Building the non-profit road: Investigative lessons and models from other places

Bill Birnbauer
Monash University

Abstract
In March 2009, the minnow-sized Voiceofsandiego.org found itself among the big hitters of American investigative journalism. The non-profit organisation established in 2005 with an editorial staff of 11 young reporters won the country’s most prestigious award for internet-based investigative journalism. The Voiceofsandiego.org’s reporters had exposed corrupt relationships between two government agencies and developers involving lucrative contracts and a clandestine bonus system. The revelations resulted in the agencies’ leaders being replaced, criminal investigations and reforms. The award was presented by Investigative Reporters and Editors Inc. which in 1975 was one of the first non-profit investigative journalism organisations established in the United States and whose goal is to improve the standard of investigative reporting. In April 2010, the Pulitzer Prize for investigative reporting was awarded to both The Philadelphia Daily News and to ProPublica’s Sheri Fink for a 13,000-word narrative reconstruction of the horrific choices facing medical staff at Memorial Hospital, New Orleans, in the wake of the devastating Hurricane Katrina in 2005. Fink’s two-year investigation, also published in The New York Times Magazine, showed that health professionals deliberately injected several patients with lethal drugs. What ProPublica, Voiceofsandiego.org and about 60 other US-based investigative reporting centres have in common is that they are supported by wealthy philanthropic foundations and contributions from “mum and dad” Americans who might donate as little as $US35. Non-profit investigative reporting centres also have been established in more than 43 countries as diverse as
Brazil, Armenia, Romania, Africa, Chile, England, Canada, Colombia, Nigeria and Serbia. With traditional newsroom resources thinning due to budget and staffing constraints, two ideas are proposed to bolster the amount of in-depth reporting in Australia and New Zealand. Journalists and journalism educators should lobby politicians, especially the Australian independents and Greens, to press for tax deductibility for donations to investigative reporting centres and funds. Secondly, university journalism schools might establish and fund a centre that produces investigative journalism using supervised students across multiple campuses working on collaborative projects.

**Presentation**

The news from America has been unrelentingly grim these past few years. Newspaper shutdowns, staff layoffs and buy-outs have dominated the news about journalism. Evidence of the turmoil can be seen in the figures: The *Paper Cuts* blog records that some 2800 US journalists have lost their jobs so far this year. This is a significant slowing over the previous two years: in 2009, 14,900 jobs vanished; and 2008 was even worse with almost 16,000 reporters axed.

The American Society of News Editors has figures that are more conservative but equally depressing: it says 13,500 jobs have disappeared since 2007. Since 2001 American newsrooms have lost over 25 per cent of their full-time staff.

Investigative journalism appears not to have been spared: while no-one has produced a substantive analysis, membership of Investigative Reporters and Editors (IRE) fell more than 30 percent to 3700 between 2003 and 2009 and applications for the Pulitzer Prize dropped by up to 40 percent in some investigative categories.

Reasons commonly cited for the turmoil include the availability of "free" news and information on the Internet; the evaporation of classified ads as advertisers switched to Internet competitors; the disconnect between editorial content and public interest; the economic meltdown, and young people’s lack of interest in the tactile pleasures of holding open a rustling newspaper. Others such as Robert McChesney and John Nichols in *The Death and Life of American Journalism* blame the corporatisation of family newspapers back in the 1970s and 1980s.
So it may come as somewhat of a surprise to hear me say that there is a very exciting and welcome flipside to this. Investigative reporting has been reinvigorated in the United States through a sharp and sudden increase in the number of non-profit centres devoted to pursuing in-depth reporting. I have been interested in such centres for over 13 years but developments since 2006 have been nothing short of breathtaking - thanks to the fact that serious journalists want nothing more than to do serious journalism, a recognition by philanthropic foundations that watchdog journalism is essential for good democratic governance, and, ironically, the collapse of traditional business models.

Charles Lewis, who is the Godfather of American nonprofit journalism, in a recent study entitled The New Journalism Ecosystem, located 60 non-profit journalism organisations doing public service reporting. Sixty three percent of the non-profit centres had been formed in the past four years. Almost a quarter of the 60 were linked to a university: I will come back to the role universities could play because I think they are the key in New Zealand, and in Australia, to improved investigative reporting and student learning.

In July last year a handful of US nonprofits formed the Investigative News Network, an umbrella group to coordinate some of the editorial, administrative and financial aspects of running such centres. Today it has over 50 members.

I have just spent three weeks in the US visiting three of the biggest investigative nonprofits: The Centre for Public Integrity in Washington, the Centre for Investigative Reporting in San Francisco and ProPublica in New York.

For those unfamiliar with non-profit investigative reporting centres, here is brief outline.

The centres are about 90 - 95 percent funded by philanthropic foundations and individuals - some wealthy, some not - who are concerned about the ability of established media to hold government agencies, corporations and individuals to account and by the crisis democratic governance.
The centres receive both project-based and general funding. The bigger ones employ between 30 and 40 full-time investigative reporters working in what look like ordinary newsrooms; the smaller ones may have just two or three journalists, a data expert and an online presence. Reporters have that rare commodity - time - often months, to probe issues - an unaffordable luxury in most mainstream newsrooms.

There are several notable trends associated with the growth of the non-profits:

One big change is that iconic media such as The New York Times and The Washington Post, National Public Radio and PBS’s Frontline now run stories written and produced by the centres - something that would not have been contemplated just three short years ago. While I was in the United States the venerable Washington Post published thousands of words, including a page one story, about the man allegedly behind the Mumbai massacre that was written and bylined as coming from a ProPublica reporter.

Last year the Associated Press agreed to syndicate the work of the three centres I mentioned plus the Investigative Reporting Workshop at American University to 1500 American newspapers.

In other words - the non-profits have moved into the mainstream of American journalism. ProPublica told me it has had 60 different publishing partners since 2008. One may well pose the question: is the mainstream quality press in the US outsourcing its difficult, timely, uncertain, legally tricky and hellishly expensive investigative journalism to specialist centres?

This requires further research but and I suspect the answer is both yes and no depending on which media company you are looking at.

Charles Lewis, now a professor of journalism at American University, is a former producer for American 60 minutes, who left CBS and formed The Centre for Public Integrity in 1989. He left the centre in 2004 but while he was there it produced 300 investigative reports including 14 books and won more than 30 awards. He raised $US30 million in foundation funding for the centre. Today he runs the Investigative Reporting Workshop at American University in Washington DC. The workshop has
partnered on projects with the *Washington Post, MS NBC, Frontline* and others. Here's what he told me a few weeks ago:

“Partnerships are very easy now. In fact we have to tell them to go away ... we have more than we can deal with. I have to tell you I’ve been in this space for 20 years, I’ve never seen this much demand for serious content by commercial media. It’s slightly amusing on one level and slightly depressing on another. They are desperately seeking content because they have eviscerated their newsrooms.”

One only has to look at the managing editors of the key non-profit centres to understand why quality media organisations trust them with their most sensitive and difficult investigations.

Paul Steiger, the editor-in-chief of ProPublica, is a former managing editor of *The Wall Street Journal*.

ProPublica’s managing editor, Stephen Engelberg, was managing editor of *The Oregonian* in Portland, and had worked for *The New York Times* for 18 years before that.

Over in San Francisco, the executive director of the Centre for Investigative Reporting, Robert Rosenthal, was a journalist for 40 years including as executive editor of *The Philadelphia Inquirer*.

At the Centre for Public Integrity, executive director Bill Buzenberg was vice-president of news for National Public Radio, as well as an NPR foreign affairs correspondent and London bureau chief.

These are serious people.

In broad terms, I believe the practice of investigative journalism in the US has become increasingly specialised: in the early 1900s there were individual champion reporters and authors - Ida Tarbell, Upton Sinclair, Lincoln Steffens and others.

Then, in the wake of Carl Bernstein and Bob Woodward’s Watergate break-in revelations, small teams of investigative reporters became popular in many city newsrooms. Now in the US, and indeed elsewhere, specialist non-profit centres are leading the way in scrutinising governments and exposing corruption.
I should add that the employment opportunities created by these centres come nowhere near replacing the number of job losses I referred to at the opening of my talk.

Literature on the non-profits is scarce – Charles Lewis has done most of the research on the recent trends. He estimates that the 60 non-profits he identified had 658 full-time employees. Two-thirds of these had prior professional journalistic experience. So 67 percent or 443 people have transitioned from established media to what he calls the “non-profit fray”.

The centres have won national and regional reporting awards with the standout being an extraordinary piece by ProPublica’s Sheri Fink that also appeared in the New York Times Magazine and won this year’s Pulitzer Prize for investigative journalism. The story described in harrowing detail how medical staff at Memorial Hospital in New Orleans euthanased terminally ill patients after hurricane Katrina. Fink spent two and a half years researching the story and interviewed 140 people. Estimates suggest the story cost $US400,000 to research, write, edit and legal.

Before I talk about philanthropic funding and some of the issues associated with that I would like to note what is happening outside of the United States with non-profit watchdog centres.

In 2008, I was at an investigative journalism conference in Lillehammer, Norway, which Wendy Bacon also attended. I went to a session presented by David Kaplan who runs the International Consortium of Investigative Journalists.

Kaplan noted there were centres either doing investigative journalism, teaching it or funding it in Sweden and Denmark as well as the Philippines. Then there was Armenia, Mexico, Romania, and Brazil: centres in Peru and Venezuela, and Chile and Canada. Africa. The Balkans. Middle East. Germany. Bulgaria. Colombia. Nigeria.
A rapidly rising total of 43 centres worldwide.
I remember feeling a bit sheepish about what’s not happening in Australia, although we are lucky enough to have Wendy Bacon’s Centre for Independent Journalism at UTS in Sydney and Margaret Simons and Melissa Sweet recently launched the Public Interest Journalism Foundation at Swinburne University.

The Sydney centre has done some excellent work – I refer to the “Spinning the Media” series in Crikey, stories on foreign aid and the Reportage stories – these have filled gaps not covered by the established media and I think we can do more.

Let’s talk money:
Jan Schaffer, a Pulitzer Prize winner and executive director of J-Lab: The Institute for Interactive Journalism at American University School of communication, estimates about $US142 million was donated by philanthropic foundations between 2006 and 2009 to news and information initiatives.

About half of that philanthropic support went to investigative journalism, with over $56 million going to the three nonprofit organizations I mentioned earlier.

Several questions arise from philanthropic funding. How sustainable is it? Are the foundations really just the new advertisers? What influence do the foundations exert on editorial decision-making? Is the role of the editors-in-chief at these centres more akin to that of fundraisers than traditional editors?

I do not have time here to fully answer these questions but will touch on them:
On the question of sustainability, nobody really knows with certainty because the current phase surely is transitional.

What is clear is that the bigger centres are desperately trying to diversify their funding away from the foundations and are looking seriously at advertising. They attract millions of unique visitors each month due largely to the distributive partnerships they have established with mainstream media. Other revenue sources being examined include advertising sponsorship of e-mails and newsletters, book sales and charging for exclusive first use. At the moment, many of the centres give away their stories.
The introduction of paid advertising by ProPublica and other centres, I speculate, could result in pressure for a faster turnover of stories in order to maintain and enhance the number of page views that advertisers so desperately want. We’ll see.

Clearly, not all the centres will survive. Only days ago, the Washington Independent, an online nonprofit that has won awards for its investigative reporting, closed saying it could not translate its journalistic success into a viable model.

The key difference I think between foundational donations and advertising is that advertisers want eyeballs and it is obvious that they want readers to buy their products. The motivation of foundations, however, is less obvious. Rather than eyeballs one suspects they might be interested in setting an agenda and pushing their issues.

All the nonprofit editors I spoke to insisted that a Chinese wall stood firmly between foundations and editorial decisions. Foundations never saw the stories before anyone else.

The Centre for Public Integrity has more than 50 foundations supporting its work; however, less healthily, ProPublica is mainly funded by a former banking billionaire who has pledged it $US10 million a year over three years. Herbert Sandler, the donor, is politically active on the Democrat side. ProPublica’s general manager and others there say he has been completely hands off but I think the perception is not a good one.

Another trend I detected was that the traditional distinction between publisher and editor is at best blurred or absent under the non-profit model. The top person, usually a former mainstream editor, today is personally involved in fundraising as the “go to person”, dealing with foundations and wealthy individuals. This represents a significant departure from the ideal, even though that separation may have been lost in many newspaper organisations.

With funding come complex ethical questions and the matter of influence over editorial decision making. Would a centre investigate a funding organisation? Would it probe a foundation’s board members over their outside activities?
Finally, I turn to university models which I think hold some promise for us in the absence of US style tax deductibility for donations to journalism and because our philanthropic foundations are yet to believe that journalism is a charitable basket case – though their support or otherwise remains untested.

News 21 is a foundation funded initiative in the US that has brought together students at 12 US journalism schools to work on joint projects: selected students – the best ones - spend 10 weeks during their summer break or two days a week during the semester working on projects. Their work is published on a central site as well as in mainstream media.

I have been looking at various models that might work in our region for some time and think we must explore the possibility of collaborations between students at universities in Australia and New Zealand. As an example my investigative students earlier this year had the option of investigating toxic sites nominated by the Environment Protection Authority as posing environmental and health dangers or threats.

The students each spent the entire semester investigating just one site: they had to find the owners, assess its dangers, find out why the sites hadn’t been clean up, scrutinise the performance of the EPA and so on.

Since then about half a dozen third year and Masters students have taken that work a step further and we are soon to launch a website displaying their stories. It occurred to me that this is the sort of project that could be done by students in New South Wales, Queensland and Western Australia, New Zealand and elsewhere, ultimately creating a national database and website or wiki of the information.

Of course, the subject matter could be negotiated but students across various campuses would need to be given the option of exploring issues in common under the supervision of their lecturers. The universities could publish the stories on their own websites but the best and most collaborative stories would be pulled together under a central site, that I tentatively would like to call UniMuckraker.

To fund and develop the site, I think the member universities would have to donate to a central fund to pay for the cost of establishing an online presence: this need not
bother the bean counters. If four or five or more universities put in $5000 to $10,000 each, that would be sufficient to establish a site and possibly even hire a journalist part-time to pull the stories together.

Pro bono lawyers could be used to legal the material together with university solicitors. Staff and students in other disciplines could provide expert guidance on legal, scientific, health and other issues.

I hope this generates further discussion because the time is right. Traditional media is under increasing pressure and less and less able to devote the resources needed for investigations. I’ll be writing to university journalism schools shortly to test their interest.

**Bill Birnbauer** is an investigative journalist and a senior lecturer in the School of Journalism and Australian Studies at Monash University, Melbourne.

© Copyright 2010 Bill Birnbauer