, 91% said they received direct support. The respondents represented mostly a mix of legacy newspapers and local online news sites.

Of for-profit organizations that receive philanthropic funding, 52% say they got support from the Google News Initiative and 36% got funding from Meta. In 2022, Meta terminated its journalism project and both the funding and training resources that went with it.

While some news organizations struggled in recent months to fill that funding gap left by Meta, philanthropic giving is increasing from other sources. Sixty-five percent of for-profit organizations that receive funding from national foundations say the support has increased over the past five years. Likewise, 52% of for-profit organizations that are funded by local foundations say that funding has increased.

Many news organizations report an increase in funding.

Percent of news organizations receiving donations or grants from...



Question: Media: Over the last five years, has the percentage of your organization's budget coming from [national foundation grants/local foundations/major donors] increased, decreased, or stayed about the same?

Source: NORC surveys for Media Impact Funders and The Lenfest Institute for Journalism.

POTENTIAL CONFLICTS OF INTEREST ON DONOR TRANSPARENCY AND DONOR INFLUENCE

This study revisits many of the same questions from the API surveys about ethics, donor influence, and donor transparency. That study catalyzed [written guidelines](#) for both funders and newsrooms and urged them to adopt their own written guidelines.

For funders, the guidelines urged transparency with the public about their media funding, and set expectations with their media partners to report their sources of funding. The guidelines also say funders should articulate their motivations for funding journalism and allow news organizations, not funders, initiate conversations about the journalism they wish to produce.

The guidelines, co-designed by API with news and philanthropic leaders in 2016, including representatives from Media Impact Funders, clearly state that news organizations should retain editorial control and not relinquish legal and ethical responsibilities to funders or to the public. They offer multiple ways to increase transparency about funding and tips on how to communicate the news organization's mission, and strong preference of general support "on the principle that it best preserves independent journalism."

In this study, 92% of nonprofit news organizations and 83% of for-profit news outlets say funders never saw editorial content they helped underwrite prior to publication. About three-quarters of both nonprofit and for-profit organizations say that their funders' portfolio of interests is never a consideration in decision-making about news coverage.

Similarly, about seven in 10 of both nonprofit and for-profit news organizations say they never make editorial changes in content based on funder input.

This study shows progress has been made on donor disclosure but more needs to be done to help both funders and newsrooms better navigate and set boundaries for editorial independence and public trust to avoid appearances of potential conflict.

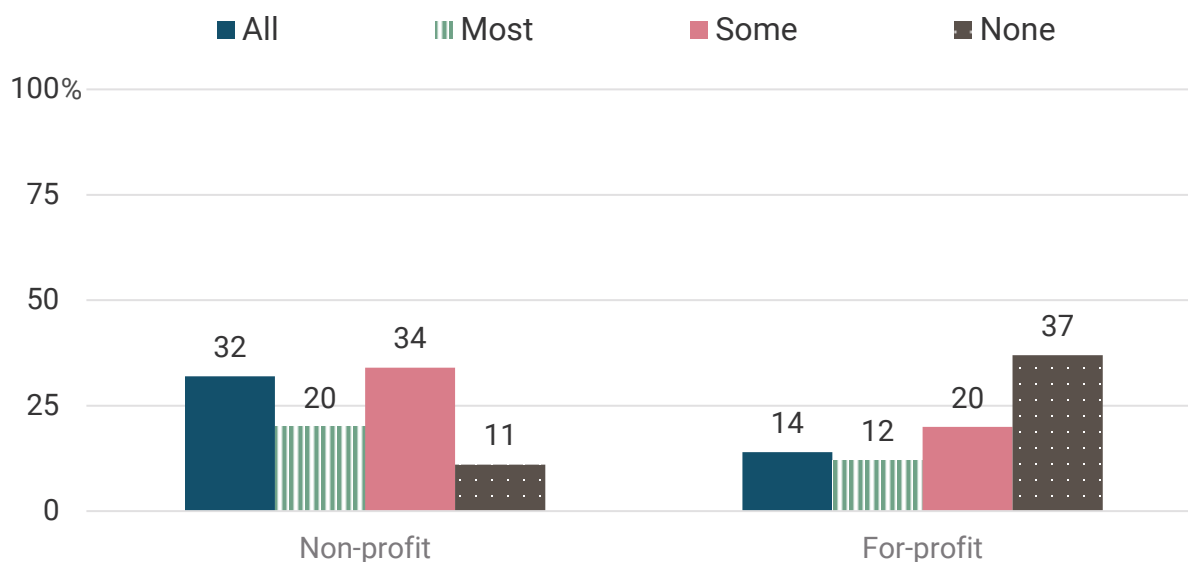
This becomes increasingly important for independent, nonpartisan newsrooms because the media landscape has become even more murky since 2015. Political operatives are spreading disinformation on social media and expanding what researchers call "pink slime" outlets that are highly partisan local media networks. They are attempting to fill the void in local news without full disclosure of the motivations of those underwriting them.

At first glance, these websites can appear to be local independent news. Instead, they're operating under the "guise of news" with "ties to political parties, special-interest groups, and lobbyists," and funded with "dark money" from political advocacy groups, according to a multi-year research project from Columbia University's Tow Center for Digital Journalism.

Most of the nonprofit participants in the survey are members of INN, following community guidelines on journalistic standards and ethics and donor transparency. INN members, for example, are asked to publicly disclose all donations above \$5,000.

In this study, 86% of nonprofit organizations say they disclose at least some of their donors on their website or in their annual report. But 29% of NPR and PBS outlets say they do not list any donors. And only 46% of for-profit news outlets publicly list any of their donors.

Non-profit news organizations are more likely to disclose at least some of their donors than for-profit organizations.



Question: Media: On its website or annual report, does your organization publicly list all your donors, most of them, only some, or none?

Source: NORC survey for Media Impact Funders and The Lenfest Institute for Journalism.

Sixty-eight percent of nonprofit organizations have a written policy about disclosing contributors on their website or annual, up from 50% eight years ago. But in a troubling finding, 72% of for-profit news organizations do not have a written policy on donor disclosure. This is perhaps a reflection of their recent engagement with philanthropy and offers an opportunity to adopt the written guidelines developed after the 2015 survey.

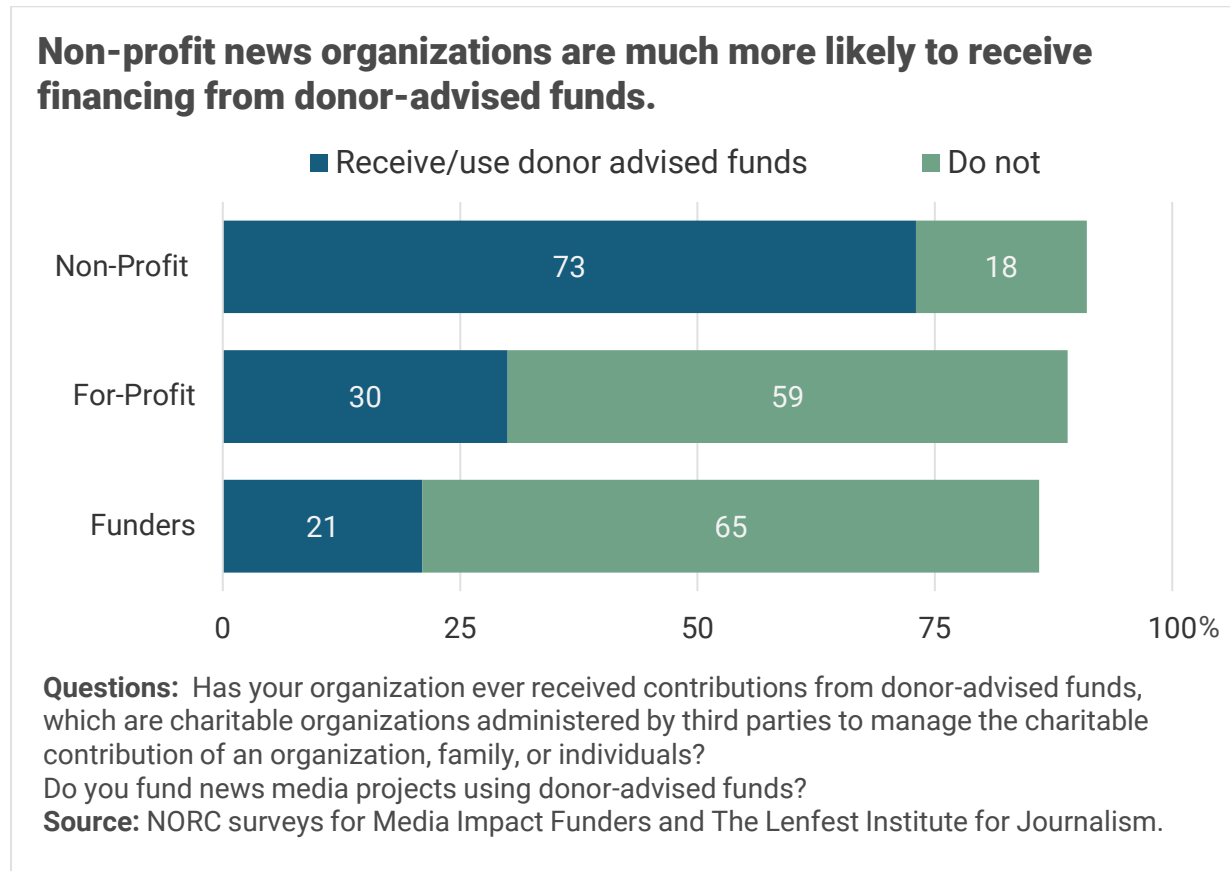
Meanwhile, 50% of funders say they did not have a specific policy about what their grantees should disclose about their funding beyond what is required by law. And 64% of funders do not have any written rules governing their organization’s participation in their grantee’s content decisions.

Not all funders publicly disclose who they fund beyond what the law requires. Fifty-seven percent say they publicly disclose the names and grant amounts of all grantees. Sixteen percent say they only disclose the grantees’ names, and another 16% disclose only what the law requires.

Adding to the challenges for the ethical debate around donor transparency is the growing trend of donors using donor-advised funds (DAFs) at community foundations and financial institutions to administer their charitable contributions. Often, the individual donor is not identified; only the entity making the distribution. News organizations should insist on knowing the identity of the donor.

Because DAFs can be used and are being used to contribute anonymously and pour “dark money” into political organizations and advocacy groups, independent news organizations need to know and disclose their funders to avoid potential conflicts of interest.

In 2023, 74% of nonprofit news organizations say they receive contributions from DAFs, up from 56% in 2015. Only 22% identify both the name of the contributor and the name of the fund, down from 40% in 2015. Of the for-profit news organizations that say they receive funds from donor-advised accounts, only 10% identify the name of both the fund and contributors. More than half of funders who support media with DAFs identify the source of the money.

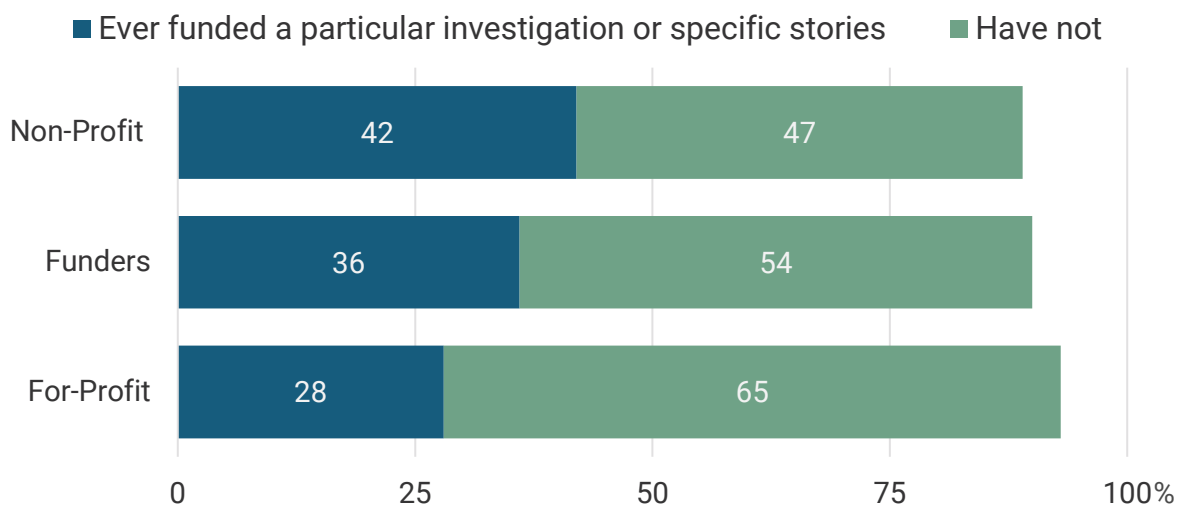


On the issue of donor influence, about three-quarters of media organizations say they have never considered the “portfolio of interests of our funders in our decision making.”

The highest risk for conflicts of interest, as both the 2015 survey and this one show, occur when funders underwrite journalism on specific issues on which they are seeking to influence policy or change public behavior. Fifty-seven percent of funders say they have financed news in areas where they were working to influence policy or change public behavior.

Another area of concern is when funders express interest in financing a specific series of stories or an investigative reporting project.

Most media organizations have not received offers to fund specific news content.



Questions: Media: Has a foundation ever offered to fund an investigation or specific series of stories on an issue or problem, as opposed to ongoing coverage of a general topic area?

Funders: Has your organization ever funded a news media organization to produce an investigation into a particular problem or do specific series of stories?

Source: NORC surveys for Media Impact Funders and The Lenfest Institute for Journalism.

Of those who have been offered funding for a specific story or investigation, both nonprofit and for-profit news organizations are inclined to accept such specifically targeted financing.

Most nonprofit news organizations and for-profit news organizations say the project was already on their list of things or struck them as worthwhile.

This is the first phase of a research project that will later include additional research and analysis of the survey’s findings. Recommendations will follow on next steps. If you would like to participate in this next phase of research, please contact Jennifer Preston at jennifer@mediafunders.org.

METHODOLOGY

This study was conducted by NORC at the University of Chicago in partnership with Media Impact Funders and The Lenfest Institute for Journalism. Funding was provided by The Lenfest Institute for Journalism, the John D. and Catherine T. MacArthur Foundation, Arnold Ventures, and Media Impact Funders. The research was conducted by Marjorie Connelly and Betsy Broadus from NORC at the University of Chicago, Tom Rosenstiel, the Eleanor Merrill Professor on the Future of Journalism at the University of Maryland Philip Merrill College of Journalism and senior fellow at NORC, and Jennifer Preston, a consultant for Media Impact Funders and a coach in the Journalism Funding Lab at the Local Media Association. Preston is a former reporter and editor at The New York Times and former Vice President for Journalism at the John S. and James L. Knight Foundation, where she worked from 2014 until 2021 during a significant expansion of philanthropic giving in support of local journalism.

The study included three separate online surveys: a survey designed for funders that support journalism and news media; a survey for leaders at nonprofit news and public radio stations; and a survey for leaders at for-profit news organizations, including legacy news organizations and online independent local outlets. This is the first comprehensive survey of funders and the field since an American Press Institute study in 2015 that charted the growth of the nonprofit journalism sector and new ethical concerns about potential conflicts of interest between funders and the journalists they support.

The research team constructed a list sample for all three survey populations and all organizations on the list were invited to participate. The surveys do not represent the complete population of the foundations and grantmaking institutions that fund journalism and news media. They also do not represent all nonprofit journalism organizations or for-profit news media organizations in the United States. The precise size and scope of that universe is difficult to determine, but efforts were made to have as comprehensive and representative sample as possible.

For the three samples, we identified as many funders supporting journalism and leaders at nonprofit and for-profit news organizations as possible.

- To develop the sample for the funder survey, we created a database from a publicly available data map, Foundation Maps for Media Funding, developed by Candid and hosted by Media Impact Funders. To help confirm and further identify journalism funders, we also used ProPublica's NonProfit Explorer and reviewed annual reports and websites of nonprofit news sites that belong to INN because they ask members to publicly disclose donors giving more than \$5,000. We also included top leaders at as many community foundations as possible to help learn about local funder engagement, if any for journalism and news media.
- For the for-profit survey, we began with the recently updated database of for-profit news organizations in the United States at The University of North Carolina's Hussman School of Journalism and Media and the national database of community media at the Center for Community Media at the Craig Newmark Graduate School of Journalism. We refined the database by assembling lists of news organizations that had engaged with philanthropy from publicly available information at the American Press Institute, Local Media Association, Journalism Funding Partners, LION Publishers, The Poynter Institute, The Lenfest Institute for Journalism and the John S. and James L. Knight Foundation. Several of the above organizations also responded to requests to urge their members to consider participation in the survey.
- For the survey of nonprofit news organizations and public radio stations, we assembled a database with the assistance of the Corporation for Public Broadcasting and INN. More than 400 nonprofit news organizations belong to INN, which has created community guidelines on donor disclosure and journalistic ethics. INN produces the INN Index, an annual survey that tracks trends about this growing sector and this survey sought not to replicate questions. INN invited members to participate in this survey and the survey was only sent to those INN members who agreed to participate.

Email invitations containing links to the appropriate on-line survey were sent, with multiple reminder follow-up emails. The surveys were conducted in English using Qualtrics XM, an online research software system. The analyses are based on unweighted data and no margin of sampling error can be calculated because this was not a probability-based sample. The surveys were conducted from April 13 to July 21, 2023.

Survey invitations were sent by email to representatives at 563 private foundations, family foundations, community foundations, and other grant making institutions. A total of 156 funding organizations responded. Most

results are based on the 129 funders who said yes to the screening question, “Does your organization make grants in support of journalism and news media?”

For nonprofit media organizations, including both NPR-affiliated public radio stations, 493 email invitations were sent, and representatives from 293 outlets responded.

Email invitations were sent to 540 for-profit news companies and 164 responded. Of those organizations, 138 were determined to be eligible for the study because they said in the last five years, they received donations or other direct philanthropic giving, or participated in philanthropic-funded training and leadership programs. Of those, 91 % said they received direct charitable contributions.

It is possible that many of the funders chose not to respond because they do not give grants for journalism and news media organizations, and some news media outlets may not have responded because they have had no relationships with funders and foundations. No responses were dropped from the dataset due to poor data quality.

The report and complete topline can be found at: <https://mediaimpactfunders.org/our-work/reports/>. For more information on the study, please contact Jennifer Preston at jennifer@mediafunders.org.

ABOUT MEDIA IMPACT FUNDERS

Media Impact Funders (MIF) is a national membership organization that advances the work of a broad range of funders committed to effective use and support of media in the public interest. Learn more at mediaimpactfunders.org.

ABOUT THE LENFEST INSTITUTE OF JOURNALISM

The Lenfest Institute for Journalism is a nonprofit organization whose sole mission is to develop sustainable solutions for local journalism. In addition to being the non-controlling parent organization of The Philadelphia Inquirer, the Institute supports journalism and news organizations serving local communities in Philadelphia and around the United States.

ABOUT NORC AT THE UNIVERSITY OF CHICAGO

NORC at the University of Chicago is an independent research institution that delivers reliable data and rigorous analysis to guide critical programmatic, business, and policy decisions. Since 1941, NORC has conducted groundbreaking studies, created, and applied innovative methods and tools, and advanced principles of scientific integrity and collaboration. Today, government, corporate, and nonprofit clients around the world partner with NORC to transform increasingly complex information into useful knowledge. Please visit www.norc.org for more information.