



PhiLab Interviews: April Lindgren, the Local News Research Project

April Lindgren, Professor at the Ryerson University School of Journalism, Velma Rogers Research Chair and Principal Investigator of the [Local News Research Project](#)

By Kristen Pue, PhiLab

Summary

Canada has recently entered into a discussion about the use of philanthropy to support public-interest journalism. Underlying this debate is growing concern about the future of news – especially local news organizations, 262 of which have closed in 190 communities [since 2008](#). Montreal’s La Presse newspaper energized this discussion in early 2018 when it [decided](#) to become a nonprofit. La Presse’s choice highlighted a new path, while at the same time drawing attention to the potential for policy change. Canadian news organizations face barriers in undertaking “philanthro-journalism”. Journalism is not currently considered a charitable activity in Canada, which prevents news organizations from taking advantage of tax incentives for registered charities. But this could change soon: the federal government is [considering](#) whether to allow nonprofit media organizations to obtain charitable status (or, at least, [qualified donee](#) status).

To help unpack the unfolding discussion on philanthro-journalism, I spoke with April Lindgren, an expert on local journalism, about the future of philanthropy and journalism in Canada. The interview is included in this blog post, below a brief summary of our discussion.

April talked about the Local News Research Project and the data that it has collected, which shows that local news organizations in Canada are disappearing at a greater rate than they are being created. She also discussed the consequences of local news poverty, from lack of political accountability and engagement to the proliferation of fake news and polarization, as well as loss of community and information that helps us to navigate daily life.

Our discussion turned to the cause of local news’ woes – chiefly, that technological change has precipitated a disappearance of the fundamental revenue source for news – and potential solutions. April stressed that no single alternate revenue source can fill the \$2 billion gap left by declining advertising revenue. Philanthropy has gotten a lot of buzz as a solution to journalism’s revenue woes, but it is unlikely to make much of a dent. As April noted, philanthropic support for journalism in the US is just [\\$150 million annually](#). And the Canadian philanthropic sector is small in comparison. For instance, in 2009/2010 Americans gave \$304 billion to charity while Canadians gave \$11 billion.¹ We can therefore expect philanthropic support for journalism in Canada to be much smaller than the \$150 million figure for the United States.

¹ Sources: Turcotte, Martin. (modified 27 November 2015). Charitable Giving by Canadians. Statistics Canada, <https://www150.statcan.gc.ca/n1/pub/11-008-x/2012001/article/11637-eng.htm>; The Centre on Philanthropy at Indiana University.



Philanthropy is not *the* solution to journalism's revenue challenges, but it can be one of many contributors. April and I talked about the shape that philanthro-journalism is likely to take, as well as ethical issues connected to philanthropic support for journalism. Philanthropic support is likely to coalesce around a few darling news organizations, as it has in the United States. At least some of these organizations are likely to have an ideological tinge, in either direction. Foundation support for journalism poses ethical challenges, in the same way that advertising did. Clear ethical guidelines will be important to navigating these challenges, and news organizations can always benefit from diversifying their revenue sources. As with advertising revenue, independence is in part predicated on being able to part ways from supporters with vested interests that may conflict with the stories an outlet is investigating.

The Interview

Kristen: Could you tell me a bit about the Local News Research Project and your role on that project?

April: Sure. So, I worked for more than twenty years as a journalist covering political and economic news in Ottawa and at Queen's Park. Soon after I came to the School of Journalism in 2007, I launched the Local News Research Project. Originally, I was looking at the coverage of disadvantaged neighborhoods and how local news organizations cover those neighborhoods. I was also looking at the ethnic media and their role as local media in helping newcomers to integrate.



A few years ago, I shifted my focus to what's going on with local news in communities across Canada outside of the major media markets such as Toronto and Vancouver. For instance, in the suburban community of Brampton, outside of Toronto, for a long time you had half a million people living with one community newspaper: the Brampton Guardian. There's now a new investigative online site but still no local radio station, no local television station. This raises questions about who is holding government accountable in this large suburban community.

I also kept seeing – particularly after the recession of 2008 – a growing number of headlines about the loss of local news organizations – particularly community newspapers - in smaller communities across the country. This raised concerns about the availability of local news in these smaller cities and towns and rural areas. And of course there's ongoing concern about local news coverage in a major metropolitan city like Toronto and what happens in more disadvantaged areas, where there's more limited coverage. So, I started thinking about these issues in a context of what I call "local news poverty". The reality is that some communities are better served than others, in terms of the availability of local news. I'm interested in why that is and what can be done to address this news poverty.



Kristen: I'm curious about your work with the Local News Research Project, and specifically the [local news map](#). Has there been an increase overall in local news poverty, or has it developed unevenly across the country recently?

April: Our data analysis from December 1st [2018] shows that, since 2008, 262 news organizations of all kinds have closed in 190 different Canadian communities. And another 69 have reduced service in 44 communities. By comparison, there have been 103 news organizations that have launched in 77 places, and 24 that have increased their services in about 21 communities. That paints a picture of the news outlets that have closed outpacing the rate at which local news organizations are appearing.

Kristen: Right. And what kinds of drawbacks might there be for community and society?

April: There's a fair bit of research out there that looks at these issues. Not a lot of it is Canadian, but we do know that local news matters at a community level, because it is a way to hold local power accountable.

And there is some suggestion that when you lose local organizations there is an increased likelihood of incumbents winning. One American piece of research has also suggested that, over time, the costs of local projects increase because there is less scrutiny over the kinds of contracts that are signed.

Kristen: That's really interesting.

April: There are also implications for political engagement. Again in the United States, when they looked at communities and what has happened after the loss of the local newspaper, there were some indications of lower political engagement on the part of the local population. So, those are two things: holding power accountable and political engagement.

Next, the loss of news organizations in the era of "fake news" has the potential to create a vacuum – and into that vacuum jump vested interests, the creators of "fake news", and people with an axe to grind. That creates a real problem for governance and for just having an informed community, for knowing what's really going on in the community. So the creation of a vacuum is another problem.

There is also some indication that when you lose local news – when you have less verified, timely, transparently and independently reported local news – you have more potential for polarization. When there is a contentious issue, local news organizations will look at how it works in other communities, where there is potential for compromise. At their best, news organizations play this role. Contrast this with no reporting at all or just he said/she said reporting in a way that doesn't allow for finding a middle ground. The concern is that this opens up the potential for greater polarization, as opposed to people seeking workable compromises.

We also know that local news plays a big role in bringing people together. People should never be surprised by bulldozers that show up and start working on a four-way highway going in at the end of their residential street. The role of local news is to make citizens aware of what's going on so that if they have a concern about it to be able to act collectively, to have a say in local governance.



More generally, the research supports the notion that local news builds a sense of community. We might not have gone to the same cultural event or the same political event, but we can read about what happened. So, we have a common sense of what the values are in our society and can share vicariously in the experience via news accounts even if we didn't participate directly. As a consequence, we can trade views about what happened over a dinner party or over the back fence. And this plays an important role in community-building and people having a sense of investment and engagement with their community.

Also, local news equips people to navigate daily life. Maybe you're looking for a job and you read a story about a local employer doing a big hiring spree. Or you're trying to figure out what's going on with local house prices. Or there are issues at the local school where your kid goes. Those are pretty important elements of day-to-day living that we all have to navigate.

Research in the United States identified eight critical information needs for a community. Things like health information, education, employment and economic information, political information, and information about emergencies and risks were all on the list. In the latter case, research done after the 2013 Calgary flood, for instance, has suggested that media coverage was essential to effective emergency response. When I talk about local news poverty, I'm talking about communities where one or more of these eight critical information needs are not being met.

Kristen: Yeah, getting that information out there in a timely manner is critical, for sure. Okay, so there are lots of different ways in which local news matters for communities. My next question on the general state of local news in Canada is this: what do you think are the major factors driving news organization closures?

April: First of all, it's technological change. People are getting their news in different ways than they used to. Many people now rely upon their smartphones, not the newspaper arriving on their doorstep. And they're not doing appointment television – watching the news at six o'clock. So, technology has really disrupted local news delivery and fragmented audiences. Technology is also implicated in the collapse of the business model. Advertising used to be a revenue source for all sorts of local media, but Facebook and Google now suck up most of the advertising dollars that are available in the market. Classified ads – and the revenue they generated for newspapers – are a thing of the past. So advertising, for so many years the basic revenue source for news organizations, is declining steadily and there is no single way of replacing it.

Kristen: To what extent do you think there's the potential for philanthropic journalism to step in to fill those revenue challenges?

April: The first thing to keep in mind is that it's not going to be *the* solution. Newspaper revenue in 2008, for instance, was \$4.7 billion. In 2017 that has fallen to \$2.6 billion. So, almost half of newspaper revenue has disappeared over that nine-year period. There is no way that charitable giving or philanthropic funding by foundations is going to make up that difference. Even in the United States, where there is a much more established tradition of foundations providing support for media organizations, it's only \$150 million per year. The Canadian philanthropic sector is much smaller.

Kristen: Even if it's not the core solution, are there specific niches that philanthropic journalism could fill?



April: There are two models. One is where a news organization becomes an actual charity. And then there is the model where foundations step in and use their funding to support news organizations, both for-profit and not-for-profit. In some cases, foundations are working with news organizations to help them get on a more firm footing, so that they can become self-sustaining. What we know about how this works is mostly from the US model at this point. Relatively few foundations are in the business of supporting news operations in the US. I think that's probably going to be the same here, because there are a lot of competing demands for charitable funding.

Funding any news organization is a complicated business from the point of view of charities. How can we measure funding impact? That's a big problem. Funders always want to know what their impact is, and it's challenging to do that. Secondly, is there going to be a comfort level between what the news organization is doing and what the foundation is doing? That's also something a foundation has to think about. And what about when news organizations really hit a nerve? Do foundations want to get involved in that? So, I don't think we should be under any illusions that it is going to be a mad rush of foundations eager to pour money into news operations. There will be some, and I think that's welcome and I think it would be great for us to have more of it in Canada. But we shouldn't think that there is going to be a dollar hanging from every tree. One other thing to remember is that foundation funding can also be fickle and that too is a problem for news organizations trying to build audiences over time. Will the money the media outlet gets this year be there next year? That too complicates matters.

Kristen: From a normative perspective, are there any potential risks or drawbacks to having philanthropy enter the journalism sector?

April: The pattern that unfolded in the United States has been that foundation money has tended to concentrate in a few successful nonprofits. Research on foundation funding in the United States has also shown that ideological considerations come into play. One study found that of the top twenty-five grant recipients, nine were left, liberal leaning and five were conservative. I think there is nothing wrong with that, but it is something to keep in mind because I expect that will come into play in the Canadian context as well.

Kristen: Right.

April: Another point to make is that, based on the US experience, foundation funding tends to focus on a few darlings, leaving most news outlets out in the cold.

Kristen: It sounds like – and correct me if I'm wrong on this – that not much of foundation funding for journalism is likely to go to local news. Is that right, do you think?

April: I think it depends. In the United States there are some community foundations that have become involved with some local news operations – the Texas Tribune, the Voice of San Diego... But the preponderance of money has gone to a small number of favorites. They are not necessarily national, but they are the darlings of that philanthropic world and there just aren't that many of them relative to the need.

Kristen: Got it.



April: The other thing I should say is, from a point of view of news organizations, there are a whole bunch of ethical issues that need to be worked out when you have foundation funding. There have to be some clear ethical guidelines established so that everybody knows what the rules are, in terms of the foundation meddling in the actual news coverage. I don't think this is an insurmountable problem. I mean, we managed to deal with it when it came to advertising over the years – we figured out how to limit advertiser interference with news coverage. But I think it's an area where news organizations and foundations are going to have to work out some best practices.

Kristen: Another thing that I had noticed over the last little while is, especially after the election of Donald Trump, several news organizations positioning their subscription advertisements as being a virtuous thing, as something you do to support the truth. Have you noticed a trend towards that? If so, are there any implications to newspapers treating subscriptions as a public-service donation, rather than a service that is being consumed?

April: That's part of the shift towards developing alternate revenue sources. There's an effort to get people to subscribe for reasons that go beyond just a transactional relationship where the subscriber pays, the news organization delivers. These days news outlets are working harder to build a relationship with subscribers – or as they are now often called – supporters or members. The idea is to make these supporters feel part of something bigger.

Kristen: Okay. That is something that news organizations are starting to do as a way to fill the revenue gap as much as they can?

April: Yes. It's a strategy for dealing with the reality that people have become used to getting their news for free. The reality, however, is that there is a cost to producing quality news coverage and that money has to come from somewhere. It might be foundations, that but that is only going to go so far.

Kristen: The government is considering tax credits to support news subscriptions. Could you explain in general terms what they're trying to accomplish with that, even though it's an ongoing process?

April: People at all levels of the political system are raising questions and concerns about the availability of reliable news for their constituents. Politicians need news and information to be available to voters, because it makes it easier to govern. They have a vested interest in terms of effective government, but also just in general – in terms of getting re-elected. And also, because of all of the things that I talked about earlier in terms of the value of local news, politicians recognize that it actually does have quite an important role in the democratic life of a community.

Kristen: Sure.

April: So, I think there is a recognition at the federal level in particular that news is a public good – it's something the private sectors is has a growing difficulty supplying. The federal government has committed about \$600 million over five years, about \$120 million a year for various forms of tax credits. So, federally the Liberals have put their toes in the water.



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But they're very nervous about it, because of the controversy over government funding for media. As soon as you start putting media on the government payroll, what are the chances that you're going to get any independently produced news? Are the subsidies or tax credits going to go to news organizations that are friendly to the government? So, I think the government is very nervous about that as well as about the controversies that may arise when the need to treat news organizations equally results in public funding for a media outlet that pushes the boundaries on issues like race for immigration for instance. Defining what a news organization is, and who a journalist is, is increasingly fraught.

Kristen: It seems like the different ways of funding news all have some ethical benefits and drawbacks. Philanthropic funding, you've mentioned, may have ideological tinges to it. Government funding poses some questions as well. I'm curious about, in a normative sense, who should pay for the news? Should it be a mix of sources, or...?

April: Ideally news organizations should have a range of sources of revenue to guarantee independence. Back when there was an abundance of advertising, when a news organization had a whole bunch of advertisers, this amounted to freedom. If one advertiser started giving you grief because they didn't like the way you're covering the local hockey team or a local development issue, the newsroom could say, "Okay pull your advertising, go right ahead," because there were plenty of other advertisers around. That's why diverse revenue sources matter.

Kristen: All right. Well, thank you. This has been a really, really fascinating conversation. So, thank you for talking to me today.