Knight Foundation's Investments in Local News Sustainability:

Learnings and Insights
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I. Introduction

Since 2020, the John S. and James L. Knight Foundation has partnered with Impact Architects to better understand the impact of Knight Foundation's investments in local news sustainability. Knight Foundation's strategy has centered on investing in infrastructure organizations that provide support services to local newsrooms, such as direct investment and coaching from the American Journalism Project, revenue and technology support from News Revenue Hub, legal support from the Reporters Committee for Freedom of the Press and much more.

For this 2023 annual report, we gathered data from 188 local newsrooms across the United States that have participated in seven grantee interventions. Across 100 newsrooms, from 2022 through 2023, we found an average annual revenue increase of 7.3%. With respect to audience, for the 146 organizations for which we have data over the same time period, we found an average digital monthly users (DAMU) increase of 3.2%. As revenues increased, it appears that news organizations invested in their operations, with an average increase of 33.6% in staff (four full-time equivalent roles[1]).

At a time when revenues are declining, audiences are shrinking and, in the worst cases, newsrooms are disappearing altogether, it is a significant finding that, on average, local newsrooms supported by Knight Foundation grantees grew their revenues and audiences.

ALL ORGANIZATIONS, 2022–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	146	567,211	**3.2%**	3,885	**3.2%**	11,616	**38.7%**
REVENUE	100	$11,315,321	**7.3%**	$113,153	**7.3%**	$35,574	**3.3%**
FULL-TIME STAFF	188	882.2	**42%**	4.0	**33.6%**	5.0	**62.5%**

The seven interventions included in this assessment all aim to contribute to news organizations' sustainability, albeit through diverse programming. In some cases, the grantees make direct investments (grants) to the news organizations. We recognize that including investments from the grantees in the news organizations' revenue influences revenue change in this assessment; however, in all cases, the investments are restricted and are used in the same year to support staff hiring and/or operational costs (e.g., technology). Furthermore, over the long term, grantee investments fall away, and we are left with a clear picture of long-term change.

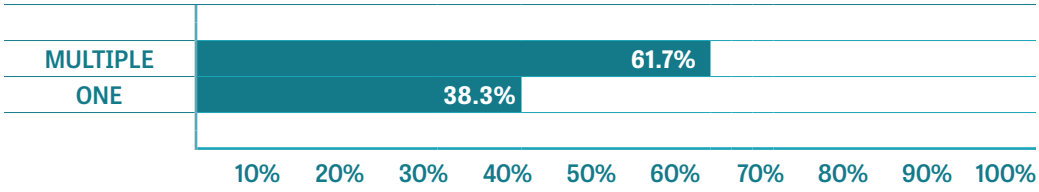
1 Part-time staff are reported as fractional positions.

PROGRAMS INCLUDED IN THIS ASSESSMENT

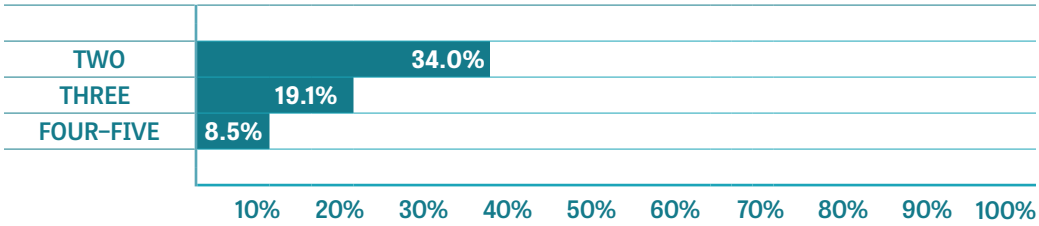
GRANTEE	PROGRAM DESCRIPTION	BENEFITS TO NEWS ORGANIZATIONS
AJP	AJP provides grants and operational support to grantees with the express goal of contributing to financial sustainability and operational resilience.	• Multiyear restricted funding for revenue-generating staff • Operational support from AJP staff • Operational support from network of consultants
BLOOMLAB	BloomLab provides one-time grants to support digital transformation in Black-owned publications, as well as operational support.	• One-time $50,000 grant • Operational support from BloomLab staff
CCM	CCM provides training services to community media newsrooms on an individual and cohort basis.	• Community-focused initiatives tailored for cohorts (Asian Media Initiative, Black Media Initiative, Latino Media Initiative)
INN	INN provides resources and programmatic support to member newsrooms.	• Shared services • Editorial collaborations
LION	LION provides training and support to its members. (In this assessment, we focus on newsrooms that have participated in LION sustainability audits.)	• Sustainability audits for members (of at least one year) • Microgrants up to $20,000 to implement audit recommendations • Operational support from LION staff
NRH	NRH provides coaching, training, data management and recommendations to Hub members to develop individual giving (i.e., membership) programs as well as free and paid versions of RevEngine, a contribution management platform.	• Hub members pay for Hub membership • Members receive technology, training and support to generate insights and learning from NRH Hub staff • RevEngine available outside of membership
NRH SPS	SPS provides one-time grants to news organizations to support the implementation of new technology, most often a new CMS.	• One-time $20,000 grant • Support in implementing new technology

In each annual assessment, we have faced the challenge of parsing out the impact of specific grantee interventions on organizations, when, in reality, most (61.7%) of the newsrooms for which we have data are participating or have participated in more than one grantee program. For example, all non-public media AJP grantees are INN members and many are also LION members; almost all BloomLab participants have also used services from the Center for Community Media. The core analysis and trends are inclusive throughout this report, meaning many organizations contribute to audience and revenue figures for multiple grantees. But we also segmented out those newsrooms that were part of only one grantee intervention and compared their revenue and audience changes with newsrooms that had participated in more than one intervention with the goal of determining if there is an additive benefit from participating in multiple interventions, as we have heard consistently in interviews since 2020.

MOST NEWSROOMS IN THIS ANALYSIS ARE ASSOCIATED WITH MULTIPLE GRANTEES



AMONG THE 61.7% OF NEWSROOMS WITH MULTIPLE ASSOCIATIONS, MOST ARE ASSOCIATED WITH TWO GRANTEES



We found that news organizations that participated in multiple grantee interventions reported an average annual revenue increase of 8.6% from 2022 to 2023, compared with an average annual revenue decrease of -0.3% in newsrooms that participated in only one grantee intervention.[2] And while staff size increased for both cohorts, newsrooms that participated in multiple interventions increased their staff size by more than double compared to newsrooms that participated in only one intervention, with an average increase of 40.5% compared with 17.2% (5.1 vs. 1.4 full-time equivalent roles).

With respect to audience change, the results were flipped, with newsrooms that participated in only a single intervention reporting an average increase in DAMU of 20.9% and organizations that participated in multiple interventions reporting essentially no change (a 0.3% increase). This difference is largely due to the fact that news organizations that participated in only one intervention were either startups or organizations that were just embarking on their digital transformations. In both cases, because the starting point was close to zero, growth was, on average, greater than that of more established newsrooms (which also tend to be participants in more than one intervention).

Support from grantees is undoubtedly a contributing factor to the difference in revenue among these cohorts. However, there are many possible additional explanations for these differences, and one obvious factor is that newsrooms that participated in multiple interventions are generally more mature organizations with more established audiences experiencing incremental growth. About 70% of news organizations that participated in a single intervention are from LION and tend to be small local or hyperlocal newsrooms. The group also includes many for-profit organizations, which aren't eligible for support from many other grantees.

2 As a result of the timing of data collection, revenue for LION's sustainability audit participants is from 2021 to 2022, and those organizations are therefore excluded from the analysis of revenue change from 2022 to 2023.

ALL ORGANIZATIONS (SINGLE INTERVENTION), 2022–23

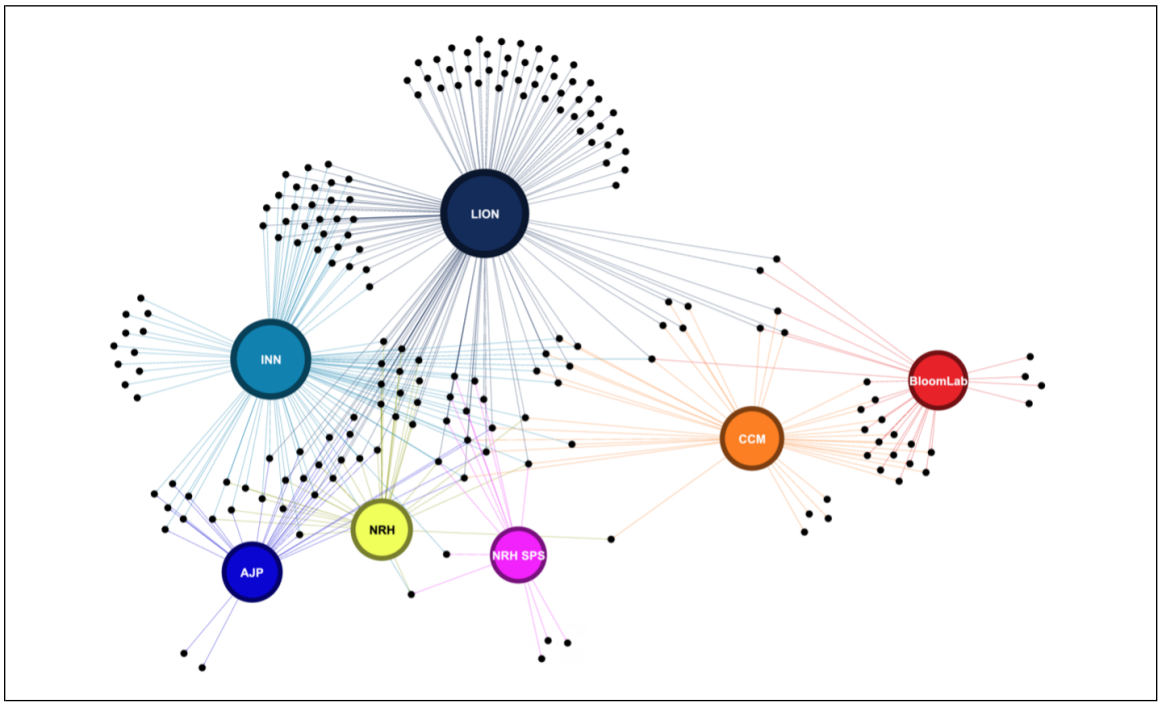
	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	53	514,717	20.9%	9,712	20.9%	7,000	46.7%
REVENUE	20	-$71,189	-0.3%	-$3,559	-0.3%	-$20,750	-3.9%
FULL-TIME STAFF	72	100.9	17.2%	1.4	17.2%	0.0	0.0%

ALL ORGANIZATIONS (MULTIPLE INTERVENTIONS), 2022–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	93	52,494	0.3%	564	0.3%	10,000	28.6%
REVENUE	80	$11,386,511	8.6%	$142,331	8.6%	$133,647	12.1%
FULL-TIME STAFF	98	500.3	40.5%	5.1	40.5%	4.0	45.0%

BloomLab and CCM have significant overlap in the newsrooms they serve that are not accessing programs or services from other Knight Foundation grantees. Both BloomLab and CCM serve newsrooms led by and serving people of color, most of which are independent for-profit news organizations. A full table of all combinations of grantee interventions and the associated number of participant newsrooms is available in Appendix C.

NEWSROOM CONNECTIONS TO KNIGHT FOUNDATION LOCAL NEWS SUSTAINABILITY GRANTEES



Digging a bit deeper to look at change for newsrooms participating in grantee interventions in 2023, all cohorts of newsrooms had positive average annual revenue changes, ranging from an average annual revenue increase of 2.8% for BloomLab to 13.9% for CCM.

From 2022 through 2023, average DAMU change ranged from a decrease of 2.9% for NRH Hub newsrooms to an increase of 11.6% for SPS newsrooms. SPS's trend-bucking increase in DAMU supports the working hypothesis that improving technology for newsrooms results in a long-term increase in audience and, subsequently, in revenue from individual contributions.

PERCENT CHANGE, 2022–23

	REVENUE			DAMU		
GRANTEE	REPORTING	AVERAGE	MEDIAN	REPORTING	AVERAGE	MEDIAN
AJP	26	9.3%	38.6%	24	0.8%	7.7%
BLOOMLAB	25	2.8%	-0.5%	12	3.8%	-7.4%
CCM	31	13.9%	13.9%	23	0.5%	27.9%
INN	69	9.7%	3.9%	69	0.5%	23.3%
LION	–	–	–	106	0.9%	28.8%
NRH	18	11.5%	11.0%	33	-2.9%	-1.1%
NRH SPS	9	12.0%	46.8%	13	11.6%	2.7%

Overall, the interventions of Knight Foundation grantees are generally moving newsrooms in the direction of greater sustainability, supporting increased and diversified revenue while also helping to build digital audiences. The table below summarizes key insights for each grantee, and in the report that follows we present more in-depth analysis across the portfolio.

GRANTEE	KEY INSIGHTS
AJP *Knight Foundation made a $20 million founding investment to support the launch of AJP.*	• Newsrooms that were AJP grantees in 2019 reported an average revenue increase of 407.5% from 2019 through 2023. • Since 2019, AJP newsrooms have successfully diversified revenue streams, with 41.3% of newsrooms reporting three or more revenue streams, with no single source accounting for greater than 60% of total revenue in 2023. • AJP can continue to foster connections and opportunities for peer-to-peer learning across grantees.
BloomLab *Knight Foundation supported the launch of BloomLab, a program designed to support the digitization of Black-owned publications.*	• In 2023, BloomLab grantee news organizations reported an average 3.8% growth in DAMU, significant for organizations that are early in their digital transformation process. • While average annual charitable revenue increased by 4.3% in 2023, news organizations remain largely dependent on earned revenue. • BloomLab participants highlighted a need for more resources and continuing support for implementation.

INN *Knight Foundation provides project funding for INN. We have included local newsrooms that have high engagement with INN.*	• From 2022 through 2023, INN newsrooms reported an average increase of 38.7% in staff size (4.9 full-time equivalent roles). • INN local news members reported an average 8.9% DAMU increase in 2023, a year in which digital audiences were generally on the decline. • Since 2021, INN newsrooms have successfully diversified revenue streams, with 50.8% of newsrooms reporting three or more revenue streams, with no single source accounting for greater than 60% of total revenue in 2023. • INN member newsrooms appreciate the breadth of INN programs and suggest INN develop more personalized support to help members find appropriate resources to meet their specific needs.
LION *Knight Foundation made $4 million in investments in LION to hire full-time staff and build out programming.*	• From 2021 through 2022, newsrooms that participated in LION's sustainability audits reported an average revenue increase of 40.1%. • Newsrooms emphasized the importance of LION offering funding alongside the audit process to ensure they have the bandwidth to focus on sustainability and implement change. • Newsrooms had suggestions for additional resources that would help them implement recommendations from LION sustainability audits, such as additional information about organizations to consider for tech stack help or other recommended vendors, insurance, advocacy for legislation to support local news and more resources for experimenting with ad revenue, including through networks.
NRH *Knight Foundation 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 2023, NRH members reported an average increase of 35.1% in annual revenue. • NRH local newsrooms reported an average increase of 52.2% in staff (8.8 full-time equivalent roles) in 2023. • In both 2022 and 2023, more than half of Hub local news members reported having three or more revenue streams, with no single source accounting for greater than 60% of total revenue in 2023. • RevEngine users would benefit from more touchpoints and training to help them best use the data available to them.
SPS *Knight Foundation supports the SPS program directly. The assessment included newsrooms that participated in the program in 2020 and 2022.*	• From 2021 through 2023, SPS participants reported an average long-term growth of 28.8% in annual revenue, supporting the hypothesis that SPS, by improving newsrooms' technology, will increase their revenue over time. • SPS grantee newsrooms reported an average annual increase of 11.6% in DAMU from 2022 through 2023, the largest increase in digital audience in this assessment. • SPS grantees appreciated the flexibility of the grant and said they would benefit from additional support or funding for implementation and applying what they learned.

II. Overall Revenue and Audience Outcomes

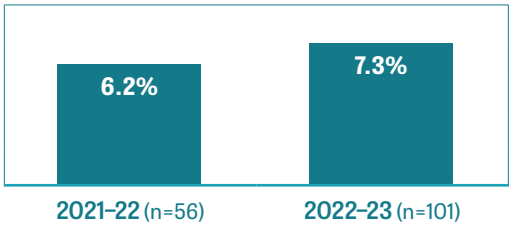
Topline Findings

From 2022 through 2023, across all newsrooms for which we have data, we found an average annual revenue increase of 7.3%, a slight increase from the 6.2% annual average revenue increase compared to 2021 to 2022. For 2023, we found an average annual DAMU increase of 4%. During this year, we also found a notable trend with respect to staff size, with an average increase of 43.7% across the 188 newsrooms (4.8 full-time equivalent roles in each newsroom on average). The modest increase in revenue is in line with industry findings as published by AJP in its annual report, BloomLab in its annual impact report, INN in its annual index report and NRH in an annual impact deck, all of which are discussed further below. The slight increase in DAMU bucks industry trends during a year in which many organizations reported decreases in digital audience.

ALL ORGANIZATIONS, 2022–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	151	729,537	**4.0%**	4,831	**4.0%**	13,333	**44.4%**
REVENUE	100	$11,315,321	**7.3%**	$113,153	**7.3%**	$35,574	**3.3%**
FULL-TIME STAFF	188	891.2	**44.5%**	4.8	**43.7%**	5.0	**71.4%**

AVERAGE TOTAL REVENUE CHANGE



As in the 2022 annual assessment report, we found that charitable revenue was the largest contributor to annual average revenue increases for newsrooms across all grantees from 2022 through 2023. Notably, average charitable revenue increased by 45.7% for CCM newsrooms. CCM's newsrooms also led increased average earned media with 3.7%. Earned revenue overall remained mostly static.

REVENUE CHANGE, 2022–23

		REVENUE		CHARITABLE		EARNED	
GRANTEE	REPORTING	AVERAGE	MEDIAN	AVERAGE	MEDIAN	AVERAGE	MEDIAN
AJP	26	**9.3%**	**38.6%**	**13.2%**	**31.1%**	**-6.6%**	**25.6%**
BLOOMLAB	25	**2.8%**	**-0.5%**	**4.3%**	**32.3%**	**1.9%**	**-1.3%**
CCM	31	**13.9%**	**13.9%**	**45.7%**	**50.9%**	**3.7%**	**5.8%**
INN	56	**10.5%**	**5.7%**	**15.5%**	**-4.6%**	**2.1%**	**-26.8%**
NRH	18	**11.5%**	**11.0%**	**15.7%**	**10.3%**	**0.8%**	**-27.7%**

For the organizations for which we have enough newsroom data, we calculated average revenue mix in 2022 and 2023 in order to determine the number of revenue streams for news organizations, with the assumption being that organizations are striving to have at least two revenue streams with no single source accounting for more than 60% of total revenue. From 2022 through 2023, revenue mix remained nearly constant across AJP, BloomLab, INN and NRH news organizations.

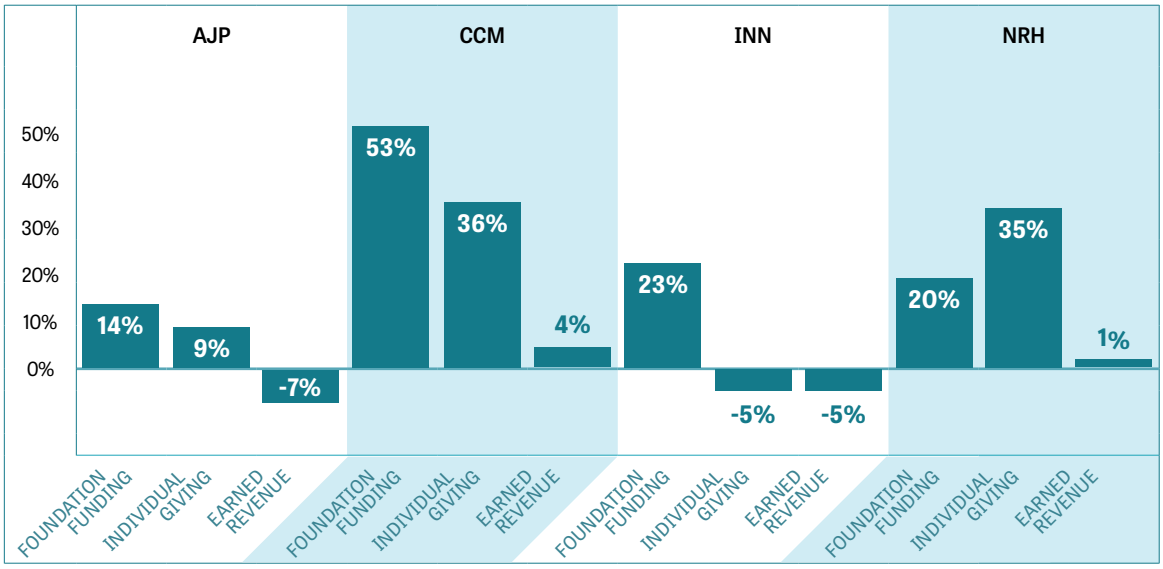
AVERAGE REVENUE MIX, 2022–23[3]

	2022		2023	
GRANTEE	REPORTING		REPORTING	
AJP	**28**	**2.1**	**29**	**2.1**
BLOOMLAB	**19**	**1.1**	**25**	**1.1**
CCM	**–**	**–**	**34**	**1.4**
INN	**42**	**2.0**	**61**	**2.2**
NRH	**8**	**2.4**	**29**	**2.4**

For AJP, CCM, INN and NRH newsrooms, we were able to break out revenue change for their participating news organizations by foundation funding, individual giving and earned revenue. For all four cohorts of news organizations, we found an increase in foundation revenue from 2022 through 2023 and, with the exception of INN, there was an increase in individual revenue, meaning individual small-dollar donors, members or subscribers.

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 1–3 were applied to each individual newsroom and then averaged for the overall score for the grantee. Instances in which there are too many missing data points to calculate have been left blank.

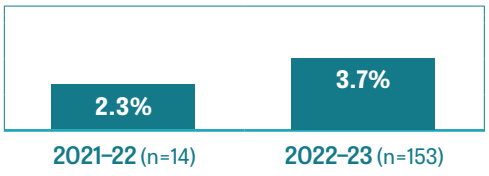
NEWSROOM REVENUE BREAKDOWN 2022–23 (Average Change)



Given the complexity of business models and revenue streams across newsrooms in this assessment, and, in particular, the different ways in which newsrooms generate revenue from individual subscribers or members, it is not possible for us to document individual revenue per audience person for each organization and/or cohort of newsrooms. For example, for some newsrooms that publish content and engage with audiences through their website, DAMU is an accurate representation of the size of their audience. However, for other newsrooms that focus on other distribution and engagement channels, such as newsletters or direct-to-audience messaging (e.g., SMS or WhatsApp), we do not have an accurate count of their audience size from the data collected for this report. And while we have revenue breakdown by source, in many cases charitable revenue includes donations of all sizes, from small-dollar donors to institutional grants, further complicating our ability to parse revenue sources.

On the whole, not only did newsrooms benefiting from grantee interventions buck industry trends by increasing their digital audiences from 2022 through 2023, but they actually grew their average DAMU even more than from 2021 through 2022 (3.7% in 2023 compared to 2.3% in 2022). And email subscriptions increased for news organizations from each of the seven programs.[4]

AVERAGE DAMU CHANGE



4 News organizations that were early in their digital transformation in programs like BloomLab, CCM and SPS saw massive increases in their average and median change for newsletter subscribers. However, while the percentage change was large, the raw numbers tend to be quite small and many were starting from near to zero subscriptions at the start of 2023.

AUDIENCE CHANGE, 2022–23

	DAMU			EMAIL SUBSCRIBERS		
GRANTEE	REPORTING	AVERAGE CHANGE	MEDIAN CHANGE	REPORTING	AVERAGE CHANGE	MEDIAN CHANGE
AJP	25	4.6%	27.1%	26	20.7%	33.9%
BLOOMLAB	12	3.8%	-7.4%	10	6.7%	23.1%
CCM	23	0.5%	27.9%	20	49.7%	25.1%
INN	56	5.3%	32.4%	80	14.6%	28.2%
LION	108	-0.6%	28.8%	114	19.1%	46.0%
NRH	33	-2.9%	-1.1%	31	7.1%	22.5%
SPS	13	11.6%	2.7%	11	18.5%	79.4%

Context

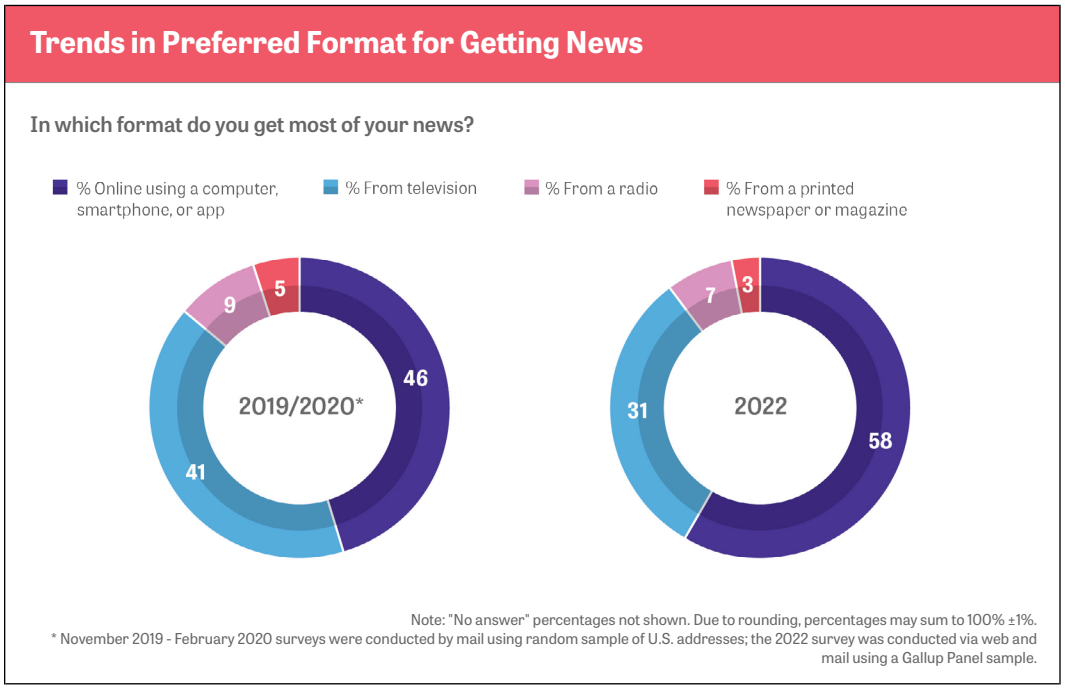
In 2023, Press Forward launched as a collaboration among philanthropists, committing at least $500 million over five years to support local news. This effort is largely aimed at addressing what is generally understood to be a crisis in local journalism, which research and experience have demonstrated to be related to the combination of an economic crisis spurred by the digital revolution and citizens' general lack of trust in civic institutions and democratic processes. The State of Local News 2023 report[5] found 203 counties across the United States that it identifies as "news deserts," with no newspapers, local digital sites, public media newsrooms or community or ethnic publications, as well as another 228 "at risk" counties. Furthermore, this study found that digital-only, ethnic media and public broadcasting stations are generally concentrated in metro areas.[6]

In 2024, as a membership organization of more than 400 members, INN reported that their membership saw a total revenue increase of 22% from 2022, and about three quarters of all members who completed the INN Index said they maintained or grew their total revenue from 2022 to 2023. While the Index found that median revenue of all members remained steady from 2022 through 2023 at $477,000, over half of the 125 local news outlets surveyed increased their total revenue during the same time period and across all revenue streams (foundation funding, individual giving and earned revenue). According to INN, the organizations that saw the most growth tended to be younger and smaller in terms of annual revenue, while outlets that saw declines tended to be larger.[7]

With respect to audience, the INN Index found that from 2022 to 2023, while its members overall reported a decrease of about one third in digital unique monthly visitors, "6 in 10 nonprofit news organizations increased the number of email newsletter subscribers" during that time period.[8] In our analysis of a sample of INN local newsrooms, we found a directionally similar change in newsletter subscriptions with an average increase of 12.6%.

5 In 2023, the State of Local News Project, led by Penny Abernathy and housed at the Medill School of Journalism at Northwestern University, grew from a map of news deserts into a large-scale project to not only diagnose the state of local news and the loss of local outlets, but to also document local news startups and layer additional data sources.
6 Penelope Muse Abernathy and Sarah Stonbely, "The State of Local News 2023," Local News Initiative, Northwestern University (2023), https://localnewsinitiative.northwestern.edu/assets/slnp/the_state_of_local_news_2023.pdf.
7 Revenue & Expenses, INN Index 2024, June 5, 2024, https://inn.org/research/inn-index/the-inn-index/revenue-expenses/.
8 Audience & Distribution, INN Index 2024, June 5, 2024, https://inn.org/research/inn-index/the-inn-index/audience-distribution/.

In late 2023, Pew Research Center conducted a survey of U.S. adults, finding that 86% say they often or sometimes get news from a smartphone, computer or tablet, with a modest increase in the percentage of people who said they do so "often" when compared to 2022 (56% in 2023 versus 49% in 2022). Over the same time period, the percentage of U.S. residents who get news from television stayed consistent at just under one third of respondents. Notably, nearly double the number of respondents said they *prefer* to get news on a digital device (58%) than via TV (27%).[9] The Gallup/Knight Foundation American Views survey found a similar decrease in use of TV for news from 2019/20 through 2022, from 41% to 31%, with an increase in digital use over that time from 46% to 58%.[10]



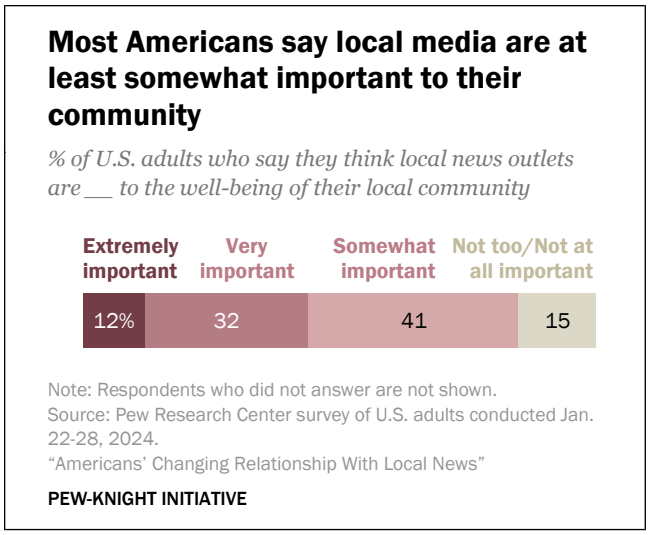
Source: Gallup/Knight American Views Survey, Part 2, 2023

And while trust in news overall continues to decline, a January 2024 survey by Pew found that most U.S. residents still say that local media are at least "somewhat" important to their community. Even given that perceived importance, a declining percentage of respondents said they follow local news closely, 22% compared with 37% in 2016, a trend that holds true across demographic groups based on age, race/ethnicity, education level and political party. And as traditional outlets decline, Pew found that nearly three quarters of respondents say they often or sometimes get local news from friends, family and neighbors, higher than any other source of local news.[11]

9 News Platform Factsheet, Pew Research Center, November 15, 2023, https://www.pewresearch.org/journalism/fact-sheet/news-platform-fact-sheet/.

10 Gallup, Knight Foundation, "American Views 2022: Part 2" (January 2023), https://knightfoundation.org/wp-content/uploads/2023/02/American-Views-2022-Pt-2-Trust-Media-and-Democracy.pdf.

11 Elisa Shearer, Katerina Eva Matsa, Michael Lipka, Kirsten Eddy, and Naomi Forman-Katz, "Americans' Changing Relationship with Local News," Pew Research Center, May 7, 2024, https://www.pewresearch.org/journalism/2024/05/07/americans-changing-relationship-with-local-news/.



Source: Pew Research Center, Pew-Knight Initiative, 2024

Methodology

This assessment includes data gathered from newsrooms participating in grantee interventions from various points in time in the years 2019 through 2023. For newsrooms that participated in interventions in 2020 or 2021, we have analyzed long-term change using baseline data from 2020 or 2021 through 2023. For newsrooms that participated in programs in 2023, we are assessing short-term change from 2022 through 2023. 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 full year (beginning and end). The comparative tables only include organizations for which we have complete sequential data. The number of organizations is included in each table in the grantee sections.

We have data from 188 unique organizations, 58% of which participate in more than one grantee program. With the exception of the analysis for LION's sustainability audits, the criteria for inclusion in the dataset was for the newsroom to serve either a statewide audience or smaller. Global, national and thematically focused newsrooms are not included in the dataset. The chart below shows the total number of news organizations for which we have at least some data.

News organization financial data does not exclude any revenue generated from the Knight Foundation grantee interventions. For example, AJP newsrooms' revenue is inclusive of AJP grants, and BloomLab news organizations' revenue includes BloomLab stipends. Because the majority of newsrooms are participants in more than one intervention, it was not possible to isolate and remove the grantee investments in these newsrooms. Furthermore, the investment schedules do not match an annual calendar and investments vary over years. Finally, given the ability to see change over the long term, including post-grantee investment in newsrooms, the initial revenue bump will be resolved over time.

The seven grantee programs included in this assessment have different start dates. For example, BloomLab launched in 2022, while LION was a grantee at the start of this assessment in 2020, but only began its sustainability audits—the intervention that is the focus of our assessment—at scale in 2022.

Given the differences in grantee programming timelines, as well as in start dates of Knight Foundation investments in the grantees, the long-term data we have for newsrooms in each program varies. The tables below present the number of newsrooms for which we have long-term data for each program in terms of audience (as measured by digital average monthly users) and revenue. The white boxes with dash marks indicate that either a) the sample is too small to draw meaningful conclusions or b) newsrooms are tagged for a grantee but had not yet participated in cohort activities. For example, there are many LION members for which we have 2020 and 2021 data but that did not participate in a sustainability audit until 2022 or 2023; these organizations would only appear in analysis of LION's work for 2021–23 or 2022–23. It should also be noted that newsrooms for which we have 2020 data saw a large bump in DAMU in that year due to the COVID-19 pandemic, racial and social justice movements and a national election. This bump impacted our analysis of long-term change for the 2020–23 time period.

NUMBER OF NEWSROOMS REPORTING DATA

AUDIENCE (DAMU)

GRANTEE	2019–23 COMPARISON	2020–23 COMPARISON	2021–23 COMPARISON	2022–23 COMPARISON
AJP	–	13	5	24
BLOOMLAB	–	–	–	12
CCM	–	–	–	23
INN	–	–	12	91
LION	–	–	9	106
NRH	–	–	4	33
SPS	–	–	4	13

REVENUE

GRANTEE	2019–23 COMPARISON	2020–23 COMPARISON	2021–23 COMPARISON	2022–23 COMPARISON
AJP	9	13	18	26
BLOOMLAB	–	–	–	25
CCM	–	–	–	31
INN	–	–	43	69
LION*	–	–	–	–
NRH	–	–	18	28
SPS	–	–	7	9

*We also have revenue data from 2021 to 2022 for sustainability audit participants.

III. Investments, Grantees and Interventions

This assessment includes seven unique grantee interventions supported by Knight Foundation, all of which are designed to contribute to sustainability for local news organizations.

American Journalism Project

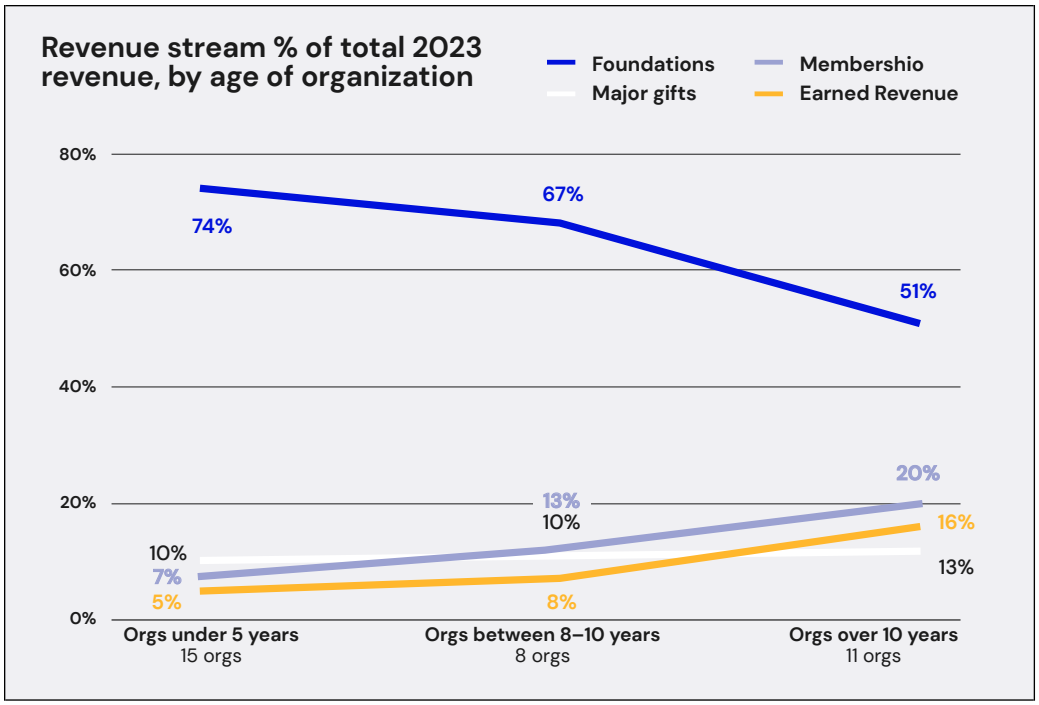
The American Journalism Project (AJP) is successfully building news organizations' capacity for operations, administration and business development. Nine newsrooms who were AJP grantees in 2019 experienced an average revenue increase of 407.5% from 2019 through 2023. From 2022 to 2023, across 24 AJP grantees, there was an average revenue increase of 9.3%. Grantees we spoke to appreciate AJP's hands-on support, particularly through the Success Partner program, and they felt that expertise, perspective and connections were a significant value add. Interviewees suggested continuing to foster deeper connections between grantees, more tailored tools and templates to meet organizations where they are in their maturation journey and a faster pace of support and programming for organizations that are prepared to grow.

Quantitative data summary: This analysis includes data from all of AJP's 26 local newsroom grantees, including 2019–23 data for nine, 2020–23 data for 16 and 2021–23 data for six. Regional and national news organizations or startups are not included.

Since AJP launched in 2019, it has raised more than $175 million from national and local partners across the United States and has invested $55 million in 44 nonprofit news organizations across 33 states. In addition to financial investments in grantees, AJP provides "venture support to build operational strength and increase diversified revenue." According to AJP's own reporting, its grantee portfolio saw a 36% increase in revenue from 2022 through 2023 and a 58% year over year growth in the median portfolio organization's revenue.[12, 13]

AJP noted in its Annual Impact Report 2024 that there are early signs that grantees are successfully leveraging philanthropic support to build diversified revenue streams. In general, AJP is finding that early-stage organizations that have sufficient investment and operational support are able to slowly grow other revenue streams over time, such as membership and earned revenue.

12 Annual Impact Report 2024, American Journalism Project, May 28, 2024, https://www.theajp.org/about/impact/.
13 AJP's revenue growth numbers are different from those in our analysis of its local news partners because AJP includes all grantees, including five regional and national organizations and two startups.



Source: AJP Annual Impact Report 2024

In addition to supporting existing nonprofit news organizations, AJP's Startup Studio is supporting the launch of new news organizations as well as supporting ecosystems to collaborate and build resiliency. So far, the Startup Studio has launched three new organizations: Houston Landing, Signal Ohio and Free Press Indiana. These new operations are launched with a combination of local and national philanthropic investment, local advisors and specialists to develop financial and operational structures that will work in the local environment, as well as to develop early audience development and editorial strategies.

Our findings about AJP grantee revenue growth align with AJP's self-reported impact. For the 9 organizations that became AJP grantees in 2019, we found an average 407.5% revenue increase in the four years from 2019 through 2023. From 2022 to 2023, 26 AJP grantees (current and former) reported an average annual revenue increase of 9.3%.

AJP, 2019–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
TOTAL REVENUE	9	$18,694,763	407.5%	$2,077,196	407.5%	$1,978,543	399.6%

While AJP grantees as a group have been incredibly successful at growing revenue and diversifying revenue streams, digital audience growth has been more modest. From 2020 through 2023, for the 13 organizations for which we have data, there was an average decrease of 21.6% in DAMU. This is likely due to the outlier year of 2020 when audiences for news ballooned as a result of the COVID-19 pandemic, racial justice mobilizations and a national election. The median decrease of the seven

organizations that saw declines from 2020 to 2023 is 68,793, while the median increase among the six risers was comparatively smaller, 21,096. When looking at audience change from 2022 through 2023, AJP grantees reported an average increase of 0.8% and a median increase of 7.71%. While DAMU increased only slightly in 2023, newsletter subscriptions increased by an average of 20.7%, suggesting AJP news organizations are successfully building loyal audiences.

AJP, 2020–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	13	-919,724	-21.6%	-70,748	-21.6%	-24,639	-35.5%
TOTAL REVENUE	13	$19,901,646	167.6%	$1,530,896	167.6%	$1,922,241	348.6%

AJP, 2021–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	5	-427,387	-20.5%	-85,477	-20.5%	2,396	5.7%
TOTAL REVENUE	18	$15,062,077	49.7%	$836,782	49.7%	$970,195	60.2%

AJP, 2022–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	24	42,597	0.8%	1,775	0.8%	8,477	7.7%
TOTAL REVENUE	26	$6,277,426	9.3%	$241,439	9.3%	$719,338	38.6%
FULL-TIME EQUIVALENT ROLES	26	19	3.5%	0.7	3.5%	-2.5	-12.3%

AJP, 2021–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
EMAIL SUBSCRIBERS	26	128,880	20.7%	4,957	20.7%	4,620	33.9%

Over the course of 2023, AJP newsrooms reported an annual average increase of 14.3% in foundation revenue, 9.1% in individual revenue and an average decrease of 6.6% in earned revenue.[14] It's worth noting that during this time, median earned revenue increased for 18 of the 26 organizations, with a median average increase of 25.6%. The decline in average earned revenue is attributable to significant declines in a handful of organizations. The decrease in earned revenue is a reflection that earned revenue in raw numbers is small; the loss (or gain) of an individual contributor/underwriter can swing total earned revenue by a significant percentage.

14 Calculations in this report are based on calendar years. AJP's own audits of newsrooms are based on newsrooms' fiscal calendars and, as such, could differ slightly from those in this report.

AJP REVENUE BREAKDOWN, 2022–23

	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
FOUNDATION FUNDING	$4,955,708	14.3%	$190,604	14.3%	$171,697	14.5%
INDIVIDUAL GIVING	$3,437,001	16.1%	$41,443	9.1%	$46,859	22.6%
EARNED REVENUE	-$271,291	-2.8%	-$25,172	-6.6%	$25,803	25.6%

Since AJP began grantmaking in 2019, there has been consistent improvement in the revenue mix of grantee organizations, meaning every year more grantees report having more diversity in revenue streams. In 2023, 41.3% of grantees achieved three or more revenue sources, with no single source accounting for greater than 60% of total revenue. This outcome is nearly an ideal scenario in the nonprofit sector, and if this trend continues, can be applied to other newsrooms.

AJP REVENUE MIX

	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	
2019	6	66.7%	2	22.2%	1	11.1%
2020	3	20.0%	9	60.0%	3	20.0%
2021	8	32.0%	14	56.0%	3	12.0%
2022	10	35.7%	14	50.0%	4	14.3%
2023	9	31.0%	8	27.6%	12	41.3%

Benefits and Impact

Grantees highlighted both how AJP grant money helped them transform their organizations and how the AJP team brought valuable expertise, perspectives and connections.

One newsroom said the grant money allowed them to hire their first development director, and by 2023, their budget had quadrupled from $500,000 to $2 million. Grantees expressed appreciation for how high touch AJP is, especially with regards to the Success Partner program, which matches each grantee with an AJP team member who serves as a mentor or coach to meet on a regular basis. The Success Partners almost act as consultants, helping newsrooms strategize and providing deep insight, grantees said.

Grantees emphasized how AJP added "collective brainpower" to their teams and how they are deeply engaged with newsrooms despite being external. Grantees also highlighted how AJP has provided critical connections to other organizations and resources and even given them an additional grant to hire a consultant. One grantee said AJP connected them with an organization that conducted an operational assessment for them.

BloomLab

The Knight x LMA BloomLab launched in summer 2022 as a three-year initiative aimed to foster sustainability for Black-owned/operated local media through technology adoption by providing $50,000 per newsroom toward tools for digital revenue and audience growth, including branded content, newsletters, membership and marketing services. From 2022 through 2023, newsrooms that participated in BloomLab reported an average annual revenue increase of 2.8% and an average DAMU increase of 3.8%. Participants said that learning about the breadth of tools available to them was critical and has helped them improve efficiencies in their newsrooms and diversify their revenue. However, some cited challenges with implementing tools and technology, especially in small newsrooms where staff are already wearing many hats.

Quantitative data summary: We have included data for 25 of 25 BloomLab newsrooms from 2022 through 2023.

The Knight x LMA BloomLab focus areas are on technology upgrades, business transformation consulting and shared learning opportunities. A core goal of BloomLab is to support Black publishers to strengthen their digital presence and operations in order to diversify revenue in anticipation of withering advertising revenue. 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 participated in Local Media Association's Word in Black initiative, a groundbreaking collaboration of the nation's leading Black news publishers. In 2023, BloomLab initiated the third cohort of eight publishers, though one—the Miami Times—dropped out before receiving any stipends, leaving BloomLab's active roster at 25. Critically, BloomLab staff serve as consultants to newsrooms, tailoring their services and support to meet organizations where they are.

According to BloomLab's own analysis, from 2022 through 2023, newsrooms experienced 15% growth in digital revenue and 15% growth in philanthropic revenue, contributing to a total growth of 3% in revenue, even as advertising revenue decreased during the same time period.[15]

In 2023, BloomLab's newsrooms reported an average annual revenue increase of 2.8% and an average DAMU increase of 3.8%. In the same year, newsrooms reported an average increase of 6.7% in email subscribers.

BLOOMLAB, 2022–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	12	28,310	3.8%	2,359	3.8%	-4,894	-7.4%
TOTAL REVENUE	25	$1,136,782	2.8%	$45,471	2.8%	-$6,684	-0.5%
FULL-TIME EQUIVALENT ROLES	16	5.0	1.9%	0.3	1.9%	1.0	6.9%

15 Knight x LMA BloomLab Year 2 Impact Report, June 26, 2024, https://localmedia.org/2024/06/knight-x-lma-bloomlab-year-2-more-growth-more-impact-for-black-owned-local-media/.

BLOOMLAB, 2022–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
EMAIL SUBSCRIBERS	10	10,543	**6.7%**	1,054	**6.7%**	2,875	**23.1%**

BloomLab collects revenue information from newsrooms according to two revenue streams: charitable revenue and earned revenue.[16] From 2022 through 2023, there was an average annual increase of 4.3% in charitable revenue and an average 1.9% increase in earned revenue. In conversations with newsrooms, one said that while they experienced a big bump in advertising following the murder of George Floyd because the "consciousness of the U.S. changed," they are now finding that people are tired of engaging with racial justice in that way and that advertisers are again only focused on page views and click-throughs. Three out of four interviewees spoke about events as a potential revenue stream to develop in the near future. And while charitable revenue increased from 2022 to 2023, 92% of BloomLab grantee news organizations were dependent upon one primary source of revenue that accounted for greater than 80% of total revenue during that year.

BLOOMLAB REVENUE BREAKDOWN, 2022–23

	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
CHARITABLE REVENUE	$427,875	**14.8%**	$6,293	**4.3%**	$31,761	**32.3%**
EARNED REVENUE	$708,907	**1.9%**	$28,356	**1.9%**	-$13,752	**-1.3%**

BLOOMLAB REVENUE MIX

	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	
		TOTAL CHANGE		TOTAL CHANGE		TOTAL CHANGE
2022	18	**94.7%**	1	**5.3%**	0	**0.0%**
2023	23	**92.0%**	2	**8.0%**	0	**0.0%**

Benefits and Impact

Participants emphasized that learning more about what technology and opportunities for digital revenue were available to them was a highly valuable aspect of BloomLab. Participants also noted that combining training and funding was critical to their success in the program. One participant said they have been through a lot of accelerator programs but thought "BloomLab was the best" because it offers the unusual combination of both training and funding, and they saw tangible results from their participation.

16 There are not enough data points to calculate individual subscriptions or individual giving.

In some cases, BloomLab is introducing and helping to facilitate digital transformation and increasing digital revenue to newsrooms who have never received training or exposure to either before. One such newsroom said that participation gave them hope that they could achieve sustainability, especially as they were seeing their team shrink and their ad revenue decrease, and that the program was a lifeline for them.

Newsrooms also described how BloomLab has helped them increase efficiency and reallocate resources to things like audience engagement. Spending less time thinking about their tech stack has meant they can devote more to content and their membership program, one newsroom said. Another participant said they learned how to use technology to do what it would have taken three or four of their staff to do.

Center for Community Media

The Center for Community Media (CCM), housed within the Craig Newmark Graduate School of Journalism at City University of New York, serves as a hub of information, resources and training aimed at increasing the sustainability of this news media sector based in New York City and across the United States. In 2023, organizations that are served by CCM reported an average annual revenue increase of 13.9% and an average increase of 49% in staff size (6.1 full-time equivalent roles). Newsrooms highlighted the benefits of a variety of CCM trainings and resources and recommended further advocacy for fair distribution of government advertising budgets and additional resources for areas such as grant applications, legal assistance and business strategy.

Baseline quantitative data summary: We have included data for 24 CCM newsrooms from 2022 through 2023.

CCM serves news organizations that provide essential local coverage for populations whose voices and issues are underrepresented in mainstream media by offering them professional development opportunities to increase the sector's overall sustainability. CCM acts as a hub of information, resources and training aimed at increasing the sustainability of this news media sector. For example, in 2020, CCM launched the Advertising Boost Initiative to assist print and online outlets in New York City to become more effective in accessing their share of city agencies' advertising budgets. CCM has also developed three community media initiatives, the Black Media Initiative, the Latino Media Initiative and the Asian Media Initiative, which all use a combination of advocacy, convenings, training and research to strengthen and support their respective communities across the United States.

In 2023, CCM newsrooms reported an average annual revenue increase of 13.9%, with a median increase of 23.4%. Organizations invested money in capacity through hiring, reporting an average increase of 49% in total staff (6.1 full-time equivalent roles).

Average DAMU mostly stayed the same from 2022 to 2023, with an average annual DAMU increase of 0.5%. While DAMU remained static, CCM's newsrooms reported a 49.7% average increase in email newsletter subscribers, which is a sign that their efforts at digital transformation are paying early dividends.

CCM, 2022–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	23	9,377	0.5%	408	0.5%	9,756	27.9%
TOTAL REVENUE	31	$5,307,297	13.9%	$171,203	13.9%	$173,924	23.4%
FULL-TIME EQUIVALENT ROLES	31	188	49.0%	6.1	49.0%	–	–

CCM, 2021–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
EMAIL SUBSCRIBERS	20	94,417	49.7%	4,721	49.7%	2,825	25.1%

CCM's newsrooms rely on earned revenue as a primary source of income, which is unsurprising given the fact that the majority are independent for-profits. The newsrooms' revenue increase in 2023 is attributable to both foundation funding, which increased by an average of 52.7% ($160,989) and individual giving, which also increased an average of 36.2%, but this only corresponds to an average increase of $21,769 in terms of actual dollars. In 2023, the majority (70.5%) of CCM newsrooms included in this assessment continued to rely on one primary source of revenue, accounting for more than 80% of total revenue.

CCM REVENUE BREAKDOWN, 2022–23

	TOTAL CHANGE		AVERAGE CHANGE	
FOUNDATION FUNDING	$5,118,822	64.4%	$160,989	52.7%
INDIVIDUAL GIVING	$774,024	99.1%	$21,769	36.2%
EARNED REVENUE	$104,012	0.4%	$34,589	3.7%

CCM REVENUE MIX

	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	
		TOTAL CHANGE		TOTAL CHANGE		TOTAL CHANGE
2022	15	83.3%	3	16.7%	0	0.0%
2023	24	70.5%	7	20.5%	3	9.0%

Benefits and Impact

CCM trainings and resources have been useful for communicating the landscape of tools and information available to community newsrooms and best practices for applying that knowledge, as well how to navigate industry-disrupting technology, such as A.I.

While interviewed newsrooms mentioned the Advertising Boost Initiative as one of the programs they had benefited from, they also described a wide range of ways CCM has helped them move closer to meeting their sustainability goals. Newsrooms described how CCM had helped them achieve greater visibility, connected them with other resources (including an NRH coach) and provided training in how to better reach digital audiences.

One organization said they now have 200 online subscriptions after CCM assisted in setting up their digital subscription system. A legacy print outlet said CCM was critical for facilitating their digital transformation, resulting in a new arm of revenue for the publication.

Institute for Nonprofit News

The Institute for Nonprofit News (INN) provides direct assistance to its 450+ nonprofit newsroom members of all sizes and scopes through operational support and training, contributing to a 9.7% average increase in total revenue from 2022 to 2023 among a sample of 69 local newsrooms. INN also strengthens and catalyzes the nonprofit news sector by fundraising for and operating the NewsMatch campaign and training program; in 2023, INN raised more than $7 million in major donor and philanthropic support, and local newsrooms raised $6 million in local match funds and generated $47 million from individual donors. INN also gathers and shares crucial industry information through the annual INN Index and convenes its members and stakeholders at its annual INN Days conference. In our conversations, members shared that INN resources and programs have been valuable, especially NewsMatch. Some shared opportunities for improving or adding resources, such as a personal contact at INN to help them navigate resources available through INN and more resources tailored to organizations that fall between the startup and large nonprofit categories.

Quantitative data summary: We have data from 43 INN local news member organizations from 2021 through 2023, and from 93 newsrooms for 2022 through 2023. INN has a total of 223 local and 79 state outlets.

INN offers a range of resources and programs to its members, which now exceed 450 nonprofits. INN's services emphasize business support and education and include anything from fundraising skill-building and fiscal sponsorship for startups to accounting and insurance resources, as well as 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 positions itself as the backbone 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.[17] For the 2023 campaign year,

17 NewsMatch is a collaborative fundraising campaign that provides matching dollars for individual donations made during November and December.

INN secured a record $7 million from 17 foundations, and participating newsrooms raised $6 million in local match dollars and generated $47 million from individual donors.[18, 19] 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.

This study focuses specifically on INN's programs and resources for nonprofit local newsrooms. Our findings align with INN's own about changes in revenue of local news organizations over the past three years. From 2021 through 2023, we found a 40.6% average increase in revenue across the 43 INN members for which we have data. From 2022 through 2023 alone, growth was more modest, but still significant, with a 7.2% average annual revenue increase. Notably, local news INN members reported an average increase of 38.7% in staff size (4.9 full-time equivalent roles). At a time when reports of newsroom layoffs come nearly daily, the fact that nonprofit local news organizations are hiring staff is a sure bright spot.

Changes in audience among INN local news organizations from 2021 through 2023 likely reflect the tail of the COVID-19 digital audience bump that newsrooms experienced, evidenced by an average 20.5% decrease in DAMU. However, from 2022 to 2023, local news organizations reported an average DAMU increase of 0.5% and a median increase of 23.3%. That audiences were staying the same or growing as news avoidance continues to persist is a promising trend among local news INN members. INN local news members reported an average growth of 13.1% in newsletter email subscribers.

INN local members' revenue increased by an average of 40.5% from 2021 through 2023. When considering 2022 through 2023 alone, annual revenue increased by an average of 9.7%. Members also increased their staff an average of 38.7% from 2022 through 2023 (4.9 full-time equivalent roles).

INN, 2021–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	12	-576,365	-20.5%	-48,030	-20.5%	-8,192	-19.6%
TOTAL REVENUE	43	$23,038,647	40.5%	$535,782	40.5%	$600,628	77.9%

INN, 2022–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	91	72,825	0.5%	800	0.5%	7,000	23.3%
TOTAL REVENUE	69	$10,026,581	9.7%	$145,313	9.7%	$36,671	3.9%
FULL-TIME EQUIVALENT ROLES	26	398	38.7%	4.9	38.7%	4.0	40.0%

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
EMAIL SUBSCRIBERS	93	196,295	13.1%	2,111	13.1%	1,681	27.1%

18 NewsMatch directed $6 million of the $7 million (86%) in unrestricted support to INN members.
19 INN 2023 Impact Report, May 17, 2024, https://inn.org/about/our-impact/.

INN grantee revenue increases from 2022 through 2023 are largely attributable to a 22.6% average increase in foundation funding. And even as average individual giving and earned revenue decreased, newsroom revenue mix continued to improve with more than half of organizations (50.8%) reporting three or more revenue sources, with no single source accounting for greater than 60% of total revenue in 2023. This trend is promising, suggesting that nonprofit local news organizations are successfully diversifying their revenue streams as part of their sustainability journeys.

INN REVENUE BREAKDOWN, 2022–23

	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
FOUNDATION FUNDING	$10,915,253	22.6%	$165,383	22.6%	$134,452	40.8%
INDIVIDUAL GIVING	$12,001,353	46.6%	-$15,959	-5.0%	-$5,153	-4.1%
EARNED REVENUE	-$1,109,216	-6.6%	-$14,221	-5.0%	$840	1.3%

INN REVENUE MIX

	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	
		TOTAL CHANGE		TOTAL CHANGE		TOTAL CHANGE
2021	8	28.6%	14	50.0%	6	21.4%
2022	8	19.0%	24	57.1%	10	23.8%
2023	13	21.3%	17	27.9%	31	50.8%

Benefits and Impact

INN local news members highlighted access to NewsMatch as a benefit to their organizations, allowing them to increase their fundraising significantly and expand their donor base. One member newsroom said that, while they just barely made their match in 2022, they exceeded it by more than double in 2023. Another said that NewsMatch itself has helped new donors find them.

Members also highlighted the value of INN webinars and training and said that INN's reports provide useful benchmarks that help them set goals and understand where they are relative to their peers.

One newsroom also described the importance of the Rural News Network, including network convenings and how RNN's newsletter roundups of network organizations' reporting has brought new eyes to their work.

Newsrooms appreciated that INN staff have high availability, especially considering the number of members they are supporting, and one newsroom said they recommend news organizations that are not yet 501(c)3s set up a fiscal sponsorship fund through INN because their team adds so much capacity and expertise.

Local Independent Online News Publishers

Since 2019, Local Independent Online News (LION) Publishers has built out its own organization, including operations and programming, while simultaneously growing its membership to more than 550 local, independent online news organizations in the United States and Canada. LION's services focus on supporting independent news publishers to develop more sustainable businesses, particularly through services like LION's sustainability audits. From 2021 through 2022, newsrooms that participated in sustainability audits reported an average revenue increase of 40.1%. Participants appreciated that the report was specific and actionable and 2023 grantees described how they put audit recommendations in place. They emphasized the importance of LION offering funding alongside the audit process to ensure they have the bandwidth to focus on sustainability and implement change.

Quantitative data summary: The revenue analysis is for 92 sustainability audit and update participants for the years 2021 and 2022. Revenue data from 2023 is unavailable due to the timing of LION's data collection. This group includes Canadian and non-local newsrooms. Audience data is for 2022 to 2023, does not include Canadian or non-local newsrooms and is complemented by newsrooms that are associated with other grantee programs but did not participate in a sustainability audit.

LION focuses its programming on efforts to help its members build and run better businesses, as measured by financial sustainability, organizational resilience and journalistic impact. LION's programming includes offerings like the Entrepreneur Academy and Community, which provides free, asynchronous courses to its members as well as community connection to share best practices and learnings. LION has also developed a clear definition of the components of sustainability, as well as a robust approach to organizational sustainability audits, which provide a detailed assessment of a news business and expert recommendations and resources to help enhance organizational sustainability. In 2022 and 2023, LION conducted 175 sustainability audits and 96 progress reports (12-month follow-up assessments to the audits), enabled in part by Knight Foundation support.

From 2021 through 2022, LION members that participated in sustainability audits reported an average revenue increase of 40.1%. LION sustainability audits do not provide revenue with breakdowns according to source, meaning we were unable to calculate revenue mix. Organizations increased their staff sizes together with revenue, with an average increase of 40.8% (4.9 full-time equivalent roles).

From 2022 to 2023, DAMU remained static among LION members, with a reported decrease of 0.9%, although the median change was an increase of 28.8%.

LION

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU (2022–23), all	106	126,400	0.9%	1,192	0.9%	10,035	28.8%
TOTAL REVENUE (2021–22), sustainability audit	92	$8,976,793	40.1%	$97,574	40.1%	$52,427	54.7%
FULL-TIME EQUIVALENT ROLES (2022–23), all	120	586	40.8%	4.9	40.8%	–	–

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
EMAIL SUBSCRIBERS (2022–23), all	115	278,971	18.7%	2,426	18.7%	2,300	48.9%

Benefit and Impact

In conversations with newsrooms that had participated in or are currently undergoing a sustainability audit, interviewees shared how the combination of both the grant money and an in-depth and personalized audit were highly valuable for allowing them to move toward greater sustainability. While the grant was a motivator for some to apply, newsrooms also said it was critical in freeing up space for them to think about sustainability.

Interviewees at different stages in the audit process said they found the questionnaire thorough and useful for helping them understand what they have done well and where there are still gaps. Newsrooms found sessions with coaches useful and their audit reports specific and actionable.

Newsrooms that underwent the audit in 2023 have worked to put the findings into practice and they again emphasized that offering funding alongside training was key to making that possible. One grantee described how the audit led them to rework subscription pricing, redesign their website and hire a full-time ad salesperson. The changes brought about a significant boost for the newsroom, the grantee said, and the new salesperson turned around their advertising revenue. Knowing there was grant money on the way helped them feel confident enough to do the search and make the hire, they said.

While grantees said report findings were often not complete surprises to them, they said it helped them better understand the benefits of making changes and filled out the roadmap of what they needed to do next.

News Revenue Hub

Hub Services

News Revenue Hub's Hub Services (NRH) has successfully helped news organizations build membership pipelines, contributing to an average revenue increase of 11.5% from 2022 through 2023. Interviewed newsrooms appreciated the quality of the support they received from NRH and suggested ways that the organization could add programming or capacity to help newsrooms take greater advantage of the RevEngine fundraising software.

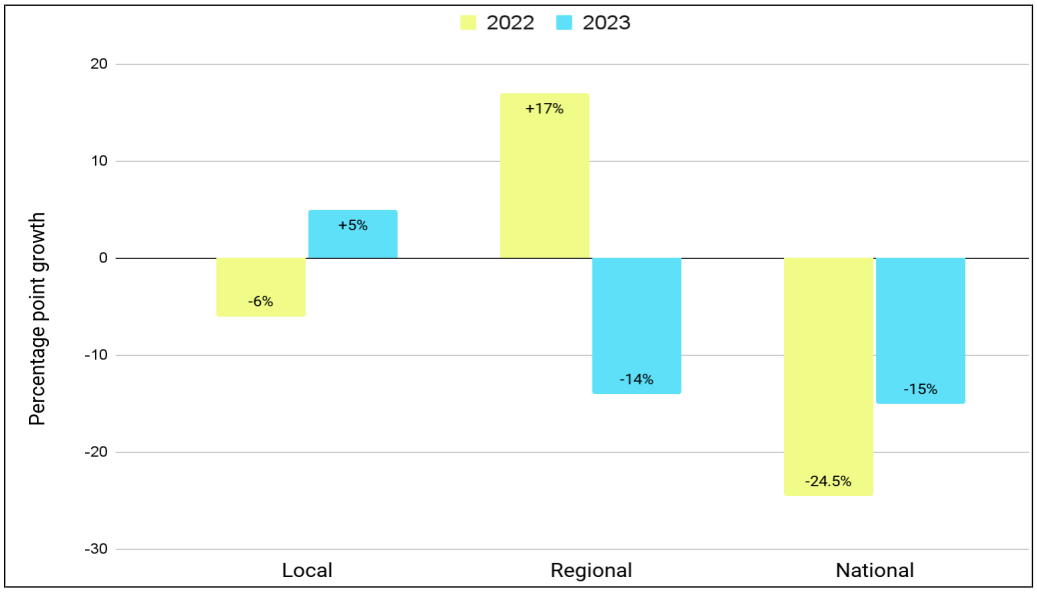
Quantitative data summary: We have data from 34 NRH local news members from 2022 through 2023.

NRH provides consulting and technology services to its members. The consulting services use a "funnel" model of converting casual readers into financially supportive members. Technology services include use of NRH's tech stack tailored for small nonprofit newsrooms.

NRH has 70 members and has expanded its reach beyond those members with the launch of RevEngine, whose services are designed to provide the technological infrastructure for successful fundraising and audience development. There are currently three tiers of the service available: a free tier with out-of-the box products for receiving donations and two paid tiers with CRM (customer relationship management) and email distribution integrations as well as optional consulting services. In 2023, NRH partnered with Online News Association to expand its membership and service offerings, and, as of March 2023, 160 newsrooms are using the RevEngine software package.

In 2023, NRH found that client web traffic increased by five percentage points compared with a 6% decline in 2022. This is especially notable given the double-digit decreases in client traffic for regional and national hub clients seen in 2023.

NRH CLIENT TRAFFIC IN 2023 (MEDIANS)



Source: 2023 Hub Newsrooms Audience Insights[20]

20 2023 Hub Newsroom Audience Insights, https://docs.google.com/presentation/d/1Iv5q0ElmyN7VklhDSfFyDNzV-WGQxfcdjWpJgkbl7no/edit#slide=id.g2b925847435_1_21.

NRH continues to see the value of email lists for newsrooms to convert casual audience members to paying members. In 2023, NRH reported that newsrooms grew their email lists by an average of 14% and that the median newsroom acquisition rate—the percentage of monthly unique visitors that become email subscribers—was 20%. Interestingly, NRH found that organic leads still outperform paid acquisition leads because they are more engaged, more likely to stay subscribed and more likely to support newsrooms financially.

In 2023, across all NRH members, the individual donor count was flat, while revenue increased by 12%, driven by a 12% increase in annual gifts (average of $144) and an 8% increase in average recurring gift amounts (average of $13).[21]

Among only the NRH's local newsroom members for which we have data (28), we found an average revenue increase of 11.5% from 2022 through 2023. Based on data from the 33 NRH members for which we have audience data, we found an average 2.9% decrease in DAMU for 2023. We found an average increase of 7.1% in email subscribers among NRH's local news members from which we have data.

Following increased revenue, NRH members reported an average increase of 51.5% in staff size (8.8 full-time equivalent roles). This growth in staff size suggests confidence that the revenue is sustainable, as well as an immediate investment of new resources into organizational capacity.

NRH, 2021–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
TOTAL REVENUE	18	$12,732,395	35.1%	$707,355	35.1%	$382,481	23.8%

NRH, 2022–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU (2022–23), all	33	-262,720	-2.9%	-7,961	-2.9%	-1,166	-1.1%
TOTAL REVENUE (2021–22), sustainability audit	28	$6,013,052	11.5%	$214,752	11.5%	$143,677	11.0%
FULL-TIME EQUIVALENT ROLES (2022–23), all	32	280	51.5%	8.8	51.5%	0.8	4.9%

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
EMAIL SUBSCRIBERS (2022–23), all	31	56,598	7.1%	1,826	7.1%	3,200	22.5%

21 Recurring donations are generally monthly.

In 2023, NRH members reported an average annual increase of 34.5% in individual giving, a positive outcome given the specific goals of NRH programming to help organizations move audience members from casual consumers to paying members. In both 2022 and 2023, more than half of NRH members included in this assessment reported three or more revenue sources, with no single source accounting for greater than 60% of total revenue.

NRH REVENUE BREAKDOWN, 2022–23

	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
FOUNDATION FUNDING	$4,619,371	20.3%	$171,088	20.3%	-$73,868	-10.0%
INDIVIDUAL GIVING	$7,403,725	59.6%	$99,826	34.5%	$2,561	1.7%
EARNED REVENUE	$486,447	4.9%	$3,352	0.8%	-$27,928	-27.7%

NRH REVENUE MIX

	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	
	NUMBER OF NEWSROOMS	% OF NEWSROOMS	NUMBER OF NEWSROOMS	% OF NEWSROOMS	NUMBER OF NEWSROOMS	% OF NEWSROOMS
2022	1	14.3%	2	28.6%	4	57.1%
2023	5	17.3%	9	31.0%	15	51.7%

Benefit and Impact

NRH RevEngine users and consulting clients spoke to the value and quality of advice they received from the RevEngine team. One NRH newsroom client, whose organization received support on everything from the technical to the financial, as well as some fundraising support, said it helped them create resources for their organization's growth. A RevEngine user and consulting client said that they credit NRH in large part for their significant membership revenue this year, and they see the quality of NRH's advice and collaboration as even more valuable than the technology.

Responses from newsrooms that are newer to RevEngine suggest the importance of tracking long-term impact of the software. One newsroom that began using the RevEngine Core product in 2023 said that it was too early to tell the impact the software would have, though they did see a slight increase in the money they raised in 2023 compared to the year before, and that 2024 would give them a better sense as they have made other updates to their tech stack. Another user, who started out in the free RevEngine tier and switched to the paid Core tier, said they found integration with Mailchimp especially useful and noted that their reader revenue program is still relatively new and remains a supplemental revenue stream for them, but it has potential.

Sustainable Publishing Solutions

July 2021–January 2023

Sustainable Publishing Solutions (SPS) works to successfully help news organizations implement new technology platforms to remain competitive, grow audiences and improve workflow. In 2023, local newsrooms that had participated in SPS reported an average DAMU increase of 11.6% and a similar 12% average increase in revenue. While newsrooms said the SPS program was critical for accessing new technology, they said they would benefit from continued support and more resources for implementation.

Quantitative data summary: We have data from seven SPS local newsrooms from 2021 through 2023 and 13 SPS newsrooms from 2022 through 2023.

News Revenue Hub continued to administer SPS grants through the end of 2022. It did not run the program in 2023. We have included long-term data from SPS participant newsrooms in this assessment.

While SPS was not designed specifically to increase audience size or revenue in the short term, it was built on the premise 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, SPS grantee newsrooms had access to training led by NRH on how to utilize and leverage business and audience development tools and strategies (see previous section with respect to NRH's Hub Services).

From 2021 through January 2023, SPS newsrooms reported an average revenue increase of 28.8%, with the median being a 5.9% average increase. While we only have data from seven newsrooms, for this time period this trend does suggest that, over the longer term, new technology contributes to increased revenue.

From 2022 through 2023, nine newsrooms that participated in SPS collectively experienced an average increase of 12% in revenue, with a median increase of 46.8%. Among those nine newsrooms, six experienced revenue increases, ranging from about $49,000 to $285,000, while the three newsrooms that saw decreases ranged from about $6,000 to $70,000. There were more increases than decreases, and the increases tended to be larger, which helps explain the substantial difference between average change and median change. From 2022 through 2023, SPS newsrooms reported an average DAMU increase of 11.6%, with a median of 2.7%. During this time, SPS newsrooms experienced an average increase of 18.5% in newsletter subscribers.

SPS, 2021–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
TOTAL REVENUE	7	$1,089,179	28.8%	$155,597	28.8%	$25,757	5.9%

SPS, 2022–23

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
DAMU	13	46,843	11.6%	3,603	11.6%	404	2.7%
TOTAL REVENUE	9	$771,549	12.0%	$85,728	12.0%	$264,085	46.8%
FULL-TIME EQUIVALENT ROLES	12	84	85.9%	7.0	85.9%	7.3	108.2%

	REPORTING	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
EMAIL SUBSCRIBERS	11	13,193	18.5%	1,199	18.5%	3,718	79.4%

SPS REVENUE BREAKDOWN, 2022–23

	TOTAL CHANGE		AVERAGE CHANGE		MEDIAN CHANGE	
CHARITABLE REVENUE	$869,206	18.3%	$96,578	18.3%	-$23,788	-5.0%
EARNED REVENUE	-$77,657	-4.6%	-$9,707	-4.6%	-$1,416	-2.3%

Benefit and Impact

Interviewed SPS grantees were able to use the funding to support updates to their tech stacks to better tailor them to their needs. One newsroom that received a grant in 2022 said the money was critical for moving to Newspack, while another used the grant to move to a central WordPress site that allowed them more flexibility for growth and developing a backend API.

Another grantee appreciated the flexibility of the grant, allowing their newsroom to explore a new social media tool even though SPS has typically supported new content management systems. While the grantee discovered the tool was not ideal for the needs of and content produced by their newsroom, they emphasized that the experience left them with knowledge they were able to share with their networks.

IV. Conclusion

After four years of implementation, this assessment is beginning to surface the short- and long-term impact of Knight Foundation's investments in local news sustainability. Notably, newsrooms that participate in Knight Foundation grantee interventions continue to experience annual average revenue growth. And newsrooms that participate in more than one grantee intervention demonstrate more growth. In other words, participating in multiple sustainability programs has an additive effect with respect to revenue.

For newsrooms that are at the beginning of their digital transformations, it will be important to continue observation to see if those that have participated in only one program that experienced significant DAMU growth in 2023 continue on this trajectory or if digital audience growth slows, plateaus or even declines, as is happening with many other local media organizations.

While charitable revenue remains the largest contributor to growth overall, news organizations are demonstrating successful revenue diversification, especially nonprofit newsrooms. In some interventions, more than half of participating newsrooms have three or more significant revenue sources—with no revenue source accounting for more than 60% of total revenue. This is a promising trend that deserves following in the coming year.

And both nonprofit and independent for-profit local news organizations are reinvesting their new revenue in their organizations, growing staff at a time when news organizations across the United States are cutting positions.

Finally, while audience growth was minimal in 2023, as measured by DAMU, it bucked the sector-wide trend of audience shrinkage.

IV. Appendices

Appendix A: Newsroom 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 (membership/subscriptions).
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 (membership/subscriptions).
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.
Full-time equivalent roles	Number of full-time employees on payroll in calendar year.
Staff size, number contractors/part-time	Number of part-time employees, contractors and/ or freelancers.

Appendix B: Grantee Interventions

KNIGHT FOUNDATION INTERVENTION HYPOTHESES BY GRANTEE

	Grantee intervention will result in:	AJP	BLOOMLAB	CCM	INN	LION	NEWS REVENUE HUB	SPS
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	–	✓	✓	✓	✓	✓	✓

Appendix C: Grantee Program Combinations and Number of Newsrooms

SINGLE INTERVENTION

GRANTEE PROGRAM COMBINATIONS	NUMBER OF NEWSROOMS
LION	48
INN	11
BLOOMLAB	4
CCM	4
AJP	2
NRH	0
SPS	0

MULTIPLE INTERVENTIONS

GRANTEE PROGRAM COMBINATIONS	NUMBER OF NEWSROOMS
INN; LION	30
BLOOMLAB; CCM	15
INN; NRH; LION	12
INN; NRH; LION; AJP	8
INN; AJP	6
CCM; INN; LION	6
INN; SPS; LION	6
INN; LION; AJP	5
CCM; LION	4
INN; NRH	4
SPS	3
INN; NRH; AJP	3
BLOOMLAB; CCM; LION	3
CCM; INN; LION; AJP	3
BLOOMLAB; LION	2
CCM; INN	1
CCM; NRH	1
INN; SPS	1
INN; SPS; NRH	1
BLOOMLAB; CCM; INN; LION	1
CCM; INN; NRH; LION	1
INN; NRH; SPS; LION	1
CCM; LION; AJP; INN; NRH	1
CCM; LION; SPS; INN; NRH	1