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# Can newspaper muckraking carry on in nonprofits?



In this Sept. 30, 2009 photo, staff members of ProPublica participate in a weekly editorial meeting, in New York. From left to right are: Abrahm Lustgarten, Jake Bernstein, Tom Detzel, Amanda Michel, Mosi Secret, and Sheri Fink. Nonprofit groups that specialize in investigative reporting have had some big scoops, cracking the front page of such newspapers as The Washington Post and forcing officials out of their jobs. (AP Photo/Mark Lennihan) (/ AP)

By **ANDREW VANACORE, AP Business Writer**

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**N**onprofit groups that specialize in investigative reporting have had some big scoops, cracking the front page of such newspapers as The Washington Post and forcing officials out of their jobs. Now the question is whether these organizations can stay afloat on donations.

As financially strapped newspapers have scaled back, charitable foundations have poured tens of millions of dollars into nonprofit watchdogs in hopes of keeping politicians and businesses in check. These groups figure to do a bigger share of the investigative legwork in the coming years.

But philanthropy probably can't maintain all of these groups forever. And some are still struggling to come up with a financially sustainable plan - just as old-school media are.

Consider the Center for Investigative Reporting, or CIR, which launched a new venture last year called California Watch with \$3.7 million in donations from foundations and wealthy individuals. California Watch aims to cover such issues as education, immigration, public safety and the environment, filling holes left by newspapers.

The way California Watch operates is typical for the investigative nonprofits. Its correspondents dig up information and look for a newspaper, TV station or other outlet to get it published. Often they work closely with traditional news outfits during the reporting and editing, though arrangements vary by group and story. The group usually gets paid for its articles, though others give out material for free; the publisher gets a story and the nonprofit gets a venue for its work.

CIR has been around since 1977 but its funding for California Watch, mainly from foundation grants, is meant to last about two more years. It is still experimenting with how to bring in revenue after that, says CIR's executive director, Robert Rosenthal.

Everything is up for discussion, including asking readers for donations as public broadcasting does. Rosenthal, a former executive editor of The Philadelphia Inquirer and managing editor of the San Francisco Chronicle, said he spends as much as three-quarters of his time on the phone, drumming up donations.

In the meantime, the pressure is on nonprofit muckrakers to establish themselves. That will mean they need more stories like California Watch's first one. Its expose of wasteful state spending of homeland security dollars was published on front pages throughout the state in September, including the San Jose Mercury News, The Sacramento Bee and The Orange County Register.

ProPublica, a 1-year-old group supported mainly by the Sandler Foundation, landed on the front page of The Washington Post three times last summer. An investigation by ProPublica and The Los Angeles Times published last July found that the California board in charge of overseeing the state's nurses often waits years to act on cases of drug abuse, mistreatment of patients and other misconduct. Gov. Arnold Schwarzenegger fired three of the nine board members a few days after the story ran, and the board's executive director for more than 15 years resigned shortly after.

ProPublica has an annual newsroom budget of about \$10 million and about 36 editors and reporters. Most of it comes from the Sandler Foundation, founded by Herbert and Marion Sandler after they sold the mortgage lender Golden West Financial Corp. to Wachovia Corp. in 2006 for \$24 billion. The foundation has pledged to support the group indefinitely, for now.

But other groups' prospects are shakier.

In Seattle, InvestigateWest is still in the early stages of building support, running on a little more than \$80,000 in foundation grants. It has a five-person newsroom made up of former investigative reporters and editors from

the Seattle Post-Intelligencer, which shut down its printed edition nearly a year ago and operates as a much smaller Web-only outfit.

For now InvestigateWest is paying its reporters on a contract basis rather than offering full-time paychecks.

"This is a transitional point right now in this industry," says Rita Hibbard, the group's executive editor. "Part of what we need to do ... is make it through that transition and make sure we preserve the skills of investigative journalism."

It is difficult to say how many investigative reporters have lost their jobs, but 5,900 newsroom positions - about 11 percent of the total - were cut in 2008 alone, according to the American Society of News Editors. Investigative Reporters and Editors, an industry group, says its membership was down about 15 percent in 2009. Submissions for its most recent annual investigative journalism awards were down more than 20 percent.

Among the new reporters hired for California Watch was Lance Williams, who came from a shrinking and money-losing San Francisco Chronicle, where he had covered City Hall patronage and steroids in pro sports. With so many reporters getting laid off or worrying about their jobs, CIR received 700 applicants for the eight reporting slots it opened for California Watch.

But while Williams says CIR matched the salary he had at the Chronicle (he wouldn't say what it is), he can't be sure how long the group can afford it.

Foundations have donated at least \$134 million to news projects since 2005, with almost half going to groups focused on investigative reporting, says Jan Schaffer, who heads the John F. and James L. Knight Foundation's Citizen News Network. The network itself has given more than \$1 million over the past five years.

While these figures may sound promising, foundations are unlikely to want or be able to support journalism forever. Eventually investigative nonprofits will have to shift toward drawing donations or selling advertising or sponsorships, Schaffer says. And before that can happen, new groups need cash to build "recognition and respect and buzz in their community," she says.

For that, they need exposure. The Associated Press is trying to help; the not-for-profit news organization has begun distributing work from ProPublica and three other nonprofits to the AP's 1,500 member newspapers, some of which have carried the material.

But in general these nonprofits face a big hurdle when it comes to breaking into the mainstream: It's not clear that newspapers will often accept prepackaged investigative articles without a hand in the reporting process.

"Investigative reporting is so different from any other kind," says Marc Duvoisin, an investigative editor at the Los Angeles Times. "It takes a real commitment to publish an investigative story. You have to commit to the possibility of a backlash or anger on the part of your reader or the people you write about. Generally handing over a finished product doesn't work."

Even when newspapers have a hand in the reporting and editing, trying to coordinate the work can allow mistakes to creep in. The Milwaukee Journal Sentinel had to publish a lengthy correction after running a story on Wisconsin Gov. [Jim Doyle](#)'s travel expenses. Working with a startup nonprofit, Wisconsin Watch, and a group of journalism students, the newspaper reported that the governor's staff submitted receipts for less than a third of his expenses. That figure was way off; receipts had been submitted for 70 percent of the expenses.

"The key to being successful in these things is you've got to be very coordinated and know clearly who's going to be in charge," Journal Sentinel editor Marty Kaiser says. "I think it was a learning experience."

The nonprofit watchdog groups have begun exploring ways to pool their resources. Several met in July to draw up a manifesto for the Investigative News Network, a kind of nonprofit cooperative. While still embryonic, the network promises to "aid and abet, in every conceivable way, individually and collectively, the work and public reach of its member news organizations."

Eventually, it could morph into something like National Public Radio, says Bill Buzenberg, who spent 16 years at NPR as a reporter and editor and now heads the Center for Public Integrity, one of the groups involved in organizing the Investigative News Network. NPR draws its budget from corporate sponsorships, grants and listener donations as well as fees for licensing its programs.

"If newspapers are not going to invest in risky, expensive investigative news," Buzenberg says, "these groups that do will eventually create value."

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