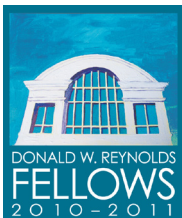# Handbook for Community-Funded Reporting

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NOVEMBER 2011

Handbook for Community-funded reporting

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I. Crowdfunding primer

We practice journalism in changing times. In 2008, David Cohn received a grant from the Knight News Challenge to build Spot.Us (www.spot.us), a site to pioneer "community-funded reporting," or the crowdfunding of journalism. We define *crowdfunding* as "the collective cooperation, attention and trust of people who network and pool their money and resources, usually via the Internet, to support efforts initiated by other people or organizations." Then we define *crowdsourcing* as "the act of delegating tasks, traditionally performed by an employee or contractor, to an undefined, large group of people (the crowd), through an open call." Basically, crowdfunding is a type of crowdsourcing.

The crowdsourced task in crowdfunding is to gather money for a specific project.[1] Generally, this is done by using online social networks, like Twitter and Facebook, and the people who donate can participate to an extent in decisions related to the project.[2] Crowdfunding has spread to music, film, software and even brewing with projects such as IndieGoGo, Blender Foundation and BeerBankroll.[3]

Spot.Us is an online platform to crowdfund journalism. Freelancers pitch their story ideas and community members donate to support specific stories. [4] "In this sense, the legitimacy [of] a story on Spot.Us is based on pure market success,"[5] says researcher Tanja Aitamurto. This is different from donating to public media, such as NPR and PBS, because donors can pick the content, not just support the overall organization. "In the era of the

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[1] Tanja Aitamurto (2011). *The Impact of Crowdfunding on Journalism*. JOURNALISM PRACTICE. First published: 23
[2] Thomas Lambert and Armin Schwienbacher (2010*). An Empirical Analysis of Crowdfunding.* Louvain School of Management, Université catholique de Louvain. Working Paper, at p. 2.
[3] *Id*.
[4] Aitamurto, *supra* note 1, at 5.
[5] *Id*.

unraveling of traditional business models in journalism," says Aitamurto, it provides an alternative revenue source, a new opportunity for reporters and editors to distribute the cost of journalism across many different people.[6]

Spot.Us is a success as an experiment in new revenue sources to finance journalism. Going forward, two issues are worth developing. How do we turn the open-source experiment into a sustainable business? Secondly, how do we evangelize the concept to the larger journalism industry? Importantly, the concept of crowdfunding is larger than any single organization. In the first Web revolution of the late '90's, companies like PayPal, eBay and Amazon revolutionized how we purchased items online. In Web 2.0 we are seeing social principles applied to our purchasing habits, creating companies like Groupon and Kickstarter. Spot.Us is an application of those principles to journalism.

Answering those two questions motivated us to create this handbook.

We focus on the workings of Spot.Us and hope this case study will help others tackle freelance reporting projects or give news organizations ideas about new revenue streams to support important investigations.

To the best of our knowledge, Spot.Us is the only successful venture that has used crowdfunding to support local civic reporting. And we believe it can spread throughout the news industry. Consider this: the gift economy (philantrhopy) in the United States is roughly 300 billion dollars every year, with 80 percent of that coming from individuals. If journalism can tap one percent of that, it would add $2.4 billion dollars to the news industry. We do not want to see another opportunity missed to garner new revenues because of ignorance or fear.

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[6] *Id*. at 14.

II. Pitching in public

The traditional model of freelance journalism requires journalists to lobby editors to buy their story ideas. The community-funded model of journalism is very different. It shifts the burden of financing the story from the editor to the reader, and as a result, it shifts the gatekeeping function. The freelancer makes his pitch to a community of readers, who decide whether the story idea should be funded. So the pitch must entice readers, not just one editor. Pitches to editors can divulge more information about potential sources and angles, but public pitches can't reveal such details at the risk of scaring off potential sources.

a. It's About Added Value

Potential donors need to understand why a story is important and worthy of their contributions. For instance, a pitch could seek donations to fund Freedom of Information Act (FOIA) requests. FOIA requests unearth all sorts of information from government agencies and lead to great investigative journalism that serves the public's interest.

A good crowdfunding pitch needs to answer some of the following questions. *Why should you care if anyone does another story about under-developed countries, about injustice, about fraud, etc.? What makes my approach better or different from those already published? Can you expect to get updates from me about my reporting?* The bottom line here is importance and added value, both of the story in general and of the reader's relation to it. After all, as Slava Rubin, co-founder of IndieGoGo, told us, "[Freelancers] need to think about it as if they're letting people know about this amazing thing as opposed to just begging for money."

Writing a pitch that sells an idea without giving away the whole story isn't easy.   And some story topics do not work in the community-funded model. Among them are those that depend on the secrecy, such as an investigation of the mafia. And breaking news can't wait for fundraising.

A good pitch is specific on some details, but doesn't try to answer all the questions or draw any conclusions. For example, the freelancer could invite readers to contact him for more details, or invite readers to check out any pitch updates that illuminate the reporting process. Although there is the chance that subjects and sources could abuse the process because of its transparency, it empowers reporters just the same to call out sources in a public way, as one Spot.Us reporter did when a local sheriff made himself purposefully unavailable for interviews.

A traditional publication might choose to fund an entire project. That means the public pitch is written for editors, too, even though it may not be directed at them.

Finally, presentation is important. The images and videos that accompany the pitch should enhance the sell. Online readers have short attention spans and need an initial hook to bring them into the story. Many crowdfunding sites have reported a large increase in funding from a well-edited video.   However, Spot.Us has seen examples of a poorly edited and amateur video that had a negative impact on the story's fundraising goal.

b. Promoting the pitch

When asked whether crowdfunded reporting requires more work on the freelancer's part, Paige Williams, told us:

> "Oh my God, yes, it requires more work, are you kidding? It's marketing on top of business administration on top of journalism. You're not just thinking and reporting and writing

and rewriting and rethinking and revising and editing; you're running a small business, working with contracts and invoices and taxes and overhead and postage and Fed Ex, and on and on. Now add tweeting. Now add monitoring Twitter for mentions. Now add retweeting and responding to tweets. Now add Facebook status updates. Now add responding to inquiries about said project."[7]

Williams experienced this process first-hand when she independently crowdfunded an investigative story that no magazine would commission. Because the donations were collected after the story was produced, rather than before, her efforts became known as "Radiohead Journalism," named after the band that asked listeners to pay whatever amount they wanted for its latest album.

Now, as important as a carefully crafted pitch is, the ability to push the pitch in a methodical and strategic way is just as important. The freelancer needs to know her way around the worlds of publicity, social media and digital storytelling (this is often called the "new media skill set"). She also needs to feel comfortable in all of those worlds (this is often called the "new media mindset"). The skill set and mindset are discussed below.

i. New media skill set

For the skill set, let's focus on publicity, whose primary purpose here is fundraising. When promoting the pitch, it's best for freelancers to target a specific audience. Keep in mind the marketing and public relations axiom: "If you try to be all things to all people, you're nothing special to anyone."

Yancey Strickler, co-founder of Kickstarter, takes targeting all the way down to the individual level: "[R]ather than starting out by sending an e-mail blast to everyone in your address book, take the time to write each person individually and say, 'This is what I'm doing.

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[7] Interview with Paige Williams.

You've seen me work on these things my whole life, and I'm taking this important step, and I'd love for you to be part of it' … It's people building relationships and sharing ideas, and there's a lot of emotion behind it. I think that people are wise to understand that and to really embrace that."[8]

Meanwhile, Rubin, of IndieGoGo, believes if the freelancer wants to get something from someone, she's got to give something, too. That something could be anything, even an emotional benefit, like the satisfaction of contributing to an important story that in some way will make a difference. And the "more transparent you are," he said, "the more likely that [someone will] give you a response and potentially funding."[9] Rubin also told us that on his site, the use of pictures and video significantly increases the chance that a project will be funded. Visuals enhance the emotional impact that a potential donor feels.

Finally, as Williams suggested, freelancers should use blogs, Twitter, Facebook and other social media to their advantage. They all create opportunities to build positive relationships with potential and actual donors, and ideally the initial effort would lead to reposts and retweets, multiplying the exposure to the pitch. It is wrong, however, to assume that retweets and reposts will just happen. So it's important to reach out individually to potential donors and those likely to help spread the word. Speaking engagements and participation in professional groups can expand the freelancer's community, too. It would be great if the engagements and organizations had some connection to the story's subject, but that may not be possible in all cases.

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[8] Interview with Yancey Strickler.
[9] Interview with Slava Rubin.

ii. New media mindset

The "new media skill set" means little without the "new media mindset," which requires a certain comfort level with engaging readers and community members in ways uncommon to traditional journalism. Strickler, of Kickstarter, said it best: "I think that there's a certain mindset you get in as a journalist, and you become hyper-aware of the way that you act and how that might appear to someone who is following what you're covering." As a result, many feel awkward assuming the role of promoter or engaging with readers through social media. Strickler said this ought to change as new media have a socializing effect on more journalists, telling us, "I'm sure that journalists felt awkward about using Twitter to promote their own stories at some point, and now there's no shortage of people just self-promoting in that way."[10]

But this phenomenon is not unique to journalism. Rather, it's shared with filmmakers, musicians and businesspeople accustomed to doing the creative parts of a project and then delegating the rest to marketing experts. "What is clear is that you have to have an active promotional campaign," Rubin, of IndieGoGo, said. "You can't just list [a project] and walk away." In any case, this should not be a scary thing for creative people, he said, because the "democratization of funding tools" empowers anyone to do publicity.[11]

One thing to keep in mind is that the publicity campaign must be ongoing. Robert Greenwald, of Brave New Films, has said it takes roughly seven touches or asks before a member of his organization's email list will donate. In the context of community-funded reporting, some people like to be the first to contribute; others won't contribute unless a

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[10] Interview with Yancey Strickler.
[11] Interview with Slava Rubin.

story is very close to its fundraising goal. The reporter needs to stick to her fundraising efforts from start to finish, sometimes re-tracing her steps, in order to get as many people engaged as possible.

III. Screening contributors

People who create online funding platforms have to answer a lot of questions. *Where do they get domain names and Web hosting? Will their pages be static or dynamic? How do they ensure the accessibility of their pages? When will they launch? Why should people care?* They also have to figure out what kind of content to host and who should provide that content.

Fundamentally, the issue is the same as traditional print media. Newspapers and magazines, just like online platforms, have to decide what kind of content to carry and who will provide it. *Forbes* magazine delivers business-oriented news and commentary, while *Wired* magazines delivers tech-oriented news and commentary. And they both use staffers and freelancers to do it. Online funding platforms have a bigger tent because they allow a broader group of people to contribute, even if there are limits on the kind of content that they host. Consider, for example, Spot.Us, where reporters are all freelance journalists. Cohn, the founder, speaks with every freelancer about his or her pitch, to flesh out the details. But he does not try to define who is a journalist. He is not looking for specific credentials, like a bachelor's in journalism or five years of experience. He is looking for people who can write a compelling story about an important topic, exploiting both the new media mindset and the new media skill set.

As a result, Spot.Us has worked with all sorts of freelancers, from a two-time Pulitzer Prize winner to a couple of high school students who convinced Cohn that they could deliver

a solid enterprise story. Importantly, too, the community can scrutinize the freelancers by looking up their Spot.Us profiles and judging them on the merits of their previous work. The key is for the freelancers to be transparent about their intentions and experience, in both their pitches and their profiles.

How do other sites screen their contributors?

Kickstarter screens projects more than people. Its guidelines say that projects must be "finite with a clear beginning and end," must include "definable expectations," and may not involve charities or causes.[12] Beyond that, the site "never makes any aesthetic judgments at all," and it includes people "from all kinds of creative fields" – artists, writers, photographers, filmmakers, musicians, journalists, and others.[13] Kickstarter does not evaluate the experience or credentials of those people, but it does make an effort to ensure that they are compatible with the platform.

Strickler, the site's co-founder, told us, "We certainly have people from time to time who come in and they clearly don't care about how we approach things…They don't want to offer any rewards. They don't really want to talk to their community. They just want to come in and try to get money quickly. Those kinds of things we definitely think are wrong for us, and we'll try to let those people know this is not the best way to approach Kickstarter…[But] we're not interested in being a gatekeeper."[14]

Notably, the site does not make an effort to verify the identity of the project creators. *Caveat emptor* is the rule. "If you think about eBay, for someone to get ripped off on [there], you're only having to fool one person," Strickler said. "For that to happen on a more

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[12] Community Guidelines, Kickstarter, available at http://www.kickstarter.com/help/guidelines.
[13] *Id*.
[14] Interview with Yancey Strickler.

community-based site, like Kickstarter, it would have to be hundreds of people all being duped by something, and I think it's unlikely for that to happen. The social ties…are really going to be more effective than any other kind of tool that you might build…to verify identity."[15]

IndieGoGo also screens projects more than people and will host any project that is legal and not supporting hatred or prejudice. The site is open to anybody, and like Kickstarter, it does not want to play the role of gatekeeper. Rubin, the site's co-founder, told us, "We fundamentally believe that the whole point of creating IndieGoGo is to allow for supply and demand to meet each other and to not allow any individual to have the opportunity to make the final decision…The whole point was not to have some music label CEO or some bank loan administrator get to decide if some coffee shop is deserving of starting."[16]

Rubin points out, however, that equal opportunity does not guarantee equal results. Not all will succeed. "The things that make you successful are having a good pitch, being proactive and having an engaged community," Rubin said. "You need to have an engaged community, so first have validation from your inner circle of friends and family and then the millions of patrons that come to our site."[17]

OpenFile, on the other hand, is more interested in the people behind the projects. Like Spot.Us, it screens them without looking for specific credentials. If freelancers want to contribute and are known by the editors, they could be invited to join the site. If freelancers are unknown, editors will ask for a pitch and some clips of past work. Craig Silverman, the

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[15] Interview with Yancey Strickler.
[16] Interview with Slava Rubin.
[17] *Id*.

site's digital journalism director, said, "One additional thing we look for is, we ask them where we can find the person online – do they have a website, are they on Twitter? We want to see that they're engaged and care about the online community as well as their local communities."[18]

When asked if the site has had trouble with any freelancers (e.g., not hitting a deadline), Silverman was quick (and right) to point out that such troubles are not unique to OpenFile or to the online environment. "In the more than a decade I've been…a freelancer and editor, I know lots of writers who haven't delivered, and I know lots of editors, including myself, who have had lots of things promised or assigned that never came in," Silverman said. "The fact that it's happening at community-driven sites, or hyper-local ones, is not a shock. It's the nature of having a distributive work force." He added that freelancers typically are balancing a number of things and stories, and they do drop one from time to time. Although he understands and sympathizes, Silverman said, "If we assign something and the writer doesn't follow through, and unless the person can give us a really good explanation for [it], the chance is we won't work again with that person."[19]

IV. Journalism considerations

In many respects, doing journalism on a community-funded platform is no different from doing journalism on any other platform. The end goal is to publish a product, often an investigative story, that seeks truth and provides a fair, comprehensive account of events and issues.[20] The freelancers behind the stories strive to be thorough and honest, and they share a

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[18] Interview with Craig Silverman.
[19] *Id.*
[20] See *SPJ Code of Ethics*, available at http://www.spj.org/ethicscode.asp.

dedication to ethical behavior. A community-funded reporter is expected to test the accuracy

of information from all sources, to be transparent and distinguish between advocacy and

news reporting, to show compassion for people who could be affected by any story, to avoid

conflicts of interest, to disclose unavoidable conflicts, and to correct mistakes immediately.[21]

 Those expectations are no different from those at the *New York Times*, CNN or The Daily Beast.

The differences lie in the process. To get something funded, the reporters ordinarily

need to write an engaging pitch, with an accompanying visual, and they need to reach out to

their social circles (e.g., through Twitter and Facebook) to raise funds and generate exposure

for the pitch. Many of the reporters post updates on the Spot.Us site to keep donors and

potential donors in the loop. For example, in a pitch about news media in the Bay Area, the

SF Public Press posted an update to tell people that recently it had chipped in to develop the

San Francisco Bay Area Journalist Census and that it planned to incorporate the findings in its

Spot.Us story. The update linked out to the study and invited people to contact the SF Public

Press about the findings.

In that regard, doing journalism on a community-funded platform has a "Dear Diary"

element to it, an openness and stream-of-consciousness that enables reporters to engage

readers in parts of the reporting process that historically have been closed off. To pick on the

three news outlets mentioned above, none of them – the *New York Times*, CNN or The Daily

Beast – offers an equivalent level of engagement for their readers or viewers. CNN runs an

initiative called iReport, a platform for people to submit their own content about breaking

news, but the vast majority of CNN's coverage is top down. It's the same for the *New York

Times*, which allows readers to engage with one another through TimesPeople, and The Daily

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[21] *Id.*

Best, which allows readers to participate in all the usual ways (posting comments, sharing stories on Facebook, Twitter, Tumblr, etc.). Again, though, the vast majority of their coverage is top down. There is little transparency in their reporting processes, and the readers have no say directly in what stories get reported.

Community-funded reporting platforms can fill that void and open up the process of journalism, incorporating an element of media literacy into the traditional journalism sausage-making. Still, the "Dear Diary" element needs to be considered carefully. It can be a powerful tool to uncover parts of a story over time, but it also can turn off potential sources, in the same way that a public pitch can.

a. Asking for help

As noted earlier, crowdfunding is a form of crowdsourcing. So it makes sense that as the reporting process unfolds, a reporter can ask not only for contributions of money, but also for contributions of time and talent. On Spot.Us, a reporter can create "assignments" and invite the community to help by taking photographs, reviewing documents, or conducting interviews. Indeed, crowdsourcing the workflow is an emerging art, which requires the reporter to make an open call for help, to which readers can respond.

When a Spot.Us reader applies for an assignment, a message is sent to the reporter to notify her that the reader would like to help. Then it is up to the reporter to accept or decline the offer. If accepted, the reader automatically gets permission to post updates on Spot.Us, with the pitch, to keep donors and potential donors in the loop about the assignment and anything the reader digs up. Of course, not all stories benefit from collaboration, so assignment decisions are made on a case-by-case basis by the reporter who posts the pitch.

b. Undue influence

It would be unfair to ignore the potential of a community-funded story to be influenced improperly by one or more donors—an organization or individual. This issue strikes at the heart of crowdfunding and at the norms of traditional journalism funding mechanisms. News organizations historically have respected a strong division between newsrooms and advertising departments, which generate much of the publication's revenues. Crowdfunding breaks down that wall and values the transparency of funding more than division. At the same time, the professional expectations that underlie the community-funded model also underlie the traditional model – the process and product must be independent, and the reporters must avoid or disclose conflicts. The worry here is that a donor might try to influence the way a community-funded story is reported, or that a group with an agenda might band together to get a story reported, with or without a particular angle. These are legitimate concerns for Spot.Us and others, but they are not unique to community-funded platforms.

People always try to influence the way stories are reported across all news media. Lobbyists and public relations folks issue press releases to pitch their clients' agendas to the media. The key for any good journalist is to seek all sides of a story and not be unduly swayed by one voice. Likewise, it is the assumption of the community-funded model that reporters will conduct themselves as professionals. Essentially, this is built into the concept because the reporter is responsible to the community as a whole. Some Spot.Us reporters print out the list of donors to remind themselves of the audience of real people behind the story.

 Community-funded reporting platforms could limit the amount of money that readers are allowed to donate, effectively moderating the influence of any one reader.

Spot.Us does this, but others do not. Transparency about funding is paramount as part of building trust with readers.

If nothing else, crowdfunding creates opportunities for news organizations to bolster their freelance budgets. The organization can share a writer's wage with the public. Perhaps it would pay 50 percent upfront, with the condition that the writer would raise the other 50 percent on a community-funded platform. On Spot.Us, that would entitle the organization to exclusive publishing rights (donating 50 percent or more to a pitch entitles the organization to exclusivity). Alternatively, the organization could republish, for free, any Spot.Us story that reached its funding goal because of community donations, rather than from news organizations.

Ideally, though, news organizations on any platform like Spot.Us would not limit themselves to large donations and exclusivity, or to republishing stories for free. They would be active participants on the site, exchanging ideas with other members and even making small donations to pitches that they deem worthy. Those small donations can be the push to give a pitch the momentum it needs to get to full funding.

V. Licensing content

As the Citizen Media Law Project explains:

> *A broad array of creative, expressive media are subject to copyright protection … If you are the copyright owner of a work (and you likely will be if you created the work), such as an article, a blog post, a photograph, or a video, you can authorize others to use it. You can do this by transferring to the person or entity that wants to use your work any or all of your rights as a copyright owner, or any subdivision of those rights … As the person granting the transfer or license, you have a great deal of freedom in how to structure the transaction. How you choose to do so can have a substantial impact on your ability to make money from the work, the amount of*

control you retain over it, and the costs associated with the transaction.[22]

The content produced by Spot.Us is given away for free unless a news organization (1) has contributed 50 percent or more of the total costs associated with the content, or (2) has provided in-kind contributions throughout the production of the content. In either of those circumstances, Spot.Us will grant the news organization a temporary copyright to the article. Otherwise, it will try to get the content published by as many sources as possible, using the by-ne "Creative Commons license," which stands for "Attribution + NoDerivatives." It allows others to copy and distribute Spot.Us content as long as attribution is given and as long as the content appears verbatim.

In addition, Spot.Us reporters agree to be bound by the site's "Independent Contractor Agreement."[23] It states that the site has "sole discretion to decide whether, when and how to publish the article, and may sell or license any rights to [it]." The agreement also states that the "Right of First Publication" belongs to Spot.Us. Reporters may not publish any content produced for Spot.Us until it has appeared on Spot.Us. There are plenty of other ways to structure a licensing agreement. Repost.Us, a syndication platform for online publishing, requires publishers to grant the site a worldwide, non-exclusive, transferable license to reproduce and distribute their content in any form and through any medium.[24] At the same time, the publishers must grant a limited, non-exclusive, non-transferable, worldwide license to the syndicators that pick up the content from Repost.Us.

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[22] *Deciding Whether and How to License Your Content*, Citizen Media Law Project, available at http://www.citmedialaw.org/legal-guide/deciding-whether-and-how-license-your-content.

[23] Independent Contractor Agreement, Spot.Us, available at http://spot.us/pages/reporter_contract.

[24] Content License Agreement, repost.us, available at http://www.repost.us/content-license-agreement/.

In addition, consider the way Ebyline, an online marketplace for freelance journalists and news publishers, handles licensing. Two kinds of content go through the site: (1) syndicated content between publishers, and (2) exclusive content between a publisher and freelancer. For the syndicated kind, the buying publisher must agree to the seller's licensing terms; for the exclusive kind, the freelancer must agree to the publisher's independent contractor agreement. Once the parties agree, Ebyline takes a hands-off approach to policing the terms. If a breach occurs, it is up to the parties to address it.

Notably, the licensing agreement, whether the content is syndicated or exclusive, is created by the publishers themselves. It is not created by Ebyline, which serves only as a conduit. Allen Narcisse, the site's co-founder, told us, "Each publication has different needs and strategies, so it wouldn't work well for us to create a one-size-fits-all agreement." He suggested that new websites with licensing needs should meet with an attorney to create an agreement.

VI. Audience perspective

Any community-funded platform is only as strong the community behind it—the people who contribute ideas, donate money and engage with the content. Their real power, as one researcher concluded, lies in donations. The members get to decide which pitches succeed and which ones don't. Those decisions accumulate and, in turn, they illustrate the power of the community. "In this sense, the legitimacy [of] a story on Spot.Us is based on pure market success," with the community playing the gatekeeper role,[25] says Aitamurto

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[25] Aitamurto, *supra* note 1, at 5.

Why do the Spot.Us members donate? For all sorts of reasons, really. Because the story is "relevant in their lives" or in the lives of their family and friends.[26] Because they want "to support Spot.Us as a good and promising journalistic initiative."[27] Because they see "journalism, especially investigative reporting, as essential to the democratic health of a society."[28] Because they want to support a good cause or to help resolve a social problem, like pollution or inequality. All in all, "donating seems to create a sense of connectedness to the community," and it is important for the members to share the fact that they have donated..[29] This is perhaps because the donation is an expression of their values.

Of course, the members have the opportunity on the site to participate in ways other than donating. They can comment on stories, for example, or contact reporters, or suggest story ideas of their own. The true extent of that engagement, however, is unclear. Some community members take advantage of those opportunities, but many do not. Even after donating to a pitch, some members don't return to Spot.Us to read the final story they helped fund.[30] One member said, "I participated by donating. I don't have so much to say about the topic, and I'm not used to leaving comments on websites."[31] It is possible, as one researcher said, that a "lack of knowledge about the story topics prevents the [members] from participating."[32] In any case, the members do appreciate the chance to be involved, even if they choose not to be.[33]

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[26] *Id*. at 11.
[27] *Id*.
[28] *Id*.
[29] *Id*. at 12.
[30] *Id*.
[31] *Id*. at 10.
[32] *Id*. at 11.
[33] *Id*.

The members generally have had positive experiences on Spot.Us and other platforms, but there is always room for improvement. One member said he's not sure if the site could be successful on a very large scale. He said he would like to see Spot.Us help fund a "nationally important investigative project. The sort of tough investigative work that the writers at RollingStone.com have been doing well lately."[34] Another member said that since he joined the site, it has gotten "better and better." However, he said he worries about "its ability to monetize and support itself over the long-haul."[35] A third member, meanwhile, said the distinguishing characteristic of Spot.Us is the chance to get people to support investigative reporting. He added that to have the greatest impact, the site needs to achieve "visible and regular placement of Spot.Us material in name brand pubs."[36]

Outside the Spot.Us universe, it is helpful to take a look at public broadcasting, where it can be difficult to determine what is public about it and who represents the public.[37] On the one hand, advertisers typically say that the public consists of consumers "who exercise their liberty by choosing what to buy."[38] On the other hand, the government often says that public broadcasters act on behalf of a polity. Still, others say the public is a "set of relationships that people have, which allow them as a group to set an agenda independently...of corporate structures or governmental bureaucracies."[39] For its part, public broadcasting largely has defined its relationship with the public as an audience.

We know a few things historically about that audience. First, it is educated and influential, and it leans to the left politically. Second, roughly 1 in 10 listens each week to

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[34] Reader interview.
[35] Reader interview.
[36] Reader interview.
[37] Alan Wells and Ernest A. Hakanen. *Mass Media and Society*. 1996: Ablex Publishing, at p. 254.
[38] *Id*.
[39] *Id*.

public radio. This group consists of more men than women, and it is "considerably more highly educated and affluent than the population at large."[40] It is also more rural, with an older audience. Listeners generally are between 35 and 54 years of age. Third, public television's demographics can vary significantly according to the program. "Children's programs draw disproportionate numbers of poor and ethnic-minority families, whereas adult, prime-time audiences over-represent white, educated, and male viewers."[41] Today the PBS audience has a median age of 46, "even though the median age of the nation is 36, and the median ages of African Americans and Latinos are 30 and 26, respectively."[42] The "average income of an NPR listener is 30 percent higher than the national average and listeners are twice as likely to hold a college degree.[43]

The financing of public broadcasting in the United States comes from three major sources: the government, the audience and corporate donors. Each one comes with its "own set of constraints."[44] The government could cut the purse strings for any number of reasons, as it has threatened to do on several occasions. The audience and corporate donors, meanwhile, require more efforts, such as funding drives and publicity. Historically, federal money has accounted for nearly half of the multi-billion dollar annual pie for public broadcasting.[45] That said, the individual taxpayer has put out only a nominal amount each year, far less than people in other countries where public broadcasting exists.[46] In 2010, Americans rated public broadcasting as an "excellent" use of taxpayer dollars, second only to

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[40] *Id*. at 255.

[41] *Id*.

[42] Lauren J. Strayer. *Corporation for Public Broadcasting: Building a Digital Democracy Through Public Media*, at p. 3, available at http://www.docstoc.com/docs/45447390/Corporation-for-Public-Broadcasting.

[43] *Id*.

[44] Wells and Hakanen, *supra* note 25, at 265.

[45] *Id*. at 261.

[46] *Id*. at 262.

defense spending.[47] A full 80 percent of those polled said funding for public broadcasting is money "well spent."[48]

Audience donations, historically a quarter of the pie, "constitute the largest single source of funding for public broadcasting."[49] Generally, they are the most reliable revenue source, too, regardless of the economic climate. People donate for all sorts of reasons, but they are donating to an organization, rather than a specific reporting project. That is very different from the community-funded model, which requires transparency in funding. Notably, only one or two out of every 10 people who use public broadcasting actually donate to it. The audience members who do donate are "typically culturally and politically cautious," which "tends to skew programming decisions to toward the bland and genteel."[50] Moreover, it is worth noting that the audience is "sometimes led to believe that [its] donations [go toward] popular programs like Sesame Street," while in reality they are "poured into a general fund."[51] "The public, in any real sense, is rarely invoked by executives and programmers, except during pledge week."[52]

This is perhaps the greatest benefit of community-funded reporting. People can select specific stories or writers or causes to support, without having to worry that their money will be used for some other purpose, like a general fund. On that basis, the Spot.Us community is the bread and butter of the content delivered on the site. There is no worry that the readers will be ignored. Every pitch, every day, is a mini pledge drive. If the reporters cannot raise

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[47] *Highlights of the 2009 Roper Public Opinion Polls on PBS*, PBS.org, available at http://www.pbs.org/roperpoll2010/.
[48] *Id*.
[49] Wells and Hakanen, *supra* note 25, at 263.
[50] *Id*.
[51] *Id*.
[52] *Id*. at 264.

their target amounts, then their pitches die. If the reporters raise the money but do not report their stories as promised, then they are accountable to the community.

Of the 10,000+ registered users on Spot.Us, about 54 percent become active donors, and roughly 25 percent of them become repeat donors. Recent Spot.Us surveys have found that first-time donors cite their connection with the reporter as the main reason for donating, and repeat donors cite their connection with the community as the main reason. The audience is similar to the NPR demographic, but it tends to skew about 10 years younger and not as affluent.

The idea behind community-funded reporting is to inject a sense of transparency and participation into the process of journalism, specifically its funding. Whereas in most news organizations a very small percentage of people has a seat at the editorial table, through community-funded reporting the public at-large is invited to the table. The whole process engages the audience in ways that traditional journalism has not.

VII. Other players

Spot.Us is not the only website harnessing the power and resources of the community to fund journalism. It may have been the first of its kind, but today the league includes all manner of players doing just that, each one in a unique way, tailored to fit its own needs and ideals. This section looks at some of those players – when they were founded, how they work, the people driving their operations. The goal here is to get a sense of context and the many variations on the crowdfunding theme.

Kickstarter, launched in 2009, is a funding platform for artists, designers, filmmakers, publishers, journalists and inventors, among others. It enables people to post creative

projects on the site and uses a threshold pledge system to fund them. That system gives the

project creator up to 90 days to raise money to reach her funding goal, and the whole thing is

an all-or-nothing transaction. If the goal is met, then the money goes to the creator; if the

goal is not met, then the backers keep their money. The site turns a profit by applying a 5

percent fee only if it is met. Notably, the project creator must offer rewards to the backers.

 They usually relate to the project and "can be as simple as a download for $5 and as elaborate

as a hot-air balloon ride. It is up to the … creator to create, price, and fulfill their rewards."[53]

Kickstarter is not choosy about the projects it hosts and funds, but they must be "finite

with a clear beginning and end. Someone can be held accountable to the framework of a

project—a project was either completed or it wasn't—and there are definable expectations

that everyone can agree to."[54] Still, there are projects that fall outside the site's scope,

including those connected with causes and charities. Strickler, co-founder of Kickstarter, told

us, "We saw those as being really tough to coexist with creative projects. If I'm writing a book

of poetry and you have a project that's trying to save Haiti, it's hard for that book of poetry to

look like anything other than frivolous."[55] Beyond that, the site "never makes any aesthetic

judgments at all," he said, and the project creators retain all rights to their work.

Kickstarter's journalism projects "are really driven by the rewards" that the backers

receive, added Strickler, a former journalist.[56] If you pledge money to a piece of video

journalism, for example, you could get a copy of it on DVD. "We've only had a few journalism

projects so far," he said. "I'm sure that we'll have more as the media landscape continues to

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[53] Kickstarter.com (Frequently Asked Questions), available at http://www.kickstarter.com/help/faq.
[54] *Id.*
[55] Interview with Yancey Strickler.
[56] *Id.*

change and a lot of the things we've counted on begin to crumble. I think [Kickstarter offers] a way to handle journalism that is honest and transparent, and that involves the audience in a way that is healthy. I really hope we see a lot more of it." To date Kickstarter has raised roughly $19 million for film projects and another $2 million for publishing projects. In both categories, many of the projects are fiction or artistic. It is difficult to assess how much goes toward original reporting, but it is worth noting that many film projects are documentaries and many publishing projects do consist of original reporting. An even smaller fraction of both go toward local reporting, but this is still a very encouraging development in the community-funded reporting space.

IndieGoGo, launched in 2008, is a funding platform similar to Kickstarter. It enables a variety of people (entrepreneurs, filmmakers, writers, singers, designers, inventors, activists, photographers and journalists, among others) to post creative projects on the site, and it uses a threshold pledge system to fund them. The site, whose purpose is to "democratize funding," uses the word "campaign" rather than "project," and it does not involve an all-or-nothing transaction.[57] If the goal is met, then the money goes to the campaign and a 4 percent fee is assessed; if the goal is not met, then the money still goes to the campaign and a 9 percent fee is assessed. In any case, campaigns can offer perks, similar to Kickstarter's rewards, "in exchange for different contribution levels."[58]   They are not required to do so, but perks enable the campaign "to engage fans, build trust, and provide an opportunity for more people to get involved."[59]

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[57] Indiegogo.com (Frequently Asked Questions), available at http://www.indiegogo.com/about/faqs.
[58] *Id.*
[59] *Id.*

IndieGoGo is "open for anyone to use, with any type of campaign—creative, cause-related, or entrepreneurial."[60] Rubin, co-founder of the site, told us, "We try to censor as little as possible … We very much follow the rules of eBay, where if it's supporting hatred or it's illegal, we won't allow for it to be on our site. That said, we try to allow for … the market to decide if something should get funded."[61] He added, "We fundamentally believe that the whole point of creating IndieGoGo is to allow for supply and demand to meet each other and not to allow any individual to have the opportunity to make the final decision."[62] The campaigns retain all rights to their work.

Although the site does not have a category for journalism campaigns, it does include pieces of journalism in its film and writing categories. Rubin said crowdfunding platforms are good for journalism. "I think that using a funding platform to presell or predetermine demand, or to be able to get the audience involved in determining what will be created or written or designed, is really a trend that is happening a lot more," he said. "The actual journalists will get to define whichever platform suits them best. Whether it be the tools they get, the customer service they get, the exposure they get or really the overall experience."[63]

OpenFile, launched in 2010, is a "collaborative community news site connecting citizens to their city and the reporters who cover it."[64] Members of the site submit story ideas to OpenFile's editors, who then assign reporters to cover the stories. Once an idea has been submitted, it is posted on the site as a file, so other members can read it, comment on it, and add their own images, video and links. The file remains on the site after the story has been

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[60] *Id*.
[61] Interview with Slava Rubin.
[62] *Id*.
[63] *Id*.

[64] OpenFile (About OpenFile), available at http://www.openfile.ca/about-openfile.

reported, and it can continue to evolve as members read it and engage with it. The idea is to

"create a permanent dialogue that endures as long as readers remain interested."[65]

Notably, OpenFile does not use crowdfunding, which means it takes the community's

ideas but not its money. Silverman, the site's digital journalism director, told us, "When we

looked at what other people were doing, there wasn't anyone who really was saying, 'Let's

find a really efficient way to get ideas from the community, to include them in the process,

and to ensure that what we deliver is what they want and care about.' That's a different

approach than, say, 'Let's put up a bunch of different ideas and then have a lot of people in

the community apply financing to see what they care about.'"[66]

OpenFile also pursues "partnerships with businesses and organizations that share [its]

key operational philosophies of community, collaboration and openness."[67] In practice, that

means the site is "working to make local news more responsive and participatory than it has

ever been."[68] Silverman said the most concrete partnership it has done was with Ryerson

University, in Toronto. "They have an online journalism class that worked with us during the

recent municipal elections in Toronto," he said. "We assigned different students to different

wards, and anything they produced, we would edit and put on the site … The students got

published, and they had professional editors working with them. It was great for us, too,

because we could expand any coverage we were doing."[69]

Kachingle, launched in 2010, is a social payment system that simplifies giving money

to the news sites a person visits. The user signs up with Kachingle to pay $5 per month

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[65] *Id*.
[66] Interview with Craig Silverman.
[67] *Id*.
[68] *Id*.
[69] *Id*.

through a credit card or PayPal. Then she goes to news sites that have Kachingle enabled and

becomes a Kachingler for them by clicking on their Kachingle medallions. The user's money is

paid out each month to those news sites, from Kachingle, based on which ones the user visits

most often. Kachingle takes about 7 percent of the $5 monthly charge, PayPal takes 8

percent, and the news sites get 85 percent.[70] One of the advantages of that process is that it

is "completely mindless."[71] Once a person signs up for a Kachingle account, that is "the last

time she ever has to visit the Kachingle page. She does not have to sign in each time she

visits a site, and she does not have to "decide what amount or percentage of money [she]

would like to donate."[72]

As of July 2010, however, there were less than 300 sites that take Kachingle payments.

Cynthia Typaldos, co-founder of the site, told us, "We have been surprised, shocked is a

better word actually, at how few news organizations are willing to experiment with new

revenue streams. They are stuck with the old tired models of advertising and subscriptions

(paywalls). On the other hand I can sympathize with them because there is no obvious big fix

that will make the world become the way it was before … So we are now reaching out

directly to the news consumer through KachingleX, a simple-to-install browser extension."[73]

She pointed out that the first version of KachingleX provoked a lawsuit from the *New

York Times* because it enabled users to Kachingle the blogs of NYTimes.com, without its

permission. "We are continuing with KachingleX—the next version will allow Kachinglers

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[70] Mark Glaser, *Kachingle Hopes 'Social Payments' Can Help Fund Content*, PBS MEDIASHIFT, July 15, 2010, available at http://www.pbs.org/mediashift/2010/07/kachingle-hopes-social-payments-can-help-fund-content196.html

[71] Lauren Kirchner, *Checking in on Kachingle*, COLUMBIA JOURNALISM REVIEW, Sept. 17, 2010, available at http://www.cjr.org/the_news_frontier/checking_in_on_kachingle.php.

[72] *Id.*

[73] Interview with Cynthia Typaldos.

themselves, actual users, to add the sites, blogs, etc., that they love into the Kachingle system and start Kachingling them," Typaldos said. "At the end of the month the site will receive an email from PayPal ('You've got money!'). This is exactly the way PayPal went viral and we expect it to be very successful for Kachingle in bringing in new sites and new users simultaneously."[74]

Emphas.is, launched in early 2011, is a funding platform for photojournalism. It uses crowdfunding to capitalize on the "unique bond between photojournalists and their audience," which is "large and enthusiastic."[75] In the site's estimation, that following "would be willing to contribute financially when given the right incentive," and it will offer that incentive "in the form of exclusive access to top photojournalists carefully selected by a board of reviewers," made up of industry professionals.[76]

The way Emphas.is works, photojournalists will post trip pitches with a fundraising goal, and if that goal is reached, then backers will get access to postings from the photographer about her experiences, as well as any photographs and videos filed along the way.[77] The site is not intended to be a distribution tool for media outlets, so the photos initially will be available only to backers. (The photographers, of course, will be free to distribute their work as they please.) Similar to Kickstarter and IndieGoGo, the photojournalists offer rewards for donating certain amounts and have an all-or-nothing approach to the fundraising goal.

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[74] *Id.*
[75] Emphasis, available at http://emphasis.is/.
[76] Id.
[77] Laura McGann, *Photojournalism site Emphas.is wants to leverage the crowd through the romanticism of its craft*, NIEMAN JOURNALISM LAB, Sept. 13, 2010, available at http://www.niemanlab.org/2010/09/photojournalism-site-emphas-is-wants-to-leverage-the-crowd-through-the-romanticism-of-its-craft/

Ben Khelifa, the site's co-founder, said photojournalists have a certain allure that can be monetized. "We have a romanticism around our profession," he said. "We realized that our work isn't the end product, but how we got to it. This is what we expect to monetize." The backstory, then, will be the draw. The site says other untapped audiences include "people who care about the issues addressed by a photojournalist's work" and amateurs "eager to learn from the professionals, and who would be willing to pay a small fee for the privilege."[78]

"**Radiohead journalism**" is a stand-in for the concept of crowdfunded journalism. Williams "couldn't find a home for a story she was passionate about."[79] The story recounted "the fleeting teenage stardom of Dolly Freed, who wrote a back-to-basics guide … 32 years ago."[80] The pitch was turned down by magazine after magazine, but eventually was accepted by the *New York Times*, for its Style page, only to be killed when Williams refused to reveal Dolly's real name.

Frustrated, Williams bought herself a website and posted the 6,000-word story on it. She included a PayPal link next to the story, in hope she could recoup "some of the $2,000-plus [she] spent on the project."[81] People could read the story for free, but they had the option to donate whatever amount they chose, similar to the way the band Radiohead released its album "In Rainbows." Hence the term "Radiohead journalism." At that point, Williams's effort "became not only an exercise in self-publishing but also an experiment. Would readers pay for a story that they could read for free on an independent Web site by a

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[78] *Id*.

[79] Paige Williams, *From Rejection to Success—With 'Radiohead Journalism*,' NIEMAN JOURNALISM LAB, Summer 2010, available at http://www.nieman.harvard.edu/reports/article/102431/From-Rejection-to-SuccessWith-Radiohead-Journalism.aspx.

[80] Andrea Pitzer, *Hello, Dolly! Radiohead journalism and the future of narrative*, NIEMAN STORYBOARD, January 14, 2010, http://niemanstoryboard.us/2010/01/14/hello-dolly-radiohead-journalism-and-the-future-of-narrative/.

[81] Williams, *supra* note 68.

writer they'd never heard of?"[82] The answer was yes. Donations totaled $2,100, and she

earned an extra $500 when Audible.com asked her to record the story as part of an

audiobook.

Despite her success, Williams has questioned the sustainability of the Radiohead

model. She told us it depends on "benevolent rich people who love democracy," adding, "By

benevolent I mean funders who don't think like Wall Streeters/shareholders but rather hold

their beneficiaries responsible solely for solid, meaningful journalism … by rich I mean people

with the resources to write a check and put genius into action without setting terms or

making demands … by democracy I mean an abiding respect for journalists' role as keepers

of the free world, a role that fundamentally requires questioning authority … and ferreting

out truths that others would just as soon hide."[83]

Finally, a number of sites have followed in the footsteps of Spot.Us, including

GoJournalism, **YouCommNews** and **Spot.Us Italia**. They all have adapted the Spot.Us

architecture to fit their own needs: journalists pitch stories, readers post tips and use a pledge

system to fund the pitches and tips already up. And the sites screen the journalists and

partner with news organizations to distribute the content. Cohn, the Spot.Us founder, has

supported them and offered advice on some of the challenges they have encountered.

Margaret Simons, co-founder of YouCommNews, told us, "[The model] is flexible

enough to do both local and international stories, providing there is a sufficient community of

interest to support the reporting, and providing the balance between community interaction

and independence is maintained." She added, "Stories can be published that are of

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[82] *Id*.
[83] Interview with Paige Williams.

importance to comparatively small and specialized groups, so we might have not only mass

media but also quality niche media. It could empower communities and change our idea of

what news is." As always, the concept is much larger than any single platform, and there are

dozens of other ways to use the model.

VIII. Glossary

In the new media age, there are lots of terms and buzzwords thrown around. Although

we are not in a position to define those terms for the broader community, we do have specific

meanings in mind for our own purposes.

Citizen journalism – With a capital "C," this means, "When the people formerly known as the audience employ the press tools in their possession to inform one another." With a lower-case "C," this means an individual, who is not a paid journalist, has witnessed a newsworthy event and has communicated about it. Acts of citizen journalism in this sense happen by mere coincidence. People are everywhere and when disaster strikes, someone usually has a camera.

Community-funded reporting -- Distributing the cost of hiring a journalist across many different people. This can be contrasted with distributing reporting, where the workload is spread out. It is a new business model. Nothing else about the journalism changes. It is contrasted with micro-payments, which are related, because there is transparency and control over where the money goes.

Computational journalism -- An evolution of NICAR or database journalism. The world is filled with data sets. Computational journalism turns these sets into something digestible. Think info graphics. More than that, the data become interactive. You can slice and dice the data on a computer to find the information that is most relevant.

Crowdfunding – The collective cooperation, attention and trust of people who network and pool their money and resources, usually via the Internet, to support efforts initiated by other people or organizations.

Crowdsourcing – The act of delegating tasks, traditionally performed by an employee or contractor, to an undefined, large group of people or community (a crowd), through an open call.

Distributed reporting -- The art of organizing an online work flow so volunteers are efficient

and happy to donate time to commit acts of journalism that in aggregate help to produce news. The workload is spread out. This is contrasted with "community funding," where the cost of reporting is distributed.

Hyperlocal – This essentially means local or community; nothing more, nothing less.

Journalism – The process of collecting information, filtering it and distributing it. Often this consists of analyzing information to add value or meaning. It is expected that the information is accurate and thoroughly researched. The products of this process are stories in newspapers and magazines, as well as stories on TV, the radio and the Internet.

Network journalism – The idea is to organize groups of people through the Internet to work on a single story. Like stand-alone journalism, it is a conscious decision, but large groups, rather than a lone reporter, do the work. It rests its fate on two principles: the wisdom of crowds (collectives can be more intelligent than individuals) and "distributed reporting" (see definition above).

New media mindset – This means engaging with readers and using social-networking sites like Twitter, Digg or Reddit not just to tell a story (an example of the new media skill set, defined below) but to engage with communities on their level.

New media skill set – This boils down to digital storytelling, with the use of photos, video, audio and more.

Open-source journalism – Like network journalism, these projects are collaborative. They have multiple points or "sources" of information. But open-source journalism adds an important element: either a) the re-release of stories, or b) the sharing information among competitors.

Participatory or Pro-Am journalism – The most basic form of citizen journalism that news organizations engage in occurs when professional and amateur journalists work together. This occurs through basic comments on an article, if those comments add extra information or views that the original writer left out. These comments can be invaluable to a story and are easy to invoke.

Professional journalism – The doing of journalism for money. This should not be used as a euphemism for "good" journalism, which is not limited to the professional lot. Indeed, citizen journalism can be good and even better than professional journalism.

Re-release of stories – In networked journalism, people work in collaboration on a single story. In open source, they work together on a story that is constantly refined and republished in public. Imagine a journalist who releases a story to the public. Then, using participatory or networked journalism, more reporting and information is added and the story is reworked and republished. This is the essence of re-release.

Stand-alone journalism – This is similar to citizen journalism, but here the citizen is not reporting out of happenstance. She made a conscious choice to go out and report on a topic. Conceptually, this is under the umbrella of participatory journalism but is not professional.