

**The Cooperative Membership Model:
Could It Work For Community Newspapers?**

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The Cooperative Membership Model: Could It Work For Community Newspapers?

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“The time is right for serious community papers to use high-quality content being sponsored by philanthropic dollars.” Paul Steiger, editor-in-chief, ProPublica.

Anyone not living under a rock is painfully aware of the current conversation in the newspaper industry regarding its imminent demise – the undertones of desperation, the finger-wagging. So let’s not go there.

However, one emerging story line has to do with efforts to save good journalism by re-imagining it as a not-for-profit enterprise. In Atwater, Minnesota, a nonprofit, cooperative newspaper survived from 2005 to 2008. The people of Atwater succeeded for three years in taking the news mission into their own hands. From their mighty effort we can glean valuable perspective on what local news means to community.

In places like New York City, and San Francisco, and at numerous new Web sites, non-profit entrepreneurs are creating in-depth reporting and offering it for free to struggling newspapers like the *Sunfish Gazette*. Can community newspapers make use of this content? Can nationally-produced investigative journalism find a place at newspapers whose focus is strictly local? It’s something worth thinking about as newspapers look for ways to keep up with changing demographics and exploding technology.

The Sunfish Gazette

Listen to the story of the Atwater *Sunfish Gazette* and you will hear echoes of struggling farm communities across the Midwest. Empty barns, consolidated school districts, and fading Main Streets. But living in those towns are some very determined people.

Atwater sits on the edge of the prairie about 80 miles west of Minneapolis. From an editor's point of view, its location midway between two thriving county seats is a cruel trick of geography. Turn off its eerily quiet downtown street onto Highway 12 and drive fourteen miles west to Willmar, the Kandiyohi County Seat and home to the nearest daily. Go a few miles in the opposite direction and you hit Litchfield, the Meeker County seat.

Like so many farm towns hit by the 1980s farm crisis, Atwater has felt its identity slipping away. The school district consolidated with two others in 1996. And right around that time Atwater's local paper, the *Herald*, folded. From 1996 to 2005, the only paper covering Atwater was the Willmar *West-Central Tribune*, a Monday-Saturday daily (circulation 16,300) owned by Forum Communications of Fargo, North Dakota.

Atwater had lost its source for news about the local goings-on, and it bothered people.

It bothered people so much that in spring 2005, about a dozen of them decided to launch their own newspaper. It would be a non-profit, community effort. It would take its mandate from the community, much like a food cooperative or public radio.

From October 2005 to September 2008 this tough group of volunteers put out the *Sunfish-Gazette*, a non-profit, community-owned, biweekly paper. There was nothing in it for them

except community pride. At its peak, the *Sunfish-Gazette* was circulating nearly 2,000 copies in and around a town of a little more than a thousand inhabitants.

“People went into it with the idea of it being a community builder, so people could feel more connected,” said Dave Johnson, a retired English teacher who helped found the *Sunfish-Gazette*.

Johnson and the others started by rounding up resources in the community. Board member Bob Meyerson, vice president of the Atwater State Bank, donated office space. They filed for 501 (c)(3) no profit status. Startup money came from a \$1,000 grant from the Southwest Minnesota Foundation and a fundraiser hosted by the local Lions Club.

By September they had hired Sandy Grussing, a veteran of two nearby weeklies, to edit the fledgling paper. She jumped right in, driving the paste-ups over to the printer in a neighboring town where she would wait for the print run, wrap the papers, throw them in her car, and deliver them at drop points around town.

Meanwhile, board members sold ads door-to-door, proofread copy, made coffee, sent out ad billings, and talked up the project at every opportunity.

The founders knew that the more people invested in the fledgling paper, the more they were likely to care about its success.

Board member Connie Feig, director of a non-profit block nurse program in Atwater, said she brought a “Margaret Mead” approach to the project. It’s the same tactic she brings to her job. “I talk to everyone in the community to see what will work,” she said.

Even the newspaper's name was the result of a community effort. The board invited citizens to suggest names; the winning entry was a nod to the wealth of sunfish in the nearby lakes. Coming in second was *Walleye Street Journal*.

"We were grassroots from the start," said Margaret Weigelt, a librarian and organic foods certifier who was in on the effort from the start. "If we put this in their hands, we were so sure we could get buy-in."

So they circulated a flier at the Atwater town festival in mid-June, asking for suggestions. The word came back: People wanted thorough sports coverage; news about who was visiting with whom; obituaries, showers, weddings and engagements; graduation open houses; church schedules and pastor columns; city council minutes; and school board news.

In other words, they wanted what every good local weekly provides.

Grussing approached her job as "community education." Readers have three important interests, she says: city council, schools, and churches. She made it her business to cover all three.

"Those are the three focal points of community life," she said, adding that within a few days of setting up shop, people were coming in to the office to share recollections of the 1996 school district consolidation.

The founders had to decide whether to produce an actual paper, or save the printing costs by publishing online. They never reached consensus on that, but concluded that an online-only publication in Atwater would go mostly unnoticed.

"There was a really strong feeling that we needed something that people could hold onto," said Weigelt.

A good chunk of Atwater residents are middle aged or seniors, people who still want to hold an actual paper. The founders decided to print an actual paper, and to post pdf images of each issue online.

“We needed a physical product,” added Johnson. “I don’t think a purely online paper would have gone over.”

Another big decision was how to grow a reader base, and that presented a chicken-and egg-problem. The founders knew they had to capture a broad base of interest, so they sent the paper free of charge to every household in the Atwater ZIP code, about 1,100 people. It was an expensive gamble, but a calculated one.

“We started out with the idea that we were going to get the paper into the hands of everyone in the ZIP code,” explains Joe Carpenter, a United Methodist pastor who served for a time as the board’s chair. “If we’d started with subscriptions instead...” His voice trails off. “But on the other hand, we had to have that coverage, right from the start.”

While offering the paper for free, the board tried to build a sustainable financial base by soliciting sponsors in the community and then publicly recognizing those who donated \$30 or more annually. The founders were able to bring on approximately 500 such supporters from Atwater and the surrounding area.

Ultimately, even the Herculean efforts of the board weren’t enough to keep the *Sunfish-Gazette* swimming. Weigelt, active in the food cooperative in nearby Litchfield, compares that effort to the *Sunfish-Gazette*. It takes 40 active volunteers to sustain the food cooperative, she said, adding it would have taken a similar number to keep the *Sunfish-Gazette* going over the long haul.

Besides a larger group of volunteers, Weigelt and Johnson said that that the paper would have needed a \$6000 reserve, or about three months' worth of operating capital, to act as a cushion until it was strong enough to sustain itself. The paper took in \$1,600-\$1,800 in ad revenue for each issue, enough to cover the cost of printing and the editor's salary. There was just never enough money to build up a reserve.

The effort to raise capital got off to a great start. A letter campaign in early 2007 raised \$6,000. But donations fell to half of that in 2008. "That was the canary in the mine," said Weigelt.

As a matter of philosophy, the *Sunfish-Gazette* relied on a broad, grassroots base of small donor/subscribers.

"We were dependent on small donations," said Weigelt. "That was our idea – You are giving us a mandate that you want a paper."

Reflecting back, the founders say that people valued the paper, but started to take it for granted after awhile, perhaps because it was coming to their homes for free.

"People just assumed it was going to be there, and didn't see a need to make sure it was there themselves," said Carpenter.

The experience suggests to Carpenter that a community will step up to support something new. The trick is to keep the public's interest after the initial shine has worn off.

"I don't think many of us realized that people will be more generous about donating to something new than to keep something going," he said.

Maybe nothing could have saved the *Sunfish-Gazette*. Grussing noted that cars driving along Highway 12 are far more likely to stop in Willmar than in Atwater, which once had five places to eat, but now is down to three, including the bowling alley and the convenience store.

The three years spent putting out the *Sunfish-Gazette* was a labor of love.

“A lot of adrenaline was flowing,” remembers Johnson. “We were excited. It was tough to lose it after putting so much into it.”

Feig goes even farther.

“A paper is a social structure,” she said. “It’s about people talking to one another. It’s life.”

After nine years without a paper, followed by three years of the *Sunfish-Gazette*, people are left thinking about what a local paper means to a town like Atwater.

“When the town doesn’t have its own paper, the feeling of community is diminished,” said Carpenter. “If people don’t have announcements of community events, they start to forget.”

The Nonprofit Journalism Engine Revs Up

Clay Shirky, adjunct professor of interactive telecommunications at New York University, declares that “[F]or the next few decades, journalism will be made up of overlapping special cases.” (March 13, 2009; www.shirky.com. Republished in *Utne Reader*, July-August 2009).

Certainly the *Sunfish-Gazette* is one of those special cases. The crisis in journalism hit home in Atwater when it lost its source of local news, and citizens worked to meet the crisis without regard for personal financial gain.

The journalism crisis has also resulted in the hollowing out of investigative reporting at newsrooms across the country. Citizens across the country are stepping up to meet this crisis, too, by creating nonprofit centers devoted entirely to producing high-quality investigative journalism, and making it available for free.

These nonprofit efforts fall into two categories – online-only news sites and investigative journalism incubators — often in collaboration with universities. Funding strategies range from micro-funding, where consumers select which content they want to support and at what level, to member-supported organizations funded like public radio, to major efforts that rely on well-connected players who can tap into the pockets of civic-minded millionaires.

In Minnesota, former *Star Tribune* publisher Joel Kramer launched the online news site MinnPost.com in 2007, harnessing reporting talent that formerly fueled the newsrooms of the *Star Tribune* and the St. Paul daily, the *Pioneer Press*. Startup funding of \$850,000 came from five major donors, including Kramer and his family. As of June 2008, MinnPost claimed 904 member donors. MinnPost’s mission states: “Our mission is to provide high-quality journalism for news-intense people who care about Minnesota. We intend to focus sharply on that mission and not get distracted by trying to be all things or serve all people.”

Another nonprofit, online-only site to emerge is voiceofsandiego.org. This site, begun in 2005 with a small staff of reporters in their 20s, claims to be “the only professionally staffed, nonprofit online news site in the state focused on local news and issues.” The site claims 17,000 daily visitors and runs on donations that total about \$600,000 annually, according to its Web site.

In San Francisco, David Cohn operates yet another non-profit model. At his spot.us site, citizens suggest investigative story ideas and then pledge an amount of their choice to support production

of that story. Others who like the idea can sign on with their own pledges. The idea is that eventually the most popular ideas will earn enough in pledges to pay a reporter to produce the story. Cohn told NPR (*Is Community-Funded Journalism the Answer?* 1/30/09) that spot.us recently raised \$1,000 in this way to fund a story about absenteeism at the Oakland Police Department. Some 45 citizens pledged from \$2 to \$250 each to make the story happen.

Spot.us is linked to another Bay-area micro-funded effort, Public Press, which aims to grow into a member-supported, multimedia outlet for local investigative reporting. Public Press founder Michael Stoll compares independent, ad-free reporting to poetry and fine art, which seldom make money, but survive because they find audiences.

Reflecting the threat to investigative journalism posed by the current economic climate, several nonprofit organizations have emerged over the past several years to incubate and support investigative journalism. These efforts stress that serious journalism must be disseminated through multiple media, and focus on nurturing investigative content, the type of reporting that is being cut from traditional newsrooms.

Actually, the oldest of these, the Center for Investigative Reporting, has been around since 1977. Based in Berkeley, California, CIR “works to ensure that high quality, credible, unique journalism does not die, but flourishes.” CIR is funded by two dozen foundations and lists a number of celebrity journalists on its board.

Charles Lewis, the former CBS *60 Minutes* producer who founded the Washington, D.C.-based Center for Public Integrity in 1989, launched the Investigative Reporting Workshop at American University last year. The idea here is to foster collaboration between veteran journalists and the university to produce significant projects that take a long time, sometimes several years, to

produce. IRW brings together what Lewis calls “all-star” investigative journalists, American University School of Communications faculty, and undergraduate and graduate journalism students.

Writing in *Nieman Reports* (Spring 2008), Lewis wrote, “Newsrooms are being substantially shrunk, and the ones who are left are ready to jump out a window because they have too much to do and too little time, or they think they’ll be fired next week. Those newsrooms desperately need content...”

In October 2007 Paul Steiger, former managing editor of the *Wall Street Journal*, launched *ProPublica*, a nonprofit in New York City where 25 veteran journalists produce in-depth, public-interest reporting and offer the content free. *ProPublica* requires only that outlets who use its material give full credit to its reporters, and that the reports be published in their entirety. With an annual budget of more than \$10 million provided primarily by Herb and Marion Sandler, *ProPublica* operates in a financial realm that community editors can only dream about.

Which in Steiger’s view is exactly the point. “The time is right for serious community papers to use high-quality content being sponsored by philanthropic dollars,” he told David Folkenflik of National Public Radio in a piece aired on February 6, 2009.

A non-profit, collaborative effort modeled after the Investigative Reporting Workshop was launched in January in Madison, Wisconsin. The Wisconsin Center for Investigative Journalism (WCIJ) will work with Wisconsin Public Radio, Wisconsin Public Television, and the University of Wisconsin-Madison School of Journalism and Mass Communication. WCIJ has applied for 501 (c)(3) status and recently got a \$100,000 grant from the Ethics and Excellence in Journalism Foundation in Oklahoma.

Besides producing investigative pieces for Wisconsin news consumers, WCIJ also aims to train students in investigative techniques and to train citizens to become muckrakers in their own right.

“We plan to collaborate with mainstream and ethnic media and to help residents learn to scrutinize institutions and quality of life issues in their own communities,” said WCIJ founder Andy Hall, who was an investigative reporter for the *Wisconsin State Journal* for 18 years.

In a sign that the movement for non-profit investigative journalism is maturing, leaders of 20 such organizations met at the end of June to form the Investigative News Network. The INN founding declaration states, “We have hereby established, for the first time ever, an investigative news network of nonprofit publishers throughout the United States of America.”

The INN “must assist the newest nonprofits achieve greater economic stability and public presence, while at the same time, developing new models to monetize the shared, combined content of member organizations,” wrote Charles Lewis in *The Nieman Watchdog* (The Future of Watchdog Reporting Brightens as Nonprofit Groups Organize a New Network, 7/3/09).

This list is far from comprehensive. The nonprofit news landscape is changing constantly. I offer these examples to stimulate discussion around the potential that nonprofit models offer to community newspapers and their readers. These nonprofit models might become a valuable resource for community newspaper editors who search for ways to reach local audiences in this time of rapid and profound change.

Author’s Note: Material about the *Sunfish Gazette* appeared in *Grassroots Editor* under the title “The Little Paper that Could – And Did – For Three Years” (Spring 2009)