Learning from North Carolina

Exploring the News and Information Ecosystem

BY FIONA MORGAN, IN CONSULTATION WITH MELANIE SILL
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Democracy Fund believes that the future of local news will be built as a diverse ecosystem of organizations and networks that inform and engage the public.

Democracy Fund’s Public Square Program defines a local news ecosystem as the network of institutions, collaborations, and people that local communities rely on for news, information, and engagement. Healthy news ecosystems are diverse, interconnected, sustainable, and deeply engaged with their communities. When an ecosystem is healthy, the whole is greater than the sum of its parts.

Looking at local news and information through this ecosystem lens raises new, compelling questions. For example, instead of asking how do we save traditional models of local news, we ask about ways of strengthening people’s access to information that is central to a healthy democracy. Instead of asking about the health of any one organization, we examine the robustness of the relationships between them. Instead of asking how we can get people to pay for news, we ask what might be a range of models to support news as a service to communities.

To that end, we commissioned a series of reports from regions around the country to better understand the complex forces shaping local news ecosystems from North Carolina to New Mexico. In this report, the authors have sought to ask these questions, and map out the strengths and challenges facing North Carolina as the landscape of local news continues to shift due to economic and technological change. This report, researched and written by Fiona Morgan, with Melanie Sill contributing significant insights and feedback, seeks to map out key contours of the news ecosystem in North Carolina. Although the report’s initial purpose was to inform our investments in local news, we are making its findings available to the public. We do so to help serve the field and welcome further feedback that will inevitably add new layers and richness to our understanding of the field.

The report is based on interviews with more than two dozen people from different sectors and geographic areas in North Carolina that took place in the spring of 2017. It also pulls from previous research by Morgan and by Democracy Fund Senior Fellow Geneva Overholser. Morgan discusses journalistic and financial challenges facing local news in North Carolina and identifies bright spots in the ecosystem — for example, audience engagement initiatives, promising business models, and emerging collaborations. Her report concludes with 10 suggestions for developing a more robust ecosystem in North Carolina, ranging from convening conversations to forming partnerships to tackling concrete problems by building practical solutions.

Democracy Fund is grateful for the thoughtful reporting and analysis by Morgan and Sill, who are well-connected journalists and students of media in the state. (see “About the Author”). The report has also profited from the insights of many people in and out of North Carolina, including Overholser, whose earlier interviews with North Carolina journalists and publishers provided a foundation, and Dr. Phil Napoli of Duke University, a grantee of Democracy Fund who is mapping the health of media ecosystems across the country. We are also grateful for the work of Penelope (Penny) Muse Abernathy who has been a stalwart advocate for local news and a chronicler of its challenges in North Carolina and across the United States.

This report presents an overview of North Carolina’s local news and information ecosystem but does not attempt to catalogue or cover every part of it. We welcome feedback, further information, and questions about North Carolina’s local news and information ecosystem, our ecosystem approach to supporting local news, and Democracy Fund’s Public Square program to localnewslab@democracyfund.org.

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An overview of North Carolina’s news landscape

The media landscape in North Carolina reflects dynamics happening in states across the country — from the shrinking staff and influence of its newspapers to its promising journalism startups — just as the state’s economic, demographic, and political trends have presaged what’s happening nationally.

Outlets within the Tar Heel State struggle to cover local communities and statewide policy because they face the same economic and structural challenges of outlets in other states. Yet the infrastructure of public media remains strong, and there are news entrepreneurs and committed local owners whose work shows promise in filling gaps in state and local news coverage.

The decentralized nature of North Carolina’s geography presents both a challenge and an opportunity. Because it is a state of 100 counties and several distinct economic regions, without a single dominant city, North Carolina’s news ecosystem will likely succeed best as a network of networks, with distinct areas where people join forces, share resources, or collaborate.

North Carolina is home to a handful of stalwart locally owned outlets, strong public broadcasting newsrooms, and nonprofit news organizations filling the gaps in reporting on health, education, the environment, and regional news in the west and on the coast. These organizations enjoy community goodwill but need help translating that support into financial sustainability while broadening their audiences.

The good news is that there is more willingness and openness overall among organizations — including legacy media — to try new approaches. Most of these organizations also state a willingness to work together, but they lack models for successful collaboration, and some have tried and failed in the past. In some cases, there is a perception that an outlet may talk a good game about collaboration, but doesn’t follow through. Among other parties, a sense of competition overwhelms the impulse to collaborate.

Today, these different outlets and entrepreneurs are dispersed across the state. But nascent partnerships are forming, and other institutions such as universities and philanthropic organizations are eager to learn how they can help nurture a stronger news ecology in the state.

The urban-rural divide that defines North Carolina’s politics is also reflected in its media. Two of the state’s five primary broadcast markets — Raleigh-Durham and Charlotte — are in the top 25 in the nation and are home to multiple TV and radio outlets. Those outlets
focus on cities and provide little coverage of suburban communities. Rural communities, meanwhile rely heavily on small community newspapers whose futures are at best uncertain. And people at the western and eastern edges are stuck with news from neighboring states. The diminishment of legacy outlets and the simultaneous appearance of media startups have added to this fragmentation.

Over many decades, ownership of North Carolina’s newspapers has shifted from local companies and families to large corporations and private investment groups that tend to extract from, rather than invest in, their newsrooms. It’s getting harder to find coverage of local school boards, town councils, and county budgets.

Coverage of state government tends to focus on political controversy or key decisions, but the laws and budgets often pass without deep and sustained news coverage of the impact those decisions will have on people’s lives. For people in the mountains and the coastal plain, goings-on in Raleigh feel distant, yet the consequences of those decisions touch local institutions such as schools, hospitals, roads, and economic development agencies in ways that few members of the public are aware of ahead of time.

The problem of news deserts is becoming more pronounced as rural papers move from family to corporate ownership and as metro newsrooms continue to cut staff. Lack of local coverage contributes to rural residents’ feeling that they have no political voice in Raleigh. There is an awareness, especially among journalists, that local democracy in the state, especially in rural areas, is going on without citizen or press oversight, and that scores of stories are going uncovered as crucial decisions happen without civic understanding.

Contributing to the state’s political polarization is a lack of information about how decisions state lawmakers make in Raleigh affect local communities. North Carolina’s centralized government structure means that everything from class sizes to groundwater rules to development rules are determined in large part by the legislature. Local communities would benefit from stories about common threads of issues like living wage ordinances, gentrification, urban planning, and economic development that look across local communities and at state policy for solutions.

For the most part, the state’s media are as disconnected as its separate metro areas. Yet North Carolina has many important existing civic networks that can be built upon. UNC-Chapel Hill is highly respected and well networked. The state has many institutions of higher learning, including several historically black colleges or universities (HBCUs), that are critical anchor institutions in both urban and rural regions. (The public universities, however, face extraordinary political and budget pressure.) Private universities like Duke, Elon, Wake Forest, and Queens also have important roles to play. So do the networks of nonprofits, such as the N.C. Center for Nonprofits, and organizations that fall into both the nonprofit and news categories, including organizations that belong to the national Institute for Nonprofit News. The networks of funders and funder initiatives, such as the Kate B. Reynolds Charitable Trust’s Healthy Places NC, and the state’s documentary filmmaking scene are also foundations on which to build.

“The problem of news deserts is becoming more pronounced as rural papers move from family to corporate ownership and as metro newsrooms continue to cut staff.”
People and Organizations that Make Up North Carolina’s News Ecosystem

THE MEDIA MIX IN NORTH CAROLINA

PRINT

When it comes to producing accountability journalism, North Carolina’s legacy media continues to be dominated by its print newspapers. These exist in two tiers: the metro dailies and the smaller-circulation community papers. Both tiers face the same trends of declining advertising revenue and print circulation, aging readership, adapting to digital platforms, and increasing corporate consolidation. There are also a handful of alternative weeklies in metro areas. For the most part, this portion of the ecosystem is in decline. Yet these institutions are still uniquely able to produce investigative and accountability journalism about state and local policy. As the institutions struggle, it’s important to note the critical functions they continue to play in the ecosystem.

TV

Local TV stations have historically been the leading source of news for people across the country, and across North Carolina. There are 55 licensed TV stations in North Carolina’s five primary media markets: Charlotte (1.19 million households, ranked 22 among DMAs), Raleigh-Durham-Fayetteville (1.15 million households, ranked 25), Greensboro-High Point-Winston-Salem (690,000 households, ranked 46), Greenville-New Bern-Washington (302,000, ranked 100), and Wilmington (198,000 households, ranked 130). Asheville and western North Carolina receive TV signals from stations in Tennessee, while the northeastern corner of the state receives broadcasts from Norfolk, Virginia, and parts of the southern sandhills region receive broadcasts from Myrtle Beach, South Carolina. This leaves areas at the periphery of the state without local TV news coverage. Overall, this portion of the ecosystem has arguably the biggest reach, but is not effective at serving local information needs because of a lack of news content beyond brief segments (with a few notable exceptions). Local TV holds great potential, especially in areas that lack strong print outlets or broadband access, perhaps through collaborations with other outlets.

RADIO

Commercial radio has reach across the state, including areas that would otherwise be media deserts. Among the many corporate owners is the Raleigh-based Curtis Media Group, a significant player with 25 radio stations across the state. Curtis’s “Carolina Newsmakers” public affairs program is broadcast on all those stations. Curtis also owns the North Carolina
News Network, broadcasting to 80 affiliates across the state, and the Southern Farm Network, broadcasting agricultural news to the Carolinas and Virginia. This commercial radio portion of the ecosystem appears to be stable. There is, however, little local news production and a heavy emphasis on partisan political commentary instead of reporting.

PUBLIC MEDIA

Public radio is strong in North Carolina. The state’s flagship, WUNC, is licensed to UNC-Chapel Hill and has a satellite studio in downtown Durham. WFAE in Charlotte is licensed to an independent nonprofit and provides strong news and community affairs coverage. Both stations have grown significantly in audience, fundraising, and resources – combined, they reach the whole state. Other NPR affiliates in the state have smaller staffs, but produce at least some original news and public affairs: WCQS in Asheville, WFDD in the Triad, WHQR in Wilmington, and Public Radio East in New Bern. Nearly all these stations have added reporters and gained clout in their communities as other outlets diminish, and several are looking at expansion. These stations compete in some ways, but collaborate in others. Strategic planning and leadership could create more opportunities for cooperation.

UNC-TV is the state’s public television network. It has a strong technical infrastructure with four full-time digital channels that reach all 100 counties in the state, giving it the greatest reach of any media organization in the state. Brian Sickora, who became general manager in 2016, has demonstrated interest in partnerships and innovative programming to address the state’s news deserts – for example, developing programming for UNC-TV’s North Carolina channel. The state legislature, however, has made cuts and continues to threaten the station’s programming budget. The legislature also appoints members of the University of North Carolina’s Board of Governors, which holds the license to UNC-TV.

Public access television is not a strong presence in the state due to the nature of its cable franchise law. Low-power FM radio stations – such as WCOM in Carrboro, WPVM and WRES in Asheville, and WHUP in Hillsborough, plus about a dozen religious-format stations across the state – comprise a very small but persistent segment of the ecosystem, pointing to a grassroots infrastructure of people who care about truly local media.

ETHNIC MEDIA

Walk into a taqueria in Durham and you can pick up four competing weekly Spanish-language newspapers. Qué Pasa has editions in the Triangle, Charlotte, and the Triad. Charlotte’s La Noticia distributes widely, while Raleigh’s La Conexión stays mostly local. La Voz Independiente serves the Asheville area, and The Fayetteville Observer owns a small weekly, Acento Latino. But outside of the metros, Spanish-language news is hard to find. Spanish-language broadcaster Univision has a locally operated station based in Raleigh that broadcasts over-the-air to that market and is also available to cable customers in the Charlotte market.

Black newspapers have a long history in the state: Winston-Salem’s The Chronicle, The Charlotte Post, Raleigh’s The Carolinian, Greensboro’s Carolina Peacemaker, and The Wilmington Journal remain trusted sources in the communities they serve. But like other small-circulation print newspapers, they’re facing a generational crisis in both leadership and readership. Emerging communities of immigrants from India, China, and other areas have cultural publications but lack the capacity to cover local news.
NONPROFIT NEWS

Nonprofit media represent a small but important sector in the media ecosystem – small in terms of budget, staffing, and reach, but significant in terms of growth, public support, and ambition to fill clearly identified coverage gaps. Many of these organizations fall into two categories: independents that take care to publish news free of political ideology – such as Carolina Public Press, EducationNC, and North Carolina Health News – and those launched by advocacy organizations that may or not present an advocacy viewpoint – such as Coastal Review Online, N.C. Policy Watch, and Carolina Journal. There are also independent progressive publications covering the South. Founded in 1970 by civil rights movement leaders, the Institute for Southern Studies publishes original investigative and data-driven reporting at FacingSouth.org. Scalawag, a nonprofit founded in 2015, publishes news and cultural commentary. Both are based in Durham. (Disclosure: The author of this report is currently on the board of the Institute for Southern Studies)

OTHER STARTUPS

There have been a number of innovative efforts in local news, but the list of outlets still in business is short. The Charlotte Agenda has been an innovator in the hyperlocal news space. Set to earn $1 million in revenue this year, mostly through annual sponsorship deals, the Charlotte Agenda is aimed at millennial readers and heavily focused on lifestyle and entertainment. It is headed by veteran journalists Ted Williams and Andrew Dunn and publishes original local news. A sister site, Raleigh Agenda, shut down within a year after missing revenue targets.

Less well known nationally, but well respected locally, is QCityMetro.com, an online publication aimed at Charlotte’s African-American residents, launched by veteran newspaper journalist Glenn Burkins.

The magazine Business North Carolina was recently purchased by The Pilot, a newspaper in Southern Pines owned by a group that includes members of the Daniels family, which owned The News & Observer until selling it to McClatchy in 1996. The Pilot is known for its investment in its news and business development, and it owns three other regional magazines in the state.

North State Journal launched in 2016 online and in print and bills itself as the “only statewide newspaper.” Founded by a former staffer for Republican U.S. Senator Richard Burr with undisclosed financial backing, the site has a conservative editorial voice.

INFLUENTIAL VOICES

LEGACY OUTLETS

The state’s two largest newspapers, The News & Observer and The Charlotte Observer, remain the leading news outlets statewide. They continue to do important, high-impact investigative work, and The News & Observer in particular has placed its bets on a strong
investigative team while cutting back on beats and municipal coverage. However, after reducing coverage and distribution in rural parts of the state, they’ve lost both reach and influence outside the metros they serve. McClatchy bought its only daily competitor in the Triangle, Durham’s *The Herald-Sun*, in 2016.

In the Triangle, locally owned WRAL (NBC, Capitol Broadcasting Company) dominates both in terms of TV news and as an online news source, with WTVD (ABC owned and operated) and WNCN (CBS, Nexstar) competing on the air. Commercial radio station WPTF (Curtis Media) is a popular local talk station with a conservative tilt. Alternative newspaper *Indy Week* has been an influential voice on local issues from the left. (*Disclosure: The author of this report was a reporter for *Indy Week*.)

In Charlotte, WSOC (ABC, owned by Cox), WCNC (NBC, TEGNA), and WBTV (CBS, Raycom), compete for TV news viewers, while public radio station WFAE is a popular source of local public affairs – all produce investigative reporting to some degree. Alternative newspaper *Creative Loafing* (Womack Newspapers) provides local cultural coverage. Startup site *Charlotte Agenda*, founded by former *Observer* reporters, has influence and credibility across the city. *Charlotte Magazine* also has unusually strong content and broad reach for a city magazine. The site PlanCharlotte.org, a project of UNC-Charlotte’s Urban Institute that’s run by former *Observer* reporter Mary Newsom, has small reach but high credibility among people who follow planning issues in the region.

The Triangle and Charlotte are the two largest markets in the state. In other areas, there are fewer sources overall, but the mix of print, broadcast, and digital is similar.

**YOUTH MEDIA**

North Carolina does not have the type of youth media organizations found in urban areas like Chicago and San Francisco. There are, however, civic organizations for youth that would be natural to engage. For instance, a group in Durham called Partners for Youth Opportunity became a key partner for *The Durham VOICE*, a newspaper founded by UNC-Chapel Hill community journalism instructor Jock Lauterer. *The VOICE* partners journalism students from UNC-Chapel Hill and historically black North Carolina Central University with high school and middle school students from northeast central Durham neighborhoods. Working Narratives in Wilmington is producing youth documentary projects, as well.

**SOCIAL MEDIA**

Blogs have by and large given way to social media as a source of information at local and state levels. Advocacy groups have increasingly played a role in the information ecosystem, from live-tweeting legislative committee meetings to using their social media and newsletters as platforms for spreading information and messages about topical issues. A standout example is Alerta Migratoria, a volunteer-led organization that has emerged as a vital news source for information on immigration enforcement. This network investigates rumors of raids and checkpoints, offering real-time verification in frightening situations. It is notable how these new information networks have developed online while many traditional news sources still haven’t fully or effectively embraced social media.
ADVOCACY MEDIA

John Hood is the leading voice in conservative media commentary and state politics. Hood is president of the John William Pope Foundation, a Raleigh-based funder that supports a network of policy organizations that advocate for free-market and conservative ideas. This network includes the John Locke Foundation, a think tank whose board Hood chairs, and Carolina Journal, a print, online, and radio outlet that Hood leads as publisher. Hood writes a syndicated column that appears in dozens of newspapers in North Carolina, and he is a regular panelist on local television and radio talk shows. Also part of this network is the Civitas Institute, a think tank targeting members of the state legislature. The network is funded by the family fortune of Art Pope, a dollar-store magnate who is a divisive figure in North Carolina politics. The John Locke Foundation was an early adopter of blogging and established a network of Tea Party-aligned bloggers from across the state as part of a strategy to use technology to tap grassroots supporters.

The leading media voice on the left is the North Carolina Justice Center, a Raleigh-based nonprofit concerned with racial justice, immigration, labor rights, and economic justice. Under the Justice Center umbrella are the Budget and Tax Center, which provides analysis of state budget and public finance, and N.C. Policy Watch, which offers analysis, commentary, and original reporting. Chris Fitzsimon, founder and director of N.C. Policy Watch, writes a syndicated column and offers a progressive voice on talk shows, often in counterpoint to Hood. In addition to its political commentary, N.C. Policy Watch has in recent years been publishing original reporting produced by a small but growing stable of beat reporters with experience at traditional journalism outlets. According to Fitzsimon and staff reporters, these journalists produce news independent of the organization’s advocacy agenda, and they operate with the same expectation of journalistic ethics they had in legacy newsrooms.

Both right- and left-leaning media networks and organizations serve as important information infrastructure for their specific audiences and regularly produce reporting that influences statewide debates. Media originating within political advocacy organizations will no doubt be part of North Carolina’s future news landscape. Democracy Fund, as a foundation with deep commitment to bipartisanship, may be well positioned to engage these different voices. It will be important for funders and others to understand how these sources can expand people’s access to meaningful news and information without deepening political divisions in communities.

UNIVERSITIES AND COLLEGES

In general, both public and private universities and colleges play a significant role as trusted anchor institutions and offer an effective way to reach underserved areas.

There are three accredited journalism schools in the state: UNC-Chapel Hill’s School of Media and Journalism, Elon University’s School of Communications, and North Carolina A&T University’s Department of Journalism and Mass Communication. There are dozens of other small journalism programs at colleges and universities across the state.
UNC-Chapel Hill is the most significant hub and convener of journalists and media organizations in the state. The school hosts trainings and meetings and convenes public conversations about media issues. Distinct programs within the school play particular roles: the newly launched Center for Innovation and Sustainability in Local Media focuses on applied research into financial and business sustainability for legacy and emerging media organizations. It carries forward the work of UNC's Knight Chair in Journalism and Digital Media Economics, Penny Muse Abernathy, and the Knight Chair in Digital Advertising and Marketing, JoAnn Sciarrino. The UNC Knight-Lenfest Newsroom Initiative launched in 2017 includes eight newsrooms across North Carolina in its program to “advance digital transformation.”

The Reese News Lab, led by Ryan Thornburg, supports student research into digital tools and innovative new products. Thornburg’s NC Data Desk project provides digital tools and assistance that enable newsrooms to do data-driven stories. UNC is also home to the Center for Media Law and Policy, co-led by law professors David Ardia and Cathy Packer; the Carolina Business News Initiative; and the North Carolina Scholastic Media Association. The Daily Tar Heel, UNC Chapel Hill’s independent student newspaper, is walking the walk of reinventing community journalism by shedding legacy costs, generating new news products and revenue streams, and engaging with the community. Part of the strategy employed by staff director Betsy O’Donovan involves taking The Daily Tar Heel’s time-tested model of journalism training – by and for undergraduates – and offering it to a wider audience.

Duke University has two main avenues for journalism. The DeWitt Wallace Center for Media and Democracy at Duke’s Sanford School of Public Policy has recently increased its offering of journalism classes under director Bill Adair, whose national and international work with PolitiFact has brought fact-checking into the media mix. Professor Philip Napoli, who is expanding his research on news ecosystems, has expressed interest in doing focus groups and content analysis in North Carolina, similar to work he did in New Jersey while at Rutgers. Also housed with the public policy school, POLIS (the Center for Political Leadership, Innovation, and Service) was founded in 2015, in part to improve political discourse. Duke’s Center for Documentary Studies is an important community hub that links documentary storytelling with the arts and grassroots activism. Duke’s Forum for Scholars and Publics is connecting the humanities to journalism as a way to make research and scholarship more publicly accessible. They host public programs and provide grants to faculty to hire professional journalists to work with their classes. For instance, a local reporter from Que Pasa worked with students in a Spanish class, and a graduate student in history is producing documentary footage about the cross-border experiences of a family in Greenville.

Duke Law School has long worked on issues related to the death penalty, especially the case of Darryl Hunt, who was exonerated for murder after 19 years in prison. In 2017, Duke Law provided a grant to Phoebe Zerwick, who was first to write about Hunt’s case while a reporter for the Winston-Salem Journal, to write a long-form story examining the long legal saga and her role in it as a journalist. When thinking about Duke, it’s useful to be aware that the university’s journalism curriculum is spread across different schools and departments.
Queens University of Charlotte has a significant program in digital and media literacy at its Knight School of Communication, with instructor Bruce Clark leading grassroots outreach into the city's neighborhoods.

Wake Forest University is growing its journalism program, which was housed within the English department but in recent years has been spun off into its own interdisciplinary minor. Zerwick, the former Winston-Salem Journal reporter, runs the program. In addition to adjunct and part-time faculty, including Maria Henson and Tommy Tomlinson, the program has one full-time journalism professor, Justin Catanoso. Zerwick said that the department is looking to hire its second full-time journalism faculty member in the coming year. Wake Forest also has a graduate program in documentary film. With high-profile office and classroom space in downtown Winston-Salem, this private university could play a convening role in conversations about journalism and media in the Triad and the state.

North Carolina A&T University in Greensboro and North Carolina Central University in Durham have notable programs in journalism. Other HBCUs, such as Johnson C. Smith University in Charlotte and UNC-Pembroke, are significant hubs of community information and trust within North Carolina.

Appalachian State and Eastern Carolina University both have sizable communications departments.

UNC-Wilmington has a creative writing program with a strong track in nonfiction.

**SIGNIFICANT PRESS SUPPORT NETWORKS**

The North Carolina Press Association (NCPA) plays an important role in maintaining professional standards, providing training and advertising support, and advocating for both open government policies and members' financial interests (regarding public notice advertising, for example). NCPA also grants press credentials to reporters and photographers covering the legislature. Membership in the NCPA was historically limited to print newspapers until the establishment of an online membership category in the late 2000s for publications that produce original content and demonstrate high journalistic standards. While this membership category doesn't include voting privileges, online members are eligible for the NCPA's annual journalism awards, which offer an important path to credibility for all outlets, especially those just starting out. While the NCPA remains an important institution, its advocacy on state open government issues has declined considerably.

The Sunshine Center of the North Carolina Open Government Coalition, housed at Elon University, has taken on the leadership role for open government. The center hosts an annual Sunshine Day event that brings together publishers, reporters, and government officials to dig into current issues in open government and open-meetings law. It is independent of the newspaper industry and founded at a private university to ensure independence from political pressure.

The North Carolina Scholastic Media Association is a strong statewide press organization for high school journalists and their instructors. Monica Hill runs the association, which is based at UNC-Chapel Hill's School of Media and Journalism and serves on the board of Elon's Sunshine Center. Besides the annual summer training for high school journalists and their
teachers, the association hosts regional workshops in the fall with the help of a network of media organizations and colleges. This network reaches to the farthest points of the state, from Appalachian State University to Elizabeth City State University. Hill mentioned a Ford Foundation-funded project she worked on while directing the Alabama Scholastic Press Association in the late 1990s. The project set up community newspaper operations out of high school newspapers in areas that otherwise had little in the way of local news sources. She says that it was successful and well received and believes that a similar initiative could work in North Carolina.

FOUNDATION NETWORKS

The North Carolina Network of Grantmakers is an important leader among funders across the state, convening foundations and facilitating communication and strategic thinking. Many private and community foundations in the state have explored media and journalism as part of their work. We highlight a few here, but this is not a comprehensive list.

Among place-based foundations, the Z. Smith Reynolds Foundation (ZSR) is the largest investor in independent journalism projects in the state, having funded North Carolina Health News, Carolina Public Press, and others. With ZSR undertaking a strategic assessment, the foundation’s strategy and future plans around news and information are currently unknown. Charlotte is a Knight city, and the Knight Foundation’s city program leader Charles Thomas now leads Knight’s considerable investments in Charlotte. Thomas is relatively new to the foundation and has a social entrepreneurship background. A.J. Fletcher Foundation has been an important grant maker around media issues and has even hired an in-house research/reporter (more on that below). Media Democracy Fund’s amalia deloney is based in Charlotte and has taken an active role in philanthropic and broad civic work across the city. Topic-specific funders have begun to fund journalism projects as well. Place-based funders have also made investments in news, including the Community Foundation of Western North Carolina, which supports Carolina Public Press.

North Carolina has an unusually well-connected nonprofit sector, thanks in large part to the North Carolina Center for Nonprofits. Blueprint NC, a 501(c)(3) network of 41 nonpartisan nonprofit organizations working for social justice and racial equity, coordinates communication among its member organizations and provides training and resources for civic engagement and education.

KEY ORGANIZATIONS TO WORK WITH

EMERGING NONPROFIT NEWSROOMS

EducationNC: EdNC is the brainchild of longtime journalist and Southern politics scholar Ferrel Guillory and former state senator and public education advocate Gerry Hancock. Founded in 2015 and headed by Melane Rash, former director of law and policy at the North Carolina Center for Public Policy Research (NCCPR), EdNC is growing quickly and recently absorbed NCCPR, a move that suggests the organization may be interested in expanding its purview. EdNC hired former WUNC producer Laura Lee as editor, taking over the day-to-day journalism work and freeing up Rash and her colleague Nation Hahn to pursue innovative statewide engagement projects.
**North Carolina Health News:** Former WUNC health reporter Rose Hoban launched N.C. Health News in 2011 to fill the gaps she saw in deep, knowledgeable reporting on health in the broadest sense. Having previously worked as a nurse, she has a passion for and expertise in the topic. Even as Hoban had extensive treatment for cancer in 2014–15, the small organization persisted. It now employs a development staffer, while paying a small team of reporters. The organization, however, struggles to keep them without the budget or infrastructure to offer benefits.

**Carolina Public Press:** Former Asheville Citizen-Times reporter Angie Newsome founded Carolina Public Press in 2011, having been inspired by the success of The Texas Tribune. The site covers a wide variety of topics, with an emphasis on accountability reporting and investigations. Newsome said that she’s been surprised to find less financial support from foundations and more support from individual donors. Grants make up about half of the organization’s budget, with donor contributions constituting just over 45 percent. She believes foundation support would help Carolina Public Press diversify revenue, expand coverage, and move from persisting to growing.

**Coastal Review Online:** Frank Tursi left his position as environmental beat reporter for the Winston-Salem Journal to work for the North Carolina Coastal Federation, one of the state’s leading environmental advocacy groups. He soon found advocacy was tough without solid reporting to fuel it. In 2012, he and executive Todd Miller launched Coastal Review Online as an editorially independent news operation within the Federation. Tursi cultivated a stable of freelance reporters and won membership in the North Carolina Press Association. Veteran community journalist Mark Hibbs now edits Coastal Review Online, as Tursi is in semi-retirement.

**SUPPORT ORGANIZATIONS**

**The North Carolina Newsroom Cooperative (NCNC):** The cooperative is a new nonprofit organization that aims to support independent journalists and nonfiction storytellers by providing infrastructure and support. Co-founded by former News & Observer columnist Mary Miller, longtime political journalist Seth Effron, and prominent First Amendment attorney Hugh Stevens, the organization originated with the idea of providing coworking space to journalists. Potential members have expressed interest in opportunities to find well-paying work, receive training, and get basic support for things like accounting, digital platforms, and legal assistance. The organization also hosts public programming on journalism topics, including a screening of “Spotlight” followed by a panel discussion with Marty Baron. As the idea of cooperatives and collaboration-minded backbone organizations gains traction, NCNC has attracted support and enthusiasm. The cooperative, however, is nascent and still defining its scope of work and goals. (*Disclosure: The author of this report is a former member of the NCNC board.*)

**National Backbone Organizations:** National organizations that serve local newsrooms — for example, the Institute for Nonprofit News (INN) and the Local Independent Online News (LION) Publishers — could also expand their presence in the state. Wilmington-based INN staffer Fran Scarlett has expressed interest in doing state outreach. Recently LION added QCityMetro.com’s Glenn Burkins and North Carolina Health News’ Rose Hoban to its board of directors. But even with those organizations, there is much state-specific and grassroots work to be done in capacity building and public convening.
LOCAL TELEVISION

Capitol Broadcasting Company and the Goodmon Family: The family of Jim and Barbara Goodmon have significant influence in media, philanthropy, and real estate. The Goodmons own Raleigh-based WRAL and its parent company, arguably the best commercial news outlet in the state in terms of quality and investment in news. WRAL produces significant coverage of the state legislature on the air and online, and it produces original documentaries and online data-driven investigations. WRAL's parent company, Capitol Broadcasting Company, also owns a FOX affiliate in Raleigh and a CBS affiliate in Wilmington, along with prominent commercial real estate holdings and the Durham Bulls baseball team. The A.J. Fletcher Foundation is the Goodmons’ philanthropic arm, and they have used it to make significant investments in Raleigh, Durham, Rocky Mount, and the state as a whole.

Univision: Univision is the only Spanish-language TV station in the state with a local operation. Based in Raleigh, it covers a 23-county area with an over-the-air signal and has an agreement with Time Warner Cable to carry its broadcast in the Charlotte market as well. A staff of 12 operates the station, including a manager and two reporters who produced Emmy-winning original news coverage last year.

SPANISH-SPEAKING MEDIA

Univision: Univision's director of Community Empowerment in Raleigh seeks out partnerships with community organizations to benefit their viewers – for example, hosting a citizenship fair to enlist pro-bono attorneys and university law clinic staff to guide people through the citizenship process, and working with local school systems to develop technology access programs. The director also seeks out grants to fund much of this work. (The former director, Irene Caicedo Gonzalez, recently retired.)

National Association of Latino Elected Officials (NALEO) Educational Fund: Juliana Cabrales, director of civic engagement for the NALEO Educational Fund, has contacts with ethnic media and other Latino civic groups across the state.

These leaders could be important conveners of a statewide conversation about how to strengthen the news and information ecosystem for Latinos, and how to foster cross-cultural understanding through collaborations between Spanish-language and English-language media.

DOCUMENTARY FILM COMMUNITY

Documentary film overlaps with other networks, such as social justice advocacy, photojournalism, oral history, academia, and commercial production. Not only do the state's filmmakers produce high-quality work, they also have a creative network of mutually supportive producers and directors, particularly in Durham (the home of Full Frame Documentary Film Festival) and Wilmington (hub of the state's film industry and home to the Cucalorus Film Festival). The Southern Documentary Fund offers a good model of fiscal sponsorship for individual projects, with additional training and support as part of the mix to help make the work successful and get it seen. A backbone organization would do well to borrow this model for journalism.
A web of challenges in North Carolina’s information ecosystem

**BEATS**

With recent cuts and changes in newsrooms across the state, deep beat reporting on health and the environment is now being largely left to nonprofit news organizations. The last metro newspaper reporter in the state covering the health beat, Karen Garloch, announced her retirement from *The Charlotte Observer* during its latest newsroom reorganization in March 2016, when its environmental beat reporter, Bruce Henderson, was reassigned to cover daily news.

The lack of dedicated reporting muscle on key beats doesn’t stop there. One of the state’s top industries is agriculture, including tobacco, hog farming, and chicken processing. Agriculture has a major impact on employment, economic development, and the environment, and agribusiness interests have tremendous influence on state universities and immigration policy, not to mention land use. Yet no beat reporters cover this industry for a general audience, nor do outlets provide enough coverage devoted to the state’s other major industries: aerospace and defense, biotechnology and pharmaceuticals, energy, manufacturing, chemicals, and information technology.

**NEWS DESERTS IN RURAL AND SUBURBAN COMMUNITIES**

Nearly every person interviewed for this report noted that vast areas of the state lack basic accountability news coverage. These coverage gaps inspired Angie Newsome to launch *Carolina Public Press*, which serves the 19 westernmost counties (all but two are considered rural), and Frank Tursi to create *Coastal Review Online*, which serves 20 coastal counties (all but one is considered rural). But it’s hard for two small nonprofits to cover the territory that used to belong to metro newspapers with dozens of staffers. Add to that problem the complication of online news outlets reaching people in areas lacking broadband access.

Matt Leclercq, executive editor at *The Fayetteville Observer*, said the newspaper no longer has the staff required to keep an ear to the ground in rural areas without anyone there on a regular basis. He also talked about the realities of making tradeoffs in staff resources given the relative audiences. “If it’s a choice between spending three or four weeks digging into a story in Bladen County, which is very rural, versus other things

“Nearly every person interviewed for this report noted that vast areas of the state lack basic accountability news coverage.”
[reporters] could be doing in Fayetteville, nine times out of 10, Fayetteville's going to win.” An embezzlement case at a county agency, which the Observer recently covered, makes Leclercq suspect there are important stories in rural counties for investigative reporters to find, if they take the time.

Hugh Stevens, arguably the state’s leading First Amendment attorney recounted his experience working on an open-records case in Stanly County, a sparsely populated area ignored by the nearest media outlets. “You’ve got a situation there where the county commissioners exist in a vacuum, nobody pays attention to them. They’re a news desert in the midst of all these prosperous counties. It’s ironic that these people can drive to an IKEA in 40 minutes but they can’t get a good newspaper.”

**SOLUTIONS-ORIENTED STORIES, TOLD IN CONTEXT**

When asked about undertold stories in North Carolina, nearly every person talked about the need for coverage that asks deep questions about the state’s economic future and about who’s being left behind.

These issues are close to the surface in Charlotte, where the police killing of Keith Lamont Scott sparked an uprising of protests, and where a task force of city leaders has been puzzling over how to increase economic mobility. Independent journalist Mary C. Curtis said poverty is the most underreported story in the city. “If you said to the average person in Charlotte that there are children in Charlotte who don’t have indoor plumbing and who are hungry all the time, they wouldn’t believe you. Yet we have that.” That suffering is invisible to people, and so is its long-term impact.

The same could be said about rural communities. Leclercq recalled a recent controversy over Sanderson Farms’ proposal to build a chicken processing plant in Cumberland County. People opposed to the plant objected to the pollution it would create in the Cape Fear River and argued that the low-paying, low-quality jobs weren’t worth the public cost. Proponents pointed out the lack of jobs of any kind available in the region, beyond those related to the military. Leclercq reflected that stories like these need to be told with an eye toward bigger questions about the future, especially in areas experiencing a net population loss. “The rural economy in this part of the state and a lot of other places have been left behind. How are they poised to be able to grow?”

With the right kind of coverage, reporters and editors see a chance to dig deep into substantive issues that defy party-line tribalism. Mark Hibbs, editor of the *Coastal Review Online*, noted that some Republican elected officials on the coast have turned out to be the strongest defenders of clean water and opponents of offshore drilling. “All politics is local, and when you get down to the local level, these issues, especially here on the coast, they become larger, and even in the Republican party there’s that awareness. They can’t avoid it here, because a sizable slice of the population is in their face saying, ‘Hey, this is our backyard. These are beach communities, and the environment is their main attraction.’” At the same time, the rapid growth of the solar and wind energy industries presents real and complex questions about their impact and who benefits, and the different viewpoints on those questions don’t hew to party lines.
STATE LEGISLATIVE COVERAGE TIED TO LOCAL CONCERNS

Over and over, people commented that one of the major challenges is the lack of reporting on state government for local communities that can make sense of the decisions lawmakers are making and how those decisions will affect them. As one journalist put it, frustrated citizens “don’t even know who to be mad at.” North Carolina’s constitution places a great deal of decision-making power with legislators, but many people don’t make the connection between decisions on Jones Street and local grievances. “The biggest black hole in news coverage in the state is not coverage of the legislature, but of the relevance of the legislature’s actions to what happens in your world, your community,” said Damon Circosta, director of the A.J. Fletcher Foundation and former director of the North Carolina Center for Voter Education. “They’re down there dealing with anywhere from 5 to 10 percent of the state’s GDP, moving big levers on big things and doing it without anyone really helping the public understand what that means for them. That’s the hole. The hole is Jones Street.”

This coverage needs to be better geared toward civic engagement. “So much of news is reactive,” said Kirk Ross, a freelance reporter who covers the state legislature for Carolina Public Press, Coastal Review Online, and other outlets. Covering not only the final vote but also the initial committee discussion of an issue, “that to me is very important to the media informing the public in a timely way to allow people to engage in the process at a point where they can make a decision.”

“One of the major challenges is the lack of reporting on state government for local communities that can make sense of the decisions lawmakers are making.”

COVERAGE OF COMMUNITIES OF COLOR, ESPECIALLY AROUND LANGUAGE

Newsrooms in North Carolina face a major problem with diversity and language capacity. Many English-language outlets don’t have Spanish-speaking reporters in a state where one in 10 residents is Hispanic or Latino. The gaps in Spanish-language coverage are greatest outside the major metros, which are news deserts generally and lack ethnic media outlets. The Fayetteville Observer has no Spanish-speaking reporters, and the Spanish-language weekly it owns, Acento Latino, is a one-man operation. Meanwhile, the fastest-growing racial/ethnic group in the state is Asians, including immigrants from a diverse group of countries with many languages.
Challenges information providers face, and how they face them

RUNNING A BUSINESS

The nonprofit news organizations in North Carolina face the same challenges nonprofit news organizations face everywhere. Reporters eager to do good work must learn entirely new skills to build and sustain the institutions they’ve created. Most of all, they learn that a nonprofit is a business, and they face the constant imperative of raising money. The very nature of the information gaps they’ve chosen to fill make this a challenge.

DISTRIBUTION

Nonprofit news organizations also face a related challenge of particular importance to the media ecosystem: distribution. All such organizations interviewed give away their content for free. In the case of North Carolina Health News, syndication had been an initial part of the business plan, but Hoban couldn’t get newspapers to pay even a small amount for the journalism she was producing. Carolina Public Press and Coastal Review Online both adopted the approach of giving away content to establish themselves as credible news sources and generate interest in their work. Both are now trying to transition to driving readers to their own sites and generally getting stronger name recognition.

As Angie Newsome, founder of Carolina Public Press, put it, “The reasons we exist are the reasons we can’t get adequate funding. We’re serving a rural, sparsely populated Southern Appalachian community that has been pretty much ignored by the national press, the state press, and abandoned by the owners of the corporate dailies.”

Funders who invest in original news reporting also express concern about this problem. They’re concerned at the lack of influence that legacy media have, so it’s harder to make an impact in policy debates. “You can do the biggest, best piece of accountability journalism ever and somebody else from some other publication can say, nah, that’s not right, and it doesn’t go anywhere,” Circosta said. “It’s a whole new world.”

This disconnect between production of content and its distribution will be a tough problem to solve. There are spaces that seem ripe for sharing the content of nonprofit news organizations – for example, UNC-TV, which is ramping up programming for its North Carolina Channel. Content-distribution collaborations, however, take time and trust to set up. Profit-driven outlets need content but so far have shown they won’t pay even a minimal amount for it.

Yet an opportunity may exist to engage with those local outlets as stakeholders and build a content strategy with them around solutions.
FREELANCE REPORTING DOESN’T PAY THE BILLS

Barry Yeoman is a longtime North Carolina-based investigative reporter who for many years has made a living as a freelance writer for national magazines and other publications. He writes about Southern politics, and North Carolina’s politics specifically, for outlets such as The Washington Post and The Nation. His knowledge of state history and memory of politics means he has the perspective to place current events in context, which contrasts with the typical parachuting journalist. In this way, North Carolina benefits from Yeoman’s continued residence in Durham.

Yeoman said the national freelance market is getting tougher. Freelance budgets are smaller and contracts from major magazines now come with boilerplate language that indemnify publishers from libel even in cases of “alleged breach of contract,” essentially hanging the reporter out to dry even in cases with frivolous claims. His refusal to sign such a contract has narrowed his options as a writer. He is teaching more and writing more for college alumni magazines. He’s also looked to “creative partnerships” between nonprofit news organizations and legacy or quasi-legacy media. Yeoman is particularly enthusiastic about the Food and Environment Reporting Network (FERN), a national nonprofit investigative journalism organization that partners with media outlets on enterprising stories and guarantees a living wage to its writers. Thanks to FERN, Yeoman recently published a long-form multimedia story on Native Americans in Louisiana trying to hold on to their food traditions as they lose their land to coastal erosion and rising sea levels. FERN partnered with the New Orleans-based nonprofit news site The Lens and with the Gravy podcast of the Southern Foodways Alliance. Pooling the budgets of multiple outlets generates enough money for Yeoman to put in the time necessary to do the reporting, writing, and multimedia production required to pull off that story.

Kirk Ross isn’t earning a living wage, despite being a prolific reporter with expertise on state politics and environmental issues. He estimates his annual income has been below $20,000 for the past several years (his partner has a steady job and health insurance, and they have no kids). Ross is the only member of the capitol press corps who’s a freelancer (his affiliation is with Carolina Public Press). “It occurs to me when I’m in committee rooms that I’m the lowest paid person in this room, and I’m the one who’s supposed to report on it to other people. It’s not how I would design things.” Ross has tried his hand at being an entrepreneur, launching a hyperlocal newspaper in Carrboro (now defunct) and an online state politics site he publishes when he can. “I’m 58 years old and I’m faced with the idea, do I really want to start a business now? I don’t. I want to report. I can, and I know how, and I’ve put myself in a position of good access and being in the room when something’s happening. What I need to do is do a good job and let other people put together how to save journalism.” His greatest worry is legal exposure. “It’s made me not want to pursue certain things.” Ross is a charter member of the North Carolina Newsroom Cooperative.

“Freelance budgets are smaller and contracts from major magazines now come with boilerplate language that indemnify publishers from libel, even in cases of ‘alleged breach of contract.’”
Cultivating Opportunities

While there are certainly many challenges facing the news and information ecosystem, there are many opportunities. Here are some bright spots that organizations are experimenting with now.

ENGAGEMENT INITIATIVES

FREE PRESS’S NEWS VOICES

Free Press launched its News Voices: North Carolina campaign in April 2017, expanding the engagement model it piloted in New Jersey. This time the emphasis was on building statewide networks to bolster the information ecosystem between newsrooms, nonprofits, and civic activists. News Voices puts the communities and people who live there at the center of the work, hosting public forums and other conversations in which newsrooms are invited to take part. The goal is to support news and information that serves the public’s civic needs. News Voices planned a large public forum in Charlotte in August 2017 and anticipates another in the Triangle in January 2018, with a third public forum to follow in the spring. (Disclosure: The author of this report directs this program, which is funded by Democracy Fund.)

ENGAGEMENT TOOLS

Several news organizations in the state have been working on community engagement projects using Hearken, GroundSource, and other platforms and tools. Public radio stations WFAE in Charlotte and WFDD in Greensboro and public television station UNC-TV are using Hearken, the community-driven reporting tool. EdNC launched its Reach NC Voices initiative in early 2017, enlisting GroundSource and Raleigh-based Cityzen to create an “architecture of participation” involving polls, SMS text messaging, and chatbots to gather input from teachers, parents, and other stakeholders in school districts across North Carolina to inform reporting and policy discussions. Andrew Haeg of GroundSource is working with the EdNC team to develop this complex, groundbreaking system.

LIVE EVENTS

In-person listening events are also part of the mix for local news outlets. In 2016, North Carolina Health News gathered perspectives from former patients, families, and caregivers from the Dorothea Dix psychiatric hospital and held a daylong forum on how to commemorate Dix’s history while its property is converted into a city park. Carolina Public Press has been doing “Newsmakers” events for years, going deep on topics the paper is covering and finding new stories and sources in the process. NC Policy Watch hosts a lunchtime conversation series in Raleigh called “Crucial Conversations” about topical subjects, often with invited speakers of national prominence. Charlotte Magazine hosts a popular live event series (with complementary social media engagement) called #DiscussCLT.

Legacy media outlets have been trying out engagement, as well, building on their work from the civic journalism movement of the 1990s. The News & Observer’s opinion section launched
an engagement event series in March 2017. Called “Community Voices,” it uses a familiar panel-discussion format on selected topics. The Fayetteville Observer plans to establish community advisory boards that will meet once a month, and it hopes to host a town hall-style meeting later in 2017. “Anything we can do to put our faces out in the community and make them more accessible, the better,” said Leclercq. “Also it’s going to help us because they’re going to see who we are – we’re not just The Media, we’re a local newspaper that cares about the community and is trying to do good stories.”

BUSINESS MODELS

TRAINING

The UNC Knight-Lenfest Newsroom Initiative is using grants and programmatic resources to support a small but diverse set of local news outlets across the state – including small-town newspapers, public media, and a commercial TV station in Durham – to address audience trends, sustainable business models, and digital capacity.

HUB ORGANIZATIONS

The North Carolina Newsroom Cooperative has explored a cooperative model and other possible approaches to serve independent journalists and nonprofit storytellers through shared resources and coworking, while using public programming to lift up the value of journalism.

FOUNDATIONS

Funders in North Carolina are investing in journalism to advance their missions. One funder, the A.J. Fletcher Foundation, has even tried hiring an in-house researcher/reporter to cover the area it wants to impact. The foundation started out by funding a reporting position at NC Policy Watch to cover education, but it felt that the demands of daily deadlines and the need to cover the news of the day conflicted with its goals to provide an enterprising analysis of school accountability. Fletcher decided to hire Lindsay Wagner, who publishes her work directly on the Fletcher Foundation website and promotes it heavily on social media. “We realized we’re in a unique position because we’ve been supportive of nonpublic education options like charter schools and private schools, but at the same time, we believe in public education and we’re concerned that as public dollars shift toward private options, there’s not a lot of transparency,” said Damon Circosta, director of the A.J. Fletcher Foundation.

COLLABORATION

Several news outlets share content, which may serve as a gateway to deeper collaboration in the future.

*Carolina Public Press* and North Carolina Health News have shared content at times. *Coastal Review Online* shares stories with three publications – the *Island Free Press* in Hatteras Village (online), *The Outer Banks Voice* (online), and the *Tideland News* of Swansboro, a community newspaper.
Univision has a partnership with English-language TV station WTVD (the ABC affiliate) to share content, bringing their Spanish-language reporting to an English-speaking audience and vice versa. WTVD is also collaborating with The News & Observer to broadcast the newspaper’s newly launched public engagement forums.

*The Fayetteville Observer* has a partnership with WRAL, providing space for WRAL reporter Gilbert Baez. Leclercq praised WRAL’s investigative projects and coverage of military affairs, but said that day-to-day coverage is usually limited.

An organic collaboration between alternative weeklies emerged when *Indy Week* in the Triangle wanted to hire Barry Yeoman to write a long-form explainer on the politics behind House Bill 2 (HB2), the state's controversial “bathroom bill.” Because Yeoman commands a higher story fee than *Indy Week*’s budget could manage, the weekly pooled its resources with *Triad City Beat*, and Yeoman’s article ran in both papers. Jordan Green, a founding editor at *Triad City Beat*, said the paper (which is owned by a for-profit company) has raised money for an investigative fund, some of which it used to pay for Yeoman's story.

**PAST COLLABORATIONS**

As we look toward the possibilities for collaboration, it’s useful to consider past efforts that are now defunct.

In 1996, several of the state’s major newspapers, public radio stations, UNC-TV, and some commercial TV stations collaborated on a project called Your Voices, Your Vote, to bring voters’ voices and concerns into the coverage of the U.S. Senate and governor’s races. The project was not grant funded. Partners shared the cost of statewide polls and collaborated on some stories, while producing many on their own.

A few years ago, the Knight Foundation supported the Charlotte Arts Journalism Alliance, with support from the National Endowment for the Arts. The initiative paid for freelance arts coverage that was picked up by *The Charlotte Observer* and WFAE, among others. The project wound down when the grant period ended.

Around 2010–2011, *The Charlotte Observer* collaborated with a group of hyperlocal and regional sites called the Charlotte News Alliance (CNA), sharing work of those outlets and bloggers on its site. Former editor Rick Thames said those relationships fizzled without the dedicated support to maintain them. Today, the CNA page on the Observer’s site features only stories from WBTV, a local affiliate, and they are entirely stories about weather and crime. DavidsonNews.net, a leader in the CNA and a nationally known hyperlocal, shut down operations in 2015. Its editor and publisher, David Boraks, is now on the news staff at WFAE. There may be room to rebuild the capacity around some of these collaborations in the future.

“Several news outlets share content, which may serve as a gateway to deeper collaboration in the future.”
Economic, political, and social issues that shape journalism and media in North Carolina

North Carolina is a purple state. Of its 6.7 million registered voters, 39 percent are registered Democrats, 30 percent are Republicans, and 30 percent are unaffiliated. The proportion of unaffiliated voters continues to grow each year.

The rawest measure of a state’s political leaning – who won the presidential election – has swung back and forth in recent years, with Barack Obama turning the state barely blue in 2008, just holding on in 2012, and Trump turning it red again in 2016. As in much of the country, North Carolina’s voters are highly polarized geographically. Racially diverse urban areas went for Hillary Clinton and Barack Obama, respectively, while Donald Trump and Mitt Romney swept white-dominated suburban and rural areas of the state.

The pendulum swings hard in other respects as well. Republicans currently hold a supermajority in both houses of the state legislature, yet voters elected Democrat Roy Cooper as governor in 2016. With HB2, Republican legislators superseded the City of Charlotte and other municipalities’ policies.

In 2017, the U.S. Supreme Court weighed in on the ongoing controversy over gerrymandering, ruling that the state’s voting maps are unconstitutional because the Republicans who drew them in 2011 packed black citizens into districts to dilute their voting power. It was this 2011 redistricting that secured Republican control of the legislature. These maps also ensured that rural and suburban areas would have outsized influence in the legislature, making a purple state redder at the top.

The state’s population is growing at a rate of about 1.1 percent per year, higher than the national average of 0.7 percent. North Carolina has the fifth largest net migration of any state in the country, with migration accounting for three of every four new residents since 2010. These newcomers now make up 46 percent of the state’s eligible voters, and they are much more likely to register as unaffiliated.

All these newcomers aren’t just changing the political landscape; they’re impacting the economy and culture, as well. An average of 62 people move to Wake County every day, and growth numbers are similar in Mecklenburg and Durham. This growth brings economic prosperity but places a strain on infrastructure. And newcomers lack basic information about local government, even which towns or counties they technically live in. News organizations are missing an enormous opportunity to reach newcomers before their news habits become ingrained.
Yet geography, commuting patterns, and economic centers pull people’s attention in different directions — Asheville is closer to Atlanta than to Raleigh, for instance. So while metros are growing, they are also growing apart — a problem that relates to the lack of statewide media. This lack of a statewide identity might be less of a problem were it not for the fact that North Carolina is a Dillon’s Rule state, meaning that what happens in the state legislature dictates much of what can happen at the local and county levels. While someone in Winston-Salem may not care what happens in Wilmington per se, every community would benefit from stories about how solutions to problems like water quality, gentrification, and school accountability have played out in other parts of the state.

Meanwhile, rural North Carolina is seeing ongoing net population loss, thanks to the decline in traditional industries. As a result, news outlets in rural parts of the state have lost their business and advertising base; their audiences skew older, and the entire population of their communities is aging. The poorest places in the state are in clusters of southeastern, northeastern, and mountainous western rural counties.

The different economic realities, along with confusion and frustration over the policies and leaders responsible, have reinforced an intense political and cultural divide between rural and urban parts of North Carolina.

Damon Circosta of the A.J. Fletcher Foundation used to run the North Carolina Center for Voter Education and has been working on bridging this political divide throughout his career. He’s concerned that the rise in straight-party voting reflects a lack of attention to civic information. “People don’t vote, right? And often, people who do vote don’t vote policy issues, they vote tribe.” The knotty problem is to get people to look beyond political identity and engage them on the policies that affect what they care about.

Internet access remains a major problem in North Carolina. The state passed a cable franchise act in 2006, ostensibly to pave the way for broadband competition from telecommunications companies that never truly came, but which did cause disinvestment in public access TV and the community media opportunities those channels provided. Then came a brutal fight over municipal broadband, spurred by a high-profile municipal broadband launch in Wilson, N.C., one of many post-tobacco, post-industrial cities underserved by commercial services. In 2011, the legislature passed a law to outlaw the expansion of Wilson’s service to areas outside the city limits. e-NC Authority, a state initiative devoted to expanding broadband access, was dissolved shortly thereafter. A new Broadband Infrastructure Office was established in 2015 to work across state agencies to identify infrastructure needs. That office is now gathering user data on access and speed to correct maps based on industry data. Reliable, affordable broadband access remains a major issue in the mountains, on the coast and in rural and/or high-poverty areas of the state. Access to online news is therefore impossible in the very areas that are most in need of it, and lack of access presents challenges to organizations like Coastal Review Online and Carolina Public Press.
Hopes and aspiration for the future: How visions align (or don’t)

OWNERSHIP

Once fierce competitors, The News & Observer in Raleigh and The Charlotte Observer joined operations when McClatchy purchased Knight Ridder in 2008, bringing them under the same umbrella. The Fayetteville Observer was the last metro paper in the state under family ownership until 2016, when it was purchased by GateHouse Media, which also owns the Wilmington Star-News. Gannett’s only daily is the Asheville Citizen-Times. BH Media Group owns the Greensboro News & Record and the Winston-Salem Journal. As of 2016, investment firms own 40 of the state’s 185 newspapers. Ownership was also concentrated, with some of the biggest national chains owning many papers: Civitas Media owned 15, McClatchy 12, GateHouse Media (owned by New Media Investment Group) owned 12, BH Media Group owns 11, and Cooke Communications owns 11.6 If the Sinclair-Tribune merger goes through, Greensboro’s local TV news market will be dominated by one company.

In her bookSaving Community Journalism and through programs at UNC, Abernathy has attempted to show papers how they can strengthen their business models by shedding legacy costs and establishing new revenue streams. Yet given the trend away from local ownership, there is a widespread fear that the attitude of publishers toward their media properties is extractive and focused on the short term, creating anxiety about whether this infrastructure of local media is sustainable.

A few standouts worth mentioning are The Pilot in Southern Pines, owned by a group that includes members of the Daniels family (former owners of The News & Observer), who have invested in lifestyle magazines, newsletters, and other news products, and The News Reporter in Whiteville, also family owned, which has invested in an in-house marketing and advertising company to serve local businesses.

Other family-owned newspapers are not so well positioned for the future. A conversation...
Hopes and Aspirations for the Future

with Teri Saylor, a former executive director with the North Carolina Press Association, who now writes about community journalism for the National Newspaper Association’s publication, *Publishers’ Auxiliary*, offers the human side of a trend Abernathy documented in her paper on the consolidation of community papers. Saylor said when independent owners of small community newspapers are ready to retire without successors within their own families, they struggle to sell their papers for a satisfying amount, given the devaluation of newspapers. They often look for opportunities to consolidate with other community newspapers, and in some cases, they are willing to sell to chains and private equity groups to keep their newspapers going.

African-American newspapers face many of the same challenges that other community newspapers face: an aging readership, a lack of capacity or incentive to go online, and family ownership that faces a generation gap, which could lead to either shutting down or selling the paper. Journalist Cash Michaels has been writing for the black press throughout his career. “People who are most loyal to what we’ve traditionally done are dying off now,” he said, “and we’re trying to compete for a generation of readership that did not live through the civil rights movement. They don’t have the same loyalty to African-American newspapers even though the issues haven’t changed.”

MEDIA LITERACY

Several people interviewed expressed anxiety about the public’s lack of media literacy. Monica Hill of the North Carolina Scholastic Media Association said high school journalism instructors are asking for curriculum that provides fundamental news literacy. “One teacher said to me, ‘My students need to know the difference between fact and fiction,’” Hill said. But these same educators say they’re worried that students may perceive a lesson on news values will come across as partisan. They feel the obligation to help their students apply news values to information, but they’re worried that they might get a phone call from a parent if they say something that student perceives as partisan, Hill said. This was a striking illustration of the challenges that educators face.

Marshall Hurley is an attorney in Greensboro and the former general counsel of the North Carolina GOP. While he’s taken a step back from political activism in recent years, he still reads the news and follows local politics: “When I first started practicing law many years ago, it seemed to me that my entire circle of peers, acquaintances, and colleagues had equal access to a daily morning newspaper.” For good or bad, Hurley said, the newspaper’s editors dictated what was worth paying attention to, and people in the community shared a common base of knowledge. The same is not true today, he says. “I think people are still well informed, but they’re informed about many different things, from different sources. That’s the most profound shift in my lifetime. I don’t know that that’s bad, and I don’t know that that’s good.”
SUNSHINE LAWS

There is also concern about the trend against government openness. The legislature continues to pass exemptions to public records and public meetings laws. There are now 140 exemptions to the laws, which were passed in the 1990s. “The trend is against transparency,” said Jonathan Jones of the Sunshine Center of the North Carolina Open Government Coalition. According to an Elon Poll, only one-third of North Carolinians realize they’re entitled to public information. Jones is working to address this by advocating that government transparency be added to the state’s official civics curriculum. He would also like the North Carolina Open Government Coalition to take a more active lobbying role, as similar organizations in other states do. “We can do quite a bit of good with education,” said Jones, “but if we’re losing in the legislature, what have we accomplished?”

LEGAL RESOURCES

As government becomes more closed, reporters are feeling less brave. A recent libel verdict against The News & Observer, as well as national anxiety following the Gawker verdict, has created anxiety about investigating wealthy, litigious people. Freelance reporters Yeoman and Ross mentioned concern about legal exposure. “As journalism relies more on freelancers and independent contractors, journalists have less protection, no legal department watching their back,” Ross said. “The current caustic atmosphere is also a factor. There are bad actors and you can’t ignore that.”

North Carolina Newsroom Cooperative has considered providing legal protection to members through co-founder Hugh Stevens.

“As government becomes more closed, reporters are feeling less brave.”
Food for thought: Moving forward

While North Carolina has much in place to build upon, it is also at the very early stages of developing a cooperative media ecosystem. North Carolina’s media – both nonprofit and for-profit – need incentives, capacity, support structure, and people who can facilitate collaborations. Most of all, they need to see strong models and experience positive shared outcomes to understand how collaboration can work and what the payoff looks like. Early successes can build trust and strengthen relationships, which in turn can lead to more formal collaborations.

To truly drive innovation, these collaborative models would need to embrace engagement as an ethos, a journalistic practice, and a business model. From a practical standpoint, these models should be audience-first and should embrace technology and the realities of modern media consumption.

In this report, we’ve given a broad overview of what we’ve observed about North Carolina’s news ecosystem as it stands now. There are difficulties, but there are also many possibilities to help make a more diverse, resilient, and connected local news ecosystem in North Carolina in the next decade. So, what’s next? Here are 10 ideas pulled from the interviews and research to spark conversation about building the future of North Carolina’s local news ecosystem. These are merely ideas, not prescriptions, and should be read as the beginning of a brainstorm.

1. **Convene place-based funders.** Discuss ways news and civic information can fit into the portfolios of place-based and issue-oriented funders.

2. **Set up backbone infrastructure.** Establish and strengthen the operational infrastructure to give capacity to existing organizations and help new projects get off the ground (without having to reinvent the wheel). One of the functions this infrastructure could serve, fiscal sponsorship of new organizations and of specific projects, could be modeled on the Southern Documentary Fund.

3. **Tackle the distribution challenge.** Address the disconnect between the infrastructure of community newspapers that need strong content and the financial sustainability of the nonprofit organizations doing great work but giving it away for free. The NCPA and UNC’s Center for Innovation and Sustainability in Local Media would be natural partners in this effort. The information needs of local communities should be central.

4. **Make capacity investments in the state’s nonprofit news sector.** EdNC, North Carolina Health News, Carolina Public Press, and Coastal Review Online all need support to make strategic decisions about financial sustainability, distribution, and growth. Consulting services would be as valuable to them as grants, and technological capacity would help, too. Creating incentives for partnerships either among nonprofit outlets or between nonprofit and for-profit or public media outlets would also be of great value.
5. **Foster collaborations between public media outlets.** Public radio outlets have expressed interest in developing more and stronger public affairs programming. There may be an opportunity to bring these stations together to share the cost of a state government correspondent, who could report on specific bills and issues of interest to particular geographic communities. Another possibility would be a statewide news magazine in the same vein as Texas Standard, a daily news magazine program that originates from Austin’s KUT but is comprised of reporting from local stations all over the state. Texas Standard uses a “white label” approach to branding, which allows those local stations to fundraise around it, a promising model for financial sustainability. Another opportunity to consider is working with UNC-TV, with its unparalleled reach, to find a way around its governance limitations to provide substantive public affairs programming, perhaps as the engagement leader in a collaborative or as a distributor of programming produced by others.

6. **Embrace ethnic media and address the Spanish-language gap.** Work to integrate Spanish-language, African-American and other ethnic media into the larger conversation about the future of journalism in North Carolina. Engagement has been part of the survival for these outlets, and they have a lot of insight to bring to that part of the conversation. They also have the trust of their audiences. What they don’t necessarily have is capacity to expand training, build expertise, develop business and organizational opportunities, and adapt to technology. Second, and related to this, is the urgent need for greater newsroom diversity and language skills among legacy reporters. It’s startling how many newsrooms in the state do not have a Spanish-speaking reporter – someone who can communicate with an entire portion of the population. Collaborations with ethnic media outlets may be one way to address this issue. Another would be to create incentives for newsrooms everywhere to develop this basic language capacity and the cultural competency that needs to go with it.

7. **Host a summit on news deserts and rural information needs:** Bring the research and activities of Penny Muse Abernathy and UNC-Chapel Hill into a broad discussion among civic stakeholders serving rural communities. This civic network would include the small colleges and universities that serve as key anchor institutions, along with organizations like the N.C. Rural Center. It would also include both legacy, for-profit media (Curtis Media’s radio stations and NCPA member newspapers) and startup nonprofit media. Bringing together groups that serve minority populations (including Native Americans, African Americans, Latinos, and immigrants) along with prominent leaders in “red” areas of the state would require careful cultural competency and strategic framing (i.e., away from national politics) but could yield a much-needed conversation about local information needs.

8. **Host a summit on news and civic information around food and agriculture in North Carolina.** This topic is not only an important information gap that needs attention, but also a way to address the problem of rural news deserts. Such a summit could generate awareness of the lack of coverage, surface people and organizations with the interest and capacity to take on the problem, allow for brainstorming around partnerships, and bring would-be funders to the table. Organizations could include news outlets (including metro newspapers, nonprofit news outlets named above, Spanish-language media, Curtis Media, and national outlets FERN, Center for Investigative Reporting, and ProPublica), funders (including the Golden LEAF Foundation, which stewards North Carolina’s tobacco settlement money), good government groups (the
NCPA and North Carolina Open Government Coalition), universities (especially Eastern Carolina University, North Carolina A&T University, North Carolina State University, and Appalachian State University), nonprofits (including the Rural Advancement Foundation International, immigrant advocacy groups Student Action with Farmworkers and Alerta Migratoria NC, environmental groups MountainTrue and Southern Environmental Law Center), the North Carolina Farm Bureau, and North Carolina Commissioner of Agriculture Steve Troxler.

9. **Support a collaborative effort on media and civic literacy.** As mentioned earlier, *The Daily Tar Heel* at UNC-Chapel Hill has been reinventing community journalism and offering its proven model of journalism training to a wider audience. Combining this effort with the digital literacy work led by Queens University's Bruce Clark among nonprofits and community organizations across Charlotte's neighborhoods, and the network of high school journalists and instructors led by Monica Hill, and the civic literacy around open records under development by Elon's Sunshine Center could yield a powerful set of ideas, practices, and allies for statewide work.

10. **Link the documentary and arts communities with the news ecosystem.** Reporters, producers, and news entrepreneurs have a lot to learn from North Carolina's documentary film communities about financing, distribution, and collaborative production and engagement models. The Center for Documentary Studies, Southern Documentary Fund, and UNC Wilmington would be natural partners for this, and the North Carolina Newsroom Cooperative might be a good convener. This might be a conference or a longer-term network-building effort.

While there's much about North Carolina's media ecosystem that is common to many other places, its notable characteristics are the same qualities that make the state a good candidate for an ecosystem approach. There is in general a neighborly spirit that has characterized its legacy media even during times of heavy competition, and certainly in times of hardship. When Hurricane Matthew flooded the newsrooms and presses of community papers down east, other publishers stepped up to help them get the news out. This spirit of camaraderie is also certainly present within the nonprofit and funder sectors, where collaboration and networking are strong.

These many networks, both inside and outside of North Carolina's journalism communities, can be the foundation for helping North Carolina's news ecosystem become more resilient, sustainable, collaborative, and diverse.

“There are difficulties, but there are also many possibilities to help make a more diverse, resilient, and connected local news ecosystem in North Carolina in the next decade. So, what’s next?”
ABOUT THE AUTHORS

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ABOUT DEMOCRACY FUND

Democracy Fund is a bipartisan foundation established by eBay founder and philanthropist Pierre Omidyar to help ensure that the American people come first in our democracy. We work on things that make democracy work better.

Our Public Square Program works to ensure that every American can participate in a vibrant public square. We believe all communities should have access to the news and information they need to participate fully in our democracy and we support organizations working to foster more audience-centered, trusted, resilient local journalism that operate as critical community hubs for information, dialogue, and civic engagement.

For more information, please visit democracyfund.org.
Endnotes


