

**Colorado's Digital and
Nonprofit Media Landscape:
2018 Benchmark Report**

**A Product of the
Colorado Media Project**

September 2018

**Michele McLellan
Survey Design and Data Analysis**

**Alan Gottlieb and Andrew Elliman
Media Landscape Report and Interviews**

Published Thanks to Support from

**Gates Family Foundation
Institute for Nonprofit News
Democracy Fund**

Introduction

As Colorado's newspapers have reduced their reporting staffs and coverage in recent years, a growing number of nonprofit digital-only news outlets have been launched by journalists. Some new, for-profit outlets have appeared on the scene as well.

These outlets frequently produce high-quality journalism. But their long-term viability remains an open question, because many lack the business-side operations and expertise to move toward sustainability.

In July 2018, the Colorado Media Project, in partnership with the Institute for Nonprofit News (INN), set out to learn more about the state's local news landscape, surveying 14 independent news outlets in Colorado to gain information about their mission, coverage topics, audience, staff size, business model, and more.

Eight of the respondents are nonprofit businesses, and six are for-profit. All but two are digital natives – born online, never in print. All are financially fragile to varying degrees. In fact, as this report was being produced, Confluence Denver – a for-profit site covering “the people, ideas and innovators creating a world-class city desirable to the creative class” – ceased operations. One notable new entrant into the field – The Colorado Sun – did not participate in our survey because it was still developing its business plans in preparation for its September 2018 launch. And at the time of this report's publication, a third outlet was grappling with an uncertain future after its single staff member announced plans to take a job opportunity at another local news outlet.

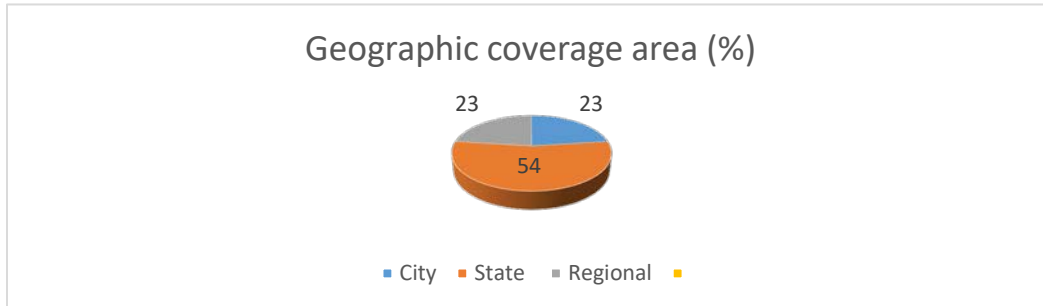
Going forward, we hope this study can be used as a benchmark to track the evolution of local, digital journalism in Colorado.

To augment this survey, the Colorado Media Project conducted a series of in-depth interviews with many of the news entrepreneurs who lead these organizations. In those conversations, several of these journalists recognized a need for help in developing revenue strategies and innovative ways of building audiences. They also indicated a strong desire for opportunities to collaborate with other digital outlets. Some of their key quotes are included in the “Analysis” section below.

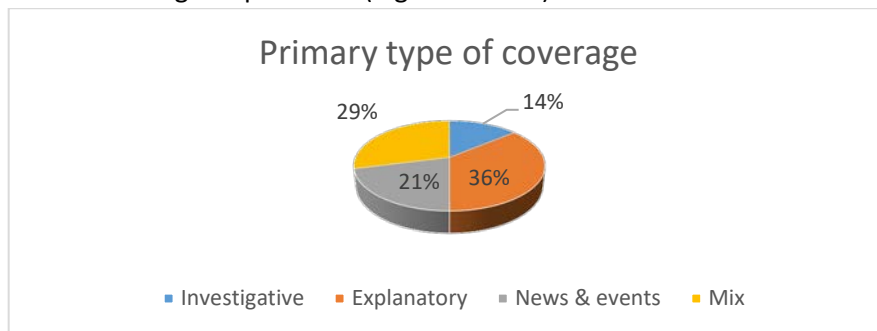
This paper presents some high-level findings from the survey and interviews, followed by some observations about areas where most if not all of these organizations need to invest for long-term viability. Following that, we list Colorado digital media outlets, with a brief description of each.

Survey Findings

- **Geographic scope:** Half of the Colorado news organizations surveyed are focused on coverage of the state, while the remainder divide equally – covering a city or a region of the state (some including state government coverage).



- **Topic focus:** Two-thirds cover multiple topics, while the other third is focused on a single topic such as education or environment.
- **Mission:** The organizations represent a diverse mix of journalistic missions – investigative, explanatory, news and current events. One-third are explanatory/analysis; all but one of these organizations is also a single-topic outlet (e.g. education)



- **Revenue:** Total annual revenue for 12 organizations that provided data was \$74.2 million. However, the two largest organizations (by revenue) account for \$71.4 million. After removing those two organizations, average annual revenue of the remaining 10 organizations is \$255,700, and the range is from \$7,200 to \$1.05 million.
- **Revenue sources:** There does not appear to be a dominant revenue model or models – or a high degree of revenue diversity. This circumstance is not unusual among such a young group of organizations. The following chart shows the number of organizations among 12 providing data that have a specific type of funding:

Charitable		
Foundation	8	67%
Donations – Large	6	50%
Donations - Small	6	50%
Membership	3*	25%

**2 of 3 are public media*

Earned		
Advertising	1	8%
Sponsorships	4	33%
Events	3	25%
Syndication	2	17%

Of the organizations that responded to revenue questions:

- 4 rely on foundation funding for 75% or more of total revenue
 - 3 rely on donations/membership for 75% or more of revenue
 - 1 relies on earned sources for 75% of revenue; 1 other relies on earned sources for 50 percent or more revenue.
- **Revenue generation:** Spending to develop revenue is low, averaging 18 percent of total budget across the nine organizations responding. Five organizations spend less than 10 percent on revenue generation.
 - **Staff demographics:** Eight organizations responded, reporting a total of 66 employees. Staffs overall lack racial and ethnic diversity.

Gender	Number	Percentage
Female	35	53%
Male	31	47%
Race/Ethnicity		
American Indian	2	3%
Asian	2	3%
Black	1	2%
Hispanic	6	10%
White	52	83%

- **Distribution:** About half (four of nine) outlets primarily reach their audiences through direct distribution on their websites. All of the organizations have at least some third-party distribution, and it is the primary method for three – two via a print publication and one via broadcast.
- **Collaboration:** Three-quarters of the publications (nine of 12) collaborate with other publications.
- **Collaboration frequency:**

Monthly or more often	4	31%
1-4 times a year	3	23%
Less than once a year	2	15%
Never	3	23%

Analysis

This benchmark survey surfaces a number of challenges and opportunities for the emerging field of digital journalism in Colorado. The data reveals that most of these organizations need:

- **More start-up support:** The field as a whole is very young; two-thirds of the responding organizations launched between 2015 and 2018. This younger cohort in particular would benefit from significant capacity-building in a variety of areas, especially the business side. “Just as journalists aren’t comfortable asking for money, nonprofits haven’t fully figured out how to invest in journalism,” one digital journalist said during our interviews.
- **More focus on revenue generation:** Younger organizations often need specialized coaching and training to build teams with the professional capacity to capture diverse sources of revenues. The current low-level investment in revenue generation is potentially problematic. Digital journalists acknowledged the revenue challenges during our interviews. “It is almost impossible to build a sustainable local media business on ad revenue alone,” said one. Added another: “Longer-term content sponsorships are great for funding in-depth coverage, but require a ton of bandwidth to execute.”
- **Diversification of partnerships to increase reach:** Younger organizations may suffer from lack of visibility, as evidenced by low web traffic. Some are leveraging partnerships, often with traditional media, to increase distribution and raise visibility – but it’s risky to depend too heavily on traditional organizations that are shrinking. The fact that most outlets surveyed are publishing daily is an advantage. More collaborative reporting could also leverage the expertise of niche publications, fill in existing coverage gaps, and allow fledgling outlets to share innovation best practices, interview subjects told us.
- **More connection with audiences:** Lack of audience targeting is a weakness across the board. While it is important to make journalism widely accessible, developing an effective brand means strategically targeting groups and making concerted efforts to connect with them. Improving newsroom staff diversity could help with this. “Journalism has traditionally been very one-way, as in here are the stories we’re telling to you. It needs to be more two-way,” one journalist acknowledged.
- **Increased multi-media offerings to broaden appeal:** Many outlets are heavily reliant on the written word, with limited use of video and audio, including podcasts. Our research shows that audiences, particularly younger people, are drawn to multimedia news offerings.
- **Enhanced social media use to boost engagement:** Social media is a critical tool for engaging audiences. But across Colorado’s digital media outlets, use of social media tends to be uneven and of varying quality and frequency.

A Vision for the Future

Following its summer of study, the Colorado Media Project proposed creating a Colorado News Lab to serve the state's news organizations in a variety of ways. In other states, similar labs have helped to support an ecosystem where independent but connected outlets can develop skills and plans for building sustainable revenue, innovate with technology, and develop loyal audiences, helping them thrive over the long term.

More is online at: www.coloradomediaproject.com.

APPENDIX

Colorado's Digital News Outlets in 2018

Over the past decade, and especially in the past few years, local and statewide digital-only alternatives to traditional print and broadcast media have appeared on the scene. Their presence does not replace what has been lost, but it has helped to stem the erosion of newsgathering capacity. These outlets include (in alphabetical order):

- **Aspen Journalism.** Founded in 2011, this “investigative and collaborative” nonprofit news site’s coverage area “radiates outward from Aspen to the Western Slope, to Colorado, to the Colorado River Basin, and to the west.” Aspen Journalism is a member of INN.
- **The Athletic.** This for-profit, subscription-based sports news site has a Denver bureau, but is international in reach, with coverage in 26 U.S. markets and seven in Canada. When it launched earlier in 2018, the Athletic-Denver recruited much of The Denver Post’s Broncos coverage team.
- **BSN Denver.** BSN is a local, for-profit, subscription-based sports network founded by Colorado natives. BSN Denver “employs ... credentialed journalists (who) travel with the teams they cover and provide exclusive interviews, locker room audio, game grades, and behind-the-scenes insight” on top of their “newly added advanced analytics department.”
- **BusinessDen.** Billed as Denver’s “new homepage for local business news,” BusinessDen is a for-profit site modeled on a successful newspaper in Richmond, Va. It was founded in 2011, and has a staff of five – three of whom are journalists. The site is subscription-based and also holds events to raise revenue.
- **Chalkbeat Colorado.** Founded in 2008 as EdNews Colorado, Chalkbeat Colorado is the western-most outpost of a national, seven-bureau education news nonprofit. Chalkbeat is “committed to covering one of America’s most important stories: the effort to improve schools for all children, especially those who have historically lacked access to a quality education. We are mission-driven, in that we believe that every child deserves an excellent education, and that a strong press is vital to making that happen.”

- **The Colorado Independent.** Founded in 2006 as part of a national network, The Colorado Independent was re-established in 2013 as “a wholly independent entity, run in Colorado by Coloradans.” It is a nonprofit digital publication that has gone through several permutations, from a progressive publication to a widely respected source of independent investigative reporting on politics and social justice.
- **The Colorado Sun.** Launched in September 2018, this for-profit site is a project of Civil, an organization using blockchain technology and “crypto-economics.” It is staffed, owned, and run by 10 experienced journalists who left The Denver Post in the spring and summer of 2018, after the news staff was reduced by a third. The Sun plans to produce “investigative, explanatory and narrative journalism.” The Sun has two years of funding from Civil, and will spend that time developing a viable business model that currently includes subscriptions, corporate sponsors, grants, and community support.
- **Confluence Denver (NOTE: CEASED PUBLICATION IN SEPTEMBER 2018).** Owned by the Detroit-based Issue Media Group, Confluence Denver was a for-profit site that published a weekly newsletter covering “the people, ideas and innovators creating a world-class city desirable to the creative class.” The site had “a specific focus on entrepreneurship, startups, place building and arts and culture.”
- **Denverite.** Denverite is a for-profit site that is part of the Spirited Media group, which also operates news sites in Pittsburgh and Philadelphia. It relies on membership, ads, and event revenue. The six-person staff aims its pithy coverage at readers under 40, covering city government, housing, transportation, sports, and nightlife.
- **Empowering Colorado.** This soon-to-launch nonprofit news site seeks to cover Colorado energy issues, including oil and gas, wind, solar, utilities, hydroelectric, and nuclear. Its fundraising website describes Empowering Colorado as “a source of multi-platform journalism developed by dedicated and experienced journalists and thought leaders.” The site is seeking diversified funding from donations, grants, events, and corporate gifts.
- **Longmont Observer.** This community-based, nonprofit news site founded in 2017 is funded primarily by donors, memberships, and sponsors. The Observer has a full-time staff of four and a stable of community contributors. The site covers city beats including education, crime, government, and nonprofits, local business news, and lifestyle news, including arts, faith, food & drink, sports, and weather.
- **The Mountain Independent.** Formerly the San Juan Independent, which covered news in and around Telluride, Ridgway, and Ouray, the nonprofit Mountain Independent has expanded coverage to include issues in ski towns across the west, from Aspen to Truckee, Calif. to Jackson, Wyo. The site aspires to produce deep-dive, explanatory and investigative pieces to complement daily coverage of local newspapers.
- **Streetsblog Denver.** This nonprofit, one-person newsroom produces advocacy journalism and commentary about safe streets, effective transit, and walkable development in the Mile High City. Streetsblog Denver is part of the national Streetsblog family of websites. Since 2006, Streetsblog has covered the movement to transform cities by reducing dependence on private

automobiles and improving conditions for walking, biking, and transit. Streetsblog Denver launched in 2015.

- **Water Education Colorado/Fresh Water News.** A new offshoot of the nonprofit Water Education Colorado, Fresh Water News is a complement to the organization's established magazine, Headwaters, and offers commentaries on its blog, Your Water Colorado.

Other Key Nonprofit Media Outlets and University Players

Colorado is also fortunate to have two financially strong, statewide public media outlets: Rocky Mountain PBS and Colorado Public Radio. In recent years, both institutions have significantly increased their commitments to covering local and state news, staffing up newsrooms and undertaking ambitious reporting projects.

Colorado Public Radio announced in the summer of 2018 that it was hiring nine additional journalists – bringing its newsroom up to 40 people, making it among the largest newsrooms in the state. “Additional staff will provide capacity to produce more Colorado news and extend the depth, variety, timeliness and anytime-anywhere access Coloradans need to understand what’s happening across the state and what it means for them,” CPR’s announcement said.

Rocky Mountain PBS has plans that go well beyond offering its own original reporting. Under the leadership of president Amanda Mountain, Rocky Mountain PBS has raised 82 percent of a \$34 million campaign to build a 68,000 square foot public media center for Colorado.

Rocky Mountain PBS envisions using its new headquarters as a hub for local media, with an office and studio space where other public media and commercial media stations can co-locate. The Associated Press has confirmed as the news hub’s anchor tenant, and seven other media organizations are considering becoming part of the collaborative workspace, Mountain said.

In addition, Greeley-based KUNC, “community radio for northern Colorado,” covers a significant chunk of the Front Range with a strong signal. It, too, has staffed up in recent years. KUNC also collaborates on projects with other independent public radio stations across Colorado.

Although it doesn’t fit neatly into the digital-only category, High Country News is a venerable, nonprofit, Paonia-based magazine (formerly a newspaper), that has increasingly morphed into an online news and commentary site, while still producing a semi-monthly print publication.

High Country News has been producing first-rate journalism on Western issues since 1970. Through in-depth reporting, High Country News covers the American West’s public lands, water, natural resources, grazing, wilderness, wildlife, logging, politics, communities, growth and other issues now changing the face of the West. High Country News covers 12 western states.

There has been movement on the academic side of the equation as well. The largest journalism program in the state is the University of Colorado Boulder’s College of Media, Communication and Information. It is another institution coming out of a period of transition. The college opened in 2015, four years after University of Colorado Regents voted to shut down and reorganize the School of Journalism and Mass Communication.

In September 2017, CU News Corps was endowed with a \$2.5 million gift from Bill and Kathy Scripps. The school has quickly been adding faculty, filling gaps in the curriculum around digital media, digital engagement and media entrepreneurship that a year ago stood out as omissions. Most recently, CU News Corps hired former Denver Post editorial page editor Chuck Plunkett as its director.

At the University of Denver, the Media, Film, & Journalism studies program offers an undergraduate journalism degree. The program also produces a weekly newspaper, The Clarion, and operates a radio station.

DU has been actively engaged in the Colorado Media Project, primarily through JB Holston, dean of the Daniel F. Ritchie School of Engineering & Computer Science. Holston has served on the project's executive team and as a thought leader on the project. A student-founded marketing and product development group, Cultivo Media, also conducted design thinking workshops and user-centric research for the Colorado Media Project, and developed, beta tested, and refined digital prototypes for the project.