

Knight Foundation's Investments in Local News Sustainability: Learnings and Insights February 2020 – February 2023

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I. Executive Summary

In February 2019, the John S. and James L. Knight Foundation (Knight Foundation) announced that it would double its investment in strengthening journalism to \$300 million over five years, with a focus on building the future of local news and information, which are essential for democracy to function. In early 2020, Knight Foundation and Impact Architects launched this assessment of Knight's investments in local news sustainability with the goal to better understand the impacts of these investments and promising practices that contribute to sustainability. This report is an interim learning memo assessing these investments after each of these programs has been operating for at least one full year. Some programs have been operating for at least two years.

The main objective of this assessment is to understand the effects of grantees' interventions in the context of Knight's goals for sustainability of local news. Knight defines sustainability as "a newsroom where revenue outstrips expenses in a repeatable fashion, when sources of revenue are diversified, and audience size is consistent or growing year over year." For this assessment, we leverage data to measure newsroom sustainability through a combination of financial health and audience metrics.

We know that the long-term sustainability of local news cannot be divorced from the need for local news organizations to be diverse, equitable and inclusive, with sophisticated organizational practices, and representation from the communities they aim to serve. So, we include these aspects of organizational growth and development in the qualitative elements of this assessment as well.

The assessment includes ten unique interventions being carried out by nine grantee organizations, all of which are business-to-business (B2B) organizations supporting newsrooms through grantmaking, programming, training and networking. This report is the second annual report, following the [first published in 2022](#).

To test Knight Foundation's hypotheses with respect to local news sustainability, we are gathering comparable quantitative data from newsrooms pre- and post-grantee intervention, as well as over the longer term of two or even three years post-intervention, with respect to audience, revenue, operations and staff. These quantitative metrics, together with interviews to generate qualitative data, are used to answer key questions and provide insights with respect to:

- ▶ The impact of grantee interventions on participating newsrooms' financial health and sustainability.
- ▶ The relative strengths of different grantee interventions with respect to audience growth, revenue generation, and organizational culture shift.
- ▶ The effect of grantee interventions on newsrooms in the context of sector-level trends.

In total, we have data from 181 newsrooms, although the degree of completeness of data provided varies greatly. We have 2021 and 2022 data from 169 newsrooms. We have long-term data from a total of 85 newsrooms with either 2019 or 2020 as the baseline year. A complete list of data included in this report can be found in Appendix A.

The size of newsrooms included in this assessment vary from extremely small volunteer newsrooms to large newsrooms serving metro areas. There are newsrooms that don't have a single full-time paid

staff person and large newsrooms of more than 100 full-time employees (including one that has more than 300). Among the 132 news organizations for which we have the most recent staffing data, the average staff size is 32 and the median is 16. Newsrooms are nonprofit, independent for-profit and individual newsrooms that are part of larger corporations. Average total revenue for 2022 was just over \$2 million, while median was half that. Annual revenues spanned from just under \$8,000 to more than \$14 million. Newsrooms' digital average monthly users (DAMU) have a similarly wide breadth, with the smallest in 2022 having a DAMU of less than 400 and the largest over 8 million, with an average of around 440,000 but a median of less than 100,000.

From 2021 through 2022, across all newsrooms for which we have complete data, organizations experienced an average revenue increase of 19.1%. When broken down by nonprofit and commercial media, nonprofits experienced an average increase of 28.2%, while commercial media experienced an average increase of 3.3%. The overall increase in revenue is largely due to an increase in charitable revenue (which includes individual donations and philanthropic funding), which increased an average of 33.6% from 2021 to 2022.^{1,2}

We have enough information to calculate the average ratio of operating expenses to revenue from three grantees, demonstrating that for the American Journalism Project (AJP), Institute for Nonprofit News (INN) and News Revenue Hub (NRH) Sustainable Publishing Solutions (SPS) newsrooms revenue is greater than expenditure, suggesting sustainability.³ Newsrooms associated with these grantees didn't see a notable change in the ratio of expenses to costs from 2021 to 2022.

During the same time period, digital audiences continued to shrink, as evidenced by an average decrease in digital average monthly users of 10.8% and with a median decline of only 2.4%, including decreases across all categories of newsrooms: nonprofit, commercial and public media. Audiences have generally continued to decline across the industry after a high in 2020,⁴ so the modest decline of the newsrooms included in this assessment can be seen as evidence that they are faring somewhat better than the industry as a whole.

NEWSROOM REVENUE, 2021-22 (n=74)⁵

	TOTAL	AVERAGE REVENUE	MEDIAN REVENUE
2021	\$131,706,680	\$1,779,820	\$992,913
2022	\$155,185,287	\$2,097,098	\$1,196,088
% Change	19.1%	17.8%	20.4%

1 From 2021 to 2022, nonprofits experienced an average increase of 32.3% for charitable revenue while commercial media saw an average increase of 29.9%.

2 In our analysis we were not able to separate out charitable revenue based on the source (foundations, individual giving, earned revenue and major gifts) due to data quality issues. However, in an analysis of 2022 data, INN's Index Snapshot 2023 found that 58% of members reported that foundation funding grew, while individual giving (major, mid-level and small-dollar donors) was a "much more mixed picture." Half saw individual donations grow, but a third saw decreases in individual donations.

3 The expenses to revenue ratio is calculated as operating expenses divided by revenue, both as reported by newsrooms. A ratio lower than 1 means an organization is cash flow positive, with revenue higher than costs.

4 Neal Rothschild, Sara Fischer, "News engagement plummets as Americans tune out," Axios, July 12, 2022, <https://www.axios.com/2022/07/12/news-media-readership-ratings-2022>.

5 This table reflects data from organizations for which we have both years of data. We removed four public media companies that had a more than 300% decrease in revenue from 2021 to 2022, a magnitude of millions, as these changes were likely a result of the end of capital campaigns.

DAMU CHANGE, 2021-22 (n=111)⁶

	TOTAL	AVERAGE DAMU	MEDIAN DAMU
2021	58,812,362	529,841	104,442
2022	52,448,473	472,509	106,978
% Change	-10.8%	-10.8%	-2.4%

In general, from baseline (2020 or 2021) through 2022, newsrooms participating in grantee interventions reported both average and median increases in revenue. The majority of the increases in revenue can be attributed to increases in charitable revenue. During the same time period, nearly all newsrooms participating in grantee interventions saw decreases in average DAMU. For programs that serve early-stage newsrooms and/or newsrooms that are early in their transition to digital, such as AJP, NRH and BloomLab, there were increases in median DAMU as these newsrooms are at the beginning of building their digital audiences and reflect rapid early growth. Conversely, programs with newsrooms that already had large audiences at baseline saw the largest decreases in audience from baseline to 2022.

BASELINE TO 2022 PERCENT CHANGE

GRANTEE	AVERAGE REVENUE CHANGE	% AVERAGE REVENUE CHANGE	AVERAGE CHARITABLE REVENUE CHANGE	% AVERAGE CHARITABLE REVENUE CHANGE	AVERAGE DAMU CHANGE	% AVERAGE DAMU CHANGE
AJP	\$2,482,172	42.6%	\$2,224,476	46.9%	224,399	-8.8%
BLOOMLAB	\$314,792	19.8%	\$59,221	36.2%	-21,451	-14.9%
INN	\$1,463,277	19.8%	\$1,231,558	19.4%	192,176	-3.3%
LION⁷	-	64.0%	-	-	-	-
NRH	\$496,826	22.0%	\$421,132	20.3%	44,996	17.9%
NRH SPS	\$104,097	18.4%	\$47,426	12.2%	-1,096	-0.8%
TS API	-	-	-	-	-487,384	-18.2%
TS ASU	-	-	-	-	-49,667	-10.0%
TS POYNTER	\$34,580	1.3%	\$51,292	10.9%	2,570	0.8%
TS UNC	-	-	-	-	-30,877	-2.8%

⁶ This table reflects data from organizations for which we have both years of data.

⁷ LION shared aggregate data with Impact Architects, but a breakdown of revenue sources was not available.

While overall trends are helpful, the purpose of this assessment is to understand the extent to which specific grantee interventions move newsrooms in the direction of sustainability. In the tables below, we have outlined key insights about the impact of these interventions on newsrooms, based on both quantitative and qualitative data.

GRANTEE	KEY INSIGHTS
<p>American Journalism Project (AJP) <i>Knight made a \$20 million founding investment to support the launch of AJP.</i></p>	<ul style="list-style-type: none"> • From 2020 through 2022, AJP grantees' total revenue increased an average of 90.5%, from \$1,034,231 to \$1,970,447. • AJP's grantees diversified their revenue streams, with four newsrooms significantly lessening their reliance on one primary revenue source by developing new methods for revenue and moving from either one revenue source to two, or two sources to three. • Newsrooms benefit from AJP's support beyond its financial investments, noting, in particular, leadership and executive coaching, hiring tactics and financial accounting resources. • Newsrooms would benefit from additional centralization of resources.
<p>BloomLab <i>Knight supported the launch of BloomLab, a program designed to support Black publications' digitization.</i></p>	<ul style="list-style-type: none"> • From 2021 through 2022, BloomLab newsrooms reported an average of 19.8% growth in total revenue, from \$1,588,323 to \$1,903,116. • Charitable revenue increased by an average of 36.2%, from \$163,715 to \$222,972. • Newsrooms saw an average decrease of 14.9% in digital average monthly users, from 95,164 to 80,951. • Participating newsrooms, often long-running local media organizations, were able to modernize their offerings in the digital age, often requiring significant cultural shifts within newsrooms, and thus will need to ensure the transformation is sustainable.
<p>Institute for Nonprofit News (INN) <i>Knight provides project funding for INN. We have included newsrooms that have high engagement with INN.</i></p>	<ul style="list-style-type: none"> • From 2021 through 2022, INN's members included in this assessment had an average total revenue increase of 19.8%, from \$1,221,694 to \$1,463,277. • Newsrooms increased their charitable revenue by an average of 19.4%, from \$1,031,739 to \$1,231,558. • From 2021 through 2022, INN's members included in this assessment reported an average decrease of 3.3% in digital average monthly users, from 198,721 to 192,176. • Early-stage newsrooms greatly benefit from INN's business and audience services that provide a foundation for growth over the approximately first five years of operations. • As INN's membership grows, it will be a challenge to serve the diversity of its members.

Local Independent Online News (LION) Publishers

Knight made a \$1 million investment in LION to hire full-time staff and build out programming.

- LION has built its full-time staff from zero to 11 and begun to develop programming to serve its now more than 445 members.
- From 2020 through 2022, LION members that participated in this assessment reported an average increase of 95.5% in total revenue, from \$285,400 to \$558,084. This increase was spurred in large part by a 276.8% average increase in charitable revenue, though we don't have as much specific financial data from LION members as for other interventions.
- LION provides beneficial, industry-wide insights and opportunities to its members, and will have to find ways to balance the needs of long-term and newer members.
- As LION grows, it will need to continue to work to meet the varied needs of its diverse membership.

News Revenue Hub (NRH) Hub Services

Knight supports NRH's general Hub Services. We have included newsrooms that benefitted from Hub Services in 2022 and that are not included in this assessment via other grantee interventions.

- From 2021 through 2022, NRH newsrooms had an average revenue increase of 22%, from \$2,254,768 to \$2,752,594.
- NRH newsrooms saw an average increase of 17% for digital average monthly users from 251,514 to 296,511, although this is largely due to rapid growth among a subset of startups.
- NRH's technology services provide early-stage newsrooms with the tools to accept donations in a streamlined fashion, and their consulting services benefit newsrooms by ensuring that the technology is put to use to serve an established model of success.
- NRH newsrooms benefit from the capacity add that results from foundational technology and building a revenue stream of small donors.

News Revenue Hub (NRH) Sustainable Publishing Solutions (SPS)

Knight supports the SPS program directly. The assessment included newsrooms that participated in the program in 2020 and 2022.

- From 2021 through 2022, SPS newsrooms included in this assessment reported an average increase of 18.4% in total revenue, from \$566,306 to \$670,403.
- SPS newsrooms are able to completely reinvent an element of technology crucial to their business operations over the long term.
- Most often, the technology emphasizes integrating audience and revenue elements of the business together into a single system.
- Maintenance of new technology continues to be challenging for some organizations.

TABLE STAKES	KEY INSIGHTS
<p>American Press Institute (API) Major Markets⁸ <i>Knight supports API's Major Market Table Stakes Program together with the Lenfest Institute.</i></p>	<ul style="list-style-type: none"> Major Market newsrooms reported an average decrease of 409,000 digital average monthly users, from 2,253,320 to 1,843,508, from 2019 through 2022, an 18.2% decrease. Newsrooms reported that, over the long term, individuals and organizations continue to employ approaches and principles learned through the Table Stakes, especially “design-do,” setting SMART goals and facilitating cross-departmental communication and projects.
<p>Arizona State University (ASU)</p>	<ul style="list-style-type: none"> Over the long term, newsrooms said that the Table Stakes program helped them think differently about how to approach coverage that matters to their communities and to try new things editorially to reach and engage audiences.
<p>Poynter</p>	<ul style="list-style-type: none"> From 2021 to 2022, total revenue rose by an average of 1.3% for the nine newsrooms where we have complete data, excluding public media, from \$2,698,390 to \$2,732,970. Participants in Poynter's Table Stakes program held steady with digital average monthly users from 2021 through 2022, with an average 0.8% increase, from 312,999 to 315,569. Over the long term, newsrooms reported continuing to use Table Stakes principles and processes in their work, especially setting SMART goals and working across departments.
<p>University of North Carolina (UNC)⁹ <i>Knight directly supports UNC's Table Stakes Program.</i></p>	<ul style="list-style-type: none"> From 2019 through 2022, UNC Table Stakes newsrooms saw a decrease in total digital average monthly users of 2.8%, from 1,084,541 to 1,053,664. Gannett newsrooms reported that over the long term they continue to employ principles and processes learned through the UNC Table Stakes program. Nonprofit newsrooms reported continuing to think about the Table Stakes principles in their work, but a lack of organizational capacity (mostly human capacity) to implement many of the processes over the long term.

In general, the fact that the newsrooms benefiting from grantee interventions have increasing revenue suggests they are moving in the direction of greater sustainability. However, philanthropy is a significant driver in this increase in revenue, and it is perhaps too soon to tell if this support will continue over the long term. And it remains to be seen how and whether nonprofit newsrooms can grow and maintain charitable giving in the form of membership and small-dollar donations over the long term. What is definite is the increased capacity and shifts in culture inside newsrooms that participate in grantee interventions, which should contribute to greater resilience in the face of continuing industry upheaval.

⁸ Major Market publications, most of which are commercial and owned by publicly traded companies, were largely unable to provide financial data due to SEC regulations.

⁹ However, philanthropy is a significant driver in this increase in revenue, and it is perhaps too soon to tell if this support will continue over the long term.

Insights

- ▶ Newsrooms generally followed sector-level digital audience trends, including peaks in 2020 and declines since.
 - Programs that bucked this trend—NRH, SPS and BloomLab newsrooms—serve startups and/or newsrooms that were just making the digital transition and thus had the most opportunity for rapid growth.
 - Newsrooms with the largest baseline audiences account for a great deal of the average decline from 2021 to 2022, suggesting that the overall declines were a product of top-heavy fluctuations.
 - The top 50% of newsrooms in terms of 2021 DAMU saw their DAMU's decline by an average of 109,418 in 2022, whereas the lower 50% saw an average increase of 5,711.
 - 45% of newsrooms for which we have 2021 and 2022 data reported an increase in DAMU, whereas 51% reported a decrease (the remaining newsrooms reported no change). The scale was larger among the newsrooms to report decreases.
- ▶ Targeted interventions with clear goals—such as AJP's investments in newsrooms to develop business teams and practices, BloomLab's high-touch targeted and customized support for newsrooms, NRH's member services that aims to increase paying members or SPS's program to improve technology—yield the most direct short-term and long-term impact with respect to sustainability.
 - Newsrooms said that customized support, while expensive, enabled them to make quick progress with respect to sustainability. For example, AJP's success partners act as an external member of newsrooms' revenue generating teams and are able to contribute to their strategies over time, and BloomLab team members provide customized consulting services (including in-person on-site support) for newsrooms, tailoring services to meet the newsrooms where they are with respect to digitizing.
- ▶ Grantee interventions that provide training, such as INN and LION's programming and Table Stakes, contribute to increased capacity among newsrooms and shift the culture to be more results-driven, likely contributing to increased revenue; however, it is more difficult to observe the direct impact of these interventions on organizational sustainability over the short or long term.
 - INN and LION's programming is especially helpful to early-stage newsrooms as they build operational capacity and establish a foundation for growth, especially beyond editorial work. As membership organizations “age” and reach maturity, programs will need to evolve to meet their new needs.
 - Table Stakes provides a shared approach and language for participants (performance-driven change that requires setting measurable goals, implementing projects and using KPIs to determine the success of the project) that they continue to utilize over the long-term, often bringing the approach into their organizations and spreading it to colleagues who haven't actually participated in a Table Stakes program.
- ▶ For all programs that have cohorts, newsrooms find benefit in building trust-based relationships with peers with which they wouldn't typically have the opportunity to learn from due to industry competition (e.g., different newspaper and TV ownership groups) or existing in separate industry silos (e.g., nonprofit news and public media).

- ▶ Table Stakes is helpful for individual newsrooms to effect culture change. However, for commercial media owned by chains, even when the program yields incremental wins (e.g., increased digital subscriptions), organizational decisions are made outside of the newsroom. Greater profit margins have often proven to take priority over continued newsrooms' capacity to grow audiences and generate revenue on an incremental basis.
- ▶ Revenue increases from 2020 through 2022 are largely a result of increased philanthropic support for newsrooms, especially for nonprofits.

II. Overall Revenue, Expense and Audience Outcomes

Methodology

This assessment includes data gathered from newsrooms participating in grantee interventions from various points in time, including 2019, 2020, 2021 and 2022. For newsrooms that participated in interventions in 2020 or 2021, we have analyzed long-term change using baseline data from 2019 or 2020 through 2022. For newsrooms that participated in programs in 2022, we are assessing short-term change from 2021 through 2022. In each grantee section, we identify the number of organizations for which we have quantitative data, meaning that we have either audience or financial data for at least one year. The comparative tables only include organizations for which we have data for both years. The number of organizations is included in each table in the grantee sections.

GRANTEE	TOTAL ¹⁰	2019-2022 COMPARISON			2020-2022 COMPARISON			2021-2022 COMPARISON		
		AUDIENCE	REVENUE	EXPENSES	AUDIENCE	REVENUE	EXPENSES	AUDIENCE	REVENUE	EXPENSES
AJP	28	-	-	-	19	14	8	26	23	19
BLOOMLAB	10	-	-	-	-	-	-	9	10	-
INN	45	-	-	-	-	-	-	36	33	29
LION	8	-	-	-	5	5	-	5	0	-
NRH	10	-	-	-	-	-	-	8	8	-
NRH SPS	18	2	6	-	-	-	-	12	11	6
TS API	19	9	0	-	-	-	-	11	0	-
TS ASU	8	-	-	-	-	-	-	1	0	-
TS POYNTER	27	-	-	-	9	0	-	19	9	-
TS UNC	19	6	0	-	-	-	-	6	0	-

*Expenses are included for organizations in which we have sufficient data to calculate a ratio of expenses to revenue.

¹⁰ The data for some newsrooms are included in calculations for multiple grantees as a result of participation in more than one program, with the exception of AJP grantees, which we have not included in any other program calculations.

Every table in this report that compares year-to-year change *only includes organizations for which we have data for both years*. We note cases in which we excluded outliers that skew the trends. We conducted interviews with 47 newsrooms across the 11 programs. In interviews, we focused on assessing long-term change for those grantees and interventions that have been included in previous assessments (AJP; NRH and SPS; Table Stakes programs from API, ASU, Poynter and UNC; and LION). For new grantees and/or interventions included in this assessment for the first time, interviews focused on short-term change and immediate program feedback (INN shared services¹¹ and BloomLab).

From these newsrooms, we asked for a total of 21 indicators spanning four categories—Audience, Financial Health Revenue, Operational Costs and Staff (for both 2021 and 2022). Data were gathered via a SurveyMonkey instrument that Impact Architects created and asked grantees to distribute. For many nonprofit organizations, we rely upon INN Index data. The benefit of these data is that they are collected annually, and in 2021 became mandatory in order to receive any NewsMatch payments. In total, we have data from 181 newsrooms, although many submissions are incomplete. Data gathered as of April 2023 is noted in Appendix A.

In gathering qualitative and quantitative data from newsrooms, the following are commonly cited limitations with respect to data and/or sharing the requested data:

- ▶ Newsrooms are not incentivized to provide long-term data once a program is complete;
- ▶ Data are not known or collected by the newsroom;
- ▶ Data are collected but not reported to the grantee due to capacity or time constraints;
- ▶ Data are collected internally but intentionally not reported by choice or other constraint (e.g., SEC regulations);
- ▶ Only partial data is available and reported; and/or
- ▶ Data are reported but inconsistently, given changes in internal methodology or the staff completing the questionnaire.

The findings of this report are limited in accordance with the limitations of the data gathered. For example, because we have little to no financial data from commercial newsrooms, we are unable to determine the degree to which they are financially sustainable. For some programs, because the number of newsrooms is small and there were significant outliers in terms of audience, revenue or both, we are unable to make determinations about the extent to which a program is contributing to sustainability.

Context

Since the 2020/2021 assessment of Knight's investments in local news sustainability, the global context has shifted considerably. The year 2020 saw huge increases in audience for national and local news as a result of the COVID-19 pandemic, the racial reckoning in the U.S. spurred by the murder of George Floyd and a heated U.S. presidential election.¹² From 2021 through 2022, news outlets of all kinds—TV, radio, digital and print—have reported precipitously declining audiences. This is a result of both a less urgent need for information that was required during the COVID-19 pandemic and social and political upheaval mentioned above and a reported general news fatigue.

11 INN's Major Gifts program was included in earlier rounds of this assessment. Because the focus has shifted to a general sampling of membership, 2021 is serving as the baseline.

12 Sara Fischer, "News Engagement Stabilized in 2022," January 3, 2023, Axios, <https://www.axios.com/2023/01/03/news-consumption-stabilized-2022-engagement>.

For example, in a 2022 research report about the state of media globally, Reuters Institute found that the consumption of traditional media, such as TV and print, continued to decline globally in 2021 as a result of news fatigue, “with online and social consumption not making up the gap.” The report also finds that interest in news has fallen sharply across markets, from 63% in 2017 to 51% in 2022.¹³ This finding is further supported by a Gallup/Knight Foundation survey published in February 2022, which concluded that “fewer Americans are paying attention to news now than at any time since early 2018.”¹⁴ And of all the countries included in Reuters’ global study, trust in media was the lowest in the United States, at 26%.¹⁵

In the U.S., data for 2022 shows that cable news continued to see steep viewership drop-offs. And Axios reported that “social media interactions with news articles in the U.S. fell 14% in 2022 compared to 2021, compared to a 65% drop between 2020 and 2021, according to data from social intelligence platform NewsWhip.” Most nonprofit news publishers also said that traffic had decreased from 2020 through 2021, and they expected further decreases in 2022 due to the same factors listed earlier.

Regarding the portion of the audience that pays for news, in Reuters’ 2022 report, they found that 19% of respondents in the U.S. said they pay for news through subscriptions or membership, and a Gallup/Knight Foundation survey found that 17% said they would pay to access news in the future.¹⁶ And while there has certainly been an uptick in direct-to-journalist payment as journalists experiment with digital platforms to reach an audience directly,¹⁷ only 7% of respondents said they pay a journalist directly for newsletter or web content, and only 4% said they do so for YouTube or podcast content.

While there is no industry data with respect to individual members for nonprofit news organizations, philanthropic funding for local news in the U.S. has remained steady and in some cases increased from 2020 through 2022. For example, while INN found that there was a dip in individual giving to news nonprofits in 2022, there was an increase in funding from local institutional funders, as evidenced by \$5.5 million raised by NewsMatch participants from local funders in 2022.¹⁸

According to INN’s 2022 Index report, two-thirds of nonprofit news organizations grew total annual revenue over the four years from 2018 through 2021 with a median growth of 25%. INN’s core digital-first “independent publishers raised an estimated \$400 million in philanthropic revenue for 2021, representing growth from the \$300 million to \$350 million reported out of this subset the previous year.”¹⁹ According to INN, the increase in revenue from 2020 through 2021 can be attributed to both an increase in revenue for existing organizations as well as increased funding to new, largely local, nonprofit news organizations. From 2020 through the end of 2021, INN found that about half of their core group saw an increase in earned revenue, while more than a third experienced decreases in earned revenue, largely due to cutbacks in advertising and underwriting among local businesses during COVID-19.

13 “2022 Digital News Report,” Reuters Institute (June 2022), <https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2022/dnr-executive-summary>.

14 Sarah Fioroni and RJ Reinhart, “Americans’ Attention to National News Lowest in Four Years,” February 17, 2022, Knight Foundation, <https://knightfoundation.org/articles/americans-attention-to-national-news-lowest-in-four-years/>.

15 Trust in news overall in the U.S. increased to 32% in the 2023 survey, and trust in “news I use” grew to 46%, <https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2023/united-states>.

16 “News in America: Private Good or Public Enterprise?,” October 19, 2022, Knight Foundation, <https://knightfoundation.org/reports/news-in-america-public-good-or-private-enterprise/>.

17 Shira Zilberstein, “Digital Platforms and Journalistic Careers: A Case Study of Substack Newsletters,” September 29, 2022, Tow Center for Digital Journalism, https://www.cjr.org/tow_center_reports/digital-platforms-and-journalistic-careers-a-case-study-of-substack-newsletters.php.

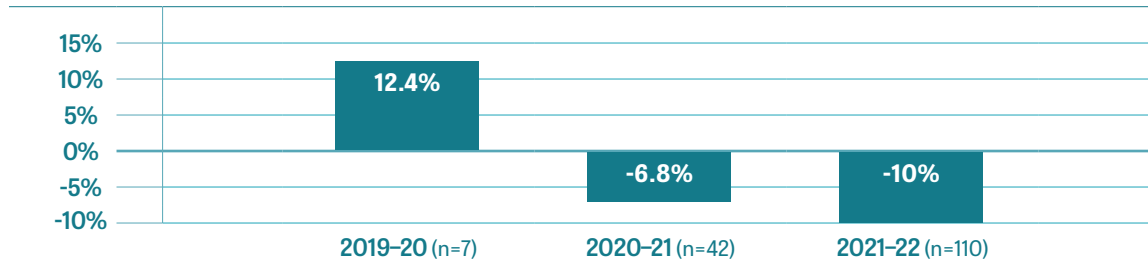
18 Sarah Scire, “Local NewsMatch funders outpaced national donors for the first time in 2022,” April 5, 2023, Nieman Lab, <https://www.niemanlab.org/2023/04/local-newsmatch-funders-outpaced-national-donors-for-the-first-time-in-2022/>.

19 INN Index 2022 (June 2022), <https://inn.org/research/inn-index/inn-index-2022/revenue-growth/>.

Topline Findings

From 2019 through 2022, for newsrooms included in this assessment, the average percent change of digital audiences increased from 2019 through 2020, then decreased the following two years. This decline in digital average monthly users tracks with overall sector trends noted earlier.

DAMU AVERAGE PERCENT CHANGE



AVERAGE DAMU

GRANTEE	BASELINE	2022	AVERAGE% CHANGE
AJP (n=26)	246,183	224,399	-8.8%
BLOOMLAB (n=9)	95,164	80,951	-14.9%
INN (n=36)	198,721	192,176	-3.3%
LION²⁰	-	-	-
NRH (n=8)	246,546	288,764	17.2% ²¹
NRH SPS (n=12)	140,495	139,399	-0.8%
TS API (n=9)	2,253,320	1,843,508	-18.2%
TS ASU (n=4)	492,845	443,178*	-10%
TS POYNTER (n=19)	312,999	315,569	0.8%
TS UNC (n=6)	1,084,541	1,053,664	-2.8%

*2021 data

During the same time period, average total revenue increased all three years among newsrooms included in this assessment.²² And while we do not have the breakdown of charitable and earned revenue for all organizations, for those we do have data the majority of increased revenue can be attributed to charitable sources, including individual donations, foundations/philanthropy, membership, and “other” charitable sources (as defined by the INN Index). From 2020 to 2021, charitable revenue increased by an average of 116.3%, and from 2021 to 2022 by an average of 36.5%. When considering the average total revenue change over the three years in the table below, it is

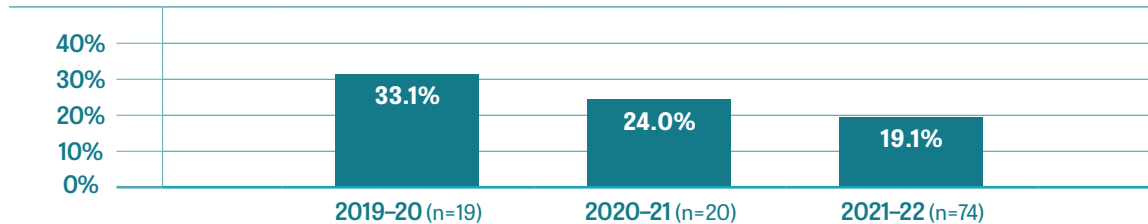
²⁰ Insufficient data when outliers are removed.

²¹ Half of NRH’s members experienced a decline in DAMUs from 2021 to 2022, while half experienced an increase. The average increase is skewed, as some young organizations were at the beginning of building their digital audiences in 2021 and thus experienced significant growth over the course of 2022. The median increase is 2.8%.

²² Calculations were made including organizations for which we had data for both years. 2019 to 2020 DAMU calculations include 7 organizations and total revenue increase includes 18 organizations. 2020 to 2021 DAMU calculations include 42 organizations and total revenue increase includes 20 organizations. 2021 to 2022 DAMU calculations include 111 organizations and total revenue increase includes 77 organizations.

important to note that the number of newsrooms included in the calculation increased in each—significantly for 2021–22—and is likely influenced by the greater diversity of newsrooms within the calculation, including many small independent newsrooms.

TOTAL REVENUE AVERAGE PERCENT CHANGE



From a financial health perspective, newsrooms across all interventions remained relatively steady from pre-intervention through 2022. All grantee interventions encourage newsrooms to diversify their revenue streams, although News Revenue Hub’s SPS program does not do so explicitly. The revenue mix for newsrooms, meaning the degree to which they rely on one, two or three or more primary revenue streams, remained relatively constant from baseline years through 2022. Additionally, the ratio of expenses to revenue remained stable across newsrooms that participated in three grantee interventions (AJP, INN and NRH SPS) for which we have sufficient data to calculate.

GRANTEE		REVENUE CHANGE		REVENUE MIX*		EXPENSES TO REVENUE RATIO	
		2021-2022	BASELINE	2022	BASELINE	2022	
AJP	(n=14)	92.4%	1.5	1.8	0.5	0.8	
BLOOMLAB	(n=10)	19.8%	1.1	1.2	-	-	
INN	(n=33)	19.8%	2.1	2.0	1.0	0.9	
LION	(n=5)**	95.5%	1.6	1.6	-	-	
NRH	(n=10)	14.7%	1.8	2.1	-	-	
NRH SPS	(n=11)	13.1%	1.5	1.9	0.9	0.8	
TS API		N/A	N/A	N/A	N/A	N/A	
TS ASU	(n=8)	-	-	-	-	-	
TS POYNTER	(n=19)	1.3%	1.9	1.3	-	-	
TS UNC	(n=9) ²³	-	-	1.3	-	-	

*Revenue mix is calculated on a three-point scale, with 1 = revenue mix with one primary revenue stream, encompassing greater than 80% of total revenue, 2 = two primary revenue streams, none greater than 80%, and 3 = organizations with greater than two revenue streams, none greater than 60%. The scores of 1 to 3 were applied to each individual newsroom, and then averaged for the overall score for the grantee. We left blank the instances in which there are too many missing data points to calculate.

**2020-22

²³ Revenue data is only available for non-Gannett UNC Table Stakes participants.

III. Investments, Grantees and Interventions

This assessment includes ten unique grantee interventions supported by Knight Foundation, all of which are designed to contribute to sustainability for local news organizations. Appendix A has a complete table with grantees, evaluation components and data gathered as of April 2023.

American Journalism Project

Successfully building news organizations' capacity for operations, administration and business development, contributing to an average revenue increase of 90.5% from 2020 to 2022.

Grantees would further benefit from additional centralization of resources, as well as a sustained community of shared learning among current and former grantees.

Quantitative data summary: 28 out of a possible 28 newsrooms reported data (the three other active grantees are startups and have not yet generated meaningful data). Impact Architects received the data directly from AJP, as data sharing is part of each organization's grant agreement.

Knight's foundational \$20 million investment in AJP is sustaining a growing portfolio of newsrooms. AJP has supported a total of 38 organizations, 31 of which are current AJP grantees (including three startups). The grants support developing business operations, which includes but is not limited to hiring revenue-generating roles. The broad understanding of critical business infrastructure means that AJP's support has also contributed to developing communications and audience development roles. The support is strategic as well as financial. AJP assigns each organization a Success Partner who works closely with the organization to plan, provide advice and, when needed, connect the organization to external consulting services to ensure that the organization has the tools to maximize the potential of the monetary support.

In addition to providing support for growing but established news organizations, AJP is also supporting the launch of startup newsrooms. For example, two \$250,000 grants from Knight to AJP have supported the launch of Signal Ohio (with an active newsroom in Cleveland and one planned for Akron) and Houston Landing.²⁴ AJP is also a partner in the Indiana Local News Initiative and is supporting Capital B's launch of a local, Black-led newsroom in Gary focused on Black communities.

²⁴ In 2023, Knight announced it will invest \$5 million over five years for the launch of Signal Akron, <https://knightfoundation.org/press/releases/knight-announces-investment-in-signal-akron-a-new-nonprofit-news-source/>.

In 2023, AJP announced it would be using what it has learned in supporting startups to offer up to four \$400,000 incubator grants to founders of new newsrooms to pursue their startup full time and spend 18 months researching, developing an editorial strategy to fill the local news and information needs they identify in a given market, fundraising, coalition-building and preparing to launch an organization.²⁵ Rather than supporting budding newsrooms, these grants are designed to support full-time work creating a business plan, developing an editorial strategy and conducting market and audience research. The program began in summer 2023.

AJP grantees display strong revenue growth from 2021 to 2022, including newsrooms that became grantees only in 2022. Among all organizations, total revenue increased by an average of 42.6% (2021–22). The increases were evident in both charitable (46.9% increase) and earned (24.5% increase) revenue.²⁶

On the whole, AJP organizations demonstrate a strong revenue mix. Across the organizations for which we have 2022 data, more than two thirds (18 out of the 28 non-startup organizations) have at least two primary revenue sources, neither of which exceed 80% of total revenue.

There’s room for further growth as the AJP portfolio gets larger and organizations mature as businesses. As of now, only four out of the 28 organizations have at least three primary sources of revenue, with no one source exceeding 60%, and seven organizations attribute at least 90% of total revenue to foundation support.

From 2020 through 2022, AJP newsrooms reported an average total revenue increase of 90.5%,²⁷ spurred largely by an average 207.2% increase in charitable revenue. And during this time period, average staff size increased by 56.4%, or an average of nine staff people. While revenue is greater than expenses for all newsrooms, the ratio of expenses to revenue among AJP grantees rose from 0.5 in 2020 to 0.7 in 2021. This is likely a function of the timing of the data reporting. In 2020, the newsrooms had received their grants from AJP but had not yet had time to implement them. Nevertheless, the ratio of expenses to revenue is a signal of financial health among AJP grantees.

This analysis only focuses on current grantees, and the startup organizations AJP supports are not included in the quantitative data. Year-to-year analyses of change only include organizations for which we have data for both years. All of the newsrooms for which we have 2020 and 2022 data are also included in the set of newsrooms for which we have 2021–22 data.

AJP NEWSROOM REVENUE CHANGE, 2020–22 (n=15)²⁸

	AVERAGE REVENUE 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
Charitable Revenue	\$1,806,309	\$1,218,376	207.2%
Earned Revenue	\$191,494	-\$51,557	-21.2%
Total Revenue	\$1,970,447	\$936,126	90.5%

25 See <https://www.theajp.org/incubator/#:~:text=Founders%20will%20receive%20%24400%2C000%20to,preparing%20to%20launch%20an%20organization>.

26 Support from AJP is included in their grantees’ total charitable revenue.

27 AJP 2020 to 2022 revenue calculations include data from 15 newsrooms.

28 This table reflects data from organizations for which we have both years of data.

AJP NEWSROOM REVENUE CHANGE, 2021–22 (n=23)²⁹

	AVERAGE REVENUE 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
Charitable Revenue	\$2,224,476	\$710,044	46.9%
Earned Revenue	\$282,238	\$55,466	24.5%
Total Revenue	\$2,482,172	\$740,967	42.6%

AJP GRANTEE REVENUE MIX

	NUMBER OF NEWSROOMS	
	One primary revenue source, accounting for greater than 80% of total revenue	Two primary revenue sources, with no single source accounting for greater than 80% of total revenue
2019	6 (66.7%)	2 (22.2%)
2020	3 (20.0%)	9 (60.0%)
2021	8 (32.0%)	14 (56.0%)
2022	10 (35.7%)	14 (50.0%)

From 2020 through 2022, AJP newsrooms reported an average decrease of 14.1% in digital average monthly users.³⁰

AJP NEWSROOM AUDIENCE CHANGE

	AVERAGE DAMU 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
Average Change DAMU 2021–22 (n=23)	224,399	209,160	-8.8%
Average Change DAMU 2020–22 (n=18)	155,398	-25,590	-14.1%

BloomLab

The Knight x LMA BloomLab launched in the summer of 2022 as a three-year initiative aimed to foster sustainability for Black-owned and Black-operated local media through technology adoption by providing \$50,000 toward tools for digital revenue and audience growth, including branded content, newsletters, membership and marketing services.

Quantitative data summary: 10 out of 10 newsrooms from which we requested data reported. BloomLab collected and delivered the data directly.

The Knight x LMA BloomLab focus areas are on technology upgrades, business transformation consulting and shared learning opportunities. Its first cohort in 2021 consisted of ten local Black-owned media outlets across the country, with a new cohort of eight newsrooms announced in November 2022, all of which participate in Local Media Association's Word in Black initiative, a

²⁹ This table reflects data from organizations for which we have both years of data.

³⁰ AJP 2020 to 2022 DAMU calculations include data from 18 newsrooms.

groundbreaking collaboration of the nation's leading Black news publishers. This latter group has not yet completed the program and is not included in this year's assessment. Critically, BloomLab staff serve as consultants to newsrooms, tailoring their services and support to meet organizations where they are.

The program offers an opportunity for many of its participants, often long-running local media organizations, to modernize their offerings and rebrand for the digital age, said participants. Focused on Black-owned local media, the BloomLab program serves a vital network of news providers. BloomLab newsrooms report an average 19.8% growth in total revenue from 2021 through 2022, totaling \$3.15 million. Notably, charitable revenue increased by an average of 36.2% during this time.

For this assessment, we have data from all ten newsrooms that participated in the first cohort. Overall, newsrooms reported a 19.8% increase in revenue from 2021 to 2022. Because BloomLab occurred in the summer of 2022, it's unlikely that this increase in revenue can be directly attributed to this program. However, given the fact that these newsrooms also participate in Word in Black, another Local Media Association initiative, the program team believes that the support from LMA in various ways is contributing meaningfully to these organizations' sustainability. Notably, this is the only program where newsrooms had significant increases in earned revenue, likely a result of participation in the Word in Black program. According to BloomLab, cohort 1 publishers increased reader revenue by 99% year-over-year.

BLOOMLAB NEWSROOM REVENUE CHANGE, 2021-22 (n=10)

	AVERAGE REVENUE 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
Charitable Revenue	\$222,972	\$59,221	36.2%
Earned Revenue	\$1,680,144	\$255,572	17.9%
Total Revenue	\$1,903,116	\$314,792	19.8%

With respect to audience, newsrooms saw an average decrease of 14.9% in digital average monthly users. Participants and the BloomLab team said that they would expect digital audiences to grow in the future as they fully integrate the Newstack platform into their organizations. And while this would be an exception to general trends in the industry, given that these organizations are starting from rudimentary sites and ramping up to fully functional digital platforms, it's reasonable to think their digital audience growth will outpace the industry overall.

BLOOMLAB NEWSROOM AUDIENCE CHANGE, 2021-22 (n=8)³¹

	AVERAGE DAMU 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
DAMU	73,713	-14,231	-14.9%

³¹ We removed one significant outlier from this calculation.

Institute for Nonprofit News

Providing direct assistance to its 400-plus nonprofit newsroom members of all sizes and scopes through operational support and training, contributing to a 19.8% increase in total revenue from 2021 to 2022 among a sample of local newsrooms. Supporting the nonprofit news industry ecosystem by running NewsMatch, an invaluable source of revenue for small newsrooms, gathering crucial industry information through the annual INN Index and convening the industry in its annual INN Days conference. Members would further benefit from additional regional services.

Quantitative data summary: Forty-five out of 49 newsrooms that had high levels of engagement with INN from which we requested data (91.8%) reported. Impact Architects received INN Index data from INN. Four members declined to share. The newsrooms are all statewide or smaller and have used INN resources at any point in 2022.

The Institute for Nonprofit News offers a range of resources and programs to its members. In general, the services emphasize business support and education, and include anything from strategic support and fiscal sponsorship for startups, to accounting and insurance support, to cultivating diverse industry leadership through its Emerging Leaders Council. INN also provides editorial support through its collaboration initiatives, such as the Rural News Network.

INN has grown alongside the nonprofit news industry, and its membership now numbers over 400 newsrooms. INN positions itself as the center of a network of nonprofit news organizations, providing resources for the organizations themselves and the industry as a whole. Industry support is evident through INN's management of the annual NewsMatch fundraising campaign.³² INN also provides intelligence to the industry through its collection of data through the INN Index (a requirement for any organization to participate in NewsMatch) and publication of insights from the data.

We collected quantitative data from a sample of 45 INN members (state or local) for the 2021 and 2022 calendar years.³³ From those 45 newsrooms, we have audience data from both 2021 and 2022 from 33. The data include newsrooms that serve a state or more local community, thus excluding regional and national newsrooms. The newsrooms were all operational with revenue streams established in 2021, though some are more established than others. Additionally, the select newsrooms have used at least one of INN's services. The average digital average monthly users decreased only slightly (3.3%) from 2021 to 2022,³⁴ notable in a year when the industry as a whole reported decrease in audience size.

With respect to revenue, newsrooms reported an average increase of 19.8% from 2021 through 2022, largely accounted for by charitable revenue, which increased by an average of 19.4%.³⁵ The growth in earned revenue was even greater, but the starting point was lower, and earned revenue continues to be an opportunity area for nonprofit news, and it's an area in which INN can prioritize in the future.

³² NewsMatch is a collaborative fundraising campaign that provides matching dollars for individual donations made during November and December. It has been in operation since 2017, and the most recent season included 303 nonprofit newsrooms.

³³ The resultant 45 newsrooms were selected through a process that began with a list of 2022 NewsMatch participants that are state-wide or smaller. Then INN applied various categories (attended a training, participated in a fundraising program, attended an in-person event, etc.) to come up with a rudimentary engagement score for members. INN pulled the set of members that scored in the upper half in terms of engagement with INN staff and programs in 2022 from the list. This resulted in a total of 49 newsrooms, and four newsrooms declined to share their data for the analysis.

³⁴ INN 2021 to 2022 DAMU calculations include data from 36 newsrooms.

³⁵ INN 2021 to 2022 revenue calculations include data from 33 newsrooms.

INN NEWSROOM REVENUE CHANGE, 2021-2022 (n=33)

	AVERAGE REVENUE 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
Charitable Revenue	\$1,231,558	\$199,819	19.4%
Earned Revenue	\$273,097	\$64,147	30.7%
Total Revenue	\$1,463,277	\$241,583	19.8%

From 2021 to 2022, INN members improved their revenue mix with a smaller percentage of newsrooms for which we have data relying on one major revenue source in 2022 than in 2021. It's also worth noting that INN serves many early-stage newsrooms, almost all of which begin their growth relying on one major source of revenue, so there will continue to be a significant proportion of INN members that rely on one revenue source at a given time. But the 7.1 percentage point increase among newsrooms that fall into the second category indicates that INN is playing a role in their revenue diversification. Additionally, the proportion of newsrooms with three major revenue sources increased by 2.4 percentage points. Moreover, INN newsrooms demonstrated increased financial health in terms of the average expenses to revenue ratio, decreasing from an average of 1.0 in 2021 to 0.9 in 2022.

INN GRANTEE REVENUE MIX, 2021-22

	NUMBER OF NEWSROOMS		
	One primary revenue source, accounting for greater than 80% of total revenue	Two primary revenue sources, with no single source accounting for greater than 80% of total revenue	Three or more revenue sources, with no single source accounting for greater than 60% of total revenue
2021	8 (28.6%)	14 (50%)	6 (21.4%)
2022	8 (19%)	24 (57.1%)	10 (23.8%)

Regarding direct audience, we have comparable data from 36 organizations. The organizations represented vary in size and maturity level, with some seeing substantial increases in audience and others seeing decreases. While the average daily users have fallen from 2021 to 2022, it is a marginal decline of 3.3%. The median DAMU remained practically the same, as it declined just 0.4% from 2021 to 2022. The average monthly audience among INN members sampled is steady.

INN NEWSROOM AUDIENCE CHANGE, 2021-22

	AVERAGE DAMU 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
Average Change DAMU 2021-22 (n=36)	192,176	-6,546	-3.3%

Local Independent Online News

Since 2019, LION has successfully built its own staff—from zero to eleven—and grown its membership to 445. LION has developed programming for its members, including sustainability audits and a news entrepreneur academy, as well as created industry data and information through initiatives like the Project Oasis report and database.

Quantitative data summary: We requested data from 9 newsrooms for which we had 2020 baseline data. Of these newsrooms, 8 submitted data (88.9%). LION sent a survey request to organizations that participated in programming analyzed in the 2021 assessment. Where needed, Impact Architects filled in data from organizations that participated in other grantee programs. LION additionally provided aggregated revenue data for 82 newsrooms encompassing 2021 and 2022.

Local, Independent, Online News Publishers (LION) has 445 member newsrooms (as of April 2023) and provides teaching, resources and community to independent news entrepreneurs as they build and develop sustainable businesses. About one-third of LION members are either nonprofit or fiscally sponsored by a nonprofit, and about two-thirds are commercial/for-profit. LION obtained 501(c)3 status in 2019, the same year in which Knight made a \$1 million investment to hire its first full-time staff, build its organizational capacity, develop a strategic plan and implement this plan. LION has ramped up its training, programming and resources for members. LION has begun to develop self-guided coursework for news entrepreneurs, particularly for those in the early stages of launching an outlet, and has plans to develop more educational materials.

LION has also developed a sustainability audit program for organizations. These audits, meant for organizations that have been operating for at least one year, guide the organization in setting baselines for audience, revenue and impact and create customized plans for newsrooms to execute to reach the next level of sustainability. Future assessments will analyze audience and revenue trends for sustainability audit participants as more newsrooms complete the program.

A subset of LION members shows signs of strong revenue growth. LION collects revenue data from organizations that apply for membership for the first time, as well as on an annual basis when the organizations apply for renewal. Among 82 organizations for which LION has both 2021 and 2022 revenue data (taken from its entire membership base), 82% saw their revenue increase, and the average increase was 64%. The median increase was 28%, or about \$50,000. LION doesn't ask for a detailed breakdown of revenue sources, but instead asks for the "top three" revenue streams. As LION detailed in a recent report, the top revenue streams among organization-type break down as one might expect: advertising, subscriptions and small gifts (under \$1,000) are most important for commercial organizations, while philanthropy, small gifts and major gifts (over \$1,000) are most important for nonprofits.³⁶

Knight's support to LION is general operating, and for this assessment we also sought to gather updated data from the nine organizations for which we had data from the previous assessment. This selection included organizations with high usage of LION programs. The data survey was shared with nine newsrooms, and we received responses of varying degrees of completion. We were able to do revenue and audience calculations for only five newsrooms. However, four of these newsrooms are AJP grantees and thus the charitable revenue data are not representative of LION membership as a whole.

³⁶ Lisa Heyamoto and Chloe Kizer, "LION members increased, diversified revenue in 2022," May 1, 2023, <https://www.lionpublishers.com/lion-members-increased-diversified-revenue-in-2022/>.

News Revenue Hub

Hub Services for NewsMatch Participants

(2021–22)

Hub Services has successfully helped news organizations build membership pipelines, contributing to a 17% increase in the size of audience from 2021 through 2022, although this average is skewed by the presence of some young organizations at the beginning of building their digital audiences in 2021 and thus experienced significant growth over the course of 2022. The median increase is 2.8%. NRH newsrooms saw an average increase of nearly 15% in revenue from 2021 to 2022. Half of NRH's members experienced a decline in DAMUs from 2021 to 2022, while half experienced an increase.

Quantitative data summary: Ten out of 18 newsrooms from which we requested data (55.6%) reported. The request went to statewide or smaller newsrooms that are not American Journalism Project. Impact Architects received INN Index data from INN for those who gave permission to share, and the News Revenue Hub sent a survey requesting data as well.

The News Revenue Hub (NRH) provides consulting and technology services to Hub members. Consulting services primarily involve the close relationship between audience development and fundraising and use the “funnel” model of converting casual readers into financially supportive members. Technology services include use of the Hub’s tech stack tailored for small nonprofit newsrooms.

The Hub currently serves 63 member newsrooms, 18 of which are state or local newsrooms and are not AJP grantees. However, it is expanding its reach beyond members with the launch of the News Revenue Engine (RevEngine). RevEngine services are designed to provide the technological infrastructure for successful fundraising and audience development. There are currently three tiers available, a free tier with out-of-the-box products to take donations, and two paid tiers with CRM and email distribution integrations and optional consulting services. The Hub is currently working on a mid-tier service at a lower cost than the current paid tier. As of March 2023, 160 newsrooms are using the RevEngine software package. The RevEngine is still a work in progress and is a new tool for all users. Future assessments will get a more detailed view of the product’s impact.

As part of this assessment, we have audience and financial data from 10 Hub members who are statewide or smaller. From 2021 to 2022 these members saw an average increase in total revenue of 22%, with a 20.3% increase in charitable revenue, which includes individual donations from members.³⁷

NRH NEWSROOM REVENUE CHANGE, 2021–22 (n=10)

	AVERAGE REVENUE 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
Charitable Revenue	\$2,497,817	\$421,132	20.3%
Earned Revenue	\$253,777	\$75,694	42.5%
Total Revenue	\$2,751,594	\$496,826	22.0%

³⁷ We made an additional request to INN for aggregated Index data for additional NRH newsrooms. The conditions we put in place—an emphasis on local and state newsrooms, limited overlap with other grantees, particularly AJP, and data for both 2021 and 2022—meant that the dataset was similarly sized, with 11 newsrooms represented, most of which were already present in our dataset. There was only slight variation in the INN aggregated data compared to our data set, with the only substantial changes due to outliers affecting the sample.

Across the entire portfolio of NRH members, in 2022 the average conversion rate (email subscriber to donor) was 7.3% and average email list growth was 21%.³⁸ Given NRH's focus on building audiences through newsletters and converting them to paying members, these figures support the premise of the Hub and the value of its services.

In our analysis, Hub members experienced an average 17% increase in digital average monthly users, which is especially notable given the overall trend of declining audience across the industry and is the only intervention with an increase in audience size from 2021 to 2022. However, the increase in DAMU is largely a reflection of a few organizations that were just beginning to establish digital audiences in 2021 and experienced significant growth over the course of 2022. The median increase, 2.8%, is perhaps a more accurate depiction of the group of newsrooms overall.

NRH HUB NEWSROOM AUDIENCE CHANGE, 2021-22 (n=10)

	AVERAGE DAMU 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE	MEDIAN % CHANGE
DAMU	296,511	44,996	17.9%	2.8%

Sustainable Publishing Solutions

(July 2021–May 2022)

Successfully helping news organizations' implement new technology platforms to remain competitive, grow audiences and improve workflow. While the average audience slightly decreased for the SPS participant organizations for which we have data, there was a 39.4% average increase in revenue from 2021 to 2022.

Quantitative data summary: Of the 51 total newsrooms that have participated in SPS, we requested data from 34 newsrooms that met the criteria of being a state or local newsroom and were not already included in this assessment through another program. The News Revenue Hub sent a survey request to 2021 and 2022 SPS participants. Of the 34 from which we requested data, we have at least some data from 18 (52.9%).

The News Revenue Hub has continued to administer the Sustainable Publishing Solutions grants. In the summers of 2021 and 2022, 51 newsrooms received \$20,000 one-time grants to adopt and implement new technology, including but not limited to content management and customer relations systems.

While SPS is not designed specifically to increase audience size or revenue in the short-term, the assumption is that improved technology will allow organizations to grow their audiences, build better relationships through ongoing audience engagement and ultimately generate revenue through the necessary membership/subscription infrastructure. In addition to receiving funding, grantees have access to training led by NRH on how to utilize and leverage business and audience development tools and strategies.

We have 2019 and 2022 revenue information from six SPS participants. Those six organizations increased revenue by an average of \$1.1 million from 2019 to 2022, which is a 35.1% increase, spurred

³⁸ 2022 NRH member data provided by NRH.

by an average increase of 204.9% in charitable giving and primarily due to the inclusion of two AJP grantees.³⁹ Thus the increases in revenue cannot be attributed to participation in SPS, but rather to two of the organizations receiving large investments to spur their growth. Over the short term, from 2021 through 2022, total revenue increased for SPS participants by an average 18.4%.⁴⁰ And among the organizations in 2022 for which we have expenses data, the median ratio of expenses to revenue is 0.8, indicating that revenue is outpacing expenses.

NRH SPS NEWSROOM REVENUE CHANGE, 2019-22 (n=6)

	AVERAGE REVENUE 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
Charitable Revenue	\$1,088,862	\$727,362	201.2%
Earned Revenue	-	-	-
Total Revenue	\$4,167,287	\$1,014,347	32.2%

NRH SPS NEWSROOM REVENUE CHANGE, 2021-22 (n=11)

	AVERAGE REVENUE 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
Charitable Revenue	\$435,826	\$47,426	12.2%
Earned Revenue	\$258,035	\$40,593	18.7%
Total Revenue	\$670,403	\$104,097	18.4%

Digital average monthly users remained steady from 2021 to 2022 among this sample, decreasing by an average of 0.8%.

NRH SPS NEWSROOM AUDIENCE CHANGE, 2021-22 (n=11)

	AVERAGE DAMU 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
DAMU	139,399	-1,096	-0.8%

Given the intervention, new technology to improve systems and create more appealing web presentations, integrating workflows and facilitating audience engagement helped newsrooms to maintain audiences at a time when across the industry, digital audiences were declining rapidly.

³⁹ We included AJP grantee newsrooms in this analysis because the sample size was too small for analysis without them included.

⁴⁰ We received at least some audience data from 17 SPS participants who participated in either 2021 or 2022 and revenue data from 16.

Table Stakes

Table Stakes, launched in 2015, is a program designed to help newsrooms adapt and grow as digital news outlets in order to be more sustainable. Table Stakes requires participating organizations to bring together cross-functional teams, including staff from the newsroom, marketing, audience development, technology and finance departments to address one or more of the seven key Table Stakes challenges, all of which put the audience first:

1. **Serve targeted audiences with targeted content;**
2. **Publish on the platforms used by your targeted audience;**
3. **Produce and publish continuously to match your audiences' lives;**
4. **Funnel occasional users to habitual and paying loyalists;**
5. **Diversify and grow the ways you earn revenue from the audiences you build;**
6. **Partner to expand your capacity and capabilities at lower and more flexible costs; and**
7. **Drive audience growth and profitability from a “mini-publisher” perspective.**

Knight has supported four organizations in the implementation of the Table Stakes programs, each for a specific subset of news publishers (American Press Institute, the University of North Carolina, Poynter, and Arizona State University). From 2015 through 2022, each program was a unique hybrid of in-person and remote learning opportunities; in 2020, 2021 and 2022, all four programs transitioned to be fully virtual experiences. In 2023, Poynter and UNC are returning to a hybrid model. Of the four programs, there were a total of 79 newsrooms that participated in cohorts included in this assessment.

For this assessment, we focused on surfacing the long-term impact of the Table Stakes program on participating newsrooms. Upon reflection of the long-term benefit of the program, newsrooms across all four programs highlighted the following:

- ▶ Table Stakes participation contributes to a long-term culture change at organizations, especially when organizational leaders participate in the program. We heard of multiple examples of leaders using the Table Stakes principles for large-scale initiatives across organizations, as well as using Table Stakes to approach internal challenges. These leaders said that the language of Table Stakes had become a shorthand for them and their teams.
- ▶ The principles and practices of Table Stakes contribute to sustainability by supporting changes in organizational culture. Newsrooms said that the Table Stakes program gave them an approach to build thinking about sustainability in any project they undertake, from audience acquisition and growth to membership and subscriptions and beyond to underwriting and advertising. While organizations did not always have a specific dollar amount they could point to as being directly resulting from Table Stakes, most said that they were very sure that there was revenue that resulted from their work in the Table Stakes program, and even more from the long-term impact of the program on organizational functioning.
- ▶ Cross-department communication and collaboration continues. In some cases, newsrooms continued to have regular cross-department team meetings following the Table Stakes programs. In others, while there might not be a standing meeting, team members say they have a better understanding of what different departments do and are proactive in reaching out to work together on projects.
- ▶ Relationships built across news organizations. For example, the API Major Market program creates an opportunity for teams from different commercial newspaper groups to build relationships and trust, which has enabled them to continue to share strategies and learnings with each other years later, an opportunity they said would not present itself otherwise. For the UNC and Poynter

programs, participants said they were able to learn from other organizations with different business models and publishing formats, and continue to be able to reach out to these peers as needed.

Across all Table Stakes programs, we heard in interviews that participants of all kinds found the basic principles of setting goals (“north stars”), defining SMART metrics and “design-doing” (starting small and just going for it) to be useful processes that have been integrated into their regular workflows. Participants appreciated their coaches’ attention and expertise and found deep benefit in having a thought partner to both talk through ideas and to hold them accountable.

When asked if they would recommend another “like” newsroom participate in a Table Stakes program, all participants said “yes” with a few shared caveats. For a newsroom to be successful in the Table Stakes program, they need the following:

- ▶ Buy in—and participation—from leadership.
- ▶ Participation from different departments and levels in the organizations.
- ▶ An understanding of the large amount of work required for the program.

American Press Institute – Major Market

(May 2020–April 2021; March–December 2021; Sprints in 2022)

Successfully contributing to cultural shifts in newsrooms, including the integration of cross-departmental teams and data-driven decision making. Over the long term, these shifts have resulted in increased newsletter subscriptions, digital subscribers and closer community relationships as a result of Table Stakes style initiatives, although overall audience reach decreased from 2019 through 2022 by an average of 18.2% (as measured by DAMUs).

Quantitative data summary: 19 out of 22 newsrooms from which we requested data (86.4%) reported. API sent a survey request to organizations and followed up with reminders as needed.

API’s Major Market version of Table Stakes is specifically designed to serve legacy newsrooms in the U.S. In 2021, responding to demand from previous participants, API developed a Sprint Table Stakes program with two themed Sprints in 2022 with five teams in each Sprint and one already in 2023.⁴¹ Participating newsrooms must have completed the full Table Stakes program through API, Poynter, ASU, or UNC. Each sprint lasts up to five months, participants are assigned a coach, and they undertake one challenge.

For this assessment, we gathered long-term data from previous API Table Stakes newsrooms to understand the long-term impact of the program. We also conducted six interviews with newsrooms that participated in the 2022 sprints to understand both the long-term impact of the program as well as the benefits and challenges associated with the sprint model.

In total, we gathered quantitative data from 19 newsrooms, 16 commercial and 3 nonprofit. We have long-term data from 2019 through 2022 for 11 newsrooms. For the commercial newsrooms, we were able to gather pre- and post-program data with respect to audience, organizational composition and qualitative indicators, but no financial data due to a combination of SEC regulations and company privacy policies.

41 Growing and retaining digital subscriptions: <https://www.americanpressinstitute.org/publications/api-updates/api-continues-support-table-stakes-alumni-new-sprint-program/>; engaging with and serving communities of color: <https://www.americanpressinstitute.org/publications/api-updates/five-news-organizations-join-apis-sprint-program-to-better-serve-diverse-communities/>.

From 2019 through 2022, for the nine newsrooms providing data, there was an average decrease of 18.2% in digital average monthly users.

TABLE STAKES API MAJOR MARKET NEWSROOMS (n=9)

	AVERAGE PER NEWSROOM
DAMU 2019	2,253,320
DAMU 2022	1,843,508
Digital Average Monthly Change 2019–22	-409,812
% Change in DAMU 2019–22	-18.2%

The Major Market participants reflect subscription trends reported by newspapers nationally where print subscriptions continue to steadily decline, while digital subscriptions grow. Among 2019/20 and 2020/21 newsrooms, digital-only subscriptions increased by an average of 35.7% from the start of the program to the finish of the program.⁴²

MAJOR MARKET TABLE STAKES DIGITAL SUBSCRIPTIONS (n=12)

	PRE-TS	POST-TS	PERCENT CHANGE
Average	16,094.31	21,836.62	35.7%

TABLE STAKES API MAJOR MARKET AUDIENCE CHANGE, 2019–20 (n=5)

	AVERAGE % CHANGE
DAMU 2019–20	79.84%
Digital Members/Subscribers 2019–20	45.49%
Average Members/Subscribers 2020–21	74,363
Print Member/Subscribers 2019–20	-13.34%
Average % of Digital Audience Members or Subscribers 2019	0.66%
Average % of Digital Audience Members or Subscribers 2020	0.52%
Average Change in % of Digital Audience Members or Subscribers	-0.14%

TABLE STAKES API MAJOR MARKET, 2020–21 (n=7)

	AVERAGE % CHANGE
DAMU 2020–21	-10.95%
Digital Subscribers 2020–21	25.92%
Print Subscribers 2020–21	-3.87%
Average % of Digital Audience who are Digital Subscribers 2020	0.62%
Average % of Digital Audience who are Digital Subscribers 2021	0.69%
Average Change in % of Digital Audience who are Digital Subscribers	0.06%

ALL TABLE STAKES API, 2021–22 (n=11)

DAMU 2021–22	-17.3%
Average Members/Subscribers 2022	74,363
Average % of Digital Audience Members or Subscribers 2020	0.5%

⁴² Digital subscription data provided by the API team and was gathered at the start of each cohort and again at the end via phone call.

Arizona State University (ASU) – Table Stakes Broadcast TV

(October 2020–August 2021)

Supporting broadcast news stations to reach and engage new audiences and make a successful transition to digital.

Quantitative data summary: Eight out of ten newsrooms from which we requested data (80%) reported. ASU sent a survey request to organizations and followed up with reminders as needed. We removed one outlier, Graham Digital Media, because it skewed averages for both audience and financial data.

ASU's program was developed at the Cronkite School specifically to serve television newsrooms. For this assessment, we have included two Table Stakes cohorts, the first, an in-person program that took place from October 2019 through August 2020 (adjusting the end of the program to be virtual), with seven participating stations, and the second, a fully remote program that began in the fall of 2020 and concluded in August 2021. The focus of the ASU program is to support newsrooms to develop digital strategies beyond broadcast.

While broadcast TV news revenue is currently stable—and actually increased during the 2020 election cycle—stations are bracing for disruption in the coming years as over-the-top (OTT) streaming continues to take over and younger audiences look to digital spaces for news and information. To that end, Table Stakes provides a unique opportunity for stations to address their specific organizational challenges, often related to digital content and reaching and engaging new audiences. This is seen as developing new skills and competencies that will be critical to generate new revenue streams in the future.

In particular, many ASU Table Stakes newsrooms choose challenges aimed at growing their digital audience. From 2020 through 2021, digital audience decreased by an average of 10% among the newsrooms for which we have data (four newsrooms out of ten total), although the average change for in market DAMU increased by 15.1% during that same time period.

ASU TABLE STAKES NEWSROOMS 2020 (n=4)

	AVERAGE PER NEWSROOM	MEDIAN PER NEWSROOM
DAMU 2020 (n=4)	492,845	493,265
DAMU in Market 2020 (n=4)	319,095	153,913
DAMU 2021 (n=4)	443,178	398,290
DAMU in Market 2021 (n=4)	367,237	125,579
Average Change in DAMU 2020–21 (n=4)	-10.0%	-19.3%
Average Change in DAMU in Market 2020–2021 (n=4)	15.1%	-18.4%

Poynter Table Stakes

(February 2020–November 2021, February 2021–November 2022)

The Poynter Table Stakes program is designed to help small local newspapers, public radio stations, and digital news organizations make the transition to sustainable digital publishing. The program typically combines in-person and virtual learning, but was fully virtual for the 2021 and 2022 cohorts.

Quantitative data summary: Impact Architects collected data from 26 newsrooms via a survey request from Poynter, but as a result of significant outliers, most of the trend data is in reference to 22 newsrooms. We removed four public media outliers from the financial data because of dramatic year-to-year differences in revenue, and one commercial media outlier because it skewed the averages.

For this assessment, we have data from all 26 newsrooms that participated in Poynter's 2020/21 and 2021/22 Table Stakes programs with varying degrees of completeness.^{43, 44} From 2021 through 2022, newsrooms that participated in Poynter's TS program experienced an average revenue increase of 1.3%.

POYNTER NEWSROOM REVENUE CHANGE, 2021-22 (n=9)

	AVERAGE REVENUE 2022	AVERAGE DIFFERENCE	AVERAGE % CHANGE
Charitable Revenue	\$522,851	\$51,292	10.9%
Earned Revenue	\$2,268,213	-\$11,013	-0.5%
Total Revenue	\$2,732,970	-\$34,580	1.3%

From 2021 through 2022, participating newsrooms average digital average monthly users held steady with a less than 1% increase, while total revenue decreased by an average of 11.8%.

POYNTER NEWSROOM AUDIENCE CHANGE, 2021-22 (n=19)

	AVERAGE DAMU	AVERAGE DIFFERENCE	AVERAGE % CHANGE
DAMU	315,569	2,570	0.8%

From 2021 through 2022, newsrooms that participated in Poynter's Table Stakes program reported an average increase of 16.3% in email newsletter subscriptions. And there was an 11.6 percentage point increase in the average percentage of digital audiences who are members or subscribers over this same time period.

43 Baseline data was gathered in 2021 for the earlier cohort.

44 We interviewed five newsrooms that participated in Poynter's Table Stakes program since 2020.

POYNTER TABLE STAKES EMAIL SUBSCRIPTIONS*

	AVERAGE PER NEWSROOM	MEDIAN PER NEWSROOM
Email Subscription Count End 2021 (n=13)	25,561	14,503
Email Subscription Count End 2022 (n=15)	28,864	23,319
Percentage Change	16.3%	60.79%

*Three organizations in this sample reported no change in pre- and post-program data.

POYNTER TABLE STAKES 2021-22 (n=20)

	AVERAGE % CHANGE
Average % of Digital Audience who are Members or Subscribers Change	11.6% ⁴⁵

University of North Carolina (UNC)

(October 2020–August 2022)

Helping news organizations in the Southeast build revenue and operations capacity, spurring growth and organizational professionalization, while also contributing to a geographically connected network of diverse media organizations that will likely result in future collaboration.

Quantitative data summary: Impact Architects collected 2022 data from 19 newsrooms (of 21) via a survey request from UNC.

The UNC Table Stakes program is the only one that has a geographic criteria: all newsrooms are located in the Southeast. The UNC Table Stakes program, which historically was an in-person program, shifted to all virtual for the 2020/2021 cohort in response to the COVID-19 pandemic and returned to a hybrid model for the 2021/2022 cohort.

The UNC Table Stakes program has participation by Gannett newspapers, non-Gannett legacy newspapers, commercial radio, for-profit organizations and nonprofit newsrooms. We collected information from a total of 19 newsrooms (of 21 total that completed the program), of which we have varying degrees of completeness. Gannett papers are not able to provide financial data, and we do not have sufficient data from nonprofit organizations to make revenue calculations.

Across the Gannett newspapers for which we have data, there was an average decrease of 11.1% in digital average monthly users from 2019 to 2022. When considering DAMUs in market, there was a similar decrease of 12.6%.

⁴⁵ The percent of digital audience members who are subscribers increased from 10.7% to 22.3% from 2021 to 2022.

UNC TABLE STAKES GANNETT NEWSPAPERS AUDIENCE CHANGE, 2019-22 (n=6)

	TOTAL	AVERAGE PER NEWSROOM
DAMU 2019	7,593,942	1,265,657
DAMU 2022	6,747,771	1,124,629
DAMU change 2019-22 Percentage Change	-11.1%	-11.1%
Average Monthly Users in Market 2019	1,813,575	302,263
Average Monthly Users in Market 2022	1,321,183	264,237
DAMU in Market Average Percentage Change 2019-22	-27.2%	-12.6%

*5 newsrooms reported in market data for 2022.

Audience also decreased from 2019 through 2022 for non-Gannett newsrooms, but to a lesser degree with an average decrease of 2.8%. And while there isn't enough parallel data from newsrooms to calculate long-term revenue change among non-Gannett newsrooms, these newsrooms had a positive (1.1) operating expense ratio in 2022, suggesting that they are generally financially stable.

UNC TABLE STAKES NON-GANNETT PARTICIPANTS AUDIENCE CHANGE, 2019-22 (n=7)

	AVERAGE PER NEWSROOM	MEDIAN PER NEWSROOM
DAMU 2019	1,084,541	1,025,250
DAMU 2022	1,053,664	929,684
Average DAMU % Change 2019-22	-2.8%	-9.3%

UNC TABLE STAKES NON-GANNETT PARTICIPANTS OPERATING EXPENSES CHANGE, 2022 (n=10)

	AVERAGE PER NEWSROOM	MEDIAN PER NEWSROOM
Operating expenses, 2022	\$657,506	\$317,356
Operating expense to revenue ratio, 2022	1.1	-

IV. Conclusion

From 2020 through the end of 2022, the news industry has faced continuous upheaval caused by the COVID-19 pandemic, the continued consolidation of ownership of legacy newspapers, the surge in over-the-top streaming services and more. Commercial newsrooms in particular have suffered from shrinking audiences and revenue as audiences experience news fatigue and tune out.

At the same time, there has been a surge in the number of local news organizations, especially nonprofit and independently owned outlets, as evidenced by both INN and LION's growing memberships, and an increase of philanthropic funding for local news. In general, during this tumultuous time the newsrooms served by Knight Foundation grantees fared better than the industry as a whole.

Across the board, revenues increased for newsrooms that participated in grantee interventions from the beginning of this assessment period (2019) through 2022. For all interventions, the bulk of increased revenue came from charitable sources. It can be considered a success in the philanthropic sector that institutional donors, including at the local level, are bringing more resources to the journalism space. Future assessments will pay attention to this trend and see to what extent earned revenue can grow as organizations develop a “new normal” post-COVID-19. And for those organizations where we have sufficient costs data, news organizations revenues were consistently greater than their costs.

While audiences continued to decline in 2021 as measured by digital average monthly users, they did so to a lesser extent than in the industry as a whole. And while newsrooms that already had large audiences prior to grantee interventions saw decreases in audience size, startups, early-stage newsrooms, and those early in their transition to digital saw their digital audiences grow from 2021 through 2022.

Overall, the picture is one of grantees successfully strengthening the cultures and infrastructures of newsrooms, contributing to their ability to increase their revenues and maintain and/or grow their audiences.

Appendix A: Data Gathered as of April 2023

GRANTEE	BASELINE DATA	BASELINE INTERVIEWS	POST-INTERVENTION DATA	POST-INTERVENTION INTERVIEW
AJP	✓	✓	✓	✓
API	✓	✓	✓	✓
ASU	✓	-	✓	✓
BLOOMLAB	✓	-	✓	✓
INN	✓	-	✓	✓
LION	✓	-	✓	✓
NEWS REVENUE HUB – HUB SERVICES	✓	-	✓	✓
NEWS REVENUE HUB – SPS	✓	-	✓	✓
POYNTER	✓	-	✓	✓
UNC	✓	-	✓	✓

The following table identifies grantees and data collected in each year from 2019 through 2022. In 2019 and 2020, the assessment focused on INN's Major Gifts program, rather than highly engaged local news INN members that were included in this assessment. News Revenue Hub provided aggregate data for their newsrooms' members in 2019 and 2020. LION's programming only began in 2020, so we began data collection in that year. Similarly, BloomLab launched in 2021, so data collection for each began in that year.

GRANTEE AND INTERVENTION	2019	2020	2021	2022
AMERICAN JOURNALISM PROJECT	✓	✓	✓	✓
BLOOMLAB	-	-	✓	✓
INSTITUTE FOR NONPROFIT NEWS	-	-	✓	✓
LION	-	✓	✓	✓
NEWS REVENUE HUB, HUB SERVICES	-	-	✓	✓
NEWS REVENUE HUB, SPS	✓	✓	✓	✓
API, TABLE STAKES	✓	✓	✓	✓
ASU, TABLE STAKES	✓	✓	✓	✓
POYNTER, TABLE STAKES	-	✓	✓	✓
UNC, TABLE STAKES	✓	✓	✓	✓

Appendix B: Newsroom Baseline Data: Variables and Definitions

VARIABLE	DEFINITION
AUDIENCE	
Digital Average Monthly Users (average of previous 12 months)	Google Analytics or other digital analytics service average monthly users for previous calendar year.
Average Monthly Users – In Market	Google Analytics or other digital analytics service average monthly users in market for previous calendar year.
Newsletter Email Subscribers	Total number of email newsletter subscribers at end of last calendar year.
Member/Subscription Count	Total number of active paying supporters (subscriptions, membership).
Addressable market size	Total number of individuals within publication's geographic boundaries that publication considers current or potential audience.
REVENUE	
Total revenue	Total revenue for past fiscal years.
Digital Membership/ Subscription Revenue	Total revenue for last fiscal year derived from paying supporters for digital products (members or subscribers).
Print Subscription Revenue	Total revenue for last fiscal year derived from print only subscriptions.
Revenue Philanthropic Sources (Major gifts >\$1k, grants)	Total revenue for last fiscal year from philanthropic sources (including major gifts >\$1k).
Sponsorship, Underwriting, Advertising Revenue	Total revenue for last fiscal year from sponsorship, underwriting, and/or advertising.
All other revenue	All other revenue in last fiscal year.
Other revenue sources	List sources of all revenue in the last fiscal year not from individual paying supporters, philanthropic sources, or sponsorship, underwriting, and/or advertising.
INTERNAL COSTS	
Current Assets	Total assets.
Current Liabilities	Total liabilities.
Total Operating Expenses	Total operating expenses.
ORGANIZATIONAL STRUCTURE & DIVERSITY	
Staff Size – Number FTE	Number of full-time employees on payroll in 2019.
Staff Size – Number contractors/part-time	Number of part time employees, contractors, and/ or freelancers.

Appendix C: Benchmark Definitions

	LOW	MEDIUM	HIGH	BENCHMARK SOURCE
Percent of audience who are members or subscribers	Not available	<5%	>5%	Assessment Team ⁴⁶
Market Share (Daily Average Users/ Total Addressable Market)	<25%	25%	>25%	Industry Standard
Percent revenue growth	Negative	Steady state (+/- 5%)	Positive	Industry Standard
Revenue mix	1 Stream > 80%	2+ Streams, no more than 80%	2+ Streams, all < 66%	Industry Standard
Current Ratio (Current Assets/ Current Liabilities)	<2	2-15	>15	Industry Standard
Operating Expense Ratio	<1	1-1.5	>1.5	Industry Standard
Percent staff full time	<50%	50-75%	75%+	Industry Standard

⁴⁶ The assessment team created standards based on research findings, commonly accepted standards in nonprofit journalism and legacy media, and the assessment team's expertise in the field.

Appendix D

KNIGHT FOUNDATION INTERVENTION HYPOTHESES BY GRANTEE

Grantee intervention will result in:

	AJP	BLOOMLAB	INN	LION	NEWS REVENUE HUB SERVICES	NEWS REVENUE HUB SPSS	TABLE STAKES
AUDIENCE							
Newsroom Audience Growth	-	-	✓	✓	✓	✓	✓
REVENUE							
Increase in the number of members or subscribers	✓	✓	✓	✓	✓	✓	✓
Increase in underwriting and advertising revenue	✓	✓	-	✓	-	-	✓
Increase in philanthropic revenue	✓	-	✓	✓	-	-	-
TECHNOLOGY							
Increased adoption of and integration of technological processes	-	✓	✓	✓	✓	✓	✓
ORGANIZATION							
Increased organizational capacity	✓	✓	✓	✓	✓	-	✓
Expansion or adoption of data and innovation driven culture	-	✓	✓	✓	✓	✓	✓