

What's New in Local News?

Four case studies showcase innovative business models

By Mark Caro



While local newspapers shutter at an alarming rate and news deserts expand, it's important to seek out the emerging oases that may point to a brighter future. That was the theme of a webinar organized July 26 by the Medill Local News Initiative at Northwestern University and Konrad-Adenauer-Stiftung USA.

The webinar highlighted creative approaches to deliver vital, useful news and information to a diversity of communities. These efforts are taking place in urban, suburban and rural areas; involve communicating with readers via print, online and even through phone text messaging; and are being conducted by legacy media companies and recent digital start-ups.

One large-scale move that has attracted national attention is Chicago National Public Radio station WBEZ's recent acquisition of the Chicago Sun-Times, the city's long-standing tabloid known in its heyday for aggressive watchdog reporting and the writings of such Pulitzer Prize winners as the late film critic Roger Ebert and late columnist Mike Royko. Chicago Public Media Chief Content Officer Tracy Brown, Chicago Public Media CEO Matt Moog and Chicago Sun-Times CEO Nykia Wright discussed their efforts to create a new template that maximizes the resources of a local public radio station and a heritage daily newspaper, with a planned increase in the merged outlets' staff size and the removal of the Sun-Times' online paywall. The aim is to become the country's largest nonprofit local newsroom.

Detroit's Outlier Media entered the field with far less infrastructure, founded in 2016 to help residents work through crises, such as dealing with mortgage scams, utilities shut-offs and city-services entanglements. Outlier began with very little money but had a mission that addressed a vital need: "How can we best get information to people who need information to survive?" said Candice Fortman, Outlier's executive director. She described how Outlier has practiced service journalism first by building up an SMS text message platform to give Detroiters access to quality information at all times, then by expanding its reach and services.

"Detroiters are our assignment editors," Fortman said. "We're looking at what information they need to know first."

Richland Source is another relatively young effort, coming to life in 2013 as North Central Ohio's sole online-only news outlet. Its intention was to eschew the kind of

crime- and misbehavior-oriented reporting that dominated the local newspaper front pages, instead striving to hold up a mirror to the community and to focus on subjects affecting day-to-day living. This approach not only has attracted a robust readership but also has drawn national acclaim for its solutions journalism, even though editor Larry Phillips said he wasn't familiar with that term until the New York Times singled out its coverage of how to mitigate farmland flooding. Phillips and David Yoder, senior advertising and marketing manager, detailed how they have built a successful for-profit enterprise that offers free online news yet is supported by 1,100 paying local subscribers.

The Pilot has published a newspaper in Southern Pines, N.C., since 1920 yet continues to update its approach and to broaden its business. As publisher David Woronoff explained, the Pilot, located in North Carolina's Sandhills at the state's geographic center amid a high concentration of golf courses, offers about 90 percent "refrigerator journalism" (suitable to be stuck to a refrigerator) and 10 percent "spinach journalism" (it's "good for you"). The Pilot has been named the country's best community newspaper five times in recent years, even as its business model has undergone a dramatic shift. Although the newspaper represented 100 percent of the company's revenue 26 years ago, that number is down to 26 percent, with the remainder taken up by diverse other holdings. The Pilot has bought a local bookstore, launched a phone book and digital ad agency, created a ticketing platform that collects money for each sale, and publishes magazines that cover arts and culture and business news while also appealing to the large golf community. Through this diversification, the company has continued to thrive.

Tim Franklin, director of the Medill Local News Initiative as well as John M. Mutz Chair in Local News and senior associate dean at Northwestern University, moderated the discussion and asked the guests whether their business models could be replicated elsewhere.

In every instance, the answer was yes, but with qualifications. A recurrent theme was that each community is different, and there's no magic pill that will resolve all issues of revenue and coverage.

Yet some common threads emerged among these organizations regardless of whether they are based in small or large communities; are nonprofit or for-profit; or communicate online, via cellphones, on radio or in print.

Each of these outlets reported having benefited from:

- Collaboration

- Diversification
- Innovation
- Knowing and connecting with its audience

Moog said media organizations in large and small markets have called him and his colleagues at WBEZ and the Sun-Times to explore ways to learn from their nascent public-radio/daily-newspaper merger. He said that “every responsible news organization” should be looking into finding partners to leverage their respective assets to improve reporting, to build an audience and to produce revenue. As a nonprofit organization, WBEZ has leaned heavily into collaborations, Moog said. At the same time, Sun-Times CEO Wright said her newspaper is “doubling down on what it means to be a truly digital organization” now that it can work with WBEZ on boosting its membership model. There is much anticipation about how the Sun-Times will fare when its digital paywall comes down and the paper relies more on a traditional, nonprofit, public-radio model of soliciting paid memberships, donations and foundation support.

Fortman said Outlier also has taken calls from organizations around the country—including in Milwaukee, Wis., Fresno, Calif., Memphis, Tenn., and New Jersey—and in some cases has helped newsrooms create similar systems, even as Outlier’s reasons for using SMS messaging may not apply everywhere. Outlier is working to build new technology that can be used elsewhere as well but has no intention of expanding its own reach. “I want to say that on the record very clearly: The reason Outlier is successful in Detroit is because Detroiters operate and run it,” Fortman said. “We know this community and love this community. I always say that the information is important to me because I know my aunt is reading it.”

Yoder of Richland Source amplified that point about catering to one’s community. For years, he said, journalism companies have been trying “to find the one-size-fits-all model for revenue, like what’s the secret code?” What Richland has learned is that not only does the journalism have to be tailored to those being served, but so does the revenue. It may be “a little bit scary” but also necessary to let the market determine how you do business. For example, Yoder said, “a resort town in Moab, Utah, has very different economics than we do.”

At the same time, Richland Source Editor Phillips said a solutions-journalism network is expanding across newsrooms nationwide because that approach is relevant just about anywhere. “We’re not reinventing the wheel here,” Phillips said.

Woronoff of the Pilot called reinvention the key to a company’s survival. “The far greater risk is to do nothing,” he said. “If you just sit tight and say, ‘You know what, I only know the newspaper business, and I’m only going to be in the newspaper business,’

or ‘I only own a standalone radio station,’ the clock is ticking on you.” Any company can diversify its business, he said. “For most of their history, newspapers were about market dominance,” Woronoff said. “And we just don’t dominate the market like we used to with just the newspaper. But by adding all these other products, we still can move the market in a way that no other media operation in our community can.”

One size may not fit all, but from these four very different business models in four very different communities, the hope is that other journalism outlets across the country may draw inspiration and find solutions to carve out their own robust futures—and to serve a well-informed populace in a high-functioning democracy.

The Acquisition

Chicago Public Media announced today that the Chicago Sun-Times is now a nonprofit, as a subsidiary of Chicago Public Media – marking the beginning of a landmark partnership between two storied news brands, the Chicago Sun-Times and WBEZ Chicago, to grow and strengthen local journalism in Chicago. This creates one of the largest nonprofit news organizations in the country, and the organization will reach more than 2 million Chicagoans a week.

That was the top of [WBEZ’s Jan. 31 story](#) about its groundbreaking acquisition of the Chicago Sun-Times, the daily newspaper created in 1948 from another merger, between the Chicago Sun and the Chicago Daily Times. The announcement included news of \$61 million in philanthropic support for this partnership spread over multiple years.

At the webinar, Chicago Public Media Chief Content Officer Tracy Brown, Chicago Public Media CEO Matt Moog and Chicago Sun-Times CEO Nykia Wright spoke of how this professional marriage has operated so far, and they revealed new details about how the combined media company is moving forward.

WBEZ and the Sun-Times share not only news resources and a business plan but also a vision for how their journalism will resonate with readers and listeners. “We always like to ground our conversations in our mission, which is to tell the stories that matter for all of Chicago,” Moog said.

At the mission’s core, he added, is public-service journalism that “can restore trust and advance the public conversation, bring communities together and inspire civic engagement.” With the local media landscape shifting (amid the continued downsizing of the Chicago Tribune after its sale to a hedge fund), Moog said WBEZ saw “an opportunity to be innovative” and to build on its sustainable financial model by joining forces with the Sun-Times.

“We were able to double the size of our newsrooms; we should end this year with about 200 people, which...will be the largest, nonprofit local newsroom in the country,” Moog said, later noting that the combined entity intends to fulfill a promise to boost its staff, having budgeted for 60 new hires and already filling 32 positions. “We also double the size of our audience: We now reach more than 2 million people in Chicago every day, roughly one out of three people here. And that, that gives us an opportunity to have an impact in a way that we would not have been able to on our own.”

He cited four core objectives:

- “To become the essential, most trusted source for understanding the people, events and ideas that shape our community.”
- “To grow the size, diversity and engagement of our audience.”
- “To strengthen membership and development.”
- “To attract and retain and grow a diverse staff and provide them with equitable and inclusive development opportunities.”

Brown, WBEZ’s content chief, said the radio station’s and newspaper’s staff have collaborated 100 to 150 times, in big ways and small, since the acquisition. Reporters communicate to make sure they’re not duplicating efforts to cover, say, a mayor’s news conference. Editors coordinate stories being posted on the WBEZ and Sun-Times websites, delivered on the air and published in print.

When Lynn Sweet, the Sun-Times’ Washington bureau chief, happened to be attending the Highland Park Fourth of July parade when a gunman opened fire on the crowd, killing seven people and wounding 48 others, she offered many readers and listeners their first eyewitness account of that horrific day. “[That] gave us all a huge advantage because we had a person on the ground,” Brown said, noting that the Sun-Times excelled with its breaking news coverage while the station followed up with strong second-day analysis.

The WBEZ and Sun-Times newsrooms continue to operate separately, she said, but share content and are developing a joint breaking-news strategy as well as a combined approach for covering elections.

Brown said the station and newspaper also are experimenting with a digital newscast to allow the Sun-Times and WBEZ to post more audio content online.

Franklin asked Wright whether the Sun-Times will join the ranks of 42 of the country’s 100 largest newspapers that now produce a print edition fewer than seven days a week.

“A smart executive will always keep all options on the table,” the Sun-Times CEO replied, but added: “We are in the habit-building and not the habit-breaking business right now.”

She noted that the papers that reduced their print days likely weren’t simultaneously growing their newsrooms, content and audience. “Six, eight months from now, we’ll certainly reconsider that, but we also do have some anecdotal evidence showing that we are taking subscribers from the four-days subscription to the seven-days [plan].”

The newspaper’s digital content should become more widely accessible given Moog’s revelation that “we’re going to drop the paywall for the Chicago Sun-Times and launch a membership program that will count on voluntary contributions to support the journalism. Our goal over the next five years is to reach 100,000 digital members, and we are very interested in collaborating with other news organizations across the country who are interested in doing something similar.”

Many of those organizations are keeping a close eye—and ear—on how the merger between WBEZ and the Sun-Times plays out.

The Text Messaging Outlet

Outlier Media in Detroit also has roots in public radio but in a different way.

Outlier executive director Candice Fortman said she and Sarah Alvarez, the company’s founder and editor in chief, were working at separate NPR stations when they hit upon the same questions: “How do we best inform people who don’t need information in order to keep them entertained or to become smarter, but in order to get them out of crisis? What is the best delivery method to do that?”

Their answer was to set up an SMS text-message platform to make vital information available 24 hours a day, seven days a week, 365 days a year. “If you are living in an immediate crisis, 2,000 words is often not very useful,” Fortman said. “What you need to know is what number do you call, what form do you fill out?” These texts are available in Spanish, Arabic and English, the languages most spoken in the metro Detroit area.

Alvarez launched Outlier in 2016 with minimal funding but the belief that this work is valuable and necessary. When Fortman joined in 2019, Outlier still “had no clue where the next dollar was going to come from. But today, we have grown the organization to 10 full-time staff members, with an operating budget of about \$1.4 million this year. And it will be somewhere around \$2 million next year.”

The burst of growth, she said, happened after the 2020 police murder of George Floyd and the subsequent influx of funding to organizations led by Black and Brown people. “We know that that has a timeline,” Fortman said, “and if we’re not thinking about how to shore up organizations that serve Black and Brown audiences when there is not a crisis like that, then we’re doing ourselves and those communities a disservice.”

Outlier had a region-specific reason to use text messages. When the service was launched, Fortman said, fewer than half of Detroiters had access to WiFi/broadband service, so Outlier’s target audience of low-income residents wasn’t likely to seek out a website. She called the SMS technology “a mixed bag” that “is not going to be the solution for everybody,” but she noted that about 800,000 people currently subscribe to the service—and there are about 700,000 people in Detroit—so Outlier has extended into the greater metropolitan region.

The texting goes in both directions, as the public also tips off the journalists. “When 15 people ask that same question, you start to see a trend happening,” Fortman said.

It was through a text that Outlier became aware of a scam in which a Detroit woman made a deal to pay rent on a house for two years before she would take ownership of it, pouring her savings into significant improvements over that time. But when it came time for her to receive the title, the landlord disappeared and, it turned out, never owned the house in the first place. Outlier partnered with NBC News on an investigative story that became one of its most-read pieces of 2021, the case went to trial, the woman eventually got the house, and the city council passed legislation to offer protections for anyone in a similar situation, Fortman said.

When Frankin asked Fortman about Outlier’s business model and long-term sustainability, she laughed and said although she hosts a podcast about newsroom sustainability, “I don’t actually believe in it....I don’t believe that we will be able to business-model our way out of the crisis of the backend of journalism.” Outlier’s approach, like that of the Pines, has been to diversify its products and revenue sources. Taking on partners, Outlier now publishes three newsletters—Detour, The Dig and Detroit Documenters—and posts stories on its website. “The merger with Detour, that was a strategic business decision because we knew that we needed to broaden our scope,” Fortman said. “Especially if we were going to build a donor base, we needed to have folks come in that needed information in a different way,”

The key to Outlier’s success remains delivering the best information in the most effective ways possible. Noting that the rural South news outlet Southerly passes out hand-printed newsletters at libraries, Fortman said, “If I thought pigeon carriers would get people good information, I would be investing in a pigeon farm right now.”

The Solutions

Richland Source editor Larry Phillips said North Central Ohio businessman Carl Fernyak founded the online-only news source in 2013 because he felt the community was getting a negative impression of itself through the Mansfield News Journal, a Gannett paper with front pages heavy on crime and court reporting. Richland Source hired local reporters and made the focus not “the 5 percent that really can’t behave themselves” but everyone else.

A four-reporter team covers local government, business, education, lifestyles and sports, and Richland Source solicits story suggestions and questions from the community.

In its quest to provide answers, Richland Source became known for delivering solutions journalism—pieces that don’t just highlight problems but seek out potential solutions that might be found close to home or far away.

“We’ve done stories that highlighted how people were addressing certain issues in San Diego or in Maine and tried to bring those back here,” Phillips said. The idea is not to advocate but “to expose this community to some new ideas of what’s happening elsewhere. So maybe it’ll spark an idea. Maybe it won’t. Maybe it’ll lead to a solution. Maybe it won’t. But it’s information. It’s valuable information.”

After a politician came to town decrying the region’s high infant mortality rate, Richland staffers found a California community that produced baby boxes for new mothers leaving the hospital, each filled with a month’s worth of toiletries and other items to help take care of an infant. Richland ordered 500 boxes and hosted a “community baby shower” in the newsroom. Expectant mothers and family members lined up down the block to receive the boxes, and Richland registered them and collected their email addresses.

Richland’s solutions-journalism approach not only has won national awards and attracted attention from the New York Times, the Columbia School of Journalism, the Poynter Institute and elsewhere, but it also has prompted the local business community to donate more than \$100,000 in each of the past three years to support Richland’s journalism, Phillips said. Then there are the 1,100 local readers who pay a monthly subscription fee even as the website for this for-profit venture remains free.

Senior advertising and marketing manager David Yoder said it’s been liberating for Richland that it never had to worry about “the overhead of print.” By starting all digital, “we had to get very good very fast as a function of survival. And I’m grateful to say

despite our learning curve, and despite some mistakes, we have done that.” Yoder said Richland’s readership covers a broad range of ages despite the common assumption that older readers are less online savvy. “My theory is they have high amounts of disposable time,” Yoder said. “They’re not computer illiterate. The world will not let them be computer illiterate.”

Phillips said Richland’s success is best measured not in its revenues or awards but its impact on local culture.

“You could tell our community kind of feels a little differently about itself,” Phillips said. “I hope that doesn’t sound arrogant, but we have a lot of people talk to us about stories that we do that have made a difference.”

Diversification as Destiny

The Pilot of Southern Pines, N.C., has served the traditional function of a community newspaper for most of its 102 years and still does, winning multiple recent national and statewide awards as a top paper. But now it also connects with readers in other ways.

Based in the Sandhills, an area rich with golf courses and equestrian preserves, the Pilot owns a business-news magazine, Business North Carolina, as well as a fleet of lifestyle magazines that cover arts, entertainment and local events, including PineStraw (“The Art & Soul of the Sandhills”), SouthPark (“The Art & Soul of Charlotte”), Salt (Wilmington), O. Henry (Greensboro) and Walter (Raleigh). The company’s portfolio also includes a local bookstore, a physical phone directory, a digital ad agency and an online ticketing platform.

The newspaper offers numerous products as well. Publisher David Woronoff said The Pilot’s Briefing, a daily newsletter digest of the day’s top stories and images, is emailed to 22,000 people in a market of 100,000. A twice-weekly newsletter for millennials, The Sway, has almost 19,000 subscribers.

“Twenty-six years ago, we were 100 percent newspaper, and we set very purposefully a course 26 years ago to diversify our revenue,” Woronoff said. The newspaper now amounts to 26 percent of the company’s revenue, he said, with magazines covering a bit more than half and the rest picked up by the other projects. The benefit of diversifying is “if 100 percent of your business gets sick, you’re in a world of hurt, but if 25 percent, 26 percent of your business gets sick, you can survive that. So that’s what we’ve set out to do.”

Franklin asked what would have happened to the Pilot had it not diversified. Woronoff responded that his friends who had standalone community newspapers across the South are “all out of the industry.... It’s hard to be a standalone newspaper and to be able to have the overhead necessary to employ everybody and still make it a going concern. So, you’ve got to find a way to finance your journalism by stretching that overhead over multiple revenue streams.”

There’s also a diversity in journalism. Woronoff calls the lifestyle magazines “Home on the Range” publications because “seldom is heard a discouraging word.” The business magazine is newsier, and the newspaper celebrates accomplishments more than it calls out misdeeds, though it does both. “I like to say we’re probably 90 percent refrigerator journalism—which means that 90 percent of what we print gets cut out and stuck on the refrigerator somewhere—and 10 percent we’re spinach journalism: You’re not gonna like the way this tastes, but eat it, because it’s good for you.”

By serving a full smorgasbord, the Pilot keeps its doors open.

Watch the Case Studies

For your convenience, here are direct links to the YouTube video for each of the four case studies from the panel:

- [Chicago Public Media / Chicago Sun Times](#)
- [Outlier Media](#)
- [Richland Source](#)
- [The Pilot](#)



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