Philanthropic support for traditional newsrooms: a guide
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1. Introduction
Introduction

As part of our charitable mission, theguardian.org is dedicated to identifying and supporting projects aimed at strengthening the capacity of independent news organizations to reach broad, diverse audiences and create sustainable business models. The following guide was prepared in furtherance of this goal, supported in part by the Bill & Melinda Gates Foundation. The findings and conclusions contained within are those of the authors and do not necessarily reflect positions or policies of the Bill & Melinda Gates Foundation.

Questions, feedback, and discussion are welcome. Please contact us at info@theguardian.org.

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Throughout 2021, our partners at Impact Architects conducted a research project on the intersection of philanthropic support for the for-profit and legacy news sectors, to understand this emerging field and to fully consider the trajectory of growth in philanthropic giving within this sector. The results of those findings were presented to participants at the International Journalism Festival in Perugia in April 2022, and are available to view over the next few pages.
Introduction

There has been a marked increase in philanthropic giving to news organizations of all varieties over the past decade, including commercial, for-profit news organizations. In partnership with The Guardian, this research outlines trends in the amount of philanthropic funding to commercial media from 2016 to 2021, and presents three case studies to illustrate how different newsrooms, with different business ownership structures, receive and use philanthropic support in their organizations.

There are a number of clear trends in philanthropic funding for commercial newsrooms over the past five years. Funding is almost entirely restricted to project-based funding, for specific content or initiatives aligning with funders’ core interests, for a combination of legal, practical, and philosophical reasons. However, this funding often provides benefits beyond the direct revenue and reporting it enables. Philanthropic funding can enable not only expansion of coverage and cross-newsroom collaboration, but it can also contribute to the testing and development of innovative processes and products, increased brand trust, and expanded engaged audiences – all of which has the potential to increase other revenue sources such as reader revenue.

Philanthropic support is not without its challenges, largely administrative and time bound. Newsrooms without the financial structure to administer grants have needed to build out capacity for accounting and financial reporting, while those reliant on hiring or shifting staff for philanthropic projects struggle with slow internal processes. Across all newsrooms, the need for impact measurement in conjunction with philanthropic support remains an area for continuous improvement, requiring time and capacity in order to fully capture the impacts of their philanthropically-supported work.
The increase in philanthropic support for journalism includes increased funding for commercial media and those with hybrid models.

The total percentage of all philanthropic dollars to journalism going to commercial media remains small, about 3%.

Grant funding for commercial media tends to be restricted grants to support specific projects or innovation efforts; this project-based funding is seen as part of broader efforts for organizational sustainability.
Philanthropic support: the pros and cons

Benefits
- Support often enables the expansion of topical coverage and cross-newsroom collaboration.
- Philanthropic dollars can be used as “innovation capital” and contribute to the testing and development of innovative processes and products.
- Partnership with philanthropy can increase brand trust.
- Philanthropically-funded coverage can result in expanded and engaged audiences, sometimes resulting in reader revenue.

Challenges
- Organizations must develop administrative and financial processes for grant administration.
- Project timelines can be held up by the need to hire or shift staff.
- Impact measurement is mentioned as a place for continuous growth and improvement, and remains resource-intensive.
From 2016 through 2021, we identified 279 unique philanthropic grants that total about $65.8 million to commercial newsrooms. The most striking finding from these results is how top heavy the amounts are for the largest donor and the largest recipient. In this timeframe, the Bill and Melinda Gates Foundation has given $20.2 million, or 31.4% of the total. The largest recipient are properties of The Guardian – theguardian.org and Guardian News and Media, which are designated separately in public records. Together, Guardian properties account for $22.6 million since 2016, or 38.8% of the dollars received.

While there is a lot of money going to commercial media, it's still a very small slice of the pie. According to the MIF database, from 2016-2017 the total dollars given for "journalism, news, and information" was $2.1 billion. Even with anomalies and lag in the data, the $65.8 million we identified that went to commercial media is small (about 3%).

We also found that the support tended to be for specific projects rather than general support, as 71.3% of grants were project funding and 28.7% were for general operating. This data tracks with what we learned in our case study of The Guardian; philanthropic support to The Guardian is almost exclusively for specific editorial projects. But even if we filter out the substantial number of grants that The Guardian has received, 68.3% of all remaining grants to commercial media are still for specific projects. This might be a central difference between philanthropic funding for commercial versus nonprofit media; in our experience working with funders who primarily support nonprofit news organizations, the trend is moving toward offering general support rather than project funding.
The Guardian is a global news organization headquartered in London, UK, originally founded in 1821 as The Manchester Guardian. The news organization is owned by the Scott Trust Limited, created to “secure the financial and editorial independence of the Guardian in perpetuity and to safeguard the journalistic freedom and liberal values of the Guardian free from commercial or political interference.”

The Scott Trust was originally created in 1936, reconstituted in 1948, and replaced with the Scott Trust Limited in 2008. The limited company is the sole shareholder in the Guardian Media Group, and only uses its profits to reinvest in journalism. Guardian News and Media - the primary business of the Guardian Media Group - in addition to the British daily paper and the Sunday Observer newspaper now include theguardian.com, The Guardian US, and Guardian Australia. In 2016, the IRS granted non-profit status to theguardian.org, an organization with the mission “To advance and inform public discourse and citizen participation around the most pressing issues of our time through the support of independent journalism and journalistic projects at The Guardian.” Theguardian.org has a resource sharing agreement with Guardian News & Media.
**Funders:** Despite its unique ownership model, The Guardian has only received philanthropic funding for editorial projects since 2012, beginning with a three-year grant of three million dollars from the Bill and Melinda Gates Foundation to support reporting on global development. The Guardian has received over 80 grants since 2012, from at least 45 different funders, including the Open Society Foundations, Rockefeller Foundation, John S. and James L. Knight Foundation, Ford Foundation, and Humanity United. The Bill and Melinda Gates Foundation remains one of its largest philanthropic funders. Typically, the philanthropic team of four staff work with both the US and UK newsrooms to identify spaces of editorial interest, and then conduct outreach to potential philanthropic partners. It is much less frequent that The Guardian is instead approached by a funder to initiate a project.

**Types of Grants:** The Guardian's funding, other than one project with the Knight Foundation in 2015 for a mobile journalism lab at Guardian US, has all been for editorial projects, a specific choice made by the organization to only take funding for journalism. With all project-based funding, The Guardian puts a “badge” (with the logo and name of the funder) on the end product of philanthropically supported content, ensuring transparency with audiences. And by working on specific philanthropic projects, The Guardian can clearly track and measure the impact of the work.

**Grant funded staff:** The Guardian has around 29 FTE staff supported by philanthropic funding across the UK and US, some permanent employees, and some on fixed-term contracts. When journalists already on staff are appointed to philanthropic projects, they are typically already permanent employees, or made so when they take the philanthropically funded role. Meanwhile, new staff for philanthropic projects are often hired initially as fixed-term employees matching the length of the grant and the uncertain nature of ongoing funding.

The Guardian's philanthropic projects are central to both the US and UK newsrooms, and are integrated into core newsroom desks such as news, foreign, the environment, and features. In both newsrooms, they have also established dedicated philanthropy desks that develop and deliver the editorial projects. These desks are often led by veteran Guardian journalists with ties across the newsroom and deep relationships with the editors-in-chief. Philanthropic projects at The Guardian are seen as core to editorial strategy and coverage at the organization.

On the business side of the organization, The Guardian has a global philanthropy team of four staff: Executive Vice President, Philanthropic and Strategic Partnerships, Senior Strategist, Head of Impact Strategy and Partnerships, and the Director of Philanthropic operations. While the team sits on the business side, much of the day-to-day work is with the editorial side of the business, working closely with the philanthropy editorial leads.
Challenges: While impact measurement was initially an onerous challenge for The Guardian, after more than seven years of formal philanthropic support, the organization has developed a nuanced model of impact measurement, with dedicated staff in place to collect, disseminate, and communicate impact measurement, data, and insights to funders. The greatest challenge The Guardian now faces is the cadence and management of spending for philanthropic funding, with uneven spending or under- or over-spending on a project. Hiring timelines, undertaken by editorial, can mean slower starts for a project, particularly given the partial hiring freeze at The Guardian for the past several years. Without the ability to always hire externally for philanthropic projects, negotiations for internal staff shifts can be slower than would be ideal for these projects.

Benefits: Philanthropic support enables The Guardian to undertake long-running and impact-centered projects that often drive large and engaged audiences whose attention benefits the newsroom more broadly. The philanthropic projects in the US in particular play a role in reader revenue - driving audience development and engagement that results in additional dollars to the organization. This is particularly true for topics such as the environment, often supported by philanthropic projects, but where the reporting is one of the largest drivers for reader revenue.

Going forward: The Guardian doesn’t aim to rapidly or substantially grow philanthropic support, but instead allow it to grow organically and intentionally - ensuring that this support for their core editorial journalism abides by their standards and upholds their integrity.
The Associated Press (AP) is a cooperative news organization founded in 1846. As an association, the organization's members are news outlets to which AP distributes its content. AP operates bureaus in almost 100 countries, as well as the AP Radio Network. AP operates on a for-profit business model, selling subscriptions to its news wire service, as well as membership to the news cooperative, though the organization is incorporated as a not-for-profit cooperative.
Case study: The Associated Press

Funders: While a nonprofit organization since its inception, the AP first received philanthropic funding in 2011, from the John S. and James L. Knight Foundation. Until 2017, the Knight Foundation was the AP’s only philanthropic funder. In 2017, the Howard Hughes Medical Institute (HHMI) funded the AP from its science education division to expand coverage of genetic medicine, and produce science explainers. The first grant from the HHMI came about due to chance more than anything else. The head of the HHMI’s science education division attended a conversation with universities at AP, and learned about AP’s distribution network, seeing the opportunity to partner and create wide information dissemination. AP then created a role, the Director of News Partnerships, and appointed veteran journalist Lisa Gibbs to work on replicating this opportunity. By 2020, AP had three major philanthropic initiatives: health and science, a global religion team funded by the Lilly Endowment, and a relationship with Report For America to bring in 17 new journalists to AP’s state governments team. From there AP began working with a consultant to proactively reach out to philanthropic organizations and build relationships. Now, partnerships begin from both AP direct outreach to aligned foundations, and funders asking AP about potential work and partnerships.

Types of Grants: AP thinks of its grants in three categories: (1) story or project based grants covering newsgathering costs, (2) “innovation” grants that support the building of technology platforms or news industry infrastructure support writ large, and (3) grants for significant coverage expansion, (more than a single project or story) for news priorities such as climate, health, education, and U.S. state government. Given the AP’s major revenue streams, philanthropic grants to AP are all project based, with expenditure responsibility.

Most of AP’s grants go to newsgathering costs, though this can additionally include audience development to expand the reach and impact of grant-funded projects. Outside of newsgathering, the AP has undertaken technology development with the support of grants, and, in its strategy department, funded a two-year educational and project development program to support U.S. local news outlets to better leverage machine learning and AI technology for business sustainability.

Grant funded staff: AP’s grant funded staff are brought on full-time with benefits, and where applicable, have membership in their News Media Guild. These roles are often hired as two- to three-year “terms,” to match the time frame of the grant, though AP hopes to renew these grants in the future. These reporters sit on teams the same way any other AP journalist does. In 2021, the News Partnerships unit moved from the newsroom to sitting under the Chief Financial Officer. While the unit’s work is inextricably intertwined with the newsroom, the work it does - developing philanthropic proposals, conducting outreach to philanthropies, and administering grants - is distinctly different from editorial work. By situating the unit under the CFO, it can further strengthen both its financial analysis and grants administration, while also bringing in a business development mentality to a previously editorial group.
Case study: The Associated Press

**Challenges:** AP faces two primary challenges when it comes to philanthropic funding. The first is the actual administration of its grants, including financial reporting, legal agreements, and metrics requirements. For this reason, AP created a “News Partnerships” unit to establish and drive these procedures, working across AP’s global organization. This unit is also helpful in the second challenge AP faces with philanthropic work - impact measurement. One of the primary areas for improvement according to the team is implementing better systems to track grant-funded content and document its impacts.

**Benefits:** In response to the benefits of philanthropic partnerships beyond revenue, Lisa Gibbs, Director of News Partnerships, explains:

“Working with philanthropies has pushed us to think about the public service aspect of AP’s journalism, both for audiences and for the news industry we serve, and overall given us more of an outcomes mindset. Even more importantly, we view philanthropic funding as a way to not only produce more journalism around critically important topics, it’s a kind of “innovation capital” that enables us to try new approaches we otherwise wouldn’t have the resources or bandwidth for.”

**Going forward:** While the AP expects it will always bring in the vast majority of its revenue from its content licensing, it also expects that philanthropic funding will grow in the near future and be an important source of funding for undercovered and important topics. However, AP is not confident about the sustainability of reliance on grant funding and its long term growth potential. Looking at the industry more broadly, Gibbs states “I think having multiple sources of funding is good for the news industry’s overall financial sustainability, and philanthropic funding can be really helpful in driving journalism that benefits the public (but might not occur because it requires a high degree of resources or is otherwise not commercially viable).”
Vox Media is a for-profit, digital-first, media organization founded in 2011. The company was initially founded as a parent company to encompass SB Nation’s network of sports blogs (originating with Athletics Nation, founded in 2003) and The Verge, a newly launched technology-oriented website. In 2012, Vox Media launched the video gaming website, Polygon, and in 2013, acquired Curbed Network, including blogs Curbed (real-estate), Eater (food), and Racked (fashion). In 2014, Vox Media launched Vox.com, a digital news site. Vox Media’s properties have continued to expand through the last decade, both through founding new sites, and acquisition activities, encompassing 18 media properties, alongside additional revenue-generating businesses, as of March 2022.
Case study: Vox Media

**Funders:** Vox Media and Vox.com began receiving philanthropic funding in 2018, when the Rockefeller Foundation supported the launch of Future Perfect, its effective altruism vertical. Over the years, Vox has additionally received support from the Pulitzer Center, the BAND Foundation, Omidyar Network Fund, the Commonwealth Fund, Animal Charity Evaluators, the New Venture Fund, the National Institute of Healthcare Management, and the BEMC Foundation. These partnerships originate both through outreach from Vox to partners, and from partners themselves.

**Types of Grants:** As Vox Media is a for-profit entity, all grants are restricted and carried out as fiscal responsibility grants. While this structure requires transparency for tax purposes, Sarah Bishop Woods, the Director of Network Development, explains that this transparency between Vox Media and funders further builds trust. Granted funds directly support reporting costs, and when necessary (and always disclosed to funders), operational management such as finance, accounting, or legal, given the overhead required for each reporting project.

**Grant funded staff:** Generally, pre-existing full-time reporters or editors work on grant-funded projects by allocating portions of their time. Philanthropic funding at Vox Media has also enabled the expansion of its fellowship program, as well as the hiring of full-time, project-based contract reporters, who in addition to being included in Vox Media’s union (through WGAE), receive full benefits. The philanthropic projects are integrated into the core desks in the newsroom and can create opportunities for cross-newsroom collaboration.
Challenges: While Vox’s strong newsroom and financial and accounting capabilities enable smooth project execution, impact measurement remains an area for continuous improvement, given how time-intensive the process can be, and how many individuals need to be included to successfully capture the breadth and depth of a project’s impact. While hiring to support philanthropic projects is not typically an issue, at times the process may take longer than originally planned to find and onboard the right candidate. When this arises, Vox is as transparent and open with funders as possible, working to keep them up to date if hiring timelines impacts a project.

Benefits: On if there are benefits to partnering with philanthropic organizations beyond revenue and ability to complete reporting projects, Bishop Woods answers “Emphatically, yes.” She explains, “These relationships are forged because we share the same goal for public good. Journalistic entities and philanthropic foundations operate with purpose and responsibility to our communities. First and foremost, the benefit to these partnerships is the ability to do more work on behalf of the audience and broader community, to move conversations forward, investigate solutions, tell untold stories, and offer new ideas. Philanthropic partnerships mean we can do more in the spaces where our missions align.”

Vox also hypothesizes that philanthropic partnerships support building audience trust, seeing the partnership as a seal of approval on the quality and veracity of their reporting. If audiences are more familiar with the foundations than Vox Media, or aligned with foundation mission statements, Bishop Woods suggests it may add “an additional layer of credibility and clarity to the end goals of the reporting.”

Going forward: Vox Media’s goals in regard to future philanthropic funding has more to do with reporting goals, and issues they want to see covered, rather than a revenue incentive. For Vox, “the reporting work we want and need to do is endless,” and aligned partners can help make that reporting a reality for their audiences. In the near future, Vox is interested in funding for ambitious video projects, as well as expanding their work on educational materials. Vox would also like to be a model to peers to demystify this type of philanthropic support for for-profit news organizations, making philanthropic funding broadly available to their peers, building further financial security for the industry.
Conclusion

There are a variety of lessons and trends of philanthropic support in commercial newsrooms. Nationally, the increase in philanthropic support for journalism is not isolated to nonprofits, but also includes increased funding for commercial media and those with hybrid models, however, the total percentage of all philanthropic dollars going to commercial media remains small.

Grant funding for commercial media tends to be restricted grants to support specific projects or innovation efforts. This is contrary to the overall trend in philanthropic support for journalism in the nonprofit sector where movement is toward unrestricted, general operating support. However, project-based philanthropic funding is seen as part of a broader effort for organizational sustainability, as it contributes to high quality reporting and support for staffing.

Philanthropic partnerships often provide benefits beyond the revenue and reporting it enables, including the expansion of topical coverage and cross-newsroom collaboration, and contributing to the testing and development of innovative processes and products, increased brand trust, and expanded engaged audiences.

As newsrooms implement these new partnerships and funding streams, they face administrative and operational challenges that can slow projects. This includes financial structures for grants administration, the need to hire or shift staff, and processes for implementing impact measurement. Despite these obstacles, organizations speak overwhelmingly positively about their philanthropic partnerships, and look forward to growing their support in the future.
1. We used multiple sources of information to compile an overview of philanthropic funding forgiven to commercial media. The most complete source was the Media Impact Funders' database, though records for the most recent years are incomplete. In addition to the MIF database, we used public statements of funding from theguardian.org and Luminate. While Luminate includes a filter for grants given to "for profit" organizations, the much larger MIF database does not. Identifying grants to commercial media required combing through a large set of grants. We used "journalism, news, and information" as the subject filter. The summary presented on page 9 is for the years 2016-2021.

In April 2022, at the International Journalism Festival in Perugia, Italy, The Guardian hosted a series of panels on the role of philanthropy in news which offered the audience of journalists and media professionals a behind the scenes look at philanthropic support for for-profit news from three critical perspectives: 1) philanthropy professionals, 2) editors and journalists who run philanthropy - supported projects, and 3) the foundations that support the journalism. These highly-interactive conversations—attended at full capacity—provided both general overviews of how the process works and its impact as well as tangible tips for news organizations potentially building philanthropy programs.
Panel one: Is foundation philanthropy only for nonprofit newsrooms?

As the news industry navigates toward sustainable revenue models, philanthropic support from foundations continues to develop as a means to support editorial gaps and priorities. In the past few years, foundation funding has fueled real growth in the non-profit news sector, giving rise to new, influential newsrooms like The 19th and Capital B. But where do traditional news organizations fit in when it comes to foundation funding? In the first of our three panels at the International Journalism Festival, representatives from commercial newsrooms who have successfully built philanthropic programs spoke more about the landscape for foundation funding, what kinds of projects philanthropy supports and why, and the models and tools that can assist in securing philanthropic support for the commercial news sector. Watch the session in full here.

Panelists:
Annie Chabel: Chief Operating Officer for The Center for Investigative Reporting
Lisa Gibbs: Director of News Partnerships for the Associated Press (AP)
Sarah Bishop Woods: Director of Development at Vox.com
Hannah Stonebraker: Manager of strategy, research and evaluation at Impact Architects

Key takeaways
■ While philanthropic support does not replace an entire business line or existing revenue stream, it can be the “innovation capital” for news organizations.
■ Clear guidelines are necessary for vetting philanthropic partners and establishing communication norms with funders to maintain editorial independence.
■ Impact can be elusive and can change from project to project.
■ Philanthropy for journalism requires significant staff resources for research, proposal writing, due diligence, hiring and reporting.
■ The end of a project-based grant doesn’t always mean the end of the journalism.
Panel one: Is foundation philanthropy only for nonprofit newsrooms?

Key takeaways - in detail

1. While philanthropic support does not replace an entire business line or existing revenue stream, it can be the “innovation capital” for news organizations.

2. Clear guidelines are necessary for vetting philanthropic partners and establishing communication norms with funders to maintain editorial independence.

   News organizations should be explicit that conversations with the philanthropy and business teams never guarantee coverage by journalists. Read the AP’s guidelines for vetting partners and funders [here](https://www.ap.org/guidelines-for-vetting-partners-and-funders).

   In addition, relationships with funders can be an opportunity to help funders better understand what’s appropriate. Be prepared to educate your journalists on philanthropy processes, as well.

3. Impact can be elusive and can change from project to project.

   Measuring impact may require a culture shift as well as new processes to track both quantitative impact – such as audience reach – which newsroom organizations have typically tracked and qualitative impact – such as policy responses – which news organizations have struggled to define. Some examples of trackable impact include: policy decisions, executive orders, social media shares, news coverage by other news outlets, incorporation of materials into classrooms. Check out the Impact Tracker Tool [here](https://impacttracker.org).

4. Philanthropy for journalism requires significant staff resources for grant research, proposal writing, due diligence, hiring and reporting.

   It takes time to set up and hire reporters and editors and launch new services or products tied to the grant. Those timelines don’t always coincide with foundation timelines. Plan accordingly and brief funders on the necessary time expectations to execute a journalism project and report impact.

5. The end of a project-based grant doesn’t always mean the end of the journalism.

   When grants end, news organizations can face several scenarios. There is the possibility (although not promise) of grant renewals, finding more funding or absorbing costs into the newsroom. Plan ahead for how to evaluate projects so as to determine whether to continue.
Panel one: Is foundation philanthropy only for nonprofit newsrooms?

What our panelists said

1. While philanthropic support does not replace an entire business line or existing revenue stream, it can be the “innovation capital” for news organizations.

   “We’re increasingly focusing on underserved audiences so through our grant initiatives we’re able to really think about ‘how do we bring health coverage to rural communities who get their news from radio?’; so let’s budget into the grant for radio programming…and think very specifically about that audience.” - Lisa Gibbs, Associated Press

2. Clear guidelines are necessary for vetting philanthropic partners and establishing communication norms with funders to maintain editorial independence.

   “Every editorial decision that we make will ultimately be guided by the story our newsroom wants to tell…You have to be very comfortable telling your journalists, ‘of course you’re welcome to have human relationships and continue talking to people…but if it is at all a conversation about your coverage or funding that goes within the newsroom that has to be redirected and that can’t sit with somebody who is actually producing the work.’” - Sarah Bishop Woods, Vox Media

3. Impact can be elusive and can change from project to project.

   “Impact can be so many things. Impact can really be anything but in order to measure it you’ve got to be narrow enough in your focus that it’s actually attainable and measurable and something you can put a process behind.” - Hannah Stonebraker, Impact Architects

4. Philanthropy for journalism requires significant staff resources for grant research, proposal writing, due diligence, hiring and reporting.

   “The timeline of a grant doesn’t necessarily line up with the impact timeline and the reporting timelines, and so for us at CIR often we are publishing a story at the end of a grant period because it took us 8 to 12 months to do the investigative work to get to that point.” - Annie Chabel, Center for Investigative Reporting

   “Do not underestimate the amount of administrative work…it’s a lot of great and important work but it is not painless.” - Lisa Gibbs, Associated Press

5. The end of a project-based grant doesn’t always mean the end of the journalism.

   “[When funding ends] Sometimes you find more funding, other times you ingest the costs of something that’s important into your newsroom.” - Sarah Bishop Woods, Vox Media

   “We have been and are increasingly creating sustainability strategies for every one of our initiatives” - Lisa Gibbs, Associated Press

   “[Help funders] have realistic expectations of - ‘by the end of this grant, there might not be impact, but we’re going to keep in touch about it’.” - Annie Chabel, Center for Investigative Reporting
Panel two: Is philanthropy-funded journalism “real” journalism and how does it work in a traditional newsroom?

At a growing number of traditional and legacy news organizations, philanthropy is supporting reporting and journalism projects that otherwise might not be possible. In news organizations—large and small—newsrooms are fast-paced ecosystems driven by their own distinct behaviors and norms, governed by deadlines, and unwavering commitment to editorial independence. In these environments, how do philanthropic projects work, how are they delivered, and how do journalists actually feel about them? Watch the session in full here.

Panelists
Eliza Anyangwe: Editor, As Equals CNN
Alastair Gee: Special Series Editor, The Guardian
Lola Huete Machado: Editor, Planeta Futuro of El País
Tracy McVeigh: Editor of Foundations and Philanthropic Projects, The Guardian

Key takeaways
- Journalists aren’t always aware that reporting is philanthropically funded…and that’s a good thing.
- For-profit news organizations can take steps to avoid running a “parallel newsroom” supported by philanthropic funding.
- What distinguishes philanthropic projects isn’t funding, it’s the opportunity to work at a different pace, especially in comparison to breaking news.
- Philanthropic partnerships can allow journalists to amplify voices that might not otherwise be heard.
- A foundation’s expectation of demonstrating impact encourages journalists to think about what happens after the article.
Panel two: Is philanthropy-funded journalism “real” journalism and how does it work in a traditional newsroom?

Key takeaways - in detail

1. **Journalists aren’t always aware that reporting is philanthropically funded... and that’s a good thing.**

   Journalists treat the integrity of reporting and editing of philanthropic projects as they would any other project and appreciate clear boundaries between them and the funders.

2. **A foundation’s expectation of demonstrating impact encourages journalists to think about what happens after the article.**

3. **For-profit news organizations can take steps to avoid running a “parallel newsroom” supported by philanthropic funding.**

   Reporters and editors working on philanthropic projects can be well integrated into the central newsroom and attend all editorial meetings. Editorial priorities can come down from news directors and philanthropy teams can report up to the editor-in-chief. At the same time, organizations should manage perceptions among colleagues about how philanthropy works and what philanthropy can do.

4. **What distinguishes philanthropic projects isn’t funding, it’s the opportunity to work at a different pace, especially in comparison to breaking news.**

   Journalists can go deeper on topics or underreported stories, exposing the root of systemic inequalities. It also provides the opportunity to experiment and expand who typically gets hired, allowing for more on-the-ground freelancers, for example, which in turn enriches the newsroom overall.

5. **Philanthropic partnerships can allow journalists to amplify voices that might not otherwise be heard.**

   The Guardian, for example, launched an audience call-out about sanitation inequalities in America as part of a philanthropy project, which allowed the journalists to then feature the voices of people asking for help and advocating on a local level. At El Pais, philanthropy allowed Planeta Futuro to produce a 5-part series featuring African immigrants living in Spain whose stories are not often heard in the media.

6. **Even smaller newsrooms can provide a firewall between journalists and funders.**

   Smaller newsrooms that can’t afford a separate philanthropy team should still make sure they have someone one step removed from the editorial and day to day decisions on the funded project to serve as “buffer” with the funders. This role could be filled by another journalist who does not have any editorial involvement in the funded project.
Panel two: Is philanthropy-funded journalism “real” journalism and how does it work in a traditional newsroom?

What our panelists said

1. Journalists aren’t always aware that reporting is philanthropically funded... and that’s a good thing.

   “My first exposure to philanthropy was not really understanding that it was philanthropy, which was a good thing. I think you need to have really strong firewalls and processes in place when you do philanthropy projects in the newsroom in order that there’s no kind of influence on the reporters or editors who are carrying out the journalism.” - Alastair Gee, The Guardian

2. For-profit news organizations can take steps to avoid running a “parallel newsroom” supported by philanthropic funding.

   “[The philanthropy team] takes part in our morning conference everyday, our editor in chief [tells us] about his editorial priorities...and we discuss schedules with the news editor.” - Alastair Gee, The Guardian

3. What distinguishes philanthropic projects isn’t funding, it’s the opportunity to work at a different pace, especially in comparison to breaking news.

   “I tend to describe As Equals...as CNN’s innovation lab because that distance allows us to try things that can then benefit the newsroom and those tools can then be used by colleagues who might not have had the resources or time to develop them” - Eliza Anyangwe, As Equals, CNN

4. Philanthropic partnerships can allow journalists to amplify voices that might not otherwise be heard.

   “To do, in some cases, a year’s long investigation into homelessness for instance that isn’t something necessarily that the rest of the newsroom has ready resources to do.” - Alastair Gee, The Guardian

5. A foundation’s expectation of demonstrating impact encourages journalists to think about what happens after the article.

   “We can use our journalism as a way to open up conversations in the communities where we are reporting and that is only really possible through this additional revenue.” - Eliza Anyangwe, As Equals, CNN

Philanthropic partnerships can allow journalists to amplify voices that might not otherwise be heard.

For us, this support, this funding source is very important so we can open this window to Africa...this information didn't [previously] exist in El Pais.” - Lola Huete Machado, El Pais
Panel three: The Foundations that support journalism - why they do it, how they do it, and what success looks like

For most editors and newsrooms, the thought of asking for money to support editorial priorities is a highly daunting prospect. How do you match foundation support and real editorial priorities? Once you do, how do you develop realistic budgets, what is expected of the newsroom when it comes to delivering a philanthropy project, and if these arrangements are described as “partnerships” what does that actually mean? On this panel, the audience heard directly from three leading philanthropic funders about what they fund, how funding decisions are made, and what success looks like. 🎬Watch the session in full here.

Panelists
Jacoria Borders: Program Officer, The Arthur M. Blank Family Foundation
Craig Newmark: Founder, Craig Newmark Philanthropies
Susan Smith-Richardson: Managing editor, Guardian US
Erika Wood: Senior Program Officer, Ford Foundation

Key takeaways
- The foundations represented identify support for journalism as a key factor in upholding democracy.
- Potential grantees can be identified through a variety of channels.
- Impact can be measured in different ways based on the scope of the project and its goals.
- A successful proposal is one that is clear and concise.
- Foundations can offer support beyond the grant.
Panel three: The Foundations that support journalism - why they do it, how they do it, and what success looks like

Key takeaways - in detail

1. The foundations represented identify support for journalism as a key factor in upholding democracy.

   For Ford Foundation, this includes addressing how marginalization and misrepresentation in journalism reinforces inequality. Supporting journalism also is a means of combating misinformation and educating people about threats to voting rights and other core democratic pillars.

2. Potential grantees can be identified through a variety of channels.

   Foundations may consult subject experts and advisory boards or confer with other funders. Program directors who come from the field rely on their professional knowledge. Foundations regularly undergo strategic reviews of their funding portfolios and look to the "end user" to evaluate successes.

3. Impact can be measured in different ways based on the scope of the project and its goals.

   Qualitative impacts may be emphasised over quantitative metrics such as social shares or page views. This may include measuring the elevation of underheard voices, outreach to underserved communities, and amplification of local or underreported issues to national attention. Foundations often prioritize sector-wide impact so may also look at how you work with others, with whom you collaborate and the quality of your partnerships. The degree to which funding increases organisational capacity, resilience and sustainability can also be part of how foundations evaluate their impact.

4. A successful proposal is one that is clear and concise.

   The panelists advised to be true to your organization's mission. Grant seekers also are advised to highlight what they plan to do and not what they have done, with clarity around vision and goal. Highlighting sector collaborations can also be helpful.

5. Foundations can offer support beyond the grant.

   Foundations are often willing to leverage their power to make introductions, including to other funders, and to host convenings for grantees. Additionally, constructive feedback on application and reporting processes is welcome.

Successful grant making is seen as supporting sustainable organizations that can create the mechanisms for long term societal change.
Panel three: The Foundations that support journalism - why they do it, how they do it, and what success looks like

What our panelists said

1. The foundations represented identify support for journalism as a key factor in upholding democracy.

“A trustworthy press is the immune system of democracy.” - Craig Newmark, Founder, Craig Newmark Philanthropies

2. Potential grantees can be identified through a variety of channels.

“For me, I like to go directly to the source and understand who are we funding, who are we not funding, who is missing, and who needs to be added to the table.” - Jacoria Borders, Program Officer, The Arthur M. Blank Family Foundation

3. Impact can be measured in different ways based on the scope of the project and its goals.

“We want to know: who is being [featured] in the story? Who is being reached by your story? Are you connecting with folks who may be living in what we call media deserts or places where it’s hard to get trustworthy, quality information and journalism? And then: who is telling the stories? Who is on your staff? Who is on your team? Who is out in the field? Whose voices are being brought in?” - Erika Wood, Senior Program Officer, Ford Foundation

4. A successful proposal is one that is clear and concise.

“What is really helpful for us is: ‘where do you want to go and how do you want to get there?’” - Erika Wood, Senior Program Officer, Ford Foundation

5. Foundations can offer support beyond the grant.

“Our grantmaking is literally ‘hey, do whatever you need to do to build sustainable organizations over time’, and this is trust-based philanthropy for us.” - Jacoria Borders, Program Officer, The Arthur M. Blank Family Foundation
What are the different models for philanthropic funding that a for-profit media organization could fall under? In this section, we outline the space that The Guardian operates in, and the different mechanisms through which commercial media could receive grants:

- The philanthropic market for journalism
- Ways of receiving support:
  - Expenditure responsibility
  - Fiscal sponsors
  - Setting up a 501(c)(3)
  - Public charity grants
### Understanding the philanthropic market for journalism

<table>
<thead>
<tr>
<th>Acquisitions and investments</th>
<th>Nonprofit newsrooms</th>
<th>Startups/news industry solutions</th>
<th>Support for content</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Ownable&quot; platforms like The Atlantic or Washington Post</td>
<td>Support for non-profit news organizations from foundations and individuals</td>
<td>Address “gaps” in media</td>
<td>Direct support for content for topic/focus</td>
</tr>
<tr>
<td>Often big and attention-getting, sometimes legacy driven</td>
<td>Filling a void: types of journalism (i.e. investigative); news beats (i.e. criminal justice); geography (i.e. Philadelphia)</td>
<td>Often prospective, experimental projects and platforms</td>
<td>Strong focus on understanding the impacts of the journalism</td>
</tr>
<tr>
<td>Can be driven by philanthropic intent, but these are real investments</td>
<td></td>
<td>Some funding focused on capacity-building and shared learnings</td>
<td>Mostly foundation funding, but could be some individuals</td>
</tr>
</tbody>
</table>

**Examples:**
- The Atlantic
- The Washington Post
- The Marshall Project
- The 19th
- Capital B
- WNYC
- The Markup
- American Journalism Project
- The Guardian
- Vox
- Associated Press
1. Expenditure responsibility grants

What are they?
Grants made by private foundations to organizations that are not classified by the IRS as “tax-exempt” under Section 501c3

Restrictions/requirements
- Requires pre-grant inquiry: disclosure of financial statements, budgets, annual reports and other due diligence requirements. This can vary depending on the grant terms and prior experience with the grantee.
- Funds can only be used for specific purposes of the grant or must be repaid.
- Annual reporting to grantor required.
- Records, receipts and expenditures must be retained for specific period and available for examination by the grantor.
- Political and lobbying activities prohibited.
- Note: due to the additional administration required, some private foundations choose not to make expenditure responsibility grants.

Source: IRS “Grants by Private Foundations”
How can a for-profit media company receive support?

2. Fiscal sponsorships

What are they?
Partnership with a nonprofit entity to receive and administer grants and donations that are considered tax-exempt

Restrictions/requirements
- Grants or donations are directed to the tax-exempt fiscal sponsor, usually a 501c3 public charity.
- Fiscal sponsor ultimately maintains control of the funds, either delegating management to specific employees or contractors or re-granting to a pre-approved grantee.
- Model is often utilized by newly formed nonprofits or those seeking 501c3 status, especially as some private foundations require grantees to be tax-exempt.
- Fiscal sponsors can often provide administrative, human resources, or other back office support.
- Standard practice for fiscal sponsor to charge a fee for its services, usually a percentage of the grant or program budget.

Sources: Nonprofit Quarterly “Fiscal Sponsorship”; Council of Nonprofits “Fiscal Sponsorship for Nonprofits”
How can a for-profit media company receive support?

3. Public charity grants

What are they? Grants made by public charities under Section 501c3

Restrictions/requirements

- Public charities can make grants to further their own charitable purposes, mission, and core values.
- Grants from public charities cannot confer “private benefit” upon an individual, which could create challenges when making grants to for-profit organisations.
- Unlike private foundations, public charities under section 501c3 are not required to exercise expenditure responsibility in making grants to for-profit organisations; however, due diligence is required to ensure compliance with applicable laws and proper use of grant funds for intended purposes.
- Grantees must document financial expenditures and report on a grant’s impact, usually through periodic reports to the grantor.

Sources: Nonprofit Law Blog “Grantmaking by Public Charities”; IRS “Public Charities”
Our experience of setting up a tax-exempt nonprofit organization in the US

Guardian.org Foundation, known as theguardian.org, was established in 2015 to support independent journalism and journalistic projects at The Guardian. Following is information on our experience and the steps we took to set up this organization. It is important to note that the information provided in this document does not, and is not intended to, constitute legal advice, and is provided for general information purposes only.
In 2015, the Scott Trust Ltd, the UK private trust which owns Guardian Media Group, established Guardian.org Foundation, known as theguardian.org. The initial step was to consult with qualified attorneys at Caplin & Drysdale in Washington, DC. With counsel, articles of incorporation and bylaws were written and an initial Board of Directors was appointed.

Setting up theguardian.org: key events

- **JAN 2016**: Incorporation of Delaware limited liability company Guardian.org Foundation
- **AUG 2016**: Application (Form 1023 and supporting documents) for 501c3 status was submitted to the Internal Revenue Service (IRS)
- **OCT 2016**: Application approved by IRS and determination letter issued
- **NOV 2016**: Inaugural meeting of the Board of Directors
- **DEC 2016**: First grant funding received
- **AUG 2017**: Theguardian.org independent website launched
Setting up theguardian.org: what was involved?

In order to set up theguardian.org, there were a number of key steps we had to complete in the registration process:

1. Deciding a purpose
2. Defining the type of nonprofit: there are eight broad categories to secure tax-exempt status
3. Forming a board: some states require board member names to be listed on incorporation documents
4. Writing up bylaws: these are the operating rules for nonprofits, providing internal accountability
5. Forming a corporation
6. Applying for tax-exempt status with the IRS
   a. Apply for a federal employer identification number (EIN)
   b. Completing and submitting Form 1023 online (Application for Recognition of Exemption Under 501(c)(3) of the Internal Revenue Code).
7. Ongoing compliance

Hiring a lawyer

Incorporation paperwork - and the work leading up to it - is time-consuming and complex. Though it is not a requirement of the process, we sought legal counsel as a first step in forming theguardian.org. In our experience, having legal professionals at hand to advise on tax-exempt law and navigate the intricacies of the process - such as state registrations - ultimately made for a smoother set-up, and helped internal proceedings with senior stakeholders, too.
The mission of theguardian.org is to advance and inform public discourse and citizen participation around the most pressing issues of our time through the support of independent journalism and journalistic projects at the Guardian.

To further this mission we:

Support journalistic projects that critically inform the public.

Convene events and disseminate information about freedom of expression and freedom of the press.

Identify and support projects aimed at strengthening the capacity of independent news organizations to reach broad, diverse audiences and create sustainable business models.

More information about our board, partners, projects, governance and funding - including a grants database - can be found on the ‘About Us’ section of theguardian.org website.

There is also an FAQ page which explains theguardian.org’s connection to Guardian News & Media, how we raise funds, and our legal status.
For commercial media companies and nonprofit news organizations alike, there is a wealth of information available online to facilitate searches for philanthropic support: from funder databases to impact tracking tools. In this section, we list some of the resources we turn to regularly, or have found most helpful in our own journey to secure 501(c)(3) status:

- Measuring impact
- Finding funders
- Setting up and maintaining 501(c)(3) status
Measuring impact

Whether your news organization is already accustomed to tracking and reporting its impact, or the concept of impact measurement is relatively new, if you pursue philanthropic support for your work the chances are you’ll be asked to measure and report the impact of that work. Having a well-defined framework of measurement, which is realistic not only with your ambitions, but with what your organization is feasibly able to deliver, could set your proposal apart from other prospective grantees. Below are some links to impact frameworks, along with tools (free and paid-for) that might help along the way.

<table>
<thead>
<tr>
<th>General guidance</th>
<th>Impact frameworks</th>
<th>Tools: quantitative</th>
<th>Tools: qualitative</th>
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<tr>
<td>Setting a course for impact analysis in 5 steps - Lindsay Green-Barber</td>
<td>Impact Architects’ Media Impact Model</td>
<td>Reach and engagement metrics: Google Analytics; API’s Metrics for News</td>
<td>Impact Architects’ Impact Tracker [FREE]</td>
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<td>Media Impact Funders’ tools database</td>
<td>Solutions Journalism Network Impact Toolkit</td>
<td>Social listening:</td>
<td>Resolve Philly’s Customizable Impact Tracker - background guidance and customizable tracking framework [Airtable] [FREE]</td>
</tr>
<tr>
<td>Walton Family Foundation Journalism Impact Primer</td>
<td>Collaborating for Change - Approaches to Measuring the Impact of Collaborative Journalism</td>
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<td>Nonprofit journalism: issues around impact - ProPublica white paper</td>
<td>Impact and metrics collaborative planning document</td>
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<td>○ Pulsar</td>
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<td></td>
<td></td>
<td>○ CrowdTangle extension (see how often a link has been shared, who shared it, and what they said) [FREE]</td>
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<td></td>
<td></td>
<td>Ahrefs Backlink Checker (see which sites have linked to your content) [FREE]</td>
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</table>
Finding funders

There are a number of resources and databases available online to search for prospective funders. Deciding what kind of grant would be most beneficial for your organization and/or project may help to focus your search initially - for example, are you looking for general operating support? Or a grant for a specific theme or subject area (i.e. environment, gender equity, social justice)? Or, grants for a particular activity (i.e. investigations, multimedia, a newsroom innovation)? Are you looking for location-based support (i.e. journalism funding for the specific country or region you operate in)? Answering these questions before you begin your search may help to narrow down the field, and direct you more swiftly to appropriate funding partners.

### Research and advice

- **Journalism Funding Forum report**: [Foundation Approaches to Journalism Funding](January 2021)
- **Inside Philanthropy** - an independent resource for general insights, explainers, funder profiles (using the search function), and in-focus reports and research e.g. “What's Going on with Philanthropy for Journalism and Public Media?” (January 2022). N.B. some content requires paid subscription.
- Media Impact Funders - a membership organization that advances the work of media funders, with tools and resources for grantseekers, reports, and news from the field

### Databases

- **Guidestar**, from Candid - free information on US nonprofits
- **Media Impact Funders map** - a data visualisation application from Candid which shows media funders by location, and also enables you to search media grants by subject area, population served, support strategy, organization name/type, grant size, grant years, or particular keywords
- **Foundation Directory Online**, from Candid - detailed information on grantmakers and the grants they’ve made. Requires paid membership.
- **Charity Navigator** - nonprofit evaluator providing the charitable sector with ratings and information on more than 160,000 charities.
Setting up and maintaining 501(c)(3) status

Donorbox: How to Start a 501(c)(3)

Candid: How do I start a nonprofit organization?

IRS: Charities and nonprofit information

National Council of Nonprofits: Principles and practices

Board Effect: Best practices for nonprofits

IRS: Maintaining 501(c)(3) Tax Exempt Status