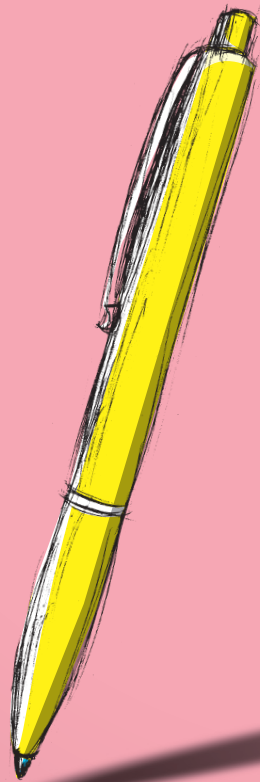


NON-PROFIT JOURNALISM IN GERMANY

Report on quality criteria, logic models and funding tips in non-profit journalism



*Executive
Summary*

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Introduction

Dear readers,

The publication of this report falls in the midst of the corona pandemic, which has created a paradox for journalism. Journalists all over the world are working hard to keep us up-to-date on the situation. **Reliable information is needed now more than ever.**

At the same time, media outlets are losing key sources of income that they normally receive through advertising and events. Many journalists live in fear of losing their livelihood as entire media outlets face bankruptcy, particularly within the local media landscape. While this era demonstrates the urgent need for journalism, it has also exposed the **fragile nature of journalism's economic foundation**. We are witnessing a market failure.

The corona pandemic is exacerbating an already precarious situation. For years now, the world of journalism has been struggling with a number of crises. While digitalization demands constant innovation from editorial offices, digital business models themselves have proved only marginally viable. In the digital world, labor-intensive quality journalism is apparently on a par with information services that are not committed to journalistic standards or, in some cases, even deliberately undermine them. Journalism is struggling to maintain its **capacity to stimulate and shape public debate**.

One thing is for sure: When journalism is no longer able to make complex problems transparent, democracy begins to falter. The demise of local journalism results in lower voter turnout rates. Social cohesion and **civil society engagement** suffer while mismanagement and corruption increase. We can't afford to let that happen.

Driven by the need to counter these developments, the Non-Profit Journalism in Germany report focuses on what's new. It tells the story of an awakening, of how the crisis-weary world of journalism has embraced a **pioneering spirit**. Adding to the traditional pillars of private and public services, pioneers in the field are building a third pillar within the media landscape: non-profit journalism.

This mode of journalism has a new operating model that is **free from commercial interests**, and is innovative, solution-focused and collaborative. Non-profit journalism seeks to establish a close rapport with its users and strengthens media diversity in the digital age. In order to achieve this, it needs the support of people.

This report offers decision-makers and funders an **introduction to the field**. It highlights **20 practical examples** of foundation-funded investigative reporting offices, member-funded services and digital infrastructures for cross-border research. → p. 8.

The report also addresses those who are needed to help establish non-profit journalism and increase its potential – from courageous financiers to political advocates. The report offers these target groups recommendations for actions they can take, which are also provided in this summary. → pp. 6/7.

Commitment among supporters is a necessity. **Now is the right time** to bring our strengths together and help shape the journalism of the future.

Let's get started – together!



Non-Profit-Journalism in Germany

– Report on quality criteria, logic models and funding tips in non-profit journalism (in German). Free of charge at

→ www.nonprofit-journalism.org

At a glance: Context

Journalism has the function of orienting and educating the public in a democracy. But journalism in Germany is facing a crisis in the era of digital transformation. As Christopher Buschow argues, “we are quite possibly experiencing a **radical reorganization of journalism**. Shrinking revenues in digital media, a strong dependency on platforms and tech companies, but also the so-called crisis of trust and authority are markers of this change.”¹ All of this has an impact on the central role that journalism plays in shaping public opinion and acting as a watchdog in politics and the world of business. In order to be able to continue to exercise its capacity to feed **constructive and informed debates in society**, journalism needs to develop its role and its definition of itself.

The group of non-profit journalism organizations featured in this report can contribute to this goal. There are at least **three ways** in which they strengthen the field of journalism and society at large:

- **1.** Non-profit journalism tends to strengthen the **diversity of opinions** and thereby democracy as a whole.
- **2.** Non-profit journalism is often **highly innovative**, both in terms of its new business and financing models and the new approaches and practices to journalism.
- **3.** For non-profit journalism, cultivating a community-oriented journalism with the active participation of citizens is embedded within an organization’s culture and approach.

The 20 non-profit actors presented in this report – 15 of which are in Germany and the remaining five in the United States, England and Switzerland – are inspiring **examples of the diversity, innovative power and constructive approach** that characterizes non-profit journalism.

By leveraging the internet’s technical and communicative possibilities, they can often form the link between readers, civil society and commercial journalism. Perhaps even more importantly, non-profit journalism

can impart the skills and provide the infrastructure needed to help people navigate their way through an abundance of information and misinformation, **while stimulating connection, networking and dialogue**.

However, in order to actually unlock this potential, we need **to understand how non-profit journalism works**, and we need ideas as to how decision-makers in foundations and companies can commit themselves to non-profit journalism and freedom of information and expression in Germany. Our report contributes to both of these efforts. It provides funders and advocates **step-by-step guidance** on the most important questions regarding funding practices.

The summary presented here outlines the report’s key findings with regard to non-profit actors and their logic models, i.e. their theory of how their intervention produces its outcomes. It identifies current trends in journalism and provides **recommendations for action relevant to funders, politicians, researchers and non-profit actors in journalism**.

Methodology

How might funders and advocates contribute to the field of non-profit journalism with impact, and what inspiring practical examples can be found in Germany and in other national contexts? In order to answer these questions, we conducted interviews with 19 experts from a variety of sectors and with practitioners in 20 non-profit projects over a three-month period in 2019. The questions focused on funding requirements, quality criteria and the effects of non-profit journalism. In selecting projects to feature, emphasis was placed on presenting both established and new, innovative actors, both of which serve as models in the field. Interview results were supplemented by desk research and a feedback workshop that was held with experts. PHINEO’s ten years of experience with impact analysis and funding practices have informed the recommendations presented in this report.

¹ – Buschow (2019): Der kommerzielle Journalismus steckt in der Krise. So könnten Auswege aussehen.

At a glance: Key findings

■ 1. Transparency, attitude and community:

Non-profit actors follow recognized journalistic standards in their work, often going beyond such standards by, for example, disclosing sources of funding and ownership. Targeting societal impact through their research, they are distinguished by their solution-focused attitude and workflows. In many cases, non-profit actors rely on their community and actively involve engaged citizens in their processes, which include identifying issues, carrying out research or forming opinions.

”The first thing I’ve noticed about our impact: We’re taken seriously, we’re consulted, and our arguments are increasingly being taken up.”

Konstantina Vassiliou-Enz,
New German Media Professionals

■ 2. The changing media landscape bears both risks and opportunities:

Non-profit journalists are becoming active in those areas where the market is failing. Their services can help contribute to the constructive and innovative reorganization of journalism. Non-profit services represent a high-quality supplement to commercial and public information offerings. However, the general public and in particular decision-makers in politics, business and civil society know too little about how non-profit journalism works.

■ 3. Greater impact orientation in non-profit journalism:

While those active in non-profit journalism rightly articulate the desire to bring about social impact, in practice, they focus almost exclusively on creating and disseminating journalistic content. There are two reasons for this: For one, some actors lack awareness of the relevant cause-and-effect relationships involved and, for another, they often lack basic know-how regarding the indicators by which social impact can be measured. As a result, such actors have proved in only a few exceptions able to fully integrate impact objectives into their work and report on the impact they have achieved.

”When stories cross national borders, journalism must be able to do the same.”

Tabea Grzeszyk, hostwriter

■ 4. Impact model for non-profit journalism:

The report presents an impact model that can be adapted to individual project needs and which allows non-profit actors to better plan and monitor social impact. It draws inspiration from the Walton Family Foundation’s Journalism Impact Primer. The report’s featured model makes it easier for actors to identify where they stand within the media landscape and draw on this position in developing their own model of how their intervention produces its outcomes (logic model).

■ 5. Strategic support is needed: Given that the field of non-profit journalism is as diverse as it is underfinanced, there are many opportunities for funders and advocates to get involved – in a strategic capacity. For those providing support, this involves linking the allocation of funds more closely to an organization’s needs, helping actors build a sustainable, healthy organization, establish impact-oriented workflows and procedures, providing the means for impact assessment, and acting flexibly in an ever-changing environment. With respect to the sector as a whole, it is particularly important for those providing support to initiate cooperation – not only among non-profit actors, but between different types of actors as well.

”We want to be more than a magazine people like to read, we also want to have social impact.”

Oliver Fuchs, Die Republik



Trends in journalism



The report concludes by taking a look at **three major trends** that will shape the field of journalism in the coming years.

→ Interconnectedness is steadily growing.

This is taking place on three levels: among journalists, between journalists and their community, and between actors from the for-profit and non-profit sectors (through specific types of cooperation).

■ **Journalists are working more closely together than ever before:** They research in teams, draw on a common infrastructure, and share knowledge and resources – across formats and national borders. Examples of this include the collaborative or cross-national journalism projects listed in the project matrix (Report, p. 17).

■ At the same time, more and more previously passive recipients of journalistic goods are taking on an active role: **As part of a community, readers are not only helping finance and obtain information, they are also contributing to the interpretation of information and forming of opinions, thereby themselves driving topics and services** (FragDenStaat, KONTEXT). In this context, it is the responsibility of such actors to ensure that journalistic standards are met and maintained.

■ In addition, we see an increase in **cooperation between actors from the for-profit, non-profit and public media**. Ideally, this cooperation not only expands the reach of journalism, but helps close the gaps in supply at the local level, for example.

→ The spectrum of approaches continues to expand and is diversifying.

Despite – or as a result of – today's precarious conditions, the idealism of many journalists is reflected in an **ever-broader range of innovative approaches to journalism** and services. Two approaches that will certainly draw greater interest in the coming years are constructive journalism and data-driven journalism (Report, p. 21). Whereas constructive journalism is gaining ground because of its solution-focused approach that encourages **readers to get involved with socio-political issues**, data-driven journalism is growing in

part because it strengthens the **scientific basis for argumentation** in reporting.

→ The search for suitable forms of financing will provide the sector with a variety of for-profit, non-profit and hybrid business models.

There is already a variety of financing models among non-profit actors that combine established with **new sources of income**. In Germany, this includes Finanztip, Krautreporter, KONTEXT and RiffReporter. The ongoing lack of resources will likely continue to lead to necessary creative solutions.

Our research shows that these solutions will create the conditions needed for **sustainable and more impact-oriented work**. For example, models such as **mission or impact investment** could play a role, particularly in those areas where a market failure can be identified i.e. with a view to the local media landscape or cost-intensive investigative journalism.

A state endowment fund for investigative and local journalism or the involvement of foundations with local networks, such as community foundations, can also prove effective in achieving this. In addition, **venture capital** for innovation is needed, as is investment in a shared infrastructure. However, without legal certainty, non-profit actors have little room to take action which, in turn, has consequences for democracy in society.

Journalism Impact Primer

Provided by the Walton Family Foundation, the Journalism Impact Primer offers a set of tools to use in developing investment strategies, impact targets and measures for assessing impact in journalistic projects. Rating: Highly recommended!

For more information → <http://bit.ly/Walton-Foundation>

Further sources are available in the bibliography (Report pp. 58-59).

Recommended actions

How funders can make a difference:

■ 1. Help change the funding landscape for non-profit journalism:

In Germany, less than one percent of all foundations currently support journalistic services. In order to establish non-profit journalism as the third pillar in the sector (aside from) private publishers and public broadcasters), we need more funders and advocates to be able to generate more financial resources.

This might involve, for example, making venture capital available for innovation and testing new financing ideas, such as joint start-up funds for journalism start-ups in which several funders can participate.

■ 2. Support sustainable structures:

As important as individual project funding is, it is just as crucial to provide systematic and lasting support for the field and its actors. This includes, for example, establishing institutional support for proven approaches that ensure infrastructure and personnel – or investing in larger platform solutions along the lines of a public-private partnership.

By investing in long-term, supportive approaches that promote networking and build knowledge, you support the entire field.

■ 3. Provide support where it's needed:

The more strongly your commitment targets real existing needs, the greater your impact. Structural funding and long-term commitments enable higher impact and sustainable development.

■ 4. Emphasize impact:

Your engagement will have a social impact only if you can identify beforehand what will improve or be different afterwards. It is therefore important to plan and implement your engagement with care, sufficient flexibility and support for capturing impact.

How policymakers can make a difference:

■ 1. Ensure legal certainty:

Policymakers can work to ensure that non-profit journalism is included in the tax code. To date, journalism projects working in the public interest and without the intention to yield a profit have faced considerable hurdles in being recognized as non-profit organizations in Germany. Particularly in the case of small, local non-profit news services, having legal certainty opens up opportunities for new forms of financing.

■ 2. Improve the conditions for independent quality journalism:

Ensure that government agencies comply with their legal obligation to keep the media informed. Grant journalists and informants legal protections by implementing the European directive for whistleblower protection at the national level and provide open access to public information. Help improve media workers' employment conditions with respect to, for example, the extent to which they are covered by social security nets.

■ 3. Create specific support structures and enable innovation:

Particularly in the case of cost-intensive activities – such as in investigative or local journalism – non-profit services fill gaps that no one else can. It is therefore important that decision-makers create support programs aimed specifically at such work. This can include establishing an independently managed non-governmental foundation fund. You can also promote innovation, for example, by establishing tax incentives or start-up financing, such as the funding provided for local journalism by the joint media authority of the states of Berlin and Brandenburg.

■ 4. Enable cooperation:

Cooperation – among individual journalists, with engaged users and between various stakeholders in the field of journalism – is the wave of the future. Improve the conditions for this kind of activity by, for example, financing a shared media platform, providing content or establishing a common infrastructure. Examples of such approaches include the News Hub and the Shared Data Unit within the BBC's Local News Partnership.

How researchers can make a difference:

■ 1. Put factors driving the success of cooperation on the research agenda:

Actors from different sectors are increasingly seeking opportunities to collaborate with each other. Contribute to the success of such efforts by conducting research on the impact of journalistic cooperation between for-profit and non-profit organizations and the factors contributing to its success – locally, nationally and internationally.

■ 2. Include journalism start-ups in research and education:

Journalism start-ups often fail in the early stages of their existence. It is therefore helpful to explore journalism start-ups' financing models and their interdependencies while incorporating journalism into the curriculum, also in the form of entrepreneurship education.

■ 3. Examine the consequences of the demise of local journalism:

Local journalism is in crisis around the globe, which has grave consequences for the social cohesion of communities. Focus your research more strongly on the social consequences of the decline in local journalism services, for example, with regard to how this fosters the growth of populism in rural areas.

How non-profit-actors can make a difference:

■ 1. Report on your impact:

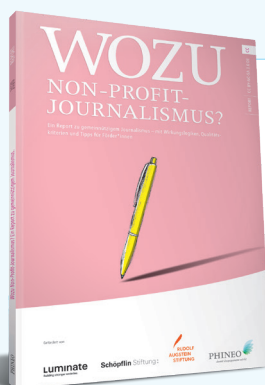
Non-profit journalism brings about changes in individuals, networks and/or institutions as well as society. Accounting for the impact of one's work should be a matter of course in journalistic efforts. Use indicators or your impact results in reporting to funders and target groups – for example in the form of a well-documented follow-up article ("One Year After ...") or through some other means of communicating the evidence of your impact.

■ 2. Create your own lobby:

Network, seek out points of contact with other actors, find common ground – and join forces in the form of lobby groups, such as the German-based Forum for Non-Profit Journalism. Draw attention to your (joint) contribution to the common good.

■ 3. Commit to binding quality standards:

In digital formats, journalistic services compete with other content providers, such as interest groups and intermediaries, whose content is informed by their specific interests. Distinguish yourself from such content and actors by committing to binding transparency and quality standards.



Report on Non-Profit-Journalism in Germany

– Report on quality criteria, logic models and funding tips in non-profit journalism. Print and eBook. Free of charge at

→ www.nonprofit-journalism.org



The twenty surveyed examples

- Amal (Berlin, Hamburg, Germany)
- Correctiv (Essen, Berlin, Germany)
- Finanztip (Berlin, Germany)
- FragDenStaat (Berlin, Germany)
- Hostwriter (Hamburg, Berlin, Germany)
- Investigate Europe (Berlin, Germany)
- KONTEXT (Stuttgart, Germany)
- Krautreporter (Berlin, Germany)
- Netzpolitik.org (Berlin, Germany)
- Netzwerk Recherche (Berlin, Germany)
- New German Media Professionals (Berlin, Germany)
- n-ost – network for reporting on Eastern Europe (Berlin, Germany)
- Reporters without Borders (Berlin, Germany)
- Riffreporter (Berlin, Germany)
- Science Media Center (Cologne, Germany)
- Bureau Local (London, UK)
- ICIJ - International Consortium of Investigative Journalists (Washington D.C., USA)
- Die Republik (Zurich, Switzerland)
- Solutions Journalism Network (New York, USA)
- Texas Tribune (Austin, Texas, USA)

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