

THE RISE OF AUDIENCE-FUNDED JOURNALISM IN CANADA

Insights from the frontlines where entrepreneurial
media are filling gaps in public service journalism

DECEMBER, 2018

About The Discourse

The Discourse is a digital news media company that brings together journalists, members and partners to provide in-depth journalism in communities underserved by media. Together, we are contributing to a healthier and more inclusive democracy with a new model of community journalism based on deep listening to people who are often excluded from public and political dialogue. We are women-led media that privileges feminist and diverse perspectives, with top-notch journalists who are driven by the pursuit of truth. The Discourse is an award-winning innovator successfully developing new journalism practice and business models within an industry in massive transition.

Based on feedback from our members and rigorous market research, The Discourse shifted from in-depth reporting on issues to in-depth reporting serving communities in fall 2018. While conducting our landscape analysis, we realized that we were not the only outlet responding to the opportunity to deliver in-depth journalism in communities underserved by existing media by leveraging growth in audience-pay revenues. We were eager to better understand what seemed like an emerging and exciting development in the Canadian media ecosystem, and we sought partners to help us dig deeper. Our ultimate objective in producing this report is to advance the field and make recommendations for how we can develop a sustainable and diverse journalism industry that contributes to a healthy democracy.

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This report was written by Lindsay Sample and Erin Millar of The Discourse with contributions from Mack Male, co-founder of Taproot Edmonton, David Skok, founder of The Logic, Emma Gilchrist, co-founder of The Narwhal, Phillip Smith, founder of the Journalism Entrepreneurship Training Company, Professor April Lindgren of the Ryerson School of Journalism, Brent Jolly, of National NewsMedia Council and the Canadian Association of Journalists, Karyn Pugliese, Executive Director of News and Current Affairs at APTN, Keith Hammonds, President & COO of Solutions Journalism Network, and Rachel Pulfer and Hannah Clifford of Journalists for Human Rights. It is also informed by interviews, online surveys and in-person convenings hosted by The Discourse in November 2018, which included more than 25 journalists, academics, foundations, and other key industry stakeholders.

It is important to acknowledge that while many contributed to this process, the information and recommendations put forward in this report reflect the views of The Discourse alone. They may not represent the position of everyone who contributed to this research.

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Executive Summary

Canada needs quality, trustworthy journalism for evidence-based public debate about issues that matter, to hold power accountable and to mobilize knowledge about solutions to complex problems. With the collapse of advertising revenues and the decline of local newspapers and broadcasters, it's clear new models are needed.

The conversation about the future of Canadian news media has so far fixated on the [260 news outlets that have closed](#) in the past decade. This paper is intended to fill a gap in the current conversation by analyzing the 93 outlets that launched in local communities during the same period.

This research sought to identify early-adopter media outlets that represent new ways of providing public service journalism in communities underserved by media. We asked: Where is there growth in local media? Who are these new players and are they having an impact? How can we accelerate the growth of what's working?

Key findings:

1. **The majority of outlets launching in local news markets are independent and digital.** These outlets are developing new models that are cost-efficient and have an impact, but they are under-resourced and lack the economies of scale of news chains.
2. **Women and people of colour are underrepresented among founders of digital media outlets,** so if their access to support and capital is not addressed, the next generation of Canadian media won't represent Canadians in their full diversity.
3. **Audience-pay models (subscriptions, donations, memberships) represent a significant growth opportunity for revenue in news media in Canada,** and many outlets (old and new) are responding to this opportunity. New measures announced by the federal government in the fall economic statement could accelerate growth in audience-pay revenues.
4. **Outlets funded by audience-pay models are incentivized to directly serve communities** (i.e. public service journalism). Outlets directly accountable to the public are more likely than advertising-dominated outlets to adopt journalism practices such as solutions journalism, investigative journalism and engagement journalism. Therefore, supporting the capacity of audience-pay models to produce public service journalism contributes to *both* the financial sustainability of the industry *and* community impact.

In conclusion, we found that there is an emerging sub-sector of the industry consisting of independent, digital media outlets using audience-pay models to deliver public service journalism in communities underserved by existing media. This sub-sector is innovative, dynamic, fast growing and positioned to have a disproportionate impact on the renewal of the Canadian news ecosystem with a relatively modest investment.

Here is a summary of recommendations for supporting both the *sustainability and diversity* of independent digital news media:

1. **Improve access to patient startup and growth capital for independent digital media.** Funding should be as accessible as possible and criteria should prioritize business model viability and diversity of outlet ownership, journalists and communities served.
2. **Create opportunities for a range of journalist entrepreneurs to build capacity in business skills, knowledge, leadership and new innovations.** Programs should be designed in close consultation with journalist entrepreneurs to be responsive to their needs, and industry-led wherever possible. These opportunities should prioritize supporting women and people of colour.
3. **Design the \$645 million government journalism package to support long-term sustainability and industry renewal.** We recommend putting a \$1.5 million cap on how much any single news organization can access through the refundable labour tax credit. Finally, we recommend the \$50M Local News Fund be designed in consultation with outlets providing journalism in underserved communities to respond directly to what they say they need to develop their own strategies for long-term sustainability.
4. **Support research and development of new business models that benefit the wider industry.** We urge foundations and other funders to support news innovation, not only content production. Journalism researchers and academics can promote industry knowledge mobilization by studying what is working. We also call on news organizations to be more collaborative in their innovation, by sharing what they learn with the wider industry to accelerate the development of new models.
5. **Expose emerging journalists, especially those from diverse backgrounds, to entrepreneurial opportunities.** Journalism schools can consult digital media to better understand skills needed for future digital roles. Outlets and journalism schools can collaborate on internship programs that give students experience in their newsrooms and create new opportunities to jobs.
6. **Nurture positive newsroom culture and avoid building new models on precarious work.** Journalist entrepreneurs and newsroom managers need to intentionally set out to create a new norm, which will require developing new management skill sets. Outlets should make sure that the external values that they communicate to the public are reflected in their internal culture. Funders should consider news organizations' commitment to creating an inclusive and diverse work environment in their funding decisions.
7. **Support public engagement that builds demand, news literacy and contributes to growth in audience revenues.** From events to published research to written stories, there are opportunities to highlight what's growing in Canadian media to build awareness of new models with the general public. Journalism associations, journalism schools, community organizations and news outlets can contribute to a shift in news consumer behaviour already underway that can promote the sustainability of Canadian news media.

Background

It's a very challenging time for our public discourse. Dialogue on all sides of the political spectrum is increasingly polarized, and many people feel like they aren't being listened to, like their perspectives aren't reflected in the stories told.

Social media algorithms fuel further polarization and create the opportunity to spread misinformation, nurture hate, and negatively influence our democratic institutions. Social media platforms also cannibalized the advertising revenues leading to the closure of [260 news outlets in Canada in the past decade](#). The press has seemingly never been weaker in Canada.

The tragedy of the decline of journalism is not that thousands of journalism jobs have been lost — it's the impact of the loss of journalism on communities. The [Pew Research Centre](#) has shown that there is a connection between local news and civic engagement; people who are civically engaged — those who vote, volunteer and connect with people around them — are more likely to value local news. American [research shows](#) that municipal governments in communities that have lost their local newspapers are less fiscally efficient. [Scientists have warned](#) that it's harder to track and control the spread of diseases in communities without local news. Journalism is an important part of the social fabric that unites us as communities.

The decline of newspapers and broadcast news in the past decade, particularly in local markets, prompted discussion in the news industry, government, the philanthropic sector and the public. The federal government has committed [\\$595 million in "support for Canadian journalism"](#) in addition to the \$50 million local news fund previously announced; policymakers are currently studying how to implement this journalism package to catalyze long-term industry sustainability.

What type of media outlets are responding to the demand for meaningful content in underserved communities?

While a lot of the focus has been on the 260 local outlets that have closed in the last decade, much less attention is being paid to outlets that opened their doors during this disruptive time.

Since 2008, 93 local outlets have launched (77 new outlets plus 16 new outlets produced by mergers), according to the Local News Map project's [Oct. 1, 2018 report](#). Of the 77 new outlets, more than half (43) are categorized as independent, which the map's creators define as a news outlet that is privately owned by a proprietor with only one or, at most, only a few localized media outlets. During the same time period 29 independent outlets closed.

Digging deeper into those numbers, our analysis finds that of the independent outlets that have opened up during this time period, 26 are online news, 15 are community papers, and 2 are radio stations. This data only represents local news outlets that are serving a defined geographic area. Many other media responding to gaps in coverage defined by topic have also launched during this period, such as The Logic and The Migrant. There is no available research tracking these outlets.

Breakdown of new outlets by ownership:

Independent	43
Metroland	7
Village Media	7
Rogers Media	6
Black Press	4
Your Community Voice	4
CBC/Radio-Canada	4
Glacier Media	2
Transcontinental	2
Other	14

Note: only owners with more than 1 marker are named in the table

So who are these new companies and why are they starting up in such challenging economic conditions?

Many new independent digital startups were started by journalists who were frustrated by the lack of sustained and meaningful coverage happening on issues that matter to them. These organizations are directly responding to gaps, but are they having an impact?

According to the Public Policy Forum's 2017 [The Shattered Mirror](#) report on news, democracy and trust in the digital age, "combined, [new content initiatives] account for only a tiny portion of Internet news traffic and, as yet, their staffs are a fraction the size of those in traditional print or broadcast newsrooms." The report specifically looks at data from iPolitics and The Tyee but not other outlets. The story that is missing when you measure the success of an outlet based on the size of their staff and the pageviews on their website is how they are shifting the news media system more broadly.

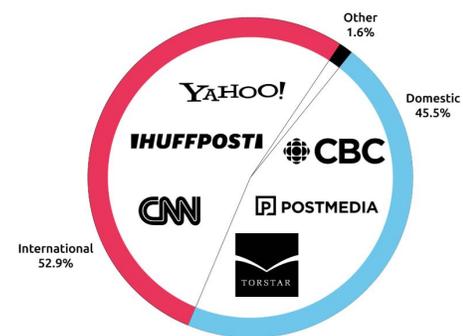
For example, The Discourse's ongoing coverage of the Child Welfare system has led to journalists being trained across B.C., a youth media fellowship, the identification of best practices for how to cover this complex system, and collaborative data reporting between multiple outlets that aims to shift the media narrative and the public discourse. All of this work has been driven by one reporter who saw a gap in coverage and wanted to meaningfully respond. With a relatively small team, we have been able to support work within our own organization and across several media outlets that truly is public service journalism.

This type of holistic approach is important because seven out of 10 users of online media get their news from traditional media websites, according to research produced ahead of [The Shattered Mirror](#) report.

The majority of Canadians don't access news from digital-only publications but rather [digital versions of newspaper, television or radio](#) brands with which they're familiar and that they largely continue to trust for reliable news coverage.

Yet, new entrants from a decade ago show traditional players can be challenged. Statistics from the [Canadian Media Concentration Research Project](#) found in 2016 that digital innovators HuffPost, Vice and BuzzFeed now command 10 per cent market share. HuffPost has developed a 4.3 per cent market share which now challenges TorStar. As small, unencumbered outlets, independent digital outlets are often better positioned to innovate than traditional players, and are developing cost efficient models in the absence of the high cost of traditional production and other liabilities. (Of note, TorStar recently purchased independent digital player iPolitics.)

Digital market share - news media



James Breiner, a professor and journalism consultant, summarized this idea in [a Nov. 2018 article](#): "The future of journalism lies with the nimble, agile business models that are emerging based on low-cost digital production and distribution technologies, highly focused niche content, and a focus on users rather than advertisers."

Our research suggests that the growing category of independent and digital media outlets are an important piece of the Canadian media ecosystem. For now, these small outlets report on stories that are missing from the coverage, which not only builds their audience but also drives the editorial agenda of larger publications. In the future, those that succeed have the potential to challenge the current industry leaders for digital market share.

The Logic Case Study: How new upstarts can improve coverage by traditional players

The Logic was founded in 2018 by former Boston Globe managing editor and Harvard Nieman fellow, David Skok. The Toronto-based outlet aims to "help build the future of the innovation economy by providing in-depth reporting on the organizations, policies and people driving transformational change."

Skok saw that, while innovation was happening across the country, meaningful reporting on the issue was lacking, leaving Canadians without important information. "If you care about the future of Canada, you care about the innovation economy and you care about The Logic," says Skok. They are funded by their readers who pay \$299.99 CAD a year to subscribe.

While The Logic isn't responding directly to a geographically-defined underserved community, Skok points out that the definition of underserved should go beyond just geography. "Communities are more

than hyper-local, they are hyper-relevant. We are serving areas that haven't been served in a professional journalistic capacity," he says.

In October, 2017, the Sidewalk Toronto project was announced to "great fanfare" says Skok. To start, twelve acres of Toronto's waterfront land would be developed by Sidewalk Labs, a sister company of Google, into a new "smart" neighbourhood called Quayside. "The coverage that came out of that announcement was predominantly positive, reactive coverage. There was very little original journalism that took place in that period."

The Logic launched on June 12, 2018 and proceeded to tell 14 in-depth stories over a 3.5 month period, says Skok. He believes their work dramatically changed coverage at other outlets. Once The Logic's coverage was underway, Skok saw both The Globe and Mail and the Toronto Star pivot to put reporters on it.

The critical coverage has had an impact. "Meanwhile a board member resigns. Two members of a volunteer panel resign, the CEO is effectively fired. It's still ongoing," says Skok. Ontario's Auditor General is investigating concerns about the project. This reporting has been lead by one reporter and a small team of other writers to help fill in the gap.

"I am confident and convinced that our existence has actually made The Globe and Mail and the Toronto Star better on this file," he says. "After we came on board as a disruptive little startup with 1/100th of their staffing levels, they are now doing critical work on this file."

Key takeaway: Small digital players can have a disproportionate impact on the broader media ecosystem, dialogue about issues, and policy, with few resources — and some could challenge current industry leaders for digital market share in future.

What does the rise of these startups say about the diversity of the new media landscape?

Ad-based models incentivize media to target high income audiences. Many communities have historically been excluded from access to journalism because of [race, gender, education or income](#). Even with the collapse of ad revenues, news inequality persists in both established and startup newsrooms in Canada, because of Canadian newsrooms' chronic lack of diversity especially among senior leadership.

The latest example of how this problem is playing out in Canada is reporter Sunny Dhillon's departure from the Globe and Mail — which he publicly announced through his article "[Journalism while Brown and When to Walk Away](#)." It was "both a single incident and a continuing pattern" of negative experiences that made Dhillon decide to quit.

"I write this piece with the hope it will lead to meaningful reflection on the lack of diversity in Canadian journalism and the problems therein. But I have worked as a journalist in this country for the last decade and with the solutions as obvious as they are unacted upon — hire more people of colour, hear their voices, elevate them to positions of power or prominence — I cannot say I am particularly optimistic," Dhillon explains.

When The Discourse analyzed who is starting new media companies that are exploring new business models in Canada we saw a concerning, but not surprising, trend: the majority of upstarts are founded by men, and predominately white men. Most female founders are also white. Women and people of colour face multiple systemic barriers to founding companies, not least among them accessing capital. (Less than four per cent of venture capital goes to female founded companies.) If news outlets owned and operated by women and people of colour cannot access support to start and grow, the next generation of Canadian media will not represent Canadians in their ownership, newsrooms, stories published, and communities served.

For new approaches to truly shift the Canadian media ecosystem and serve a range of communities, we need to address this problem. Otherwise, we risk recreating the status quo.

Key takeaway: If news outlets owned and operated by women and people of colour cannot access support to start and grow, the next generation of Canadian media will not represent Canadians in their full diversity.

Canadian media outlets are innovating new audience-pay revenue models — and there is opportunity for growth

Our analysis of growth in the Canadian market suggests that there is a significant opportunity in audience-pay models, which include membership, subscription and donations.

Our analysis of new outlets in underserved markets doing public service journalism shows that audience-pay models are funding a significant portion of new outlets filling the local news gap. Traditional players are also responding to the market opportunity to direct monetize their audiences. According to the 2017 [The Shattered Mirror report](#), the Globe and Mail is “aggressively pursuing a reader-pay strategy. It hopes to make more from readership than advertising, including print, around 2019, six years after The New York Times reached this milestone.”

This follows a trend defining news sector growth in the U.S. and abroad. The New York Times saw its subscription revenues increase by 14.5 per cent overall in 2017 compared to 2016, and surpassed \$1 billion for the first time in the publication’s history, according to [its 2017 annual report](#). In Canada, digital news subscription growth lags behind the trend in the U.S. with nine per cent of Canadians paying for digital news subscriptions. However, Canada is seeing growth with the percentage of Canadians who pay for news subscriptions growing from eight to nine per cent from 2016 to 2017.

Anecdotal evidence suggests the average annual amount they pay is also growing. Canadians are paying to digitally subscribe to the New York Times. In an [April 2018 interview with Canadaland](#), NYT reporter Catherine Porter said that more than 27 per cent of the New York Times’ international digital subscription market are Canadians, making them the largest group of international subscribers. [Torstar’s 2017 annual report](#), though short on specifics, suggests a new emphasis on delivering content to individuals. “Our mission is to profitably grow by delivering and engaging each paying customer with trusted news, information and content that is most relevant to their personal passions, needs and desire for positive change in our communities and businesses.”

New measures announced by the federal government in the [2018 fall economic statement](#) could accelerate growth in audience-pay revenues. The creation of charitable tax incentives and income tax credit for subscriptions empower regular Canadians to pay directly for the news they value. These changes could accelerate the shift in consumer behaviour already underway.

This shift, from advertising to audience-pay models, has a significant impact on the type of journalism outlets are publishing. Instead of being optimized to generate as many clicks as possible to sell to advertisers, outlets are incentivized to directly serve the public. Many new independent online outlets are prioritizing this approach early in their development.

1. [Canadaland](#), Toronto, Ont. Founded in 2013 by journalist Jesse Brown, Canadaland is known for being focused on media criticism and media reporting. It is “a news site and podcast network funded by its audience.” They currently have 5,238 [Patreon supporters](#) paying more than \$26,000 a month. Canadaland is also partially funded by advertising.

2. [The Halifax Examiner](#), Halifax, N.S. It was founded by investigative reporter Tim Bousquet in May, 2014 and is an "independent, adversarial news site devoted to holding the powerful accountable." There are a range of options for people to [subscribe](#) to the Halifax Examiner on their website as it "relies solely on the support of readers."
3. [Queen's Park Today](#), Toronto, Ont. Launched in 2012 by reporter Allison Smith, Queen's Park Today is "a daily news service designed for members of the public service, politicians, government relations professionals and industry associations. It is read and relied upon by thousands of professionals working in and around Ontario's public sector." It is a subscription service with content behind a paywall that has expanded to B.C. and Alta.
4. [The Pointer](#), Brampton, Ont. Founded by former Toronto Star reporter San Grewal, The Pointer launched in the fall of 2018 because it believes that "serious accountability journalism is fundamental to democracy at the local level." It is a subscription-based model and stories are currently behind a paywall. It does not feature advertising and relies on subscribers who pay \$10 per month to get "meaningful journalism that includes top quality storytelling, investigations, features and data-driven content." The Pointer has plans to expand to other communities.
5. [The Public Record](#), Hamilton, Ont. Founded in 2014 by journalist Joey Coleman, The Public Record believes that readers will support high quality content that keeps them informed. It's funded by readers to "fill the local media gap, without the pressures of corporate media to chase clicks instead of news. Because of reader support, we're able to dedicate significant time and effort into deeply reporting and analyzing information."
6. [MEDIA INDIGENA](#), Winnipeg, MB. Founded in 2010 by experienced broadcast journalist Rick Harp who says since the beginning his goal has been "to create the stories I wanted to see and hear as an Indigenous person, in the way I wanted to see and hear them." Rick hosts a weekly podcast that is supported by roughly 300 people on Patreon who contribute over \$2000 a month. MEDIA INDIGENA also posts stories online and hosts events.
7. [Ku'ku'kwes News](#), Atlantic Canada. Launched in 2015 by experienced journalist Maureen Googoo, the multimedia outlet is focused on being an independent "authoritative voice for Indigenous Peoples in Atlantic Canada." Ku'ku'kwes is a very small team made up by Googoo and photographer Stephen Brake. They rely on monthly subscriptions through a [Patreon page](#) to provide news coverage to their readers. They also offer advertising on their site.
8. [Taproot Edmonton](#), Edmonton, Alta. It was started by Mack Male, a "longtime blogger, community organizer, and software developer" and Karen Unland, a "former journalist turned entrepreneur, and champion of local blogs and podcasts." They're supported by members: "We don't sell eyeballs, and we don't put up paywalls. Our approach is to enlist our members to tell us what they're curious about, commission writers to answer their questions, and pay those writers from the membership fees."

9. [The Sprawl](#), Calgary, Alta. Founded by journalist Jeremy Klaszus in 2017 it is “pop-up” journalism that aims to “complicate the narrative” when it comes to stories in the city. The Sprawl is ad-free and funded by members through [Patreon](#) who support its mission of “reinvention of local journalism in tough times.” According to [their website](#) they have 579 supporters who contribute \$4,500 per month and the site received \$100,000 through the [Digital News Innovation Challenge](#) to support its growth.
10. [The Discourse](#), Vancouver, B.C., Cowichan Valley, B.C., Scarborough, ON. The Discourse was founded by three female freelance journalists in March, 2014 to produce in-depth work about complex issues. In the spring of 2018 the company launched a membership model: “We invite a broad community of Canadians to shape our editorial agenda. We strive to fill gaps in news coverage and respond to community demand for news, information and data.” The Discourse is supported through members, partners and investment.

Most of these outlets are seeking funding directly from the public because they believe this will improve the quality of the journalism itself. Instead of being focused on which stories will get the most clicks and how to latch onto the breaking story of the day, journalists working in audience-pay models slow down and provide information that will best serve the public.

This is especially important because journalists across all publications have fewer resources to produce impactful work and that’s affecting democracy. Recent research from the Public Policy Forum’s [Mind the Gap report](#) found that in the communities that they researched the number of English-language newspaper articles “decreased by almost half between 2008 and 2017, while the number of articles specifically reporting on civic affairs declined by more than a third.”

In [a recent interview on Canadaland](#), U.S. media critic Jay Rosen explained why he believes audience-pay models are a promising way to respond to the decline of news. “We need journalists who can tell us news that we don’t like. In our personal lives, when are we willing to hear uncomfortable truths about ourselves?” Rosen said “It’s not from strangers or from people we don’t trust. It’s from people we know... That’s why the membership model is of interest to me, because it is re-establishing a direct relationship between the users of news and the producers of news that is strong enough to withstand the telling of hard truths.”

The rise of media outlets in Canada supported directly by the people they aim to serve with their work mirrors what is happening around the world. We are still in the early stages of this work in Canada and we have the opportunity to look internationally at outlets who have lead this charge and are setting best practices for the industry. We believe that supporting the innovation of a new model of journalism that is centred on building relationships with the public will improve the quality of and engagement with the complex challenges that we are grappling with as a society.

To be clear, audience-pay models are not the only answer. But because they currently represent a significant revenue growth opportunity and incentivize journalists to directly serve the public, supporting the growth of these models can have a significant impact on the industry at this moment in time.

De Correspondent case study: People will pay for journalism and it can lead to better work

De Correspondent is a for-profit Dutch news site focusing on in-depth coverage of often under-reported topics. In 2012, the company announced that they wanted to create a new kind of journalism for the Netherlands supported by the public. This sparked a lot of publicity and De Correspondent attracted about 19,000 founding members support them, raising 1.7 million dollars through this crowdfunding. Since then, they have grown to an "online journalism platform with more than 60,000 paying members." They are currently expanding into the U.S. market, launching their English-language service, [The Correspondent](#). As of this writing, their launch campaign had attracted 36,000 founding members who contributed over \$2 million.

According to [How being open about your financials can help grow your reader-funded publication](#), "readers were the source of 94 per cent of De Correspondent's \$4.5 million revenue in 2017 — the remaining 6 per cent came from speaking engagements and syndication."

In his story "[Unbreaking News](#)," founder Rob Wijnberg explains that the knowledge of their members has "become indispensable" to their journalism. "Our members play a crucial role in discovering and exploring the everyday systems that are the focus of our journalism. At De Correspondent we believe that a hundred readers by definition know more than a single journalist," he writes.

For De Correspondent, the reporters' relationship with their audience is what drives what they do. "Since the 19th century the news has been largely funded by advertising. That means the real product isn't so much the news itself, but the public's attention. This attention economy is the breeding ground for today's screaming front-page headlines and the clickbait glutting our social media. These incentives are less present at De Correspondent because the readers themselves are our clients, and not the advertisers," writes Wijnberg.

Key takeaway: Supporting innovation and growth of audience-pay models at this moment in time in Canada hits two birds with one stone: audience-pay both offers a promising opportunity for long-term funding sustainability and incentivizes journalists to directly serve the public.

What kind of journalism succeeds in audience-pay models?

Enter: public service journalism

As we've discussed, audience-pay models offer a promising opportunity to grow revenues to support public service journalism at this point in time. And this industry trend significantly changes the business models of news outlets, specifically what type of content outlets monetizing their work through their audience are incentivized to produce. In short, they are directly reporting to their community.

There are a lot of different but related terms for how outlets are approaching this work — solutions journalism, slow journalism, engagement journalism, investigative journalism — and these practices are emerging and evolving.

Solutions journalism (known in Europe as constructive journalism): Defined by the Solutions Journalism Network as: "Rigorous reporting on responses to social problems."

Engagement journalism: "Engaged journalism is an inclusive practice that prioritizes the information needs and wants of the community members it serves, creates collaborative space for the audience in all aspects of the journalistic process, and is dedicated to building and preserving trusting relationships between journalists and the public," [according to](#) leading media impact researcher Dr. Lindsay Green-Barber.

Slow journalism: Defined in The Sprawl's community [manifesto](#) as: "nuanced, high-quality, curiosity-driven reporting for people who want more than the daily news grind."

Investigative journalism: [According to](#) the Global Investigative Journalism Network: "systematic, in-depth, and original research and reporting, often involving the unearthing of secrets. Others note that its practice often involves heavy use of public records and data, with a focus on social justice and accountability."

For the purposes of this analysis and discussion, we're going to use an umbrella term "**public service journalism**" to describe the various practices. Here's what they have in common: public service journalism responds to community demand (instead of advertiser clicks), offers depth by tackling complex problems and solutions, and explicitly seeks to have a positive impact on issues of importance by shaping public understanding, informing policy change and holding power accountable.

Approaching journalism this way is important because recent findings from the Public Policy Forum's [Mind the Gap report](#) show that "the weakened economic state of the print news industry is leading to less local and community coverage in general and less civic coverage in particular." It finds that there has been a drop in both volume and depth.

"Access to quality news and information is critical in a democracy, as it enables citizens to know what their governments are doing, to hold those governments to account and to build a culture of civic participation and debate among citizens," the report states.

In our own internal analysis of why members joined The Discourse we found that the two largest driving factors were slow journalism (which we defined as in-depth, nuanced stories that reveal hidden truths and patterns in data on issues that don't fit neatly into the daily news cycle) and journalism that serves the public (Not advertisers. Not interest groups. Not foreign investors).

The Discourse market research shows audience demand for depth, nuance and solutions and mirrors Journalist for Human Rights, Solutions Journalism Network and Public Policy Forum research.

For both new and old outlets in today's market conditions, directly serving the public is connected to financial sustainability. [Bitch Media](#) learned this lesson when they spent a year working with Hearken, a company that provides custom platforms and consulting to help media outlets create "public-powered journalism." Over the course of the year Bitch, which is headquartered in Portland, Oregon, produced 20 "pieces of content prompted by a Hearken question and influenced by readers' pre-publication input," and they saw real results. Readers spent more time reading stories that were surfaced by a Hearken question and they were more willing to convert to paid membership.

"Looking at all the readers on its email list, Bitch Media found that just 1.35 per cent of them converted to membership during the year-long study. But when it focused on those email list members who had engaged with the Hearken platform, the conversion rates surged to 7.17 per cent," [explains](#) Bitch publisher Kate Lesniak.

Good public service journalism means not shying away from complexity, exploring stories from a range of perspectives and investing time in listening to the public so that journalists can better serve communities. Local audience demand for public service journalism is well documented. Outlets directly accountable to the public are incentivized to respond to that demand. Therefore, supporting the capacity of audience-pay models to produce public service journalism contributes to *both* the financial sustainability of the industry and community impact.

Solutions Journalism Network Case Study: Solutions journalism can open new revenue opportunities

The Solutions Journalism Network (SJN) was founded in 2013 based on the idea that we need better reporting on solutions to complex problems. "Even hard-nosed investigative reporters agree that the news provides an excessively dismal view of the world. Audiences regularly come away from the news — even high quality news — feeling powerless, anxious, and resentful. When the daily news product makes people want to tune out and disengage, it doesn't bode well for the news business — or for democracy," [their website explains](#).

From the beginning they've wanted solutions journalism to be integrated into journalism more broadly says Keith Hammonds, SJN president and COO. "Our goal has always been to position this as something that's embedded in what we call journalism rather than to have a special craft called solutions journalism." But it has helped to name what they are doing.

In the organization's mission statement they explain that "solutions journalism heightens accountability by reporting on where and how people are doing better against a problem — removing excuses and setting a bar for what citizens should expect from institutions or governments. It offers a more comprehensive and representative view of the world. And it circulates timely knowledge to help society self-correct, spotlighting adaptive responses that people and communities can learn from."

SJN's research is showing that work that digs into the complexity of solutions captures audience attention. "The numbers are showing that actually audiences can handle complexity and depth," says Hammond. "People do respond to long-form journalism, they do stay with stories, stories with a solutions focus do keep people on the page longer than non-solutions stories."

San Francisco-based Dr. Lindsay Green-Barber is a leader when it comes to tracking impact and journalism. Green-Barber, who is the co-founder and CEO of Impact Architects and has a PhD in political science, recently released a report on SJN called [What we know \(and don't\) about the impact of solutions journalism](#).

She explains that research consistently shows that solutions-oriented reporting has an impact on how people feel about issues, "individuals report increases in emotional connection to the issues and stories as a result of exposure to solutions-oriented reporting." Additionally, "individuals report having a stronger belief that they can contribute to solutions themselves." And finally, individuals exposed to solutions-oriented content report higher levels of intent to learn more about the issues at hand than individuals exposed to traditional reporting."

Green-Barber explains that, while it may be too early to definitively say, they are pretty sure that this also makes individuals more emotionally connected to the organizations that do this work, more likely to share solutions-oriented stories, and that evidence suggests that this "shifts broader discourse about issues in other media and public debate."

It also matters when you think about the most sustainable business model to fund this kind of journalism. "There has been no academic research (of which we are aware) about the relationship between solutions-oriented reporting and organizational sustainability," writes Green-Barber. "However, SJN partner organizations have on-the-ground experience that suggests that solutions reporting increases revenue, through sponsorships, membership, subscriptions, and philanthropic support."

Key takeaway: Solutions journalism is ultimately synonymous with public service journalism. Outlets directly accountable to the public are incentivized to produce public service journalism, therefore, supporting the capacity of audience-pay models contributes to *both* the financial sustainability of the industry and community impact.

Conclusion

Robust journalism is a condition of a healthy democracy. The news industry is desperately in need of business models that work. This paper sought to identify early adopter media outlets that represent new ways of providing public service journalism in communities underserved by media.

Why? According to a 1960s theory called "diffusion of innovations", an efficient strategy for bringing a new innovation to scale is to identify early adopters, seek to deeply understand their motivations and needs, and devote available resources towards serving them. Early adopters are believed to have an outsized influence on a system. And so we analyzed 93+ outlets that opened during these challenging economic times for news to define what they have in common. We wanted to investigate what is working in local markets, ask whether new outlets are having an impact, and explore opportunities to accelerate the growth of successful models.

We concluded that there is an emerging sub-sector of the industry consisting of independent, digital media outlets using audience-pay models to deliver public service journalism in communities underserved by existing media. This sub-sector is fast-growing and dynamic; several newsrooms studied have launched in the past six months. We argue these digital outlets play an important role that can influence the editorial agenda of larger publications. In the future, some could command significant digital market share. While they won't replace legacy media (nor should they), they are currently well placed to drive innovation being small, nimble and unencumbered with the costs of operating legacy outlets. They are also more likely than advertising-based models to advance public service journalism practice. And so, a relatively modest investment in growing this sub-sector could result in a disproportionate impact on the renewal of the broader news media system.

However, financial sustainability is only part of the problem facing the news industry. Women and people of colour are underrepresented among newsroom management and in published stories, which means established media are failing to serve diverse audiences. When we analyzed the new digital media players, we found women and people of colour were similarly underrepresented among founders of new digital outlets. We realized that supporting the growth of this sub-sector without addressing diversity of founders would not result in the next generation of Canadian media serving all Canadians. And so our task became focused on making concrete recommendations for supporting both the growth and diversity of independent, digital outlets.

In the middle of our research process, the federal government announced a [\\$595 million package](#) for journalism, in addition to the \$50 million local news fund announced previously. The move has proved controversial: some urged the entire journalism industry to do "[a victory lap](#)" while others see this as "[the media is selling its soul to the government](#)." The Discourse's position is that [the measures provide an opportunity](#) to accelerate the transition to a more sustainable and diverse media ecosystem, depending on how they are implemented. (Perspectives worth considering also include [these recommendations for supporting news innovators](#) by David Skok, founder of The Logic, and [this analysis on what the measures mean for non profit news](#) from Emma Gilchrist, co-founder of The Narwhal.)

We believe that many stakeholders in addition to government can have a role in supporting the future of journalism in Canada, including journalists, academics, journalism schools, news industry associations, investors, foundations and others. Our recommendations attempt to be relevant to various players.

We consulted many journalists, media outlets and stakeholders in developing our recommendations. We gathered independent digital news media and industry stakeholders in Toronto in November to seek their insights, and surveyed entrepreneur journalists who could not attend in person. We have attempted to incorporate as much input as possible, but these recommendations should be considered the views of The Discourse alone. They may not represent the position of everyone who contributed to this research.

Recommendations

- 1. Improve access to patient startup and growth capital for independent digital media.** Many news outlets analyzed were undercapitalized, which is a significant barrier to their growth and ability to achieve long-term sustainability. The investment market for news media remains challenging, and news organizations currently do not qualify for many government programs that aim to support innovation in other digital media sectors such as gaming. Criteria for funding should prioritize business model viability and diversity of outlet ownership, journalists and communities served. In order to ensure that entrepreneurial journalists with diverse backgrounds benefit, funding should be as accessible as possible, without barriers such as requiring personal guarantees.
- 2. Create opportunities for a range of journalist entrepreneurs to build capacity in business skills, knowledge, leadership and new innovations.** Few Canadian programs provide entrepreneurial capacity building to journalists who want to launch and grow news organizations. Journalism talent is abundant in Canada, but many would-be founders struggle to find pathways to opportunity. Founders and journalists consulted as part of this research identified needs including: management, business, data analytics, technology, capital-raising, diversity, content strategies, newsroom culture and healthy work practices. These opportunities should prioritize supporting women and people of colour so that the next generation of Canadian media is more diverse. Programs should be designed in close consultation with journalist entrepreneurs to be responsive to their needs, and be industry-led wherever possible. Industry-led approaches can be modeled off successful initiatives accelerating the growth of public service journalism in the United States, including the [American Journalism Project](#), the [Membership Puzzle Project at NYU](#), the [Trusting News Project at the Missouri School of Journalism](#) and [The Information Accelerator](#).
- 3. Design the \$645 million government journalism package to support long-term sustainability and industry renewal.** We recognize the risk that these new measures could create subsidy-dependent news outlets whose existence suppresses the development of self-sustaining business models, depending on how they are implemented. Similar to the Periodical Fund, we recommend putting a \$1.5 million cap on how much any single news organization can access through the refundable labour-tax credit. We also urge government to meaningfully consult journalist entrepreneurs in designing the implementation of the measures. Finally, we recommend that the \$50M Local News Fund responds directly to what local news organizations say they need in order to develop their own strategies for

long-term sustainability to ensure new journalism jobs created are accountable to outlets and audiences in underserved communities.

4. **Support research and development of new business models that benefit the wider industry.** Multiple stakeholders can take a role in advancing needed innovation in the news industry. We urge foundations and other funders to support news innovation, not only content production, and to prioritize projects that catalyze collaboration between news organizations. Journalism researchers and academics can promote industry knowledge mobilization by studying what is working. We also call on news organizations to be more collaborative in their innovation, by sharing what they learn with the wider industry to accelerate the development of new models.
5. **Expose emerging journalists, especially those from diverse backgrounds, to entrepreneurial opportunities.** Journalism schools have [struggled to prepare](#) their students for an industry in transition. Many digital outlets engaged as part of this research identified finding young journalists with entrepreneurial skills challenging. Journalism schools can consult digital media to better understand skills needed for future digital roles. Curricula that prepare students to thrive in entrepreneurial environments would support their students and this emerging sub-sector. Outlets and journalism schools can also collaborate to create internship programs that give students experience in their newsrooms and create new opportunities.
6. **Nurture positive newsroom culture and avoid building new models on precarious work.** Much of the journalism industry has been built on unpaid labour, temporary contract work and a culture that requires unpaid overtime to compete. Given the financial challenges facing the industry, [a generation of journalists have never experienced anything but this instability](#). The dominant workplace culture of many newsrooms is very challenging, especially for women and people of colour. Journalist entrepreneurs and newsroom managers need to intentionally set out to create a new norm, which will require developing new management skill sets. Outlets should make sure that the external values that they communicate to the public are reflected in their internal culture. Funders should consider news organizations' commitment to creating inclusive and diverse work culture in funding decisions.
7. **Support public engagement that builds demand, news literacy and contributes to growth in audience revenues.** From events to published research to written stories, there are opportunities to highlight what's growing in Canadian media to build awareness of new models with the general public. Journalism associations, journalism schools, community organizations and news outlets can contribute to a shift in news-consumer behaviour already underway that can promote the sustainability of Canadian news media.

Our objective in producing this report is to contribute to conversations that lead to action. The Discourse is now exploring potential initiatives and partnerships that respond to the opportunities described in these recommendations. [Contact The Discourse](#) with feedback, ideas or to be updated on next steps resulting from this research. Our hope is that this work contributes to a more sustainable and diverse media ecosystem — and a stronger democracy.