Charting Progress in Local News

Michele McLellan  LION Summit  Nashville  Oct. 25, 2019
About the studies

- **Michele’s List**, database of online news startups launched in 2010 at Reynolds Journalism Institute. Now more than 460 outlets, including 375 for-profit.
  - Survey: 92 publishers representing 100 outlets
  - Data for 2018

  - 108 publications participated in 2019, more than half INN membership
  - 2018 data
Tremendous growth

- 2+ for-profits launched per month on average for the entire decade 2008-2017, a five-fold increase
Staying power

- 4 in 5 for-profits have been in operation for 5 years or more

- Anecdotally, about a dozen fall off the list each year. My estimate: 1 in 5 has gone out of business in the past decade.
Small scale

- 3 in 4 cover a small community – small city, town, rural area, neighborhood(s)
- 1 in 4 are large city, metro, state, multi-state. Often outlets in larger areas are niche – tech, business
- Median population served is 72,500
- Median unique monthly visitors: 46,300
- Median monthly page views: 154,000
Making it work

- All have some paid personnel, but only 1/3 of publishers draw a full-time salary
- 2 in 5 rely on volunteers to some extent
- 3 in 4 reported revenue increases over 2017
- 3 in 5 said they turned a profit; 1 in 4 said they have steady revenue but not profitable
- 2 in 5 report revenue of $50k or less annually
- 1 in 5 report annual revenue of $51-100k
Highly reliant on ad revenue

- 2 in 3 report that locally sold advertising is the primary source of revenue.

- Other sources: National advertising, small donations, subscriptions, membership, business services, sponsorship, web services

- Revenue diversification: Nearly 2 in 5 report three or more different revenue sources but supplemental streams tend to be small.
Connecting with audience

- 100% direct web/mobile distribution
- Only 1 in 10 has a pay wall - 6 metered, 2 hard
- 4 in 5 publish an e-newsletter, median of 2,250 subscribers
INN Index: Nonprofit news

- Significant change in the revenue mix as public support grows
- Pew 2011: Foundations accounted for 63% and donations 23%
- Earned revenue: No dominant source
Comparing models

- Similarities: Bright spots! Young, experimental, expanding sectors
# Key differences

<table>
<thead>
<tr>
<th>For profit</th>
<th>Nonprofit</th>
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</thead>
<tbody>
<tr>
<td>Scope: Very local</td>
<td>National/state</td>
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<tr>
<td>Mission: Community news, events</td>
<td>In-depth investigations, explanatory reporting</td>
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<td>Distribution: Direct to web, mobile device</td>
<td>Third-party publication (although that's changing)</td>
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<tr>
<td>Revenue: Advertising, other earned revenue</td>
<td>Charitable funding</td>
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</tbody>
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Thank you!

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