

**Best Practices in Funded Journalism and Trust
in Local News Media: Perspectives from
Philanthropies, Newsrooms, and the U.S. Public**

A Journalism Funding Partners White Paper

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Introduction: Funded Journalism by Philanthropies

In recent times, local newspapers have encountered financial difficulties, particularly concerning its traditional funding source – advertising. Economic challenges, advancements in technology, and shifting consumer behaviors have prompted the need for new strategies to maintain the quality and variety of news coverage. The conventional revenue streams like ads and subscription fees are falling short in supporting the diverse and investigative journalism vital for a thriving democracy in various local communities. Consequently, with closure of local newspapers, some communities are witnessing a decrease in coverage of issues that impact them, leading to what is known as "news deserts." Amidst these hurdles, funding from foundations has emerged as a lifeline for news outlets offering resources to address societal concerns to uplift the underrepresented voices in the various communities and encourage informed civic participation

The influence of philanthropic funding on journalism has been on the rise. Foundations, individual donors, and nonprofit organizations are stepping up to bridge the gaps created by the declining ad revenues and shrinking newsroom budgets. The funders acknowledge journalism's role as a watchdog informing the public and uplifting marginalized voices within local communities. Based on a 2023 study by Pew Research Center regarding audience decline in news consumption, there has been a 26% drop in newsroom staffing in the United States between 2008 and 2020, especially in newspapers (Pew Research Center, 2023).¹

The Pew Research Center also reported that newspapers made more money from circulation than from advertising for the first time in history showing the drastic decline in advertising income. This trend is mirrored globally, with many countries grappling with the challenges of sustaining quality journalism amidst economic pressures and technological disruptions. Hence, philanthropists aim to address such pressing societal challenges by investing in journalism initiatives, promoting transparency and accountability, and fostering a more inclusive and equitable media landscape.

However, while philanthropic funding has provided much-needed support to journalists and other stakeholders, it also presents challenges and considerations. Several questions about editorial independence and transparency largely dominate in research about the philanthropy-supported journalism ecosystem. For example, a 2020 study by the Knight Foundation found that 85% of Americans believe it is somewhat or very important for news organizations to be free from influence by financial supporters. The report also highlights that Americans prefer local news over national news in

¹ Pew Research Center (November, 2023) Audiences are declining for traditional news media in the U.S. – with some exceptions. Retrieved from: <https://www.pewresearch.org/short-reads/2023/11/28/audiences-are-declining-for-traditional-news-media-in-the-us-with-some-exceptions/>

reporting the news without bias and that 33% of them also believe that local news plays a key role in political and civic engagement in their society, and that's why they ardently follow news about issues that affect their respective local communities (Knight Foundation, 2020).² Moreover, ensuring the long-term viability of philanthropy-supported journalism initiatives requires careful planning, diversification of revenue sources, and ongoing community engagement.

Furthermore, mission alignment is one of the fundamental principles guiding philanthropic funding in journalism. Funders prioritize initiatives that align with their broader objectives and values, directing resources towards areas such as investigative reporting, environmental justice, or community empowerment to ensure that the funds given out support initiatives that have a meaningful impact on society and resonate with the values of both the funders and the local communities.

In researching funded journalism, scholars often delve into the significance of aligning missions regarding philanthropic funding.³ Donors tend to support projects that resonate with their core values and goals. Hence, they often channel resources toward science, public health, or community involvement. This ensures that the funds are properly used and accounted for to maximize the impact of the interconnectedness of philanthropic goals and journalism objectives.⁴

Another essential aspect of philanthropy-backed journalism is safeguarding editorial independence and the journalist's integrity, where funders acknowledge the importance of upholding ethics and ensuring that news organizations have the freedom to report impartially and hold those in authority accountable for their actions. Hence, this independence in the long run, results in the credibility and reliability of the supported news platforms, strengthening their influence and impact within the local communities.⁵

Sustainability is another aspect that plays a vital role in philanthropy-supported journalism, where journalism funders aim to establish enduring funding models that secure the long-term viability of news outlets.⁶ Sustainable funding empowers news platforms to invest in quality storytelling techniques and audience engagement through simple yet effective means. Philanthropic donors can boost their support for journalism projects, helping to strengthen and sustain them over time, thus securing their ongoing importance in local news media.

² Knight Foundation (November, 2020). American Views 2020: Trust, Media and Democracy. Retrieved from: <https://knightfoundation.org/reports/american-views-2020-trust-media-and-democracy/>

³ Benson, R. (2018). Can foundations solve the journalism crisis? *Journalism*, 19(8), 1059-1077 <https://doi.org/10.1177/1464884917724612>

⁴ Browne, H. (2010). Foundation-funded journalism: Reasons to be wary of charitable support. *Journalism Studies*, 11(6), 889-903 <https://doi.org/10.1080/1461670X.2010.501147>

⁵ Ferrucci, P., & Alaimo, K. I. (2020). Escaping the news desert: Nonprofit news and open-system journalism organizations. *Journalism*, 21(4), 489-506. <https://doi.org/10.1177/1464884919886437>

⁶ Ferrucci, P., & Nelson, J. L. (2019). The new advertisers: How Foundation funding impacts journalism. *Media and Communication*, 7(4), 45-55. <https://doi.org/10.17645/mac.v7i4.2251>

Moreover, community engagement and representation are integral aspects of philanthropy-supported journalism, with funders prioritizing initiatives that support marginalized communities and address the differences in local news media coverage. In addition, transparency and accountability also play a huge part in philanthropy-supported journalism, where funders and news organizations try to maintain open and transparent relationships with the public to create community connectedness between the public and the local news media.

This white paper, therefore, explores the role of philanthropic funding in sustaining and advancing journalism initiatives. Drawing on extensive research and interviews with key stakeholders in the philanthropic journalism ecosystem including the funders and the newsrooms, as well as a national survey of U.S. adults, we delve into the motivations, challenges, and impact of funding provided by intermediary organizations such as Journalism Funding Partners (JFP). By examining key themes derived from our analysis, we aim to offer a comprehensive understanding of the dynamics shaping philanthropy-supported journalism, the best practices of funded journalism and the U.S. public expectation of local news. We provide recommendations for philanthropies and newsrooms on enhancing funded local journalism.

Journalism Funding Partners (JFP) as An Intermediary for Commercial Local Newspapers

The emergence of Journalism Funding Partners (JFP) as a key intermediary between commercial local newspapers and philanthropic funders represents a significant development in the evolving landscape of media funding and sustainability. Founded in 2019, JFP has quickly risen to a reputation as a prominent player in facilitating the strategic allocation of philanthropic resources to support journalism initiatives.

At its core, JFP serves as a bridge between philanthropists seeking to invest in impactful journalism via commercial local newspapers in need of financial support to sustain their operations. In an era marked by declining advertising revenues and economic challenges for traditional news outlets, the role of intermediaries like JFP has become increasingly critical in ensuring the continued viability of quality journalism. Central to the effectiveness of the JFP is its rigorous and transparent selection process for funding projects. JFP as a 501(c)(3) non-profit organization receives the funding from philanthropies and in turn provides the funding to the news organizations through a fiscal agreement.

Journalism Funding Partner's approach to intermediary services is not just comprehensive, but also proactive. The organization actively seeks out and cultivates relationships with potential philanthropic donors who share a commitment to supporting journalism. Through targeted outreach efforts and networking initiatives, JFP connects with individuals, foundations, and other entities interested in contributing to the vitality of local news ecosystems.

Once these connections are established, JFP works closely with donors and news organizations to assess funding needs and identify opportunities for collaboration. This process involves conducting thorough evaluations of journalistic projects and initiatives, aligning them with the priorities and interests of potential funders, and facilitating the negotiation of funding agreements.

Moreover, JFP provides ongoing support and guidance to donors and news organizations throughout the funding process. This includes assisting with the development of project proposals, providing resources and expertise to enhance the quality and impact of journalistic endeavors, and ensuring transparent communication and accountability at every stage of the funding cycle.

One of the most significant contributions of JFP is its role in broadening the scope of philanthropic support to include established commercial news entities. While philanthropic funding has traditionally been associated with non-profit news organizations or start-ups, JFP has played a pivotal role in expanding this support. By emphasizing the value that quality journalism brings to communities and society at large, JFP has successfully attracted philanthropic investment to support a wide range of journalistic initiatives within the commercial news sector, instilling hope for the future of journalism funding.

Furthermore, JFP's involvement as an intermediary helps to address concerns about the potential impact of philanthropic funding on editorial independence and integrity. By serving as a neutral and trusted intermediary, JFP helps to ensure that funding decisions are made transparently and ethically, guarding the integrity of journalistic content and editorial decision-making processes. JFP has a system in place to vet all funders over \$5,000 before they're accepted. This is to investigate past investments, ensure legitimacy of the organization/individual and to probe for perceived areas of conflict to editorial independence.

Research Methods

We employed a mixed methods exploratory sequential design using in-depth interviews via Zoom to collecting information from funders, intermediaries, and funded news media recipients and a national survey of US adults after receiving input from these funders and news media recipients. As past research shows the gaps between the news audiences and local news media and the role of funded journalism in improving the quality of local news, it is necessary to provide a comprehensive picture of the new ecology of the funded system by including both the funder, the news media, the intermediary, and the news audiences. The in-depth interviews will help us uncover funders' perspectives on funded journalism and expectations of local news media and funded news media recipients' experience of the funded initiatives through an intermediary. For the survey, we asked people about their trust in local and national news outlets, topic interest, perception of funded journalism, and expectation of local news.

To understand the expectations of philanthropic funders regarding their support of local newspaper projects/initiatives, we interviewed 11 philanthropic foundations who funded news media through Journalism Funding Partners and one foundation that funded local news but not through JFP. JFP provided the contact information of the funder and newsroom representatives. These foundations range from no dedicated person running the organization such as the Salamander Fund, local community foundations such as the Miami Foundation, to well-structured foundations with broad purposes and occasionally support news organizations such as the Burroughs Wellcome Fund to foundations dedicated mostly to news organizations such as the Knight Foundation and the Freedom Forum. This is a partial list of funders because of personnel changes at the foundation. Others were omitted because they are family funders nested inside of community foundations.

After receiving the Institutional Review Board's approval from their university to conduct the project, the research team, which consisted of eight trained Ph.D. students enrolled in a Mixed Methods research course and a faculty, invited a list of foundation representatives and their funded news media representatives provided by JFP to participate in a zoom interview at a mutually convenient time. The interviews lasted from 30 minutes to one hour. Participants have the option to remain anonymous. Hence, in the white paper, those who opted for anonymity will not be identified by names for themselves and their organization. A total of 11 funders and only 5 different news media organization representatives were interviewed because four of the other funded news media outlets (*Island Packets*, *News and Observer*, *Sacramento Bee*, and *Miami Herald*) are owned by the same newspaper group, the McClatchy group. The company preferred having one person represent the corporate view of the funded news initiatives rather than having individual newsrooms respond to our same questions. However, we were able to interview the Senior Director of the *Miami Herald* to clarify the local operation of the funded project. In addition, we were able to obtain the funding agreements of these organizations to understand the requirements of each party for each project.

Interview Results

JFP's Selection of Funding Projects

The selection process begins with a call for proposals, inviting journalists and media organizations to submit innovative projects that address critical issues and demonstrate a commitment to journalistic excellence. Proposals are evaluated based on their potential to advance public understanding, engage diverse audiences, and catalyze positive social change. Emphasizing innovation and originality, the JFP Journalism Fund prioritizes projects that push the boundaries of traditional journalism and leverage emerging technologies to tell compelling stories.

Furthermore, JFP's commitment to transparency is evident in its evaluation criteria and decision-making process. Proposals are reviewed by a diverse panel of experts, including journalists, academics, and community stakeholders, ensuring a broad range of perspectives and expertise. Final funding decisions are made based on the merits of each proposal, with a focus on maximizing impact and addressing pressing societal needs.

As recipients of funding from the JFP Journalism Fund, grantees are entrusted with the responsibility to uphold the highest ethical standards and deliver impactful journalism that serves the public interest. While JFP respects the autonomy of journalists and media organizations, it expects grantees to adhere to established guidelines and deliverables outlined in their project proposals.

Grantees are encouraged to foster collaboration and knowledge-sharing within the journalistic community, leveraging the collective expertise and resources available through the JFP Journalism Fund network. Moreover, they are expected to demonstrate a commitment to transparency and accountability, providing regular updates on project progress and outcomes.

In evaluating the success of funded projects, the JFP Journalism Fund employs a comprehensive approach that includes both qualitative and quantitative metrics. Key performance indicators include audience engagement metrics, such as reach, engagement, and impact, as well as qualitative assessments of journalistic quality, relevance, and public resonance.

Furthermore, JFP places a premium on longitudinal impact, tracking the enduring legacy of funded projects beyond their immediate outcomes. By monitoring the long-term societal impact and policy implications of journalistic endeavors, the JFP Journalism Fund seeks to catalyze systemic change and foster a more vibrant and resilient media ecosystem.

Best Practices: Successful initiatives, Types of Beats, Programs and Operation

This section focuses on different successful initiatives and different types of beats, programs and operation through promoting quality reporting and contributing to informed community members. In 2021 with foundation funding, *Miami Herald's* Investigative Team secured a prestigious Pulitzer Prize for breaking news. The recognition highlighted the impact of JFP on local journalism and featured the role JFP plays in advancing investigative reporting. In 2022, JFP distributed \$1,940,480 to 44

different newsrooms showcasing its commitment to supporting local journalism. Remarkable achievements included an award-winning series on North Carolina's poultry industry supported by JFP, which attracted national recognition and created awareness about health risks linked with poultry farms. In another successful initiative, JFP's partnership with Freedom Forum in creating a dedicated First Amendment reporter in the *Tennessean*. The local news reports on the state's attempt to restrict drag performances through the law attracted national attention.

JFP's philanthropic funders' commitment to climate change was also evident in 2022 through its funding of 10 climate reporters with plans to extend support to 15 to 20 climate reporters. JFP has a commitment to address climate change issues through journalism with impact. Energy Foundation, a JFP partner, is dedicated to achieving clean energy with the goal of combating the climate crisis. It plays a vital role to inform the public on critical issues such as climate change and clean energy.

Borealis foundation, one of JFP's partners, has a focus on racial equity beat in journalism fund which focuses on the necessity to support Black, Indigenous, People of Color-Led (BIPOC-led) news organizations and activities that prioritize marginalized groups. Similarly, USA Network focuses on diversity, inclusivity, and First Amendment where they are committed to amplifying minority voices and promoting inclusivity. Z Smith Foundation also has a focus on the same beat in prioritizing systemic change and amplifying marginalized voices, sets precedence for effective engagement with local news organizations which aligns with JFP as it seeks to facilitate funding solutions and is also committed to enhance the quality of life for all the North Carolinians. In addition, McClatchy Foundation's focus on community diversity resulted in an initiative called 'change makers' which is a program that is conducted every year to recognize the contribution of Asian, Black, Pacific Islander, and the Latino communities.

Miami Foundation has a focus on issues involving children and youth, environment, arts and culture, or economic stability. As a community foundation, Miami Foundation addresses all these areas of emphasis to strengthen the community. It funded the arts and culture beat of the *Miami Herald*. Blue Shield of California concentrates on domestic violence reporting and health equity. The foundation is committed to equity and eradication of domestic violence in California. They support journalism initiatives that elevate awareness about domestic violence and aim to tackle this pressing societal concern.

Burroughs Wellcome Fund focuses on basic biomedical research where they fund early researchers and interdisciplinary studies showing its commitment advancing scientific discovery. Funding priorities in science, public health and life sciences, McGovern Foundation has a focus in covering climate education and workforce, journalism and media, digital health, solidarity, and emerging Artificial Intelligence (AI). Its recent support on local news media is the focus on emerging AI technologies since 2023. The Association Press has been selected as the newsroom partner to promote and educate other local newsrooms on the use of AI.

In addition to news projects, JFP funders also funded other projects related to training of journalists and journalism students.

Internship program

Sacramento Bee, as well as other McClatchy newsrooms, have had decades in the practice of hiring interns. The internship programs have helped develop young journalists in the industry and provide a hiring pipeline for local newsrooms. McClatchy Foundation has helped in funding internship programs. The foundation provided students paid internships at the *Sacramento Bee*. This shows a deep commitment of nurturing emerging journalists with the community. The funding is expected to last until 2030.

Training programs

Foundations have used training workshops to nurture local news media. An example is Borealis Foundation in 2020 expanded its capacities releasing grants that invest on training to support journalists. It helps to support experienced journalists and ensure they stay informed about the emerging issues and changing community needs. Correspondingly, Freedom Forum Foundation also provides training and mentorship to build local news outlets and empower them to navigate the evolving media landscape while at the same time upholding the journalism principles.

Best Practices: Goal Alignment, Maintain Editorial Independence and Transparency of Funding

Most foundations, intermediaries, and grant recipients acknowledge and honor editorial independence in supporting journalism, journalists and their advocacies in their agreements and grant documents. However, policies should be in place to protect every party involved in the transaction and the receiving end of the partnerships—the public whose trust is the most salient factor to be ensured.

Aidan Berger of the McGovern Foundation: *"We are very hands off with that funding. If we think that you are doing work that aligns with our goals, and we give you funding. We are not going to come in every quarter and say, 'Hey, how about a story about this?' That is not how we operate."*

Michael Anastasi, Vice President of Local News of the USA Today Network, underscores the importance of alignment of goals with funder: *"Our goals are aligned with JFP's goals. We want to do journalism, quality journalism that impacts the world. And I think that's what JFP is also looking for us to do. So, I don't see JFP influencing us in any way. What they want is for us to do what we do and to do it very well."*

Russell Campbell, Director of Science Communication and Senior Communication Officer of the Burroughs Wellcome Fund, reiterated his support of editorial independence: *"Any attempt by funders to influence editorial content undermines the integrity of journalism and erodes public trust."*

Articulating clear editorial lines, Diogo Freire, Director at Green South Foundation, ensures that funded news organizations maintain their independence and credibility, thereby fostering trust within their communities. This commitment not only strengthens the quality of journalism but also aligns with the foundation's broader mission of promoting informed civic engagement. Additionally, by maintaining clarity on

editorial expectations, the foundation mitigates the risk of potential conflicts of interest, safeguarding the impartiality and reliability of the news content produced with their support.

Based on our interview results and analyzing the agreements between JFP as the fiscal sponsor, the foundation as the funding partner and the funded news organization, below are some best practices every interested party in funded journalism should consider before signing an agreement. Although every funder we interviewed declared their support of editorial independence, the specifics on editorial independence are not stated clearly in every agreement and may be subject to different interpretations to different funders on what constitutes interfering editorial independence. Hence, it is recommended that a standard statement be included on editorial independence as one of the best practices, so that foundations that have experience in working with newsrooms and those that are new to working with newsroom will have similar understanding.

Maintaining Editorial Independence

1. Include a clause on editorial control and rights and a statement of independence

In preparing the Fiscal Sponsorship Agreement or Grant Document, the intermediary may wish to initiate a section on editorial control and rights and a statement of independence to solidify both parties' agreement to respect each other's roles in fulfilling the purpose of the grant.

Sample Editorial Control and Rights Section: *The funded news partner shall have full editorial control over and shall retain all intellectual property rights in and to the stories, content, editorials, reporting, and other materials created by the funded beat reporter or funded projects which are made possible through the grant during the grant period.*

Sample Statement of Independence Section: *The funded news partner strives to deliver high-impact journalism in the public interest and is committed to journalistic integrity and independence. The (funder) acknowledges and accepts that it will not have any editorial oversight, approval rights, or influence over the work product produced by the funded beat reporter/media entity. Any errors in the news coverage are the responsibility of the funded news partner.*

2. Specify the grant's purpose to avoid funder-grantee misunderstanding

Before forging a fiscal sponsorship, intermediaries should ask about the grant's general and specific purpose, if the partnership is funder-initiated, or what the grantee intends to achieve and deliver if the project is newsroom-initiated. Such practice will save all parties from mismatched expectations. It will also facilitate the completion of quarterly or mid-year reporting based on those goals and deliverables, which is crucial to the grant renewal.

Furthermore, the agreement should explicitly state reportorial requests in terms of frequency and format, as well as the schedule of access of funded news stories (paywall exempt) such as whether they will be permanently provided free access or only current stories will be provided free access. For example, the funder representative at Miami Foundation said, “It is a big priority right now for the foundation to talk and raise awareness of the need for more access to local news and information. But hopefully, we will be in the future.” This is particularly important for commercial newspapers as almost all of them adopt some sort of paywalls to access its full news stories and archive. Putting the story before the paywall is a must-address issue since the funder’s interest is usually advocating a certain societal issue. If the stories produced are placed behind the paywall, citizens’ access will be hampered, defeating the funder’s penultimate goal.

3. The intermediary should go beyond its fiscal sponsor role

In our interviews, some funders and newsrooms already know each other, and they just need JFP as an intermediary as fiscal manager for the project the funders and newsrooms already agreed. In these cases, JFP did not play a very active role. However, considering the benefits of JFP as an intermediary and fiscal sponsor, intermediaries can also take a more proactive role in finding funders. Other than facilitating the fiscal sponsorship so that funders can fund a commercial news organization, the intermediary can do more the process of funder-grantee matching, strengthening the process of checking the funder’s background and funding sources, verifying the funder’s legitimacy of grant fulfillment, protecting potential newsroom interference with explicit terms in the agreement the conditions that the funding may discontinue.

4. Differentiate between advertising and funded journalism

Although funded journalism has existed for quite some time, the intermediary-facilitated model is relatively new. Thus, some of those seated on the foundations’ boards may come with an advertiser background. Therefore, intermediaries must educate potential and existing donors about the difference between funded journalism and advertising to align expectations. For example, funders may pitch stories featuring their foundations or relevant businesses, but they shouldn’t expect the newsroom to provide exclusive coverage and 100% commitment to publishing or not covering a story. Such expectations cannot be put as deliverables in the funding agreement. It’s important to agree on expectations between funder and newsroom about impact as one funder commented in our interview: *“I mean, the challenge is whether or not it’s an effective grant. Is it going to have any impact? And you know, we’re not sure at this point, whether it has impacted the collective understanding of the threat of climate change... and more importantly collective action, you know, in climate change.”*

On Funder Recognition and Transparency

1. Inclusion in Grantee/Funder's website for transparency and accountability

Tim Ritchey, Director of Philanthropic Partnerships at McClatchy Company, emphasizes the importance of transparency and disclosure of funding in the news stories covered by their newsrooms: *"Transparency is critical; it is important for us to be transparent with the community so that they know that this work was funded by foundations or specific foundations...We will find an appropriate way to make sure that people understand. We never hide anything from the community. So even those foundations that really do not want recognition."*

To recognize the support afforded by the funder to the newsroom, it is ideal that media entities provide a section on their website listing all their funders and the essential details of the grant to facilitate transparency and accountability. However, if the funder wishes to remain anonymous, it can request to be listed as an anonymous donor.

Likewise, funders are encouraged to disclose the recipients of their grants by providing essential details on their websites, social media, and annual reports, as agreed upon by all parties.

2. Grantees with strict rules on transparency of funding must inform the funders and provide them options should they prefer anonymity

Acknowledging that funders have differences in their preferences for recognition, intermediaries must establish clear-cut guidelines or systems for accepting donations, particularly for those who prefer anonymity (in lieu of the actual funder's name, the intermediary who agreed to anonymize the funder may be mentioned instead in the story such as "This story was made possible by the funding support of Journalism Funding Partners on behalf of an anonymized donor"). Having a ceiling amount for those who prefer anonymity is one option, but to protect the interests of all parties, including the readers, sponsored news or reporters must carry a tagline/disclosure.

Sample Tagline: *This story was produced with financial support from (funder) in partnership with (intermediary) as part of (program name). The (newsroom) maintains full editorial control of this work (Optional: Link to the partnership details or funder).*

Such measures will protect all involved in the agreement, ensuring that the story was acknowledged as a funded story, editorial independence was honored, the newsroom was responsible for the story, and the readers were assured of transparency.

Another way to protect the interests of all parties is to include a "privacy and disclosures" section on the fiscal sponsorship agreement or grant agreement.

Sample Statement: *(Grantee) will respect the donor's privacy wishes. Disclosure statements will only be referenced to the intermediary (fiscal sponsor).*

Once this kind of practice becomes standard, then it should be publicized to the public so that any suspicion or misunderstanding of the purpose of funded journalism will be minimized.

Having limited manpower and avoiding employing a fund manager to address inquiries is a reality that family and place-based foundations face. Thus, the request for anonymity should not be perceived in the light of secretiveness but as a logistical concern.

3. Channel inquiries about the funder by providing such affordance in the news content if the funder allows

Should the funder allow, contact details or links may be included in the tagline so that the funder can directly receive inquiries and clarifications pertinent to the funded story or the outputs of the sponsored reporter. But such provision should be put into the agreement if this is desired by the funder. There are pros and cons to donors to receive inquiries and the donor should be given the option of having it or not. It will not be good if such contact information may cause unnecessary burden to the donor. Mutual consent on funder contact information in published stories should be made in the funding agreement.

4. Deliverable: Anthology of news reports made possible through their donation

Research suggests that funders' success metrics are not only limited to metrics but also impact. Providing the funder an anthology of news stories, especially those picked up by other news entities, is a reasonable deliverable and a good way to satisfy and recognize the funder's support. If the funder is elated by the grant's impact, they will likely continue supporting funded journalism. This helps to strengthen partnership and trust between the funder and the funded news organization.

Best Practices: Commitment to Local Community and Local News Industry

US local newspapers are characterized by group ownership, with most outlets falling under the purview of newspaper groups. This consolidation of ownership have both advantages and drawbacks. On one hand, it allows for economies of scale and resource and knowledge sharing across multiple publications. On the other hand, it raises concerns about local editorial autonomy and diversity of voices.

Local news plays a vital role in shaping communities and informing citizens about issues that directly impact their lives. However, the landscape of local journalism is not without its complexities, as news sources grapple with challenges ranging from ownership structures to financial instability. News media representatives that we interviewed expressed a strong commitment to the local community to justify the funding request from foundations. Tim Richey of McClatchy News Group explained, "*All of our funded beats/projects come from finding the intersection between the identified need in*

the community/newsroom and the donors' willingness to support it. In some cases, it starts with a funder willing to support an effort and the newsroom then determining whether there is a need for it in the community. In other cases, it starts with the identified need, and we look for an appropriate funder to help support it. JFP has proven to be a great partner in the effort to interface with funders."

Jenna Lane, Communication Officer of Blue Shield of California Foundation, explains why the foundation has contributed more than one million dollars in local journalism: *"Our foundation believes that systems change is necessary to achieve our mission. Journalism is an important lever for systems change, and we also believe that journalism itself is a system that needs to change."*

The foundation views addressing domestic violence as integral to fulfilling their mission. In supporting journalism initiatives that elevate awareness about domestic violence, they aim to bolster prevention and intervention strategies necessary for tackling this pressing societal concern: By funding journalism initiatives that raise awareness about domestic violence, they can contribute to the prevention and intervention efforts needed to address this important issue within the community.

Saurian Schmidt, Director of Strategy and Learning at Z Smith Reynolds Foundation, underscores commitment and collaboration in local news support: *"Our commitment extends beyond mere financial support; we aim to foster a culture of collaboration and innovation within the media sector, empowering organizations to address complex challenges collectively."*

Ashley Talley, Enterprise Executive Producer of WRAL, explains why philanthropies should choose established local news media vs. new startups and non-profits: *"You have to think about the audience and reach the people who want to get their message out by funding a nonprofit newsroom that reaches a few thousand people each week versus a big media, trusted news organization that's gonna reach hundreds of thousands a week. They're getting a lot more bang for their buck, you know. And because it's important topics that we're covering, I feel like that. That's a good trade-off; you know that we're putting out good, important journalism, and that the funders are getting their money's worth, if you will, because they're reaching a large audience with the messaging. So yes, it's definitely something that I would recommend to others. I think that only newspapers are really doing it ...I think television stations haven't really caught on yet."*

Editorial Independence and Trust

The criteria for trust and reputation of a news organization are how much their news stories resonate with individuals and leave a lasting impression in their minds and foster positive change in the society. As such, journalists exhibit a profound reluctance to external sources that may compromise their editorial independence. This circumspection stems from the recognition that maintaining the integrity of their reporting and upholding the trust of their audience demand unwavering commitment to

professional standards. In an era of misinformation and distrust in media, preserving editorial autonomy is essential for fostering credibility and sustaining public trust.

Ashley Talley, Enterprise Executive Producer, WRAL, North Carolina: “We are very clear about the editorial line. They (funders) have no say over what we publish. No, they can’t demand coverage of anything or demand that we not cover anything. Now they can pitch great stories about great things going on in their hospitals that we’ll cover... we’ll ask for experts to cover children’s flu cases spiking, you know, but we still ask other health outlets in our area, too. We don’t exclusively use them or anything. So, it’s a very demarcated line between editorial content and fiscal sponsorship.”

Financial Stability, Commitment and Sustainable Business Models

In the ever-evolving landscape of news media, the prevalence of financial instability looms large, with nearly all news sources encountering periods of bankruptcy or economic hardship. In response, these entities are increasingly focused on developing sustainable business models to ensure their continued operation. This includes diversifying revenue streams, embracing digital transformation, and exploring alternative funding sources such as foundation support and philanthropy. By prioritizing financial sustainability, news organizations can better withstand economic shocks and continue serving their communities with quality journalism. Salamander Fund, for example, advocates multi-year commitment: *“In general I do like to do multi year pledges. Okay all the year, because then you know that you’ve got something coming in the next year, and also whoever you’re hiring knows that there’s funds to keep you know.”*

Foundation Fostering Societal Impact through News Dissemination and Engagement

Foundations play a crucial role in shaping the future of local news by prioritizing the dissemination and impact of news within society. To most foundation representatives we interviewed, the criteria for success are the extent to which news contributes to broader societal goals and emphasize on the importance of reaching and engaging diverse audiences.

Funders usually want news organizations to use all available platforms for the dissemination of news and stories related to the projects that they are supporting. Local news media are seen as the credible sources in the community and the opinion leaders. But maintaining credibility requires lots of effort especially when local journalism needs funding support from external funders.

National Survey

The interviews revealed the strong interest of the funders in knowing the news topics of importance to the audience, trust in news media and whether the audience realized there was increased coverage they funded. They also were interested in

knowing whether audiences have positive or negative perceptions of news funded by foundations. Based on these results, we developed a survey that specifically addressed these issues and examined the relationship between news media trust, news topic interest, news sources used to obtain information about the topic they were interested in, local political participation and connectedness with the local community.

The online national panel survey was administered through Qualtrics, a survey platform company. To mirror the national adult composition, we set quotas on the demographics based on the 2020 US Census. The online survey was justified because we examined social media and other online platforms' use of news media. The questionnaire used mostly closed-ended questions to facilitate survey completion. However, to avoid straightlining and other satisficing behavior from respondents and control the quality of response, an attention check question was added mid-way through the question. In addition, all matrix questions were put in a slider format to ensure respondents must select an answer. Anyone who did not meet the demographic quota requirement, failed the attention check question, the US residency requirement, or answered the survey shorter than the median time duration was excluded. As we were not allowed to force participants to answer all questions except the screener questions, respondents were reminded if they missed answering them. With these stringent measures, we had very little missing data and no signs of satisficing in the final sample of 1008 with no missing demographic data.

Measurements

Local Newspaper Trust: We asked survey respondents to rate the trustworthiness of the local newspapers including their web sites and social media account on a five-point scale from very untrustworthy (1) to very trustworthy (5)

News Sources and Local News Media Use Frequency: We asked the respondents how often they use six different types of sources to get news about the topics they care about the most in their community with a frequency of 0 (never) to 5 (all the time): 1) Local news media, 2) national news media, 3) non-news media companies and organizations, 4) government (federal, state or local), 5) individuals with a large social media following, and 6) other sources.

Topic Interests: To gauge the interest of news topics, we asked the respondent to rate the importance of each of the 17 news topics to them in a five-point scale from very unimportant (1) to very important (5). The news topics include education, environment/climate change, public safety, housing, racial issues and inclusiveness, local politics, economy and employment, arts and culture, health and health care, religion, press/freedom/freedom of speech, fashion/lifestyle, artificial intelligence (AI) and virtual reality (VR), Technology but not related to AI and VR, Sports and entertainment,

Platforms to get news: We asked the respondents their most preferred way to get news on the topic they care about the most in their community. Nine platform choices

were given to the participants: 1) Print newspaper, 2) television, 3) news apps on mobile devices, 4) messaging app or text messages, 5) social media, 6) radio/podcast, 7) email, 8) web site/blogs and an 9) “other” option.

Local Community Connectedness: We used a three-point scale to ask the respondent: “Do you feel connected to your local community” from (1) not at all, (2) somewhat to (3) very much.

Factors in determining news platform choice: We asked respondents to rate from a five-point scale from (1) very unimportant to (5) very important of the eight factors: 1) trustworthiness and reputation of the news platform, 2) accessibility (easy to use) and convenience, 3) diversity of perspectives covered, 4) personal recommendations by people I trust, 5) same political affiliation as me, 6) free (no cost), 7) quality of the article with in-depth research on the topic, 8) other.

Willingness to Pay for Local News media. We asked with a three-point scale of willingness to pay for local news media from (1) no, never had a paid subscription, (2) Used to have a paid subscription, but not anymore, to (3) have a current paid subscription to local news media outlet.

Local Political Participation. We measured the respondent’s local political participation by asking whether they voted in the local elections such as city mayor and local school levy.

Perceived Increase in topics commonly funded by philanthropies. Based on our funder research, the most common funded topics by philanthropies in local news are 1) environment/climate change, 2) racial issues and inclusiveness, 3) arts and culture, 4) health and medical science, 5) press freedom/freedom of speech. So, our analysis focused on whether the respondent feels that local news media increase their coverage on each of these topics. We also asked if they saw an increase in coverage of other 12 non-funded topics.

Perception of Quality of Local News and Expectation of Investigative Journalism. To measure the audience’s perception of local news quality, we used two indicators: 1) importance of presence of investigative journalism in local news from (1) very unimportant to (5) very important, and 2) how satisfied are they with the quality and depth of news coverage provided by the local news outlets in their area from (1) very dissatisfied to (5) very satisfied.

News engagement: News engagement has become an important metric used by both media companies and funders to measure the impact or popularity of the news story. However, there are many different ways that a news audience can engage with the news they are interested in. We identified seven different types of engagement methods and asked respondents how they engaged in news published online that interested them with multiple response options: 1) share publicly on your own social media, 2) share privately on your own social media or messaging groups or text

message to your friend, 3) click like/favorite/react on social media, 4) comment/reply to comment online, 5) discuss with others offline, 6) only read without further action. Participants can also report not reading news online.

Impression of philanthropies or foundations who funded local news media initiatives. We asked the respondents what impression they have on the philanthropies or foundations who funded local news media initiatives from very negative (1) to very positive (5).

Perception of funded journalism effect: We first asked the awareness of funded journalism by asking them whether they know of any philanthropies and foundations that are funding local news initiatives. Those who answered positively were probed to name the philanthropies that they know. Then we asked them whether they trust news stories more when they know they are funded by non-profit news organizations rather than business on a five-point Likert-scale from strongly disagree (1) to strongly agree (5) and assess the impact of philanthropic funding on local news media from (1) positive: better quality local journalism, (2) neutral: no impact, no difference to local journalism to (3) negative: poorer quality local journalism.

Importance of editorial independence of local news from funder influence. We asked the respondents “how important it is for local news organizations to maintain their editorial independence while receiving financial support from philanthropies or foundations to earn your trust in their news reports” from not important at all (1) to very important (5).

National Survey Results

Low Awareness of Philanthropic Funding of Local News

Using a strict quota mirroring the 2020 Census composition by age, gender, ethnicity, education, and geography, a total of 1008 U.S. adult respondents completed the survey. According to the data, the number of Democrats (n = 402; 39.8%) is higher than that of Republicans (n = 292; 29%), and a total of 312 (30.9%) participants had no party affiliation.

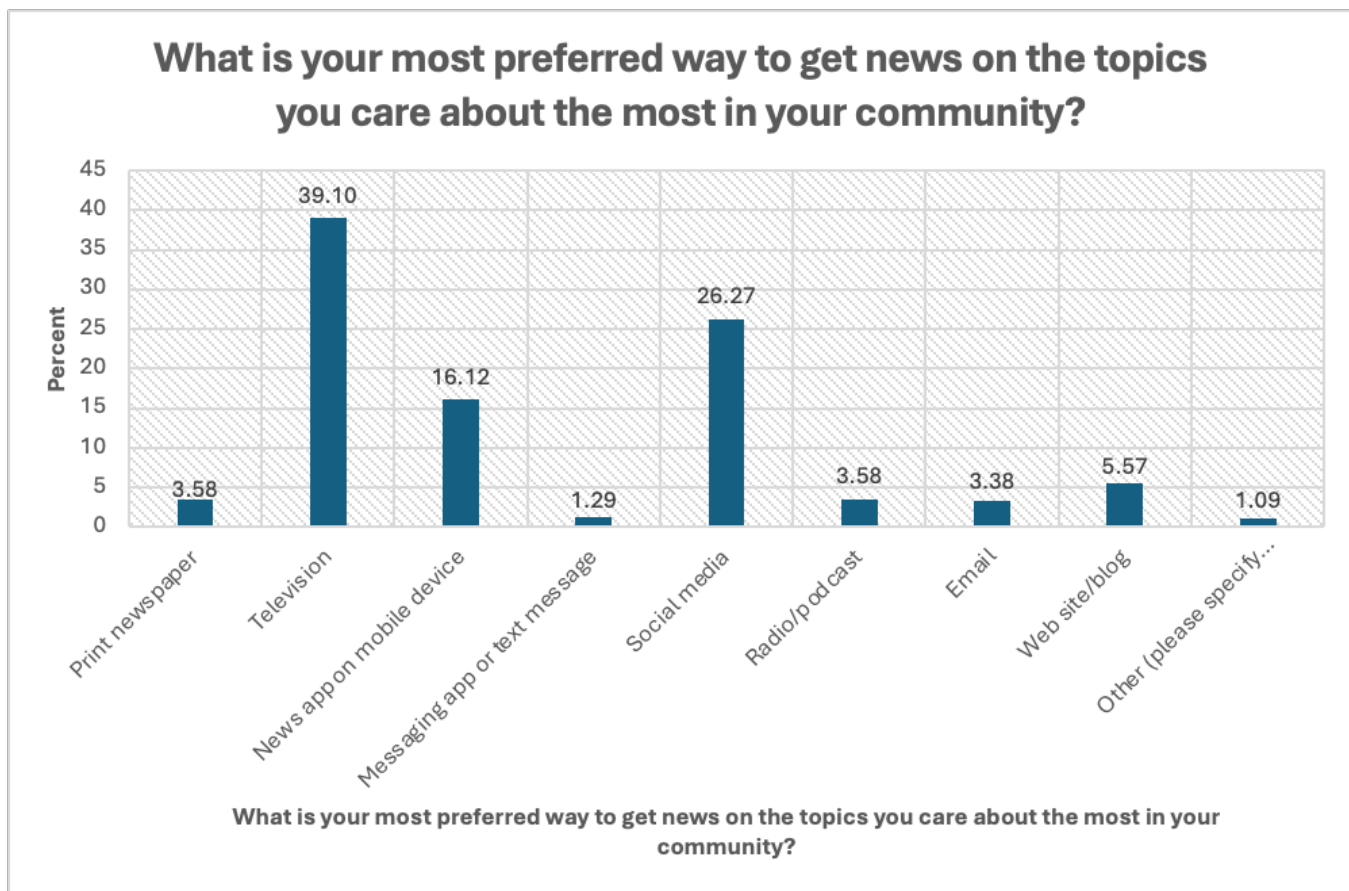
The awareness of any philanthropies or foundations funding local news media initiatives was low among the participants. Only 17% (n=172) said they were aware of philanthropies or foundations’ funding of local news. Respondents were asked which foundations they could name funding local news. These foundation names were being mentioned: Andrew E. Casey Foundation, ASPCA, Bill & Melinda Gates Foundation, California Health Reporting Initiative, Chase, Duke Energy, El Paso Matters, Ford Foundation, George Soros, Knight Foundation, MacArthur Foundation, Make-A-Wish Foundation, Telemundo, The Annenberg Foundation, and The Rockefeller Foundation.

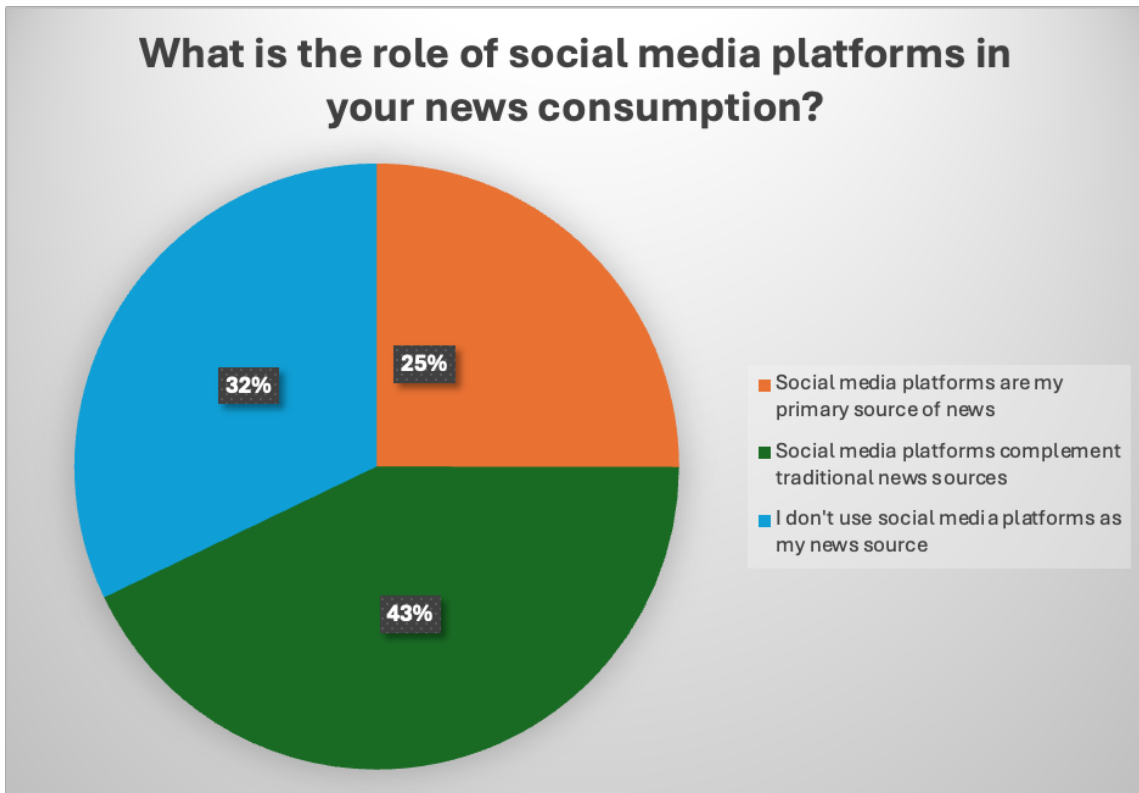
Preferred Platform to Get Local News

Television and social media are the two most preferred platforms of respondents to get the topic they are about the most in their community. Social media indeed has become a news source for 68% of the respondents. However, only 25% of respondents

count social media as their primary source of news. Most respondents (43%) see social media platforms as complementary sources to traditional news sources.

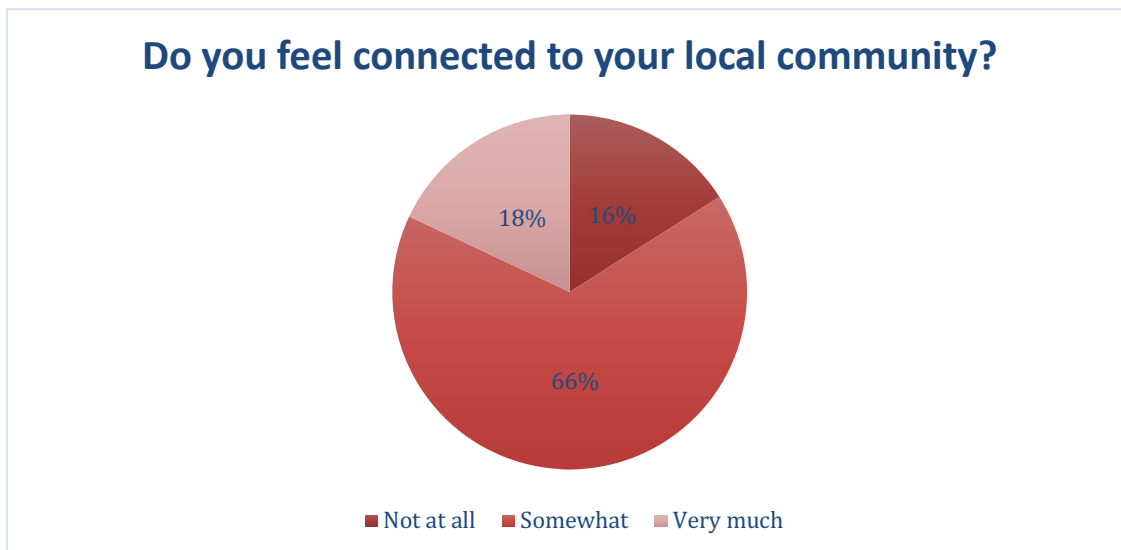
Among news platforms as the way to get news on the topic respondents care about the most in the community, television is the preferred platform among all respondents (39.1%). Nearly a quarter of the respondents, 26.3% turn to social media platforms as their most preferred news platform. Only about 16.1% utilize news apps on mobile devices, and fewer still access websites/blogs 5.6%, and 3.6% use print newspapers to stay informed. Radio/podcast and email had equal shares of 3.4%; and 1.3% of the audience favors Messaging Apps or Text messages for consuming news content. Lastly, a small fraction of 1.1% chooses alternative platforms to meet their daily news needs.





Local News, Local Community Connectedness and Local Election Participation

Most respondents (66%) reported they are only somewhat connected to their community while 18% reported very connected to the community.



Who are most connected to their local community?

We first examine who are most connected to their local community. We found males, strong partisans (either Democrats or Republicans), the higher income group, and the non-white ethnic minorities feel most connected with their community. The differences between these groups in their community connectedness are statistically significant at 95% level. Education level and the size of the town respondents reside, however, have no influence on their feeling of connectedness.

		Do you feel connected to your local community?			Total
		Not at all	Somewhat	Very much	
What is your sex assigned at birth?	Male	12.9%	66.0%	21.0%	100.0%
	Female	17.7%	66.6%	15.7%	100.0%
Total		15.4%	66.3%	18.3%	100.0%

		Do you feel connected to your local community?			Total
		Not at all	Somewhat	Very much	
What is your household income level?	Under US\$30,000/year	20.0%	66.1%	13.9%	100.0%
	US\$30,000-60,000/year	14.9%	66.9%	18.2%	100.0%
	US\$60,001-90,000/year	13.1%	67.8%	19.1%	100.0%
	US\$90,001 - 150,000/year	10.6%	60.2%	29.2%	100.0%
	More than \$150,000/year	11.9%	71.2%	16.9%	100.0%
Total		15.4%	66.3%	18.3%	100.0%

		Do you feel connected to your local community?			
		Not at all	Somewhat	Very much	Total
Race	White	14.7%	68.5%	16.8%	100.0%
	Non-White	10.1%	59.6%	30.3%	100.0%
Total		14.0%	67.2%	18.8%	100.0%

		Do you feel connected to your local community?			
		Not at all	Somewhat	Very much	Total
What is your partisan affiliation?	Strongly Republican	10.2%	67.3%	22.4%	100.0%
	Moderately Republican	15.4%	71.3%	13.3%	100.0%
	Independent, no party affiliation or third-party	23.0%	66.3%	10.7%	100.0%
	Moderately Democrat	12.7%	67.0%	20.3%	100.0%
	Strongly Democrat	10.0%	61.1%	28.9%	100.0%
Total		15.4%	66.3%	18.3%	100.0%

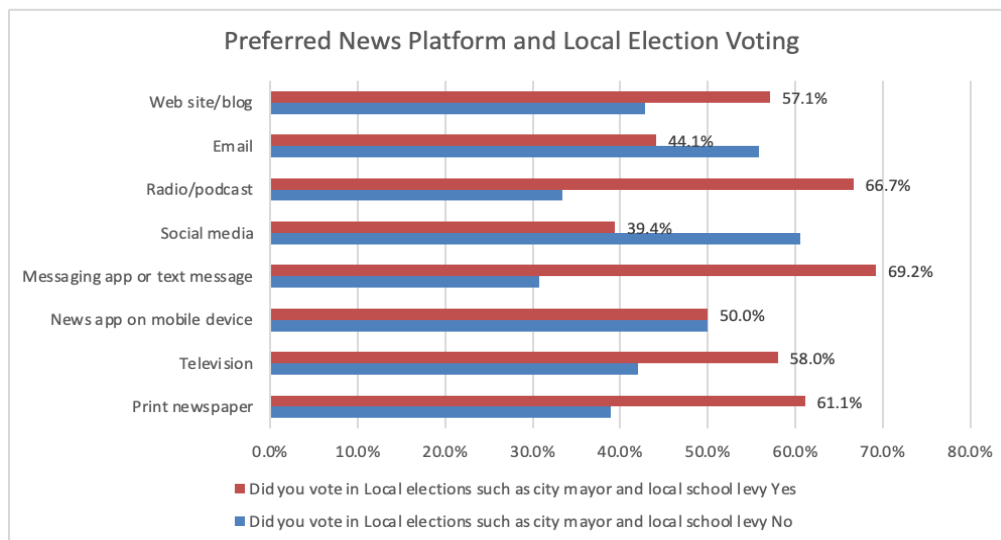
Then we examined the relationship between local news media use and local community connectedness and found a positive significant relationship. The trustworthiness of local news media and local community connectedness has a statistically significant positive relationship too. These results confirm that local news media use, trust in local news, and local community connectedness have a significant positive relationship. Meanwhile, individuals more connected to their local community are more likely to have participated in local elections. Not only local news use frequency is related to community connectedness, overall news interest or specific interest in any topic is also significantly related to community connectedness, indicating that those who care about local news have higher community connectedness.

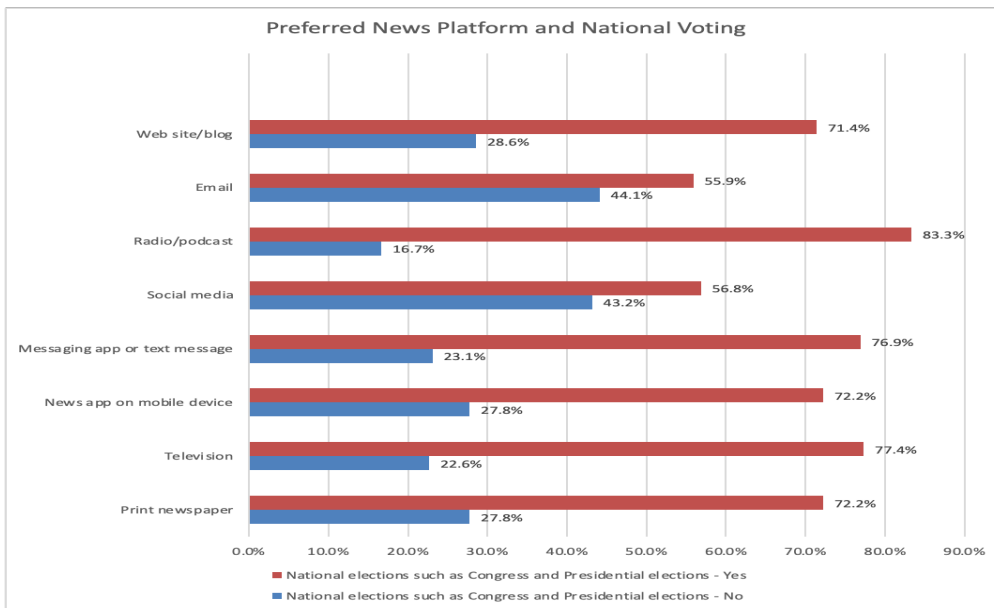
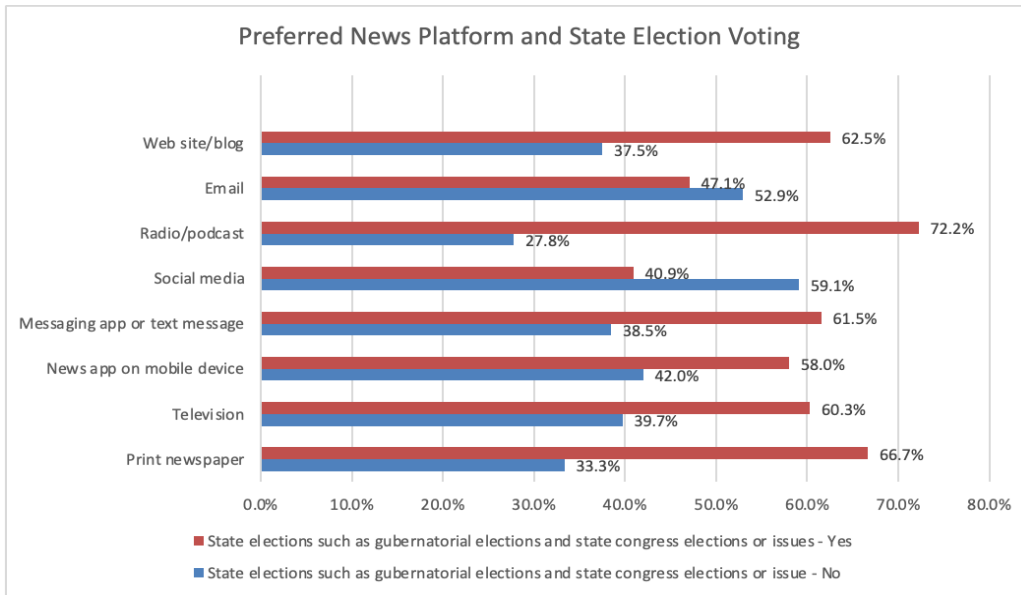
Demographic Differences between Voters and Nonvoters

There are some significant demographic differences in likelihood to vote in local elections. Male respondents were more likely than females (58% vs. 46.4%), and those aged over 65 years (68%) to participate in the local election. The youngest respondents are the least likely to have voted in local elections (28.7%). The older the person is, the more likely the person voted in local elections. Higher educated groups, especially those with advanced degrees such as master degrees, are most likely to vote in local elections. There is no significant difference between white and ethnic minorities in local election voting. Partisans are also much more likely to vote (65%) than independents and moderates in all elections, local, state and national.

Preferred News Platforms and Voting for Elections

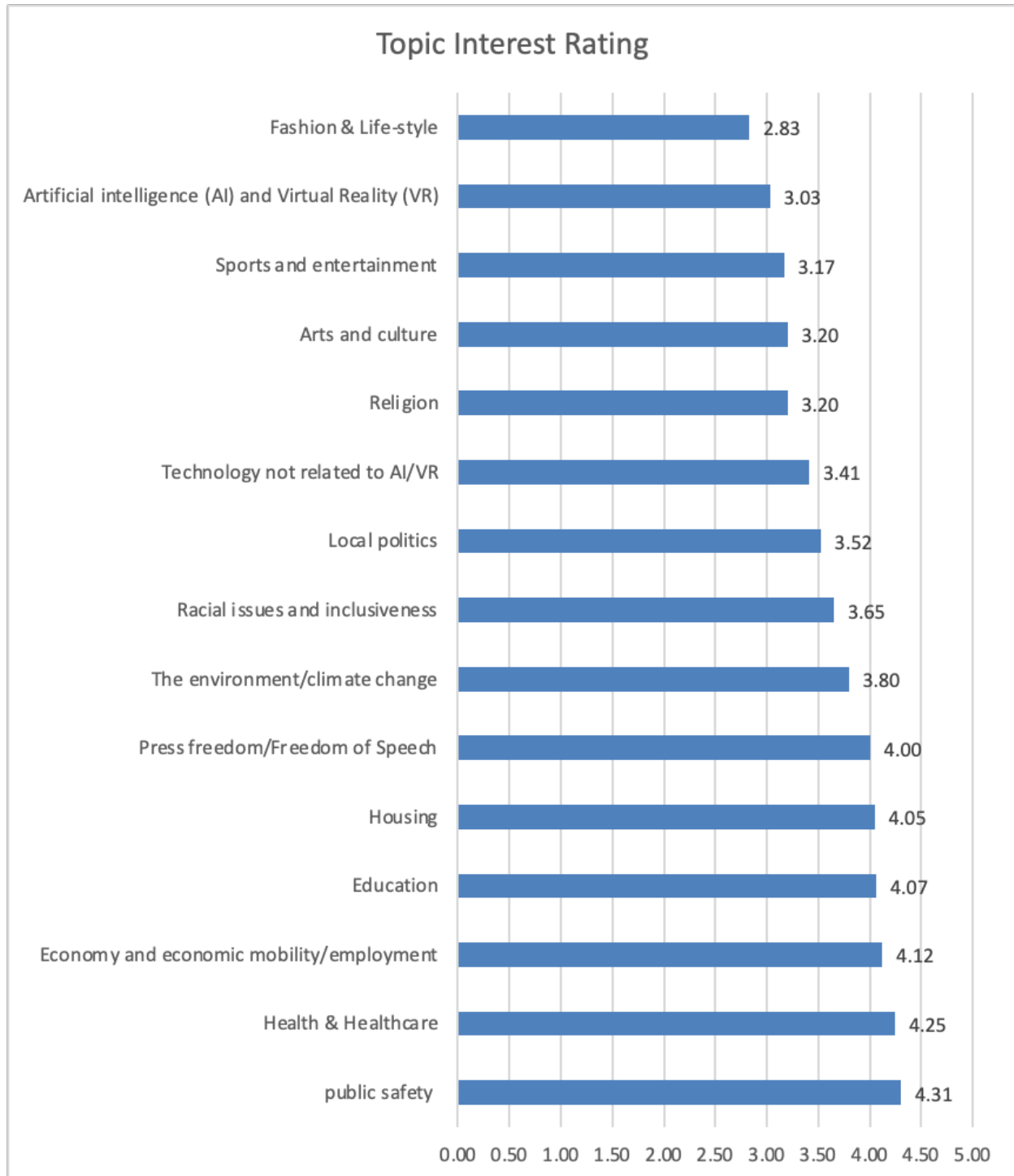
We found the people who preferred social media as their news platforms are the least likely to vote in local elections. Only 39.4% voted in local news elections. But those who prefer print newspaper, messaging apps/text messages and radio are the most likely to vote in local elections. The pattern is similar across state and national level elections. However, as the level of election become higher from local to state to national, the proportion of voters becomes much larger than non-voters for each news platform preference. This has important implications when selecting news platforms for mobilizing voting.





News Topic Interest and Selection of News Platform

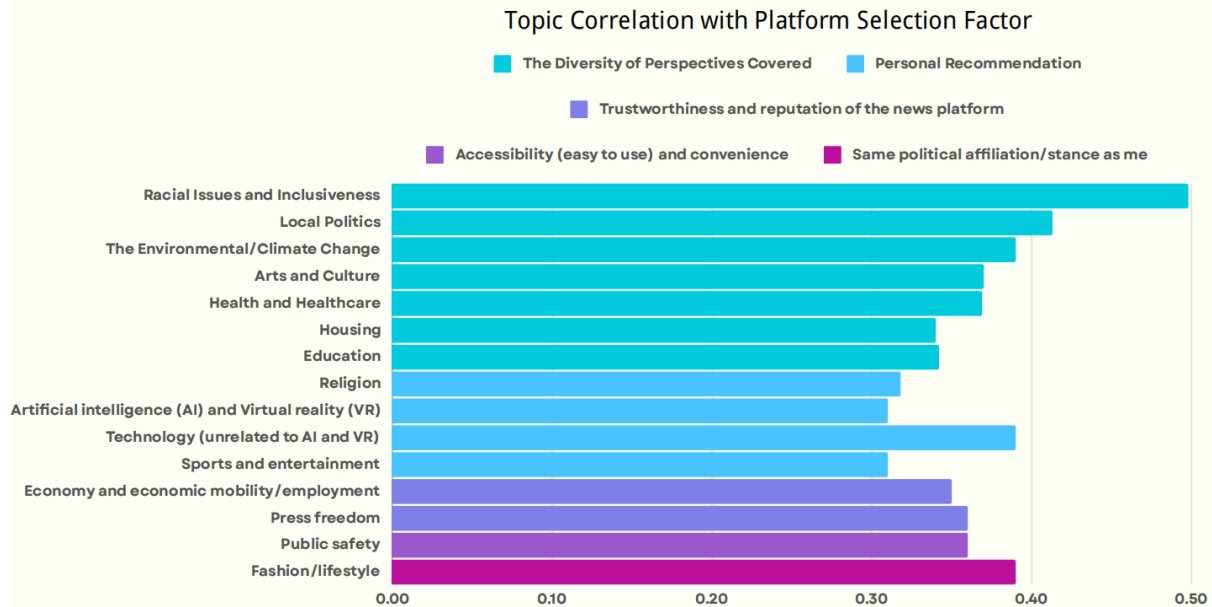
About the news topic of interest, public safety is rated as the most important local news topic for users (mean = 4.31), followed by the topic of health and healthcare (mean=4.25), economy (4.12), and education (mean=4.07). Fashion and lifestyle are the least important topic to the news audience (mean=2.83).



We found topic interests are correlated with the news platform choice factor. The analysis results show that the diversity of perspectives is a platform choice factor for people who care the most in racial issues and inclusiveness, local politics, environmental and climate change, arts and culture, health and healthcare, housing, and education. Personal recommendation is a factor for those who are about religion, artificial intelligence and virtual reality, technology, sports, and entertainment.

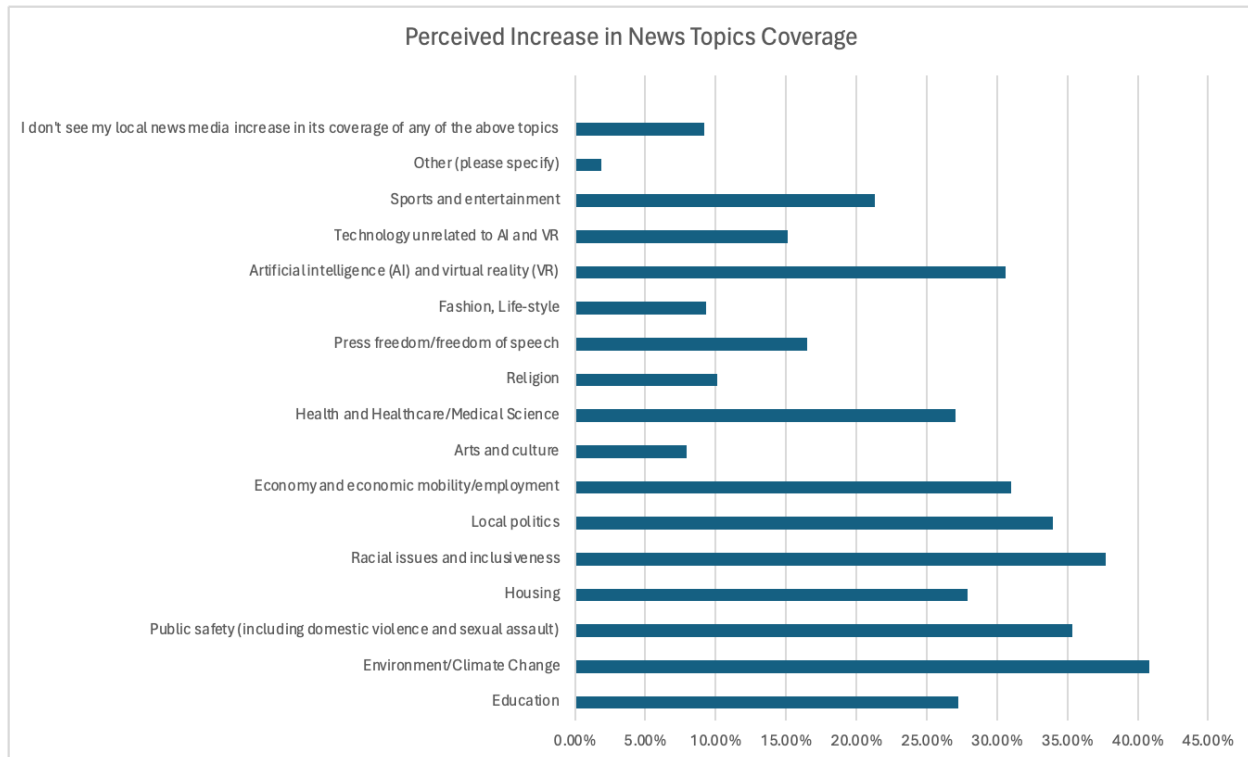
Trustworthiness and reputation of the platform is more likely a factor for those who are interested in economy and economic mobility ($r=0.346$) and press freedom ($r=0.358$). Whether platforms are easy to use is related to topic interest in public safety ($r=.363$). Interestingly, people who have a strong interest in fashion and lifestyle are likely to prefer news platforms that have the same political affiliation as themselves.

News Topic Interest and News Platform Selection Factor



Perceived Increase in News Coverage of Funded Topics

Environment and climate change is the topic most perceived as having an increase in coverage in local news (41%) by all respondents regardless of their level of news use. This shows that the heavy investment on climate change reporting by philanthropic funders paid off. The second highest perceived increase in coverage is racial issues and inclusiveness, which is also a common funded topic. Other topics the public also saw increase in coverage including public safety (35%), local politics (34%); economy and economic mobility (31%), and artificial intelligence (AI) and virtual reality (VR) (31%). However, if we look at the correlation of local news use frequency and perceived increase, we found the perceived increase in coverage in four of the five commonly funded topics (climate change, racial issues, arts and culture and health) have positive relationship with higher local news use frequency. Those who read local news more frequently actually can see the funded topic increase in coverage more than those who read local news less frequently.



Predictors of Pay for Local News Media

Not surprisingly, most respondents do not pay for the local news media outlet with subscription to either print or digital. Only 14.9% currently subscribe to a news outlet in print or digital. However, those who admitted they used to are also low in percentages (20.6%). Rather, a large majority of respondents (64.7%) have never had a paid local subscription or been a (paid) member of the public broadcast station. Hence, willing to pay for news is an important issue to solve. We further cross-tabulate to see if the non-payer of public broadcast and local newspapers are the same people. While there is a large group of people (77.6%) who never contribute to public broadcasting and never subscribe to any local news outlets, we also found there are some exclusive supporters of public broadcasting and some exclusive supporters of newspapers: 22.4% of those who used to subscribe to newspapers that currently support public broadcasting, and 22.7% of those used to support public broadcasting that currently pay for newspapers.

Paid News Subscription and Membership in Public Broadcasting

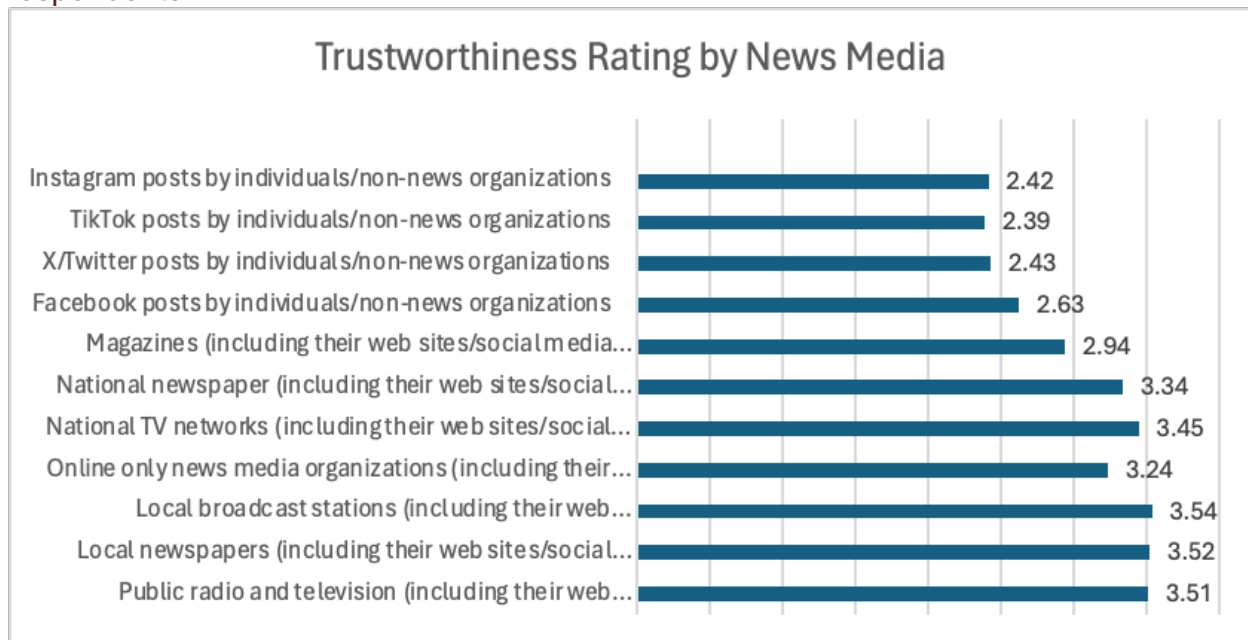
	Do you/your family currently have a paid subscription to a local news media outlet (print or digital)?			
	No, I have never had a paid subscription to a local news media outlet	I used to have a paid subscription to a local news media outlet, but not anymore	Yes, I currently have a paid subscription to a local news media outlet	Total
No, I have never been a member of or donated to a local public radio or TV station	77.6%	13.3%	9.1%	100.0%
I used to be a member of or donate to a local public radio or TV station, but not anymore	18.4%	58.9%	22.7%	100.0%
Yes, I am currently a member of or donate to a local public radio or TV station	21.2%	22.4%	56.5%	100.0%
Total	64.5%	20.5%	15.0%	100.0%

In addition, we found that income ($r = .16$) and community connectedness ($r = .17$) are the most important two significant predictors of paying for subscriptions to local news as well as those who trust news funded by non-profit organizations rather than businesses ($r = .14$). Unfortunately, satisfaction of the quality of local news is an insignificant predictor ($r = .02$) of payment for local news outlets. This insight points to the important

role of local news in enhancing community connectedness through funded journalism on important community issues.

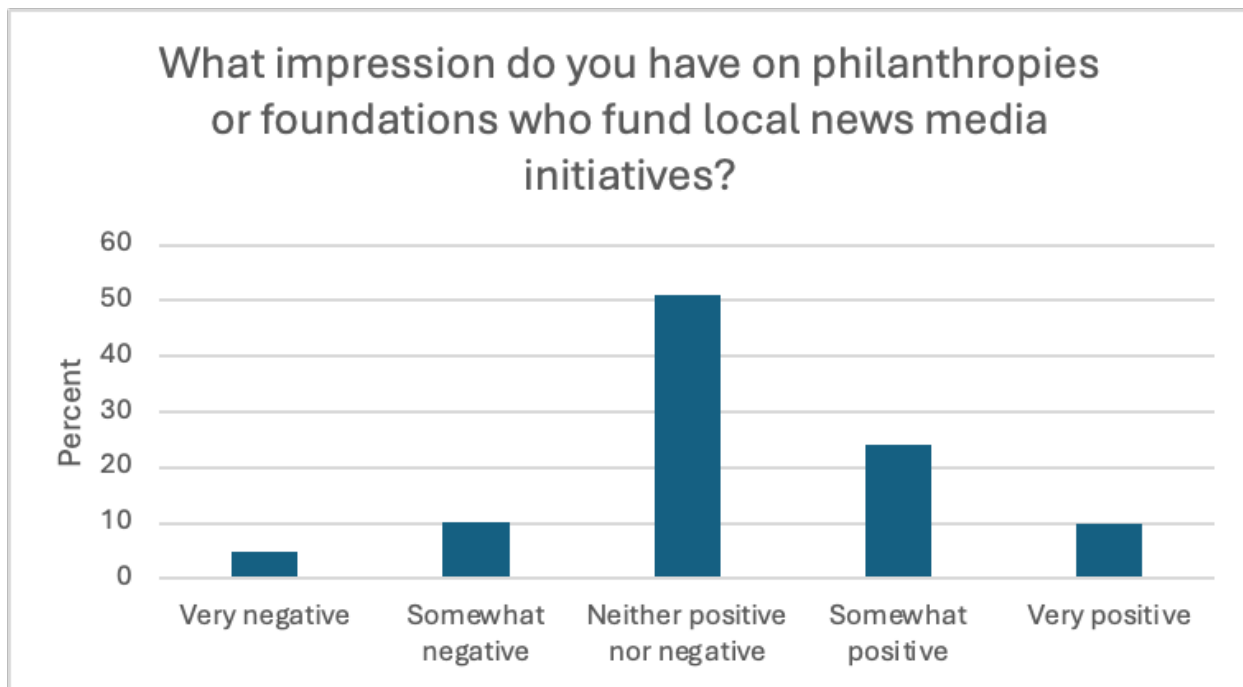
Local News Media and Public Broadcast Topped in Public Trust

Respondents were asked to rate the trustworthiness of each news media platform type. Local broadcast stations (mean=3.54), local newspapers (mean=3.52), and public radio and television (mean=3.51) are the three of the most trusted news platforms among all types of news outlets. National newspapers and national TV networks are the next trusted platforms. Online only news outlets ranked sixth. Magazines and their web sites are only 7th in trustworthiness. All social media ranked low in trustworthiness (mean less than 2.5) with TikTok being the lowest (mean=2.39), and Facebook is the highest among social media. X/Twitter and Instagram are rated almost identically by respondents.

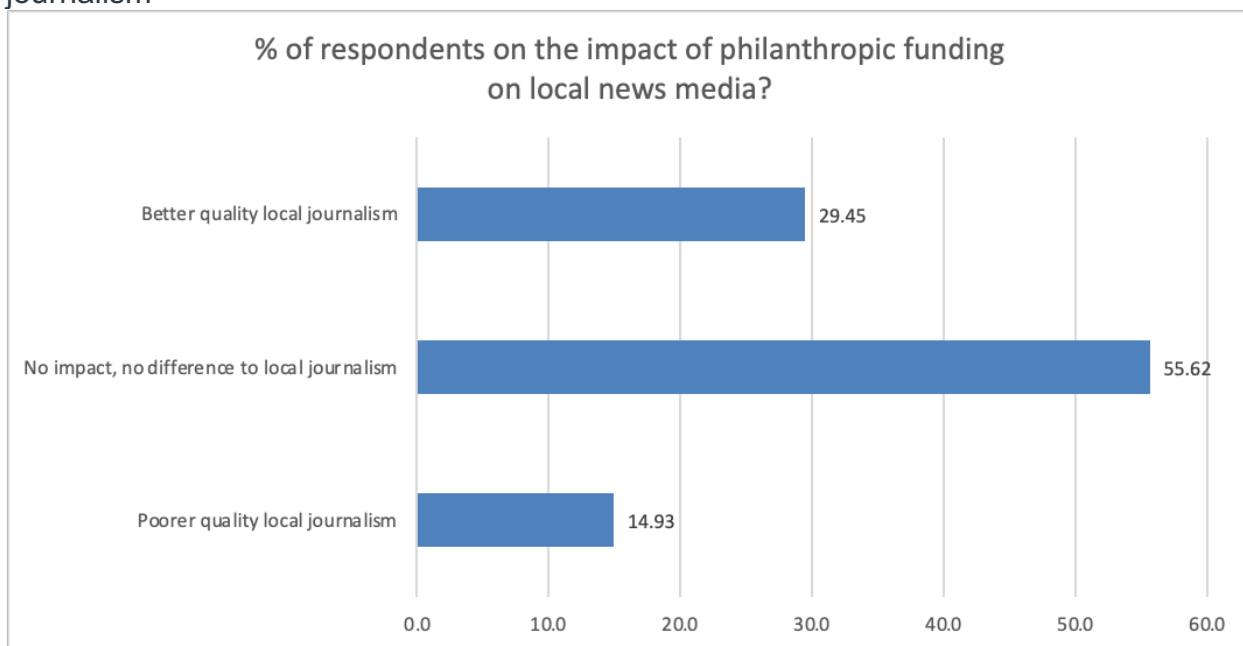


Attitudes Towards Philanthropies Supporting Local News Media

Users have a somewhat positive or very positive impression of philanthropies supporting local media, a total of 33% which is three times more than the 13% users who express their negative attitude towards philanthropies supporting local news. More than half of the users reported neither positive nor negative impressions of philanthropies funding local news, showing they are neutral to philanthropic funding. In addition, when asked to compare philanthropic funding and business funding (advertising), people trust philanthropic-funded journalism four times more than businesses funded journalism.

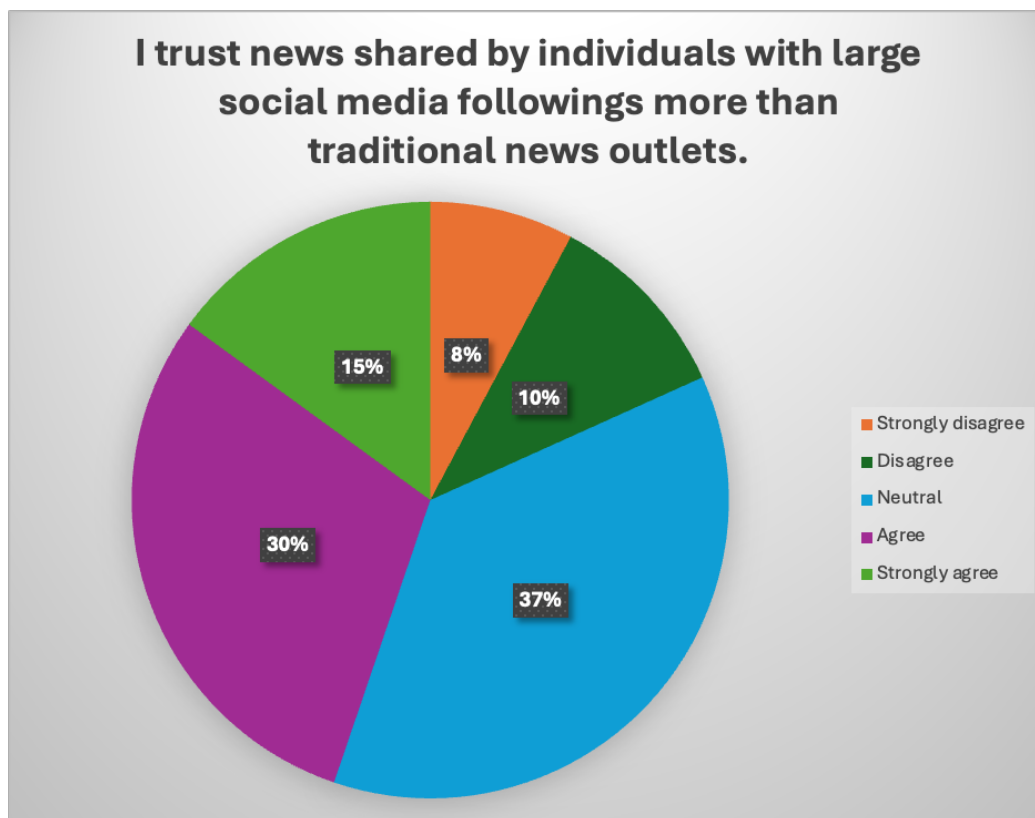


Although, most people did not think there is impact of funded journalism on local journalism, those who believe philanthropic funding leads to better quality journalism are two times more than believing funded journalism will result in poorer quality local journalism



Trust in Local News is Highest, But Watch for Trust in Alternative News Sources

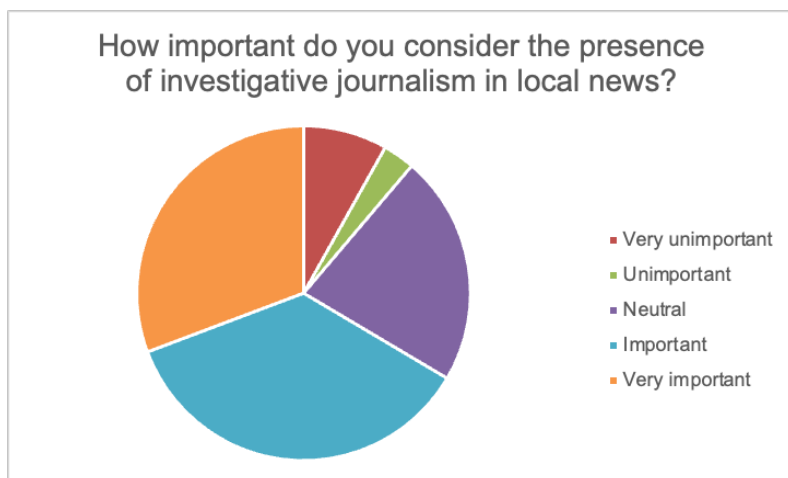
Although we found that respondents in general give highest trust to local news media, followed closely by national news media, there are some alternative news sources also getting trust such as the social media influencers with a large number of followers. It is remarkable that 45% of those people who use social media influencers as news sources trust the news shared by influencers more than traditional news outlets.



Importance of Investigative Journalism in Local News as News Expectation

In our survey, 66 percent of the respondents said it's important to have investigative journalism in local news and only 11 percent said it's unimportant. Those who believe investigative journalism is necessary in local news are likely to say funded journalism is going to bring better quality journalism than those who do not believe investigative journalism is important ($r=.12$). Investigative journalism is positively related to trust and reputation in local news ($r= .26$) and quality of news articles ($r = .30$) as a criterion of

platform selection. Foundations are playing an important role to make investigative journalism available in local news.



Local News Media is the Most Often Used News Source for Local News

We separated news sources from the news platform choice to identify which source the US public most frequently uses for topics they care about the most in their community. When asked which source respondents used to get the topics most frequently, local news media (Mean=3.36) is the most frequently used followed by national news media (Mean=3.27) and the government (federal, state, or local) was the distant third source in usage frequency. (Mean=2.3), companies and organizations which are non news media, social media influencer, and other sources are much less used for local topics the respondents care about the most. Hence news media, especially local news media, remains the go-to-source for topics respondents care about the most in their community.

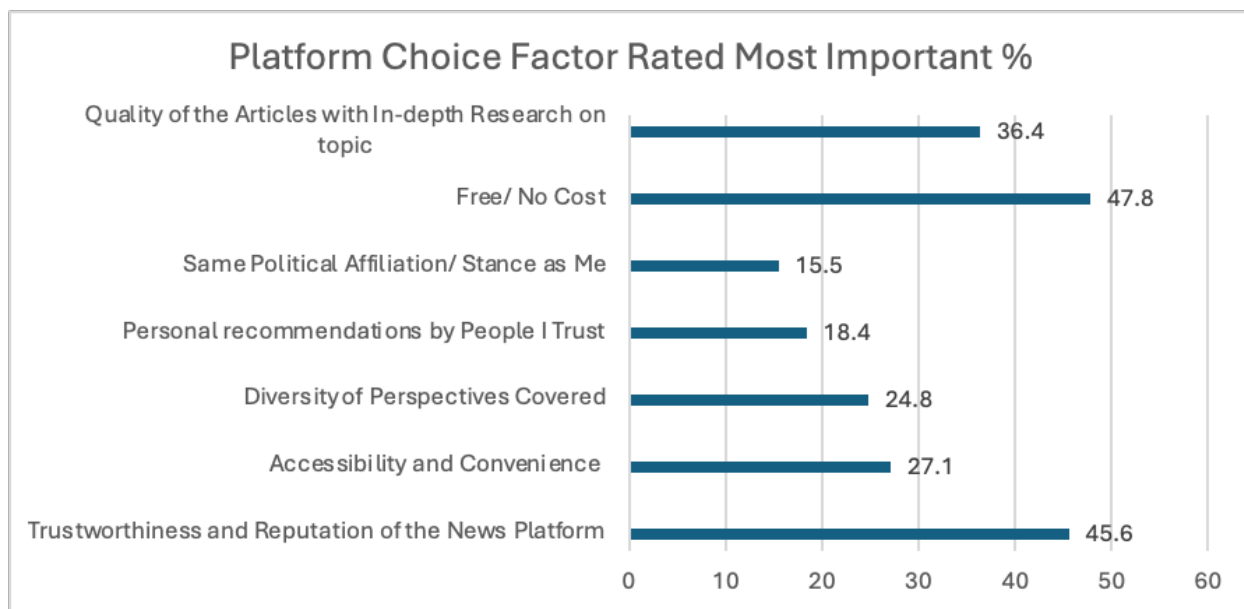
Generational Differences in News Platforms Use

There is a clear generational difference in news platforms preference, when we divide the respondents into six age groups spanning from 18-24 to over 65. Young adults aged under 44 primarily rely on social media and news apps on mobile devices, unlike their elders over 44 who primarily use television. Overall, televised news remains popular amongst all generations as the preferred platform, capturing roughly 39.1% of consumers across all age segments. However, we should note that online platforms such as newspaper web sites are embedded in social media platforms and mobile news apps as the links to the full article. Social media and mobile news are the referral platforms to newspaper websites.

Free as the Most Important Criterion Used to Select News Platform

We asked respondents to rate the importance of seven different factors in choosing a news platform. We chose a topbox approach to identify the most important factor because people make final decisions commonly by one key factor to them. No cost/free is ranked the highest with 47.6% rated it as the most important factor, closely followed by trustworthiness and reputation, with 45.6% regarded it as very important, exceeding the other criteria. This result explains why social media is such a popular news platform especially among young people because social media is free to use. Quality of news articles with in-depth research on the topic is considered the third most important factor with 36.7% rated it as most important.

Accessibility with ease of use and convenience drew substantial consideration, with 27.1% respondents finding it very important, while 24.4% consider diverse perspectives in news very important. Personal recommendations and political alignment were less important, with only 18.4% and 15.4% respondents rated them as most important. The takeaways of the result show that if high reach is the goal of the news dissemination, making it free access is the only way to do it. But this will contradict commercial news organizations' goals to earn money from news subscription through exclusive excessive especially when advertising revenue is no longer a reliable source of income for local news organizations. We also had some new media interviewees in our in-depth interviews emphasizing quality news should not be free. For funded news, the philanthropies should not just only pay for the production of the news and also cover the cost of accessing the news if the newspaper's website is on a paywall.



Overall News Interest is Positively Related to Visible News Engagement Behavior

We summed up the respondents' importance ratings of each of the 17 news topics as their overall news interest and correlated with their news engagement

behavior. We found overall news interest is positively correlated to active and visible online news engagement behavior such as 1) sharing publicly on your own social media ($r = .189$) and commenting/replying to comments online ($r = .165$). privately share on own message groups/text messages ($r = .094$). But the non-visible/non-identifiable type of news engagement behaviors such as, liking/favoriting/reacting on social media ($r = -.226$), discussing with others offline ($r = -.213$), and merely reading it without further action ($r = -.188$) is correlated to lower news interest. Hence, if funders and newsrooms use news engagement as metrics of impact, they will need to consider the intensity of news interest of the users and differentiate the visibility of the engagement metrics. Those publicly available visible news engagement behavior metrics are more reflective of those with higher and more diverse news interest, while the non-visible news engagement behavior metrics are more reflective of those with lower and less diverse news interest.

Recommendation and Conclusion

In general, the public is either positive toward funded journalism and believe it will bring more quality journalism to local news or neutral about it. The low awareness of funded journalism in local news means more education is needed to the public about what funders provide to local newsrooms such as paid internships to students and aspiring journalists, training to current journalists, hiring of special beat reporters, support for investigative projects and other programs supporting minorities in the communities, education on AI use, innovative practices in journalism, etc. Intermediaries such as Journalism Funding Partners can promote more the benefits of funded journalism to philanthropies, current local news outlets and the public.

Funded journalism no longer is limited to non-profit start-ups but established news media that can use the support of foundations to enhance the quality of their work and try innovative practice with foundation support as seed money. With their established reputation and readership base, local newspapers can lead the movement toward reinvigorating the news industry by providing quality journalism that connects people to its community, which further differentiates it from other low quality free content on social media.

A main caution we learned from our survey of the US audiences is that while some of them do care about the quality of news articles and trustworthiness and reputation of the news platform, being “free” is considered by almost half of them as the most important factor in platform selection. The popularity of social media as a news source is due to it being free to the audiences. Those that do not care so much about quality (the parity news audiences) and those that have low income or young people tend to rely on social media as their preferred means of getting local news.

Currently, the funding of local news media has been concentrated on a few states in the coastal areas and the south. As the news deserts and cities with no local newspapers are found mostly in less populated areas, it may be necessary for larger metropolitan dailies to help set up regional editions targeting nearby locales with no

local dailies. This can be an area for philanthropies to make strong community impacts by supporting the operation of those regional editions.

Based on our research, we recommend the following actions to enhance the role of funded journalism in increasing the trust in and quality of local news:

1. Develop Common Standards for Funded Journalism

Our interviews with funders and news media outlets show that funded journalism will benefit from more common standards especially on transparency, accountability and measures to protect funded journalism. These standards should be publicized to the society so that people have a true understanding of what funded journalism is and differentiate it from sponsorship and native advertising. Not only are these provisions necessary to facilitate long-lasting partnerships, they also will increase the public trust in funded journalism as a majority of the American public believes that editorial independence is necessary to earn its trust in local news. The best practices that we conclude from the in-depth interviews show that funders all acknowledge the importance of transparency, editorial independence, accountability in enhancing the trust in journalism.

As the overall perception of philanthropic funded journalism is mostly positive or neutral, and that philanthropic support of journalism is seen four times more positive than business-supported journalism, funders should embrace transparency and disclosure without worrying about negative consequences for the funder. In the best practices section, we explain how anonymized donors and intermediaries can be acknowledged without compromising the trust in the local funded news and accommodate the privacy of funders.

2. Public Education on Funded Journalism

As we found overall public awareness of funded journalism is low, more education effort is needed to explain the role of funded journalism in local news, especially investigative journalism and other special initiatives. In addition, it is necessary for the public to know the existence of intermediaries in these foundation-funded initiatives in commercial local newspapers. The public should learn how funded journalism works and its benefits to the news industry and the public. The role of intermediaries in facilitating editorial independence, knowledge sharing and match making of funders and newsrooms should be made known.

Our national survey shows that funded journalism is effective in setting public agenda and increasing perceived importance and coverage on four of the five most common funded topics especially among those who read news frequently. As our survey is national, not local, it shows that the impact of funded local journalism may not be just local and can be spread nationally and become a national center of attention.

3. Investigative Journalism and Alignment with Philanthropies' Goals

The perceived importance of investigative journalism to the majority of news audiences and its positive relationship with trust in local news mean that foundations' support of investigative journalism is beneficial to building trust in local news and the whole news industry. How to make the investigative journalism projects sustainable is to have those projects in close alignment with philanthropies' goals and missions. News media outlets need to pitch their investigative news projects and initiatives to match the goals of the philanthropies. Those projects that align with philanthropic goals will likely be able to secure consistent funding to conduct projects. Group-owned newspapers have the advantage of hiring dedicated staff in the group to develop proposals and run funded journalism projects and can leverage several local newspapers in multiple markets for funded journalism. Non-group owned newspapers can work with intermediaries to help identify appropriate funders with projects that closely aligned with funders' goals.

4. Funded Journalism and Pay to Local News Media

The sharpest difference in views between funders, local news outlets and the American public probably is about the paywall issues. Local newspapers' paywalls block access to their full or exclusive content for non-subscribers. As this white paper shows the importance of free access to funded journalism to achieve the largest social impact with highest reach, local newspapers need to consider treating funded journalism as a public good, similar to other public interest or emergency/disaster coverage. Taking down the paywall for funded journalism for open access should be agreed in advance by all parties.

As our findings show that subscription to local news media outlets is generally low, the only three positive predictors of payment of local news media are household income and community connectedness, and expectation of editorial independence. Increase in trust in journalism and perceived importance of investigative journalism are not related to news subscription. However, those with interest in climate change, arts and culture (commonly funded journalism topics), and non-commonly funded journalism topics such as fashion and lifestyle, artificial intelligence and virtual reality are positively related to current news subscription. Local news media can strengthen the coverage of these topics to attract new subscribers.

For news outlets to be seen as worthwhile for payment, they need to help build community connectedness by including the community members more in the news so they can feel more connected to the community and can see the value of subscribing to the news and cultivate a sense of fear of missing out without the subscribed local news.

It is also important to demonstrate the difference between a paid subscriber versus someone who does not pay in light of the large number of people never subscribed to a newspaper either in print or digitally. It's getting even worse currently with many choices of news platforms with varied quality. When advertising becomes less and less a viable source of income for local news outlets, this is especially

important since free is selected most often as the most important criterion of platform selection.

In our survey, we intentionally separated news sources from news platforms in asking news media use. It shows that news media, local or national, no matter in what format, are the first go-to-source for people on the topic that they care about. They are still the trusted source for most people for information. Governments, non-news organizations, or social media influencers have a much lesser role as the source of the topic. When we asked for the platform of choice, then television and social media are the most prominent platforms because they are free. But social media often has links to local news websites or run by individual journalists, most of which are essentially from local news media. The actual news site usage data would be a better indicator to news exposure. The fact that the public say news media are their sources of info on the topic despite using social media as a platform of choice shows the complex relationship between social media and traditional news media brands. The generational difference in news media platform choice means that news organizations need to have a presence on social media to reach their younger audiences. Print newspapers have become a niche platform for some older audiences. Young people have basically abandoned print newspapers as a platform.

5. Role of Local News Media in Fostering Community Connectedness and Political Participation

As we confirmed community connectedness is positively related to local news media use frequency and local political participation, local news media plays the critical role of informing the community members, building the connectedness with the community and facilitates democracy. Funded journalism can make local news stronger by raising their profile through innovation and high-quality coverage including investigative journalism. The generally positive or neutral perception of funded journalism means that funded journalism is considered as a constructive force in the local news operation. It can elevate the local news to the level it should be.