

**FINDING FRIENDS FOR THE *TYEE*:
A PLAN FOR A READER-SUPPORTED JOURNALISM PROGRAM**

by

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ABSTRACT

This report introduces the *Tyee*, an independent, online-only regional news magazine. Like most magazines, the *Tyee* constantly searches for new revenue sources to become financially stable. In 2009, the *Tyee* undertook a one-time fundraising campaign aimed at readers. It was so successful that the staff conceived the idea of enlisting reader support as an ongoing revenue source. This report identifies the factors that contributed to the success of the one-time campaign, considers their applicability to a continuing campaign, and describes the planning process that led to the design of an ongoing fundraising program, whose key element was to invite reader participation in editorial decisions in exchange for financial contributions. The report then describes the proposed program and offers recommendations for further development. It concludes by considering the feasibility of the proposed program and the contribution it can make to the search for new journalism funding models.

Keywords: Reader-supported journalism; crowdfunding; crowdsourcing; online-only news media; funding models for journalism; membership models; independent media; regional publications; reader participation

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INTRODUCTION

Traditionally, newspapers have played an irreplaceable role in delivering quality news journalism. They have subsidized editorial and production costs mainly with two revenue streams: paid circulation (selling news to people who want to read it) and advertising (selling readers to advertisers). But this mechanism is ceasing to work. According to a report issued by the Project for Excellence in Journalism, the newsroom staff of American newspapers decreased by roughly 25 percent between 2001 and 2009.¹ This number shows that conventional localized quality journalism—a pillar of democratic societies—is at risk.

The layoffs have been caused by slumping advertising and circulation revenues, which in turn were caused not only by economic downturn, but also by the emergence of the internet and digital technologies.

Nicholas Carr explains that the internet made the creation, reproduction, and distribution of cultural goods—such as newspaper articles—easy and cheap.² Creation by professional journalists is still expensive, but the means to reach large audiences have become abundant, easily accessible, and widely available. Today, because of this shift from scarcity to abundance, users have many choices of what to read, including plenty of news that is available online for free.³ Hence, fewer people subscribe to print newspapers and circulation revenues have declined.

To compound matters, newspaper publishers' hopes that advertising in their online editions would come to the rescue have, so far, largely been disappointed. Newspapers have lost much of their classified advertising revenue to specialized websites with free listings, such as craigslist. Moreover, online advertising is not as lucrative as print advertising; there-

1 Project for Excellence in Journalism, "Newspapers: News Investment," Project for Excellence in Journalism 2009, http://www.stateofthemediamedia.org/2009/narrative_newspapers_newsinvestment.php?media=4&cat=4#9jobs (accessed January 26, 2010).

2 Nicholas Carr, *The Big Switch: Rewiring the World, From Edison to Google* (New York: W. W. Norton & Company, 2008), 150–56.

3 Ibid.

fore, newspapers have had limited success in converting their growing online reach into substantial revenue growth.⁴

Clay Shirky believes that newspapers and the traditional subsidization model of journalism are in a systemic crisis. He states that the subsidization of print journalism by advertising happened accidentally. According to him, it only worked because printing presses are expensive to purchase and run, which limited the competition for newspapers. As a result, advertisers were dependent on the papers as they had no other carrier for their ads. This created a situation in which advertisers—rather unwillingly than willingly—subsidized journalism. But the internet altered this situation by making the means of publishing information available to almost everyone. Today, this new situation allows advertisers to decrease their dependence on newspapers, and the accidental link between advertising and reporting ceases to exist. Shirky is therefore convinced that the conventional business model of newspapers is irrevocably broken and that no new general model will be able to replace it. He concludes that instead of trying to find ways to save newspapers, we have to find ways to save journalism: society needs journalism, not newspapers.⁵

Cutbacks on coverage and reporting staff in the newspaper industry (and the entry of freelance experts with access to internet distribution) have brought more readers to online-only news publications. But this next generation of news media is also struggling to find working business models, because the traditional subsidy system is broken for them as well.

Shirky explains that in the current revolution, “the old stuff gets broken faster than the new stuff is put in its place.” In his opinion, all new working models to support professional journalism are special cases, and none can be extended to work as a model for others. He predicts that journalism in the next decades will be delivered by publications with various

⁴ Max Deveson, “Crisis in the US newspaper industry,” *BBC News*, February 27, 2009, <http://news.bbc.co.uk/2/hi/americas/7913400.stm> (accessed August 27, 2010).

⁵ Clay Shirky, “Newspapers and Thinking the Unthinkable,” Clay Shirky Blog, entry posted March 13, 2009, <http://www.shirky.com/weblog/2009/03/newspapers-and-thinking-the-unthinkable> (accessed January 26, 2010).

unique business models until eventually we have a set of working models. Now is the time of experimentation, he concludes.⁶

This report seeks to contribute to the search for working models, by documenting a special case and an experiment. The special case is the *Tyee* (thetyee.ca), an online magazine specializing in investigative reporting and non-mainstream commentary on news and issues in British Columbia. The *Tyee* generates some advertising revenue but still depends on its investors. To achieve stable, consistent revenue streams, it has to experiment to find innovative, sustainable ways of funding.

The experiment documented here is a fundraising project that focuses on readers. In April 2009, during a provincial election campaign in BC, the *Tyee* ran a fundraising drive that asked readers to provide financial support for extended coverage of election issues; in return, readers could choose the topics to which their donations would be directed. The experiment was a great success: the fundraising goal was exceeded by a factor of nearly five. This encouraged the *Tyee* to explore whether and how the experiment could be expanded into an ongoing donation program, even though the *Tyee* is a for-profit company, unlike most organizations that seek support funding. To get funding for expanding the project, the *Tyee* decided to apply to the Knight News Challenge, a contest administered by the John S. and James L. Knight Foundation that helps to fund innovative news-media projects. In several planning meetings, the staff of the *Tyee* developed a proposal for an innovative reader contribution program, which was submitted in December 2009.

As an online advertising and business intern with the *Tyee* in summer 2009, I had the opportunity to do basic research for and participate in the planning phase of the ongoing reader contribution program, and thus the expansion of the first fundraising project. That work became the foundation of this report, which describes the planning process that led to the submission of a program proposal to the Knight News Challenge, outlines the proposal, and adds recommendations and cautions for the further development of the program.

⁶ Shirky, "Newspapers and Thinking the Unthinkable."

In overview, chapter 1 offers an introduction to the *Tyee* and its ongoing challenges, then chapter 2 describes the election fundraising campaign and hypothesizes which factors contributed to its success. Chapter 3 describes the strategy and planning process undertaken to convert the success of the one-time campaign into a strong ongoing fundraising program proposal: the *Tyee*'s vision for the ongoing program, the information that was gathered, and the challenges for the program that were identified. Chapter 4 introduces details of the proposal that was submitted to the Knight News Challenge. Chapter 5 studies the draft proposal, points out crucial aspects, and makes suggestions for further development. Finally, the conclusion summarizes the main findings of the report and the program's opportunities and prospects.

Reader-supported journalism is a new subject; therefore, much of the research for this report is drawn from online sources. The report also uses resources on traditional fundraising as well as sources within the *Tyee*.

The goal of the ongoing program is to *contribute* to the funding of journalism at the *Tyee*; that is, to bring a new revenue source to the mix, which must be increasingly diversified in the digital age. It remains to be seen what significance this revenue stream will have, and whether it will prove feasible in the short and long terms.

1: BACKGROUND: THE *TYEE*

The *Tyee*, with headquarters in Vancouver, BC, was launched in 2003 by David Beers, the *Tyee*'s editor-in-chief. His intention was to produce and deliver traditional-quality journalism online. Out of this initial intention grew an elaborated mission statement for the *Tyee*:

The *Tyee*'s mission is to be a widely read and respected independent online magazine that publishes news, reviews and commentary not typically covered by BC and Canada's mainstream media. Our aim is to inform and enliven the democratic conversation necessary to improve environmental and social conditions.⁷

Not mentioned in this statement is the *Tyee*'s British Columbia focus, which, combined with the goal to publish content that is not typically covered by mainstream media, defines the *Tyee*'s publishing niche: the only BC-focussed news source with a progressive point of view. As a result, the *Tyee*'s content is, in theory, unique: not available elsewhere and not interchangeable with content produced by mainstream sources.

The *Tyee* also has a social mandate: by informing and enlivening non-mainstream conversations about environmental and social issues, the publication garners more attention for these issues on the public agenda, and thereby seeks to improve society.

The *Tyee* publishes three to four feature stories five days a week, and a small handful of shorter blog items. Most of the articles are long, in-depth pieces. In general, the journalistic focus is on investigative and solutions-oriented reporting on issues in BC, with regular opinion and analysis pieces on everything from politics to film. The *Tyee* also runs a political blog, *The Hook*, with revolving contributors. The magazine employs one full-time editor, one full-time reporter, one half-time reporter, and many freelance writers.

The editorial team has established a good reputation for the magazine. Many awards for editorial excellence confirm this reputation officially and prove that the publication has built

⁷ Michelle Hoar, email message to author, November 3, 2009.

a track record as a trusted voice.⁸ The fact that other mainstream media pick up scoops by the *Tyee* is more evidence of this reputation.⁹ It also shows that the *Tyee* is successful in bringing certain issues to the attention of large audiences, which may help the *Tyee* to achieve its mission to initiate democratic conversations on these issues. The *Tyee* itself reaches between 150,000 and 170,000 readers in an average month.¹⁰

The *Tyee*'s readership consists mainly of older people (60 percent are older than forty-five). BC readers account for 86 percent of the total, and most readers are highly educated: 83 percent hold a university or college degree. Readers share an interest in politics, environment, human rights, and justice, and they are generally interested in a regional and local perspective. Hence, they share many values of the magazine itself. And they are satisfied with what the *Tyee* delivers: 87 percent evaluate the *Tyee* as brilliant or good. A respectable 92 percent of the respondents agree that the *Tyee* is "an invaluable member of the BC news media." The *Tyee*'s independence is important to readers: 78 percent state that the major reason for subscribing to the *Tyee* e-newsletter is to support independent media.¹¹

Despite the *Tyee*'s journalistic success and largely satisfied readership, its business situation is challenging. The *Tyee* was founded in 2003 with initial funding of \$190,000. Most of this amount was provided by Working Enterprises, a company that invests in and supports a range of for-profit and non-profit organizations whose work is of broad benefit to the larger labour community. A much smaller part was supplied by the British Columbia Federation of Labour. Three years later, in 2006, Eric Peterson, an entrepreneur/philanthropist became another investor in the *Tyee*. Further funds were provided by readers through the *Tyee*

8 The *Tyee* won the Excellence in Journalism Award in June 2009 and the North American Edward R. Murrow Award just one month later.

9 For example, the *Tyee*'s story of a first nation youth choir, which was promised to perform in the opening ceremony of the 2010 Olympics but was uninvited later, was a scoop. The *Tyee* published the story on October 23, 2009 and it was picked up by *CBC News* on the same day. One day later, the *Globe and Mail* reported on the story and it became national news.

10 *Tyee*, "Advertise on The Tyee," *Tyee*, <http://thetyee.ca/About/Advertise/> (accessed August 9, 2010).

11 McAllister Opinion Research, "Tyee Readership Survey 2008: An Online Survey of Tyee Readers" (Vancouver, BC, October, 2008).

Fellowship Fund and the election fundraising campaign. In spring 2010, reader contributions amounted to about \$80,000.¹²

The *Tyee* still depends on its investors, whose ongoing funding covers 75 to 80 percent of expenses.¹³ The rest has to be generated from other sources, mainly advertising (\$80,000) and research contracts (\$50,000).¹⁴ The overall annual budget of the *Tyee* is \$600,000.¹⁵

The magazine's budget is lean, forcing it to rely on a small core staff and to focus on content rather than technical development or marketing. Its investors have supported this focus on excellent content rather than pursuit of profit. They are happy to fund the publication at the current rate, but hope that their contributions decline as a percentage of total revenues over time. Having achieved a strong readership and reputation, the *Tyee* is now turning its focus toward increasing and diversifying its revenues, even though the small size of its staff and budget does make it challenging to experiment.¹⁶

For that reason, the *Tyee* decided to tap a new source of funding: its readers. During the 2009 provincial election in BC, readers were asked to donate funds for additional election coverage. The experiment was successful beyond expectations. Encouraged by readers' proven willingness to support the *Tyee*, staff and board members conceived the idea to expand the experiment and to create a Friends of *Tyee* program, which would invite and administer ongoing donations—thereby establishing a reliable, sustainable new funding source for the *Tyee*.

12 Michelle Hoar, interview with author, November 6, 2009; The *Tyee* Fellowship Fund awards are held at Tides Canada Foundation, a national public foundation. Fellowships are disbursed to investigative reporters directly by Tides Canada upon recommendation by the *Tyee*, but they do not provide revenue for the *Tyee*.

13 Ibid.

14 Michael Andersen, "Cash from every corner: Three kooky ways Vancouver's *Tyee* pays for top-shelf regional journalism," Nieman Journalism Lab, entry posted June 24, 2010, <http://www.niemanlab.org/2010/06/cash-from-every-corner-three-kooky-ways-vancouvers-tyee-pays-for-top-shelf-regional-journalism/> (accessed August 10, 2010).

15 BCBusiness Editors and Jeffrey Bichard, "The *Tyee* | Lululemon," *BCBusiness*, April 3, 2009, <http://www.bcbusinessonline.ca/bcb/tech-innovation/2009/04/03/tyee-lululemon> (accessed February 9, 2009).

16 Michelle Hoar, email message to author, February 25, 2011.

2: ELECTION FUNDRAISING CAMPAIGN

The election fundraising campaign sparked the idea to start an ongoing contribution program based on similar principles. This chapter describes the planning and the results of this campaign. It then analyzes the factors that contributed to the campaign's success and considers their applicability to an ongoing program.

2.1 Planning, Deployment, and Results

According to David Beers, the idea for the *Tyee's* election fundraising campaign came up in an editorial meeting, while the *Tyee* was planning coverage of the BC election. The editorial team knew they had the material and the expertise to produce plenty of good stories, but limited resources allowed for only a few. This led to the idea to ask readers to fund additional coverage. So, Beers concludes, the election fundraiser was planned "a little bit on the back of an envelope."¹⁷

On April 6, 2009, Beers published an appeal on the *Tyee's* website, asking readers to donate to the *Tyee's* Election Reporting Fund and to identify which election issues mattered most to them. Readers could choose from among seven different issues, but were also encouraged to name an issue that was not on the list. The *Tyee* promised that each reader's donation would go directly into reporting on the selected issues. In the donation appeal, Beers explained that the extra funding was necessary because the *Tyee* intended to invest in additional coverage of election issues, and this extra research and writing would be expensive. He emphasized that this was a chance to support investigative journalism at a time when mainstream media were cutting back on original reporting. The goal was to raise at least \$5,000.¹⁸

¹⁷ Alfred Hermida, "Online fund-raising experiment by The Tyee pays off," NewsLab.ca, Adobe Flash Player video file, 00:14, <http://www.newslab.ca/?p=167> (accessed January 27, 2010).

¹⁸ David Beers, "Want Great Election Reporting? Please Donate," *The Tyee*, April 6, 2009, <http://thetyee.ca/TyeeNews/2009/04/06/ElectionFunds> (accessed January 28, 2010).

Early in May, Beers informed readers that in the period April 6 to April 14, almost \$25,000 was raised—five times the initial fundraising goal.¹⁹

To display the dramatic results of the campaign, the *Tyee* published a chart (figure 1). In total, 519 readers donated \$24,385, an average of about \$47 per donor, a median of \$25.²⁰ The donations were not tax-deductible. During the election campaign (April 6–14, 2009), 24,587 unique visitors from BC visited the *Tyee*, and 489 of them, around 2 percent, made a donation.²¹ Unsurprisingly, almost all donors came from BC. About 46 percent of the donors, or 237 readers, chose not to designate an issue to which their donation should be allocated. Those readers were included in the category Tyee’s Choice. Overall, however, the invitation to specify how to allocate the donation was well accepted. All category choices provided the *Tyee* with valuable information about its audience.

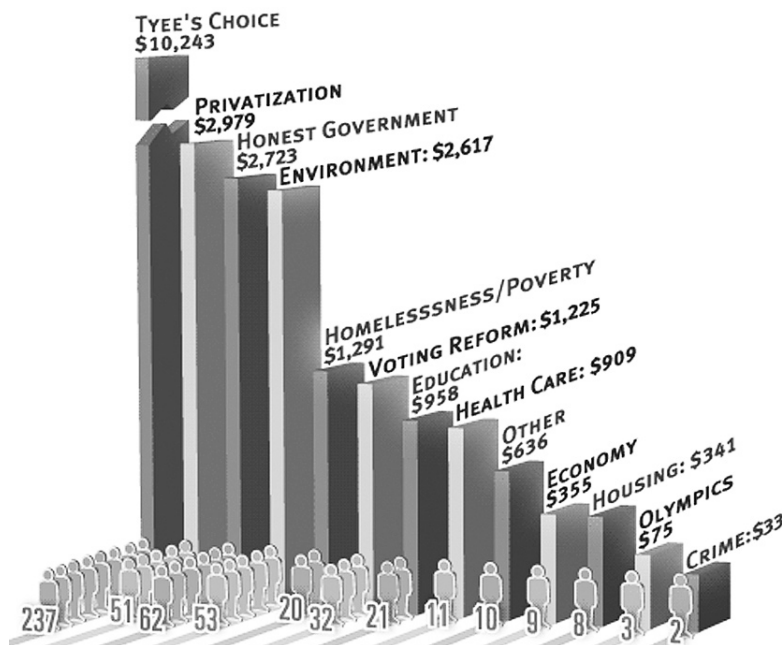


Figure 1. Results of the *Tyee* election fundraising campaign by issue category
 Source: David Beers, “Guide to Tyee Election Reporting,” the *Tyee*, May 9, 2009, <http://thetyee.ca/Tyeenews/2009/05/09/ElectionReports> (accessed January 28, 2010).

19 David Beers, “Guide to Tyee Election Reporting,” *Tyee*, May 9, 2009, <http://thetyee.ca/Tyeenews/2009/05/09/ElectionReports> (accessed January 28, 2010).

20 *Tyee*, donor database, Vancouver, BC, September, 2009; The median means that most people donated \$25.

21 *Ibid.*; The number of unique visitors bases on Google Analytics data.

2.2 Factors of Success

The success of the election fundraising campaign can be attributed to four main factors.

First, the *Tyee* took a crowdfunding approach. The neologism *crowdfunding* derives from *crowdsourcing*, which in turn derives from *outsourcing*. To outsource is to assign a task to a third party. To crowdsource is to outsource a task to a crowd of people. It is a phenomenon of the internet age. Jeff Howe, who coined the term *crowdsourcing*, describes it as follows:

Over the past several years people from around the world have begun exhibiting an almost totally unprecedented social behaviour: they are coming together to perform tasks, usually for little or no money, that were once the sole province of employees. This phenomenon is sweeping through industries ranging from professional photography to journalism to the sciences.²²

Crowdfunding is a special kind of crowdsourcing in which the crowd funds a venture or project they believe in.²³ The model has been applied to raise money for a variety of purposes, including music, film production, and political campaigns.²⁴ Journalism is a newer application of this model. An important feature of crowdfunding is that users are asked for small donations through the internet, which allows the organization to reach a large number of potential donors for a small investment of time and money.²⁵ Through crowdfunding, seeking and processing numerous donations of small amounts became cost-effective for the *Tyee*.

Second, the project the *Tyee* asked its readers to fund was additional reporting on the BC election, and the *Tyee* made a commitment that all donations would go directly into *additional* reporting. Readers knew they were funding stories and commentary that otherwise would not be produced. This changed the character of the donations: readers were not simply donating money for ongoing operations; they were “buying” extra coverage, and they could see the direct results of their spending.

²² Jeff Howe, *Crowdsourcing: Why the Power of the Crowd Is Driving the Future of Business* (New York: Crown Business, 2008), 8.

²³ *Ibid.*, 249.

²⁴ *Ibid.*, 247–53.

²⁵ *Ibid.*, 249.

Third, the election fundraising campaign gave donors the opportunity to decide where the money would be spent, another common feature of crowdfunding campaigns. David Cohn, a pioneer of crowdfunded journalism, states that the internet “has allowed ... a transparency and specificity in the act of fundraising that turns a donation not just into a ‘good feeling’ but a statement and value judgement about who we are as individuals.”²⁶ The *Tyee*’s invitation to designate where the money went was certainly an extra incentive to give money, because it gave donors the opportunity to exert some editorial influence. Since 54 percent of the donors took advantage of this opportunity, it can be concluded that this aspect of the campaign was compelling to a narrow majority of donors. The remaining 46 percent of donors were happy to increase the *Tyee*’s capacity for reporting on such election issues as the *Tyee* saw fit. To reinforce transparency and accountability, the *Tyee* promised to inform donors which stories were produced thanks to their donations. Among other things, the staff posted a comprehensive guide to the *Tyee*’s election coverage.²⁷ *Tyee* donors’ direct participation in the funding of articles likely gave them a sense of ownership and pride. The opportunity to direct a donation to a certain topic may have been a compelling factor even for donors who did not choose to do so, because it would highlight the *Tyee*’s transparency and commitment to its readers. This feature of the election fundraising campaign did raise ethical concerns, as would any implicit or explicit offer to exercise control of the news agenda.²⁸ The ongoing program will have to pay close attention to such concerns.

Fourth, the election fundraising campaign was well timed. During a BC election campaign, it is natural for BC readers to be especially interested in certain issues. The election fundraising campaign benefited from having a major contentious provincial election as a focus, and a finite period in which to reach a goal—circumstances that gave urgency to the *Tyee*’s fundraising appeal. Traffic peaked on the *Tyee*’s website during the election campaign,

26 David Cohn, “Lessons in Crowdfunding,” Digi Dave, entry posted August 22, 2009. <http://www.digidave.org/2009/08/lessons-in-crowdfunding.html> (accessed February 21, 2010).

27 Beers, “Guide to Tyee Election Reporting.”

28 Hermida, “Online fund-raising experiment by The Tyee pays off,” 02:40.

which shows that people have a higher level of involvement and interest during such a period.²⁹

2.3 Implication of these Success Factors for a Derivative Ongoing Funding Program

A summary of the factors that contributed to the success of the election fundraising campaign is essential in considering the *Tyee*'s ongoing funding program. The decision to use a crowdfunding approach for the campaign and ask for small donations through the internet paid off. Both the promise to use the funds for special additional reporting and the invitation to readers to assign their donations to certain topics served as value given to readers in exchange for donations. This important finding shows that the *Tyee* indeed has something of value to offer in return for financial support. (It also raises ethical questions, about which the *Tyee* will be vigilant.) Finally, the occasion of the fundraising—the election campaign, a significant and contentious situation in a finite time period—itsself contributed to the success of the fundraising. These conditions could not be duplicated if the *Tyee* were to mount an ongoing fundraising campaign.

²⁹ Google Analytics data.

3: PLANNING THE FRIENDS OF TYEE PROGRAM

In order to build an ongoing program on the success of the election fundraising campaign, a planning committee was organized to ascertain the best way to convert the one-time campaign's factors of success into the new program and to identify what additional features it would need.

When the planning process started, many questions still needed to be answered. Was there a chance that such a program would succeed? How much revenue might the *Tyee* expect; would it be worthwhile to develop an ongoing program? Were there examples of best practice that could guide the development process? To find answers, the *Tyee* explored its readership data and investigated ongoing contribution models of comparable publications.

The *Tyee* concluded that developing an ongoing program was possible and could be successful. The *Tyee* then identified the significant challenges to be met, and determined an organizational framework for the program.

Several planning meetings were held to deal with these matters, and then a small team made decisions on the program and formulated a proposal for an ongoing campaign that was submitted to the Knight News Challenge.

3.1 The Vision and the Friends of Tyee

David Beers' interpretation of the successful election fundraising campaign was that it proved the existence of "a great desire to keep alive the best traditions of journalism, while building new forms of community involvement and support."³⁰ On this basis, the planning committee decided to build an ongoing fundraising program called the Friends of Tyee. Its purpose was to build on the success of the election fundraising campaign and, in particular,

³⁰ David Beers, "Your Issues, Your Donations," *Tyee*, April 20, 2009, <http://thetyee.ca/TyeeNews/2009/04/20/YourDonations> (accessed January 28, 2010).

to try to institutionalize the opportunity for readers to assign their donations to a subject of their choice. In this way the program would contribute to the *Tyee*'s efforts to sustain quality journalism by building a new form of community support. In other words, the program was designed to form long-term relationships with readers and to build a constituency of sustaining members. To achieve these goals, the *Tyee* would offer readers new means of participation and new forms of involvement.

3.2. Readers' Willingness to Give

To determine whether an ongoing program might succeed, the *Tyee* had to ascertain whether its readers would be willing to make regular contributions. The magazine had explored this question in a readership survey that was conducted in 2008. The survey was a weighted sample of 2,591 commenters or e-newsletter subscribers and 270 random web visitors,³¹ a representative sample of the *Tyee*'s estimated 20,000 e-newsletter subscribers.

The survey asked readers whether they would be willing to make a monthly contribution to help the *Tyee* grow. Table 1 sums up the responses.

Table 1. Willingness of readers to make monthly contributions

Response	% of readers
No, I would not/cannot contribute	26.3
Probably not	26.7
Might	26.6
I would donate, but not monthly	15.6
Yes, I would make a monthly contribution	4.8

Source: McAllister Opinion Research, "Tyee Readership Survey 2008: An Online Survey of Tyee Readers" (Vancouver, BC, October, 2008).

³¹ McAllister Opinion Research, "Tyee Readership Survey 2008."

Unfortunately, the survey question is vague. It could have been written more precisely; for example, by stating what amount readers would be expected to contribute or by clarifying whether readers would get something in return for their donation. This certainly contributed to the fact that a large group of respondents, 53.3 percent, were undecided and answered “probably not” or “might.” However, 15.6 percent of readers responded that they would donate, though not monthly. The group willing to contribute every month seems tiny, but they are a starting point. These readers are willing to contribute just out of the motivation to help the *Tyee* grow, with no persuasion or blandishments. Initially this group will be very important.

The readership survey also asked if readers would pay a \$5 monthly premium subscriber fee. Again, this is a weak measure of willingness in that it only indicates an indirect benefit in return. Nonetheless, one in four readers said they would pay such a fee.³² This number suggests that if a value in return for donations is suggested, more readers would be willing to make contributions.

The responses suggest that readers do not categorically decline to contribute financially, but most have to be persuaded to do so. A rough calculation shows that if the small group currently willing to make monthly contributions were actually doing so, the magazine would have 960 ongoing supporters (4.8 percent of 20,000). At \$5 per month, the annual reader-generated revenue would be \$57,600. For a publication the size of the *Tyee*, this is a respectable amount. Considering that the *Tyee* has a total readership of around 150,000 unique visitors, this calculation is very conservative, and there is great potential for higher annual revenues. Therefore, the *Tyee* concluded that the readership data looked very promising and that further exploration of an ongoing program was worthwhile.

³² McAllister Opinion Research, “Tyee Readership Survey 2008.”

3.3 Ongoing Contribution Programs of Comparable Publications

In recent years, many non-profit online newspapers comparable to the *Tyee* have been founded. Most simply ask for donations without offering any benefits in return. Others, however, run more effective ongoing contribution programs that can guide the *Tyee*'s planning process. For example, the non-profit publications *Rabble.ca*, *voiceofsandiego.org*, *Crosscut*, *SF Public Press*, and *St. Louis Beacon* all use a membership model to raise funds for journalism support. *Salon.com*, which also has a membership program, is a for-profit example.

Many of these membership programs state that their mission is to support independent media or investigative reporting. The programs offer a wide range of tangible benefits, such as magazine subscriptions, free admission to events, and access to exclusive discussion forums. A mention in a public listing of members or on a website are typical member-recognition mechanisms. All programs offer several membership levels and have a graduated dues structure. *Salon.com* and *Rabble.ca* offer the option to pay monthly, and ask \$6 (*Salon.com*) and \$5 (*Rabble.ca*) per month for an entry-level membership.³³ Annual dues for entry-level memberships range from \$25 to \$65. Donations at higher levels go as high as \$10,000 (*St. Louis Beacon*) and even \$100,000 (*Voice of San Diego*).³⁴ As the *Tyee* is incorporated as a for-profit organization, the chances of successfully seeking such large donations are small, and the *Tyee* does not intend to solicit these types of donations. In 2010, the *Tyee*'s founders, Michelle Hoar and David Beers, launched a separate non-profit organization, the *Tyee Solutions Society*, to seek larger philanthropic support for public-interest journalism. The Friends of *Tyee* program will concentrate on recruiting ordinary readers. Programs with maximum dues between

³³ *Salon.com*, "What is Salon Premium?" *Salon.com*, <https://sub.salon.com/> (accessed July 30, 2010);

Rabble.ca, "Become a Member!" *Rabble.ca*, <https://secure.rabble.ca/membership/signup.php> (accessed July 30, 2010).

³⁴ *St. Louis Beacon*, "Support the St. Louis Beacon," *St. Louis Beacon*, <http://www.stlbeacon.org/content/view/full/57/88/> (accessed July 30, 2010); *voiceofsandiego.org*, "Support Us," *voiceofsandiego.org*, http://www.voiceofsandiego.org/support_us/ (accessed July 30, 2010)

\$600 (*rabble.ca*) and \$1,000 (*Crosscut*) are good guidelines for membership programs that have this target group.³⁵ Of course, the *Tyee* could still accept larger donations.

Through its research, the *Tyee* came to understand that most comparable publications that run ongoing reader contribution programs use membership models and that some of these programs are effective. *Voiceofsandiego.org*, for example, lists more than 900 members on its website.³⁶ Therefore, details of the design of these programs can be important information for the *Tyee*.

3.4 Extending the Success of the Election Fundraising Campaign

Once the *Tyee* had concluded that it was possible to develop an ongoing fundraising program, the planning committee had to grapple with the question of how to extend the success of the election fundraising campaign. The election fundraising campaign's success indicated that readers were willing to contribute financially to generating additional content; some preferred to support content on topics of their own choosing. But whether they would be willing to do so on an ongoing basis or only for finite campaigns such as election coverage is unknown. Unlike one-time campaigns, sustained fundraising campaigns face the challenge of keeping people interested and motivated to contribute while they are repeatedly being asked to donate money for the same reasons.³⁷

For the *Tyee*, there is an extra challenge: a private, for-profit organization is not supposed to have constant financial need. That is, some donors prefer not to donate to an organization whose purpose—at least on paper—is to generate profits for private gain. In addition, the *Tyee* cannot issue tax receipts for donations, which would give donors the incentive of an income

³⁵ *Rabble.ca*, “Become a Member!” *Crosscut*, “Become a Member of Crosscut,” <http://crosscut.com/donate/> (accessed July 30, 2010); For a more detailed overview of the membership programs of other journalistic websites see the appendix.

³⁶ *voiceofsandiego.org*, “Support Us.”

³⁷ L. Peter Edles, *Fundraising: Hands-On Tactics for Nonprofit Groups*, 2nd ed. (New York: McGraw-Hill, 2006), 13.

tax deduction.³⁸ The *Tyee* concluded that the program would need to offer donors a compelling value to compensate for these disadvantages.

As mentioned, the *Tyee* had to conclude that it is not possible to apply the strategies and processes of a one-time campaign to an ongoing fundraising drive—at least not as a whole. However, it was reasonable for the *Tyee* to adapt the factors of success of the election fundraising campaign to the new program.

The election fundraising campaign benefitted from the *Tyee*'s commitment to use all donated funds for enhanced reporting, so donors knew they were paying only for the production of *additional* stories and commentary. For the ongoing campaign, the *Tyee* wanted the revenues to be freely usable as part of its sustaining funding. Some of the revenues might be used for additional reporting, but it was never decided to make a binding commitment.

Another successful factor of the election fundraising campaign was to give readers a choice about where their money went. In the ongoing program, the *Tyee*'s view was that directly allocating donated funds to reporting on broad issue categories would require too much administrative effort. Furthermore, there were concerns that an ongoing direct allocation of funds might imply constraints and dependencies for the editors' day-to-day work, an obstacle the editors wanted to avoid.

In short, the *Tyee* was disinclined to commit to two of the factors that were critical to the success of the election fundraising campaign. However, the *Tyee* did want to build on both factors. A compromise had to be found: the factors had to be adjusted, adapted, or converted in a way that met the *Tyee*'s requirements (free use of funds, no direct and binding allocation of funds to reporting categories), and that preserved as much of both factors' attractiveness to readers as possible. That is, readers saw a direct result of their spending, got a sense of participation and pride, could pursue a personal interest, and were allowed a certain amount of editorial influence.

³⁸ To be fair, even most publications that are non-profit organizations cannot issue tax receipts as this requires charitable status, which most publications do not have.

In the process of searching for a solution, the planning committee came to understand that the opportunity to allocate donations to broad reporting categories, which was offered in the election fundraising campaign, was at its core a right to influence editorial priorities. The idea came up to allow readers to influence these priorities by regularly voting on them: readers would not assign their donations to a reporting category, but they would vote. The *Tyee* discussed the question of whether such regular voting would allow for a sufficient amount of reader influence and participation. Committee members differed on this question, but it was decided that the ongoing program should let readers vote on some more concrete editorial questions.

The idea was that the polls would offer readers the opportunity to get involved, provide a sense of participation, invite them to exert some editorial influence according to their personal interests, and let them see a result of their spending in the form of the *Tyee* showing a reaction to their input. The voting, it is hoped, would therefore preserve some of the appeal of the factors of success of the election fundraising campaign.

At the same time, the *Tyee* decided to design the voting on editorial priorities in a way that would not imply constraints on either the use of funds or the editors' day-to-day work, and that would minimize administrative effort.³⁹ This would be made possible by the voting process, which would separate reader influence from the donated money. In the election fundraising campaign, donations and editorial influence were directly connected: readers exerted influence by allocating their donations to reporting categories. In the Friends of *Tyee* program, the relationship would be indirect: readers would donate money, but the *Tyee* would determine how it is used. Readers would vote on editorial priorities, but the *Tyee* would have the authority to decide how to incorporate their input. Readers would have less direct editorial influence in the Friends of *Tyee* program than they had in the one-time campaign, but more emphasis would be put on reader involvement and participation, and the *Tyee* hoped that this would compensate for a reduction in direct editorial influence.

³⁹ The actual design of the voting is introduced in chapter 4.

The planning committee also discussed the possibility of offering benefits in addition to voting rights. The *Tyee* had studied the benefits offered by ongoing contribution programs of comparable publications, and in a planning meeting for the *Tyee*'s program, many ideas for similar benefits were proposed. These included an invitation to a *Tyee* advisor circle, admission to an exclusive online forum, printed collections of articles on a certain topic, credit for advertising, discounts at "green" online stores, participation in online panels, and subscriptions to print magazines. However, it was not decided whether such benefits would actually be offered by the Friends of *Tyee* program.

The important conclusion that was drawn at this point is that the *Tyee* determined the polls to be the main value that the Friends of *Tyee* program would offer to its members. The idea for the regular voting derived from the two main factors that made the election fundraising campaign a success; therefore, the *Tyee* expected the voting to have comparable appeal to readers.

3.5 The Friends of *Tyee* Program and Journalism Ethics

As the *Tyee*'s analysis of the election fundraising campaign shows, to give editorial influence to readers is also to bring up journalism ethical concerns. Any source of funding for journalism raises concerns about undue editorial influence,⁴⁰ and reader support is no exception. For the Friends of *Tyee* program, which would not only tap into a new source of funding but also explicitly invite reader influence, ethical questions had to be considered in the planning process.

The election fundraising campaign had raised the ethical concern that the *Tyee* might surrender control of the news agenda to readers, or that it might become too dependent on reader opinions. In David Beers' opinion, this concern was without basis. In an interview with

40 Lyn Headley, "What if Readers Fund an Open Journalism?" Payyattention blog, entry posted July 14, 2009, <http://blog.payyattention.com/2009/07/should-readers-fund-open-journalism.html> (accessed March 21, 2010).

NewsLab.ca, he argues that the *Tyee* is good at investigating issues, and that readers appreciate and respect the *Tyee*'s journalistic work and do not want to interfere with it. He believes his assumption is proven by the fact that during the election fundraising campaign, readers did not ask the *Tyee* to write stories with a certain point of view, or to savage a politician, or to do anything of the kind. All readers did, said Beers, was to provide resources and to identify issues they would like the *Tyee* to investigate with the help of these resources. As an allegory for this model, Beers describes a situation in journalism school when he as lecturer asks the students what they would like to know. This would give him the feeling of being empowered to deal with a subject. In Beers' opinion, not asking would be presumptuous.⁴¹

During one planning meeting for the Friends of *Tyee* program, Beers made it very clear that readers should by no means be allowed to influence the bias or conclusion of a given story. He wanted to base the program on the ethical justification he had given for the election fundraising campaign. This position was certainly a contributing factor to the decision to introduce voting on editorial priorities in the ongoing program. Indeed, from an ethical point of view, the Friends of *Tyee* program is very similar to the one-time campaign: the voting serves to let readers identify which issues or topics matter most to them; readers provide resources, and the *Tyee* uses at least some of these resources to investigate the issues. For Beers and the *Tyee*, the priority voting was therefore ethically unobjectionable.

Nor was the *Tyee* concerned about ethics in regard to the more concrete editorial questions that readers would vote on in the ongoing program. The editors would choose the questions and response options and ensure their ethical acceptability.

Another ethical concern considered by the *Tyee* was the possibility that an organization, institution, or individual would try to exert undue editorial pressure by "buying" influence on a large scale. Indeed, this might have been an issue during the election fundraising campaign, in which the *Tyee* promised to use donations for reporting on an issue chosen by the donor. If a donor had given a very large amount of money and designated it for a certain issue, that

⁴¹ Hermida, "Online fund-raising experiment by The *Tyee* pays off."

single donor might have caused a significant shift of editorial focus. The Friends of Tyee program will avoid this eventuality by setting a policy that each member will have one vote, no matter how much is donated.

Overall, in the planning process the *Tyee* considered the ethical concerns raised by the program to be manageable. David Beers was very cautious in making any binding commitment that gave editorial influence to readers; in this way he ensured that the *Tyee* kept ultimate control. He said he would be conservative at first, but might consider giving readers more influence in the long run, depending on the results of the first experiments. At the same time, he acknowledged that accountability would be important: that is, the *Tyee* needs to show readers in some way that they are actually heard and taken seriously.

3.6 The Friends of Tyee Membership Program

After assessing readership data, researching comparable fundraising programs, grappling with the application of the election campaign fundraising program to an ongoing program, considering questions of reader participation and journalism ethics, and working out donor voting protocols, the *Tyee* planning committee decided to establish the Friends of Tyee as a membership program for ongoing fundraising. Such a program would achieve the *Tyee*'s major goals.

First, it would create a reliable, continuing reader-generated revenue stream. In a membership program, members join throughout the year and dues are paid periodically, cash flow is maintained all year and revenues are reliable and predictable.⁴²

Second, it would build long-term relationships with readers and a constituency of supporters. It is an overarching principle of crowdfunding that a committed and vibrant community is critical to success, but it is much easier to attract people than to keep them

⁴² Patricia Rich and Dana Hines, *Membership Development: An Action Plan for Results* (Gaithersburg, MD: 2002), 45–46.

engaged.⁴³ Simply asking a crowd to fund a project will not work.⁴⁴ Effort has to be put into fostering and cultivating a group of people over the long term. Membership programs usually offer a variety of benefits, activities, services, and communications, which serve to keep members engaged and involved.⁴⁵ In this way, a membership program could help the *Tyee* to build a committed reader community.

Third, it would establish reciprocity without compromising journalism ethics. In a membership program, the relationship between member and organization is ideally balanced: members give money and receive benefits in exchange.⁴⁶ This reciprocity changes the character of donations: membership dues are not considered gifts so much as donations,⁴⁷ which helps to sustain the program. The main benefit of the Friend of *Tyee* program would be the right to participate in the polls; readers would have opportunities to participate and would be taken seriously, but would not be given undue editorial influence.

3.7 Formulation of a Proposal

The last step of the planning process was to formulate the proposal for the Knight News Challenge. The task was to collate the various considerations about the program into one coherent document. This document had to identify the goals for the *Tyee*'s program, it had to explain what the program would offer to readers, and it had to suggest a cogent approach to questions of journalism ethics that the program would raise. The fact that the Friends of *Tyee* program would be a membership program was less important for the formulation of the proposal. The focus would be—as shown in the next chapter—primarily on the aspect of reader participation in the editorial process.

⁴³ Howe, *Crowdsourcing*, 282.

⁴⁴ Brandon Mendelson, "A Guide to Crowdfunding Success," Mashable, blog entry posted July 29, 2009, <http://mashable.com/2009/07/29/crowdfunding-success/> (accessed February 21, 2010).

⁴⁵ Rich and Hines, *Membership Development*, 44.

⁴⁶ *Ibid.*.

⁴⁷ *Ibid.*

4: THE *TYEE*'S PROPOSAL: CROWDSOURCED EDITORIAL BOARD PLATFORM

The Knight News Challenge awards grants only to innovative news-related projects that use digital technology. Therefore, the proposal focused on the most innovative part of the Friends of Tyee program: the invitation to donors to participate in editorial, and the technical solution to make it all happen. The proposal was worked up by two *Tyee* staff members, Michelle Hoar and Geoff D'Auria.⁴⁸

The following overview summarizes only those parts of the proposal that are relevant in respect of this report. Other parts, omitted from this summary, include a marketing plan, a project schedule, and general background information (covered in previous chapters of this report).

4.1 Program Description

The overall goal of the project is to create a stable financial foundation for good investigative reporting that is relevant to reader concerns. As suggested by the project's working title, "Crowdsourced Editorial Board Platform," the general idea is to crowdsource the *Tyee*'s editorial board: readers become advisors.⁴⁹ The "platform" is a members-only web page on which members can log in. This web page will be developed over the course of the project. On the web page, members can make suggestions and vote each year on the *Tyee*'s editorial priorities, such as environment, poverty, or health. This voting advises the *Tyee* on reader preferences; it is not binding. Therefore, "Crowdsourced Advisory Board Platform" would have been a more accurate working title for the project.

⁴⁸ *Tyee*, "Knight News Challenge Application" (Vancouver, BC, January, 2010).

⁴⁹ Usually, a newspaper's editorial board is a group of individuals, who decide which public issues are important for the newspaper and what it says on different issues. Wikimedia Foundation Inc., "Editorial board," Wikipedia, http://en.wikipedia.org/wiki/Editorial_board (accessed May 31, 2010).

Access to the platform is restricted to paying members. They are also allowed to vote on more specific editorial questions once a month; for example, whether a reporter should cover convention A or B that month. In addition, members can be polled on other decisions when the *Tyee* thinks it is appropriate. For example, members might be asked which non-profit organization should get free ad space on the *Tyee*, or whether the *Tyee* needs an iPhone application. Each member has a personalized dashboard that displays poll results in an automatically generated graphic (with geographic filters). The platform also provides a space to make suggestions and discuss issues with editors and other members. Ideally, the *Tyee* would host vibrant conversations on this space, sparking new ideas.

4.2 Program Goals

The proposal states that the program will make achievements in four areas: funding, democratization, education, and geography.

Funding

By building a constituency of supporters, the program should be a reliable and steady source of revenue, which will allow the *Tyee* to move in the direction of financial sustainability. A new revenue stream would also diversify the *Tyee*'s funding, decreasing dependence on a small number of funding sources, and would allow for expansion of editorial content.

Democratization

The proposal describes the majority of *Tyee* readers as elusive and silent. It assumes that many of those readers want to participate in the editorial process, but simply do not have the time

or wish to be citizen journalists.⁵⁰ The program will use polls as a mechanism to engage this silent majority.

The proposal also states that journalists have traditionally communicated to readers in a “top-down” manner. By constantly monitoring and identifying reader needs, the project seeks to enable journalists to work from a broader base in exercising news judgement. As a result, they will be better able to serve the readership, and readers will see their values increasingly reflected in the reporting. The relationship of readers and journalists will reach a new level of mutual accountability and commitment, and readers might even develop a sense of ownership of the *Tyee*.

Education

Closer collaboration with readers gives *Tyee* staff the opportunity to offer them insights into the operational realities of the *Tyee*. As readers become educated on the cost of quality journalism, they will better understand why reader contributions are needed, which might help to sustain the program.

Geography

The *Tyee* has headquarters in an urban area, and therefore is not always well connected with non-urban readers. The Friends of *Tyee* program could help to strengthen this connection: the structure will be in place for rural readers to inform the *Tyee* on issues of urgency to them. The program can also help to connect readers with each other, which might lead to the self-organization of communities in smaller centres.

⁵⁰ The *Tyee* does not know how many readers actually want to participate. A rule known as 1 percent rule states that 1 percent of online users create content, 10 percent interact with that content, and 89 percent merely consume what got created. This allows estimating that 11 percent of *Tyee* readers are inclined to participate in any way. Charles Arthur, “What is the 1% rule?” *Guardian*, July 20, 2006, <http://www.guardian.co.uk/technology/2006/jul/20/guardianweeklytechnologysection2> (accessed July 8, 2010).

4.3 Journalism Ethics Safeguards

The program proposal states that the *Tyee* will be cautious not to overpromise the editorial influence members will have. A citizen editorial board will advise journalists on its priorities in order to inform journalists' news judgement—that is, decisions on what is news and on how important a given story is⁵¹—not to dictate it. Journalists must be provided with a level of day-to-day autonomy that lives up to the standard of traditional journalism ethics. The proposal calls for the *Tyee* to be very clear with readers about what kind of influence is sought. It also states that the program will be labelled and treated as an experiment.

4.4 Financial Perspective

The proposal states the goal to acquire about 400 members in the first year of the program and about 200 additional members over the next two years. As a conservative estimate, the proposal assumes that after three years, the program will have about 800 members who pay \$6 per month. This would bring in revenue of about \$29,000 in year one, \$43,000 in year two, and \$58,000 in year three.

According to the proposal, it will cost an estimated \$25,000 to operate the program in the first year. That is close to the amount the *Tyee* hopes to generate in that year. Therefore, one financial risk is that initially the program might not be self-sustaining. The *Tyee* proposes to keep personnel costs low by automating the program's processes as much as possible. For example, members will have to use their real names in online discussions, to improve the quality of conversation and to minimize moderating time. Furthermore, the proposal calls for a marketing plan that ensures that enough members join the program.⁵² If the proposal's

⁵¹ Ted White, *Broadcast News Writing, Reporting, and Producing*, 4th ed. (Burlington, MA: Elsevier, 2005), 146, <http://books.google.ca/books?id=4G7ntxNSO14C&pg=PR1&pg=PA144#v=onepage&q=page%20146&f=false> (accessed July 8, 2010).

⁵² The proposal also introduced such a plan, but as marketing is not discussed in this report, it was omitted.

projection proves to be correct, the program would become sustainable in the second year at the latest.

4.5. Measurements of Success

The quality and success of any plan can only be measured once it is put into action.

Therefore, the Crowdsourced Editorial Board Platform proposal has defined measurements of success: Has the *Tyee*'s relevance for BC readers increased? How engaged are the members? Do readers care about the *Tyee*, and do they even have a sense of ownership? How many readers participate in the polls? Are members satisfied with the way the *Tyee* responds to their input? Of course, the financial numbers are central as well.

The main purpose of the proposal for the Friends of *Tyee* program was not to provide a detailed draft for a membership program but to win a contest. It had to focus on aspects specified by the Knight Foundation, which leaves room for further development of the program.

5: RECOMMENDATIONS AND CAUTIONS

Chapter 2 of this report discussed the factors contributing to the success of the election fundraising campaign. Chapter 3 then described the process of planning the membership program and explained how the *Tyee* had attempted to apply the success of the election fundraising campaign to the ongoing membership funding program. Finally, chapter 4 showed how this application was realized in the *Tyee*'s proposal. Based on this background and a review of relevant literature, this chapter makes recommendations for further program development and points out areas where the *Tyee* should exercise caution.

These recommendations and cautions concern three aspects of the Friends of *Tyee* program that are particularly critical to its success: the design of the program, the balance of reader influence and journalism ethics, and the financial projections for the program.

5.1 Recommendations for the *Tyee*'s Membership Program Design

The main challenge for the *Tyee* in establishing its fundraising program is to acquire members and to keep them. Central to the success of any membership program is the cause or idea it stands for. Another key aspect is the design of the membership package, because it makes the first impression on potential donors and influences their decision to join. Following are some recommendations on the further development of these two important factors.

5.1.1 Membership Cause

A membership program's main appeal has to derive from its cause, or purpose.⁵³ *Tyee* readers must recognize and support the worthiness of this cause.

53 Robert Frank, "Motivation, Cognition, and Charitable Giving," in *Giving: Western Ideas of Philanthropy*, ed. J. B. Schneewind (Bloomington, IN: Indiana University Press, 1996), 143–44.

The cause of the *Tyee*'s program is implied in the Knight News Challenge proposal, but must be more clearly stated when the program is actually designed. The *Tyee* should write a purpose statement for the program, which could read as follows:

The purpose of the Friends of *Tyee* program is to build a constituency of supporters that provides a stable foundation for professional independent reporting.

While keeping up the best traditions of quality journalism, we provide members with the opportunity to participate in the editorial process and to enhance the relevance of our reporting to their concerns. In doing so, we seek to use member proximity to raise readers' awareness of the operational realities of our publication. Moreover, we seek to build a reader community that connects readers with us, as well as with other readers across BC.

5.1.2 Membership Package

A membership package's key components are benefits, services, activities, recognition options, and dues structure.⁵⁴ At the heart of the *Tyee*'s package is the Crowdsourced Editorial Board Platform and the benefits offered by it; that is, exclusive access to a Friends of *Tyee* forum and the offer of editorial participation. Following are some considerations and recommendations on how to maximize the motivational effects of these benefits; whether any additional benefits, services, or activities should be offered; and what level of dues the *Tyee* can ask in return.

5.1.2.1 Access to the Exclusive Friends of *Tyee* Forum

The community is the organizational form behind crowdsourcing;⁵⁵ hence, the *Tyee* must build one, or identify an existing community and expand it. A community can give people a sense of belonging that keeps them in the group (and also in the membership program).⁵⁶ This sense of belonging can develop when members share certain beliefs or interests.⁵⁷

⁵⁴ Rich and Hines, *Membership Development*, 76–90.

⁵⁵ Howe, *Crowdsourcing*, 100.

⁵⁶ Jono Bacon, *The Art of Community*, (Sebastopol, CA: O'Reilly Media, 2009), 7.

⁵⁷ *Ibid.*, 34.

Because many *Tyee* readers do so, a reader community has a good chance to provide and sustain this sense of belonging.

The Knight News Challenge proposal does not state which communication medium will be used in connecting with the community. A common medium for online discussion is forums, which many online media offer. A forum has the advantage of needing only simple and affordable software, which would likely have the functionality required for the *Tyee*'s program: ways to post polls, send personal messages, and build individual member profiles.

The proposal states that the platform should provide a space for vibrant conversations that generate new ideas. But it does not say what kinds of conversations and ideas are desired. Conversations on news websites are usually related to the published content, and could therefore be described as follow-up communication: after receiving and reading content, users discuss and share their opinions on it. To encourage this exchange, the *Tyee* currently provides a comment function so that readers can post responses below articles. This function can be expanded, and that is what a forum could do. By voting on editorial priorities, people joining the program demonstrate an interest in certain issues. This increases the likelihood of vibrant discussions on these issues, which might even spark new ideas for journalists. The *Tyee*'s journalists certainly do not lack story ideas, but through the forum discussion process, interesting new aspects of a topic can come to light, and journalists can learn what subjects readers consider most relevant. The forum could also be used by members to bring local issues to the attention of a bigger audience, and local groups could discuss their issues among themselves. Finally, the forum would also be a great place to discuss matters related to the *Tyee* and Friends of *Tyee*.

Of course, resources will be needed to manage the forum. Requiring members to use their real names may reduce administration costs, but community governance can only be automated to a certain extent. Communities require leaders who are strong personalities and exert good governance.⁵⁸ This task is critical to the success of any community, and it is

⁵⁸ Bacon, *The Art of Community*, 216–17.

important not to try to save resources at the wrong end. A qualified *Tyee* staff member will have to take on this task. In the long run, management efforts can be reduced by delegating governance, with the goal of putting it in the hands of an elected group of members.⁵⁹ However, this will only become possible when a group of members with a long-term commitment has formed.

5.1.2.2 Participation in the Editorial Process

The proposal expresses concerns about overpromising the editorial influence members will have. This is a good point, because overpromising benefits can leave members disappointed.⁶⁰ At the same time, invitations to participate have to meet members' expectations and offer sufficient influence to allow a sense of ownership to grow. Member participation is the core of the *Tyee's* program, and member expectations depend not only on what the *Tyee* promises. It is a characteristic of crowdsourcing that contributing members develop a sense of ownership and a desire to be involved in the decision-making process,⁶¹ and each member will have an opinion on how much influence he or she should exert. The *Tyee* should invite and encourage member feedback on benefits to ensure that readers understand and are satisfied with the level of participation that the *Tyee* can offer.

Moreover, the *Tyee* will have to develop a true acceptance of reader influence as a fundamental part of the editorial process. Howe states, "What unites all successful crowdsourcing efforts is a deep commitment to the community. This entails much more than lip service and requires a drastic shift in the mind-set of a traditional corporation."⁶² This shift in mind-set is also necessary for journalists and editors, who are used to having control over the news process. To ensure a reciprocal relationship, the *Tyee* will have to cultivate a genuine willingness to listen to readers and to use their input.

59 Bacon, *The Art of Community*, 225.

60 Rich and Hines, *Membership Development*, 157.

61 Howe, *Crowdsourcing*, 15–16; *Ibid.*, 181.

62 *Ibid.*, 15–16.

According to the proposal, annual voting on editorial priorities will advise editors on reader preferences. The term “advise” can seem vague and not transparent from a member’s perspective. How binding is the reader’s advice? Does the reader’s vote in the two polls have a stronger influence than opinions stated in a reader survey (for which a publication, not the reader, pays)? The *Tyee* must give editors the day-to-day autonomy that allows them to uphold core values of journalism, such as accuracy and fairness, and to deploy their professional skills at the highest level. But there also must be visible effects of the reader’s voting.

There are different ways to report these effects to members. One is to include new articles, sorted by category, in a monthly member e-newsletter. Another is to tag articles and display new articles, sorted by tags, on the reader dashboard, much like an RSS feed. In both cases the categories/tags would match the categories of the priority voting, and the number of words or articles devoted to a category could be expected to be roughly proportionate to the priority assigned by members.

The *Tyee* could also consider asking for reader priorities semi-annually, instead of once a year. From the member perspective, a year is a long time, and people might feel more involved if invited to express their preference more often. Six months should give editors sufficient time for planning, while helping to maintain members’ engagement. The semi-annual cycle is also favourable for reporting to members, as the period between a member’s decision and the presentation of the results is shorter.

The *Tyee* also plans to invite members to vote on more specific questions once a month. It will be important that members make decisions that matter to them; therefore, the polls should not be chosen prescriptively. The discussion forum might be helpful in this matter. When there is a lively discussion on a certain topic, the forum’s moderator could create a poll based on the discussion.

Monthly polls can also be used to invite readers to weigh in on non-editorial questions. This process would be valuable in the goal to educate readers on operational realities, as it allows members to see and participate in the *Tyee*’s entire development process. This inside

information will also give more credibility and urgency to the program's cause, enhancing reader involvement.

These results cannot be realized by polls only. The *Tyee* will also have to talk more about itself and the challenges it faces. Some of this conversation could take the form of a blog, which is personal and allows for several contributors and lots of response. The *Tyee* is at the cutting edge of new media models, and its story is certainly of interest to many people.

In conclusion, the use of polls is a mechanism by which readers can exert influence, but it does not spell out how much influence is actually given to them. Much depends on how the editors handle the participation process. Because involvement in the editorial process is the main value readers get in return for their contributions, this participation has to be meaningful, and the *Tyee* must be sincere in offering it.

5.1.2.3 Further Benefits, Activities, and Services

The benefits described above are the core of the *Tyee*'s program, but further benefits, services, and activities could be offered to make membership even more attractive.

The *Tyee* could offer more tangible benefits to make the membership package a "good deal"; for example, complimentary or low-cost books or magazine subscriptions.⁶³ These things can be the decisive nudge in a reader's decision to join, but they also cost money.⁶⁴ Other effective extra benefits and activities could include members-only events and/or free admission to *Tyee* events. Special events are a proven way to sustain member involvement, to establish and strengthen personal connections, and to give members a feeling of belonging. In-person events are very important to complement online-only publications. They give members the opportunity to talk not only to each other, but also to *Tyee* staff and writers. Another activity could, for example, be the publication of a regular member e-newsletter.⁶⁵

⁶³ Rich and Hines, *Membership Development*, 76–77.

⁶⁴ *Ibid.*

⁶⁵ *Ibid.*, 88.

In terms of services, the program will have to make sure to spend funds in accordance with the expectations of members, to report clearly to members on the use of funds, to recognize and appreciate members, to assign someone to be available to answer questions, etc.⁶⁶ As the *Tyee* learned during the election fundraising campaign, reporting on the use of funds is a way for the *Tyee* to show donors that their contributions are used for something meaningful.

5.1.2.4 Dues Structure

The proposal suggests a flat dues structure of \$6 a month. The advantage of a small monthly amount is that the threshold for joining is lower than with annual dues, where a larger amount has to be paid all at once, so more people can afford to join. Small monthly fees also allow people to test the program before making a longer commitment.

The proposal does not state the retention period for the program. This decision is important, as it will influence the decision on the tangible benefits offered: it would not make sense, for example, to send a welcome gift to a new member if that member were to quit a month later. It may be advisable to try a model like *Salon's*: month-long memberships are offered in addition to annual memberships. The month-long membership offers a basic set of benefits and over a year is more expensive than an annual membership. In this model, readers can test the program and upgrade the membership if they like it. As a new and unconventional program, the *Tyee's* program should offer test memberships.

A graduated dues structure is also advisable for the *Tyee*, as it allows for offering upgrades to members at the end of the retention period.⁶⁷ If a graduated structure is chosen, the *Tyee* will have to decide what benefits to offer and what amount of dues to ask at each membership level. The membership programs of other online-only publications can be important models in completing this task.

66 Rich and Hines, *Membership Development*, 80–85.

67 *Ibid.*, 13.

5.2 Journalism Ethics

Offering the right to influence editorial priorities in return for donations is an idea with which the Friends of Tyee program breaks new ground, and an idea that raises ethical questions for the *Tyee*. Credibility and a reputation for fairness, accuracy, and independence are some of the *Tyee*'s core strengths and must not be compromised or appear to be compromised. During the planning process, the *Tyee* considered some important journalism ethics questions in a pragmatic way. Because the program takes journalism into new territory, a more in-depth discussion of these questions is appropriate.

Two major ethical concerns arise: first, that readers as a new group of stakeholders might exert a negative influence on editorial independence and the *Tyee*'s values; second, that the practice of inviting reader preferences and taking them into account might lead to undue dependence on popular opinion and compromise professional news judgement.

The first concern is based on the notion that, as Lyn Headley explains, “every significant source of funding raises the prospects of a change in a newspaper’s core values, by rendering the newspaper dependent on a novel organization of interest.”⁶⁸ The concern is that a dependence on readers’ money might endanger the *Tyee*'s editorial independence. However, projections show that reader support will not be a significant source of revenue for the *Tyee*—at least not in the first few years. Furthermore, the program proposes to equalize the influence members can have by giving each member one vote, no matter how much is donated. The only way to circumvent this safeguard would be for a group to buy multiple memberships, which seems unlikely to happen on a large scale. For these reasons, the chances that reader support might damage editorial independence or the magazine’s core values are small.

Journalism has never been free of the risk of undue influence, because most news media depend on external sources of revenue. These sources have particular biases and expectations regarding news coverage. However, journalists’ personal values and professional standards

68 Lyn Headley, “What if Readers Fund an Open Journalism?”

are proven safeguards against such pressures.⁶⁹ The *Tyee* will rely on these practices and this experience: the risk is specific neither to the *Tyee* nor to reader support. It has to be taken by any publishing venture with outside funding. Many pressures on editorial independence occur in particular when employers of journalists strive to maximize profits.⁷⁰ The *Tyee* does not do so. According to David Beers, the *Tyee*'s major investors guarantee editorial independence.⁷¹

To prevent any appearance that donors exert undue editorial influences, the *Tyee* should design a transparent donation process. Information should be available to the public on such questions as who the donating members are, what matters they decide on and what they decide, how the *Tyee* is spending the additional funds, and so on.

The second ethical concern is related to the question of inviting readers to influence the magazine's editorial priorities. The *Tyee* will have to ensure that this invitation does not lead to undue dependence on popular opinion; that is, to let readers dictate what content will be produced and not produced. At the same time, the *Tyee* will have to integrate members' input to the extent that most members' expectations are met. This balancing act raises interesting ethical questions, which can be addressed by evaluating the Friends of *Tyee* program on the basis of two ideals: the ideal of objective journalism and the ideal of dialogic journalism.

The goal of objective journalism is to maintain the position of an outsider, of an uninvolved observer, and to avoid dialogic relationships with readers or sources.⁷² Any such relationship would harm journalists' unbiased, distanced point of view.⁷³ If the objective ideal were the basis for ethical evaluation of the *Tyee*'s program, the program would be unacceptable, as it sets up a direct relationship between the *Tyee*'s journalists and readers.

69 Hugh J. Martin and Lawrence Souder, "Interdependence in Media Economics: Ethical Implications of the Economic Characteristics of News," *Journal of Mass Media Ethics* 24, no. 2/3 (April 2009): 143, *Communication & Mass Media Complete*, EBSCOhost (accessed August 24, 2010).

70 Ian Richards, "Stakeholders Versus Shareholders: Journalism, Business, and Ethics," *Journal of Mass Media Ethics* 19, no. 2 (June 2004): 119, *Communication & Mass Media Complete*, EBSCOhost (accessed August 24, 2010).

71 Mason Wright, "Yippee Tyee: Get connected to B.C. news," *This Magazine*, November, 2005, <http://www.thismagazine.ca/issues/2005/11/yippeetyee.php> (accessed August 27, 2010).

72 Oren Soffer, "The competing ideals of objectivity and dialogue in American journalism," *Journalism* 10, no. 4 (August 2009): 473-491, <http://jou.sagepub.com.proxy.lib.sfu.ca/content/10/4/473.full.pdf+html> (accessed December 10, 2010).

73 *Ibid.*

Dialogical journalism, on the other hand, is based on the notion that there is no single objective reality on which journalists can report, but that there is a multitude of valid viewpoints. In this model, dialogic relationships with readers or communities are sought out directly, and journalists see themselves as active participants in public conversations and partners to the public. The goal of journalists who follow the dialogical ideal is to stimulate public discourse. The dialogical model becomes increasingly relevant in the digital age, when the technological means for much interaction between journalists and readers has grown quickly, and readers expect to be involved.⁷⁴

The *Tyee* strives for the dialogical ideal. *Tyee* journalists, for example, sometimes respond to readers' notes in the comments section of articles: they engage in conversations with readers. In fact, the goal to initiate and carry on public conversations is written down in the magazine's own mission statement. To communicate with readers to find out which issues matter most to them, in an effort to serve them better, is certainly in line with the dialogical model. The *Tyee's* program model is therefore ethically acceptable if considered from the dialogic journalism perspective.

Apart from the ideal of objectivity, journalists have identified more concrete reservations about consulting readers. Herbert J. Gans found that many journalists fear that if reader preferences are taken into account, their own news judgement would become insignificant, and they would "have to surrender some of their control over the news."⁷⁵ Furthermore, journalists believe they must provide readers with what they need, rather than with what they want; readers cannot know what they want, as they are "not at the scene when journalists cover news."⁷⁶ Although Gans made these observations more than thirty years ago, in 1979, the Friends of *Tyee* program shows that the question of reader input is still topical.

74 Soffer, "The competing ideals of objectivity and dialogue in American journalism."

75 Herbert J. Gans, *Deciding What's News: A Study of CBS Evening News, NBC Nightly News, Newsweek, and Time* (1979; repr., Evanston, IL: Northwestern University Press, 2004), 235.

76 Ibid.

Although it can be argued that there is still both a need and a desire for informed, professional journalists and their judgement on what is newsworthy,⁷⁷ it can also be argued that journalists do not always know what readers feel is urgent and relevant. Their news judgement is based to some extent on unproven assumptions about readers and their interests. Jeff Howe states that the “culture industry has long been controlled by a select few, and a bit more democracy could just be what the culture industry needs.”⁷⁸

With online journalism, readers are exercising their own judgement whether or not they are invited, by sharing articles through email and social networks, and by selecting some content directly while ignoring other content entirely.⁷⁹ Furthermore, bloggers, citizen journalists, and other amateur creators of content are influencing the news agenda, and professional journalists’ influence on this agenda is shrinking accordingly.

The *Tyee*’s program might become a model for a way to adapt to this new environment. It is important that readers’ judgement *complement* that of the journalists, rather than replacing it. Michael R. Fancher suggests that news media adapt to the new environment by sticking to traditional core values of journalism: accuracy, fairness, truth, independence, and public service, but also to let “go of the sense that we [the journalists] have control and recognize how much better public service journalism can be when we accept the public as true partners.”⁸⁰

The Friends of *Tyee* program is designed in a way that neither deposes professional news judgement nor relies on popular opinion. It aims to maintain traditional values of journalism while inviting popular editorial input, thereby engaging in a journalism more relevant and credible to readers. The *Tyee* anticipates the ethical concerns and expects to meet them

77 Ken Doctor, “A Message for Journalists: It’s Time to Flex Old Muscles in New Ways,” *Nieman Reports* 64, no. 2 (Summer 2010): 45–47, <http://www.nieman.harvard.edu/reportsitem.aspx?id=102415> (accessed July 5, 2010).

78 Howe, *Crowdsourcing*, 246.

79 Doctor, “A Message for Journalists;” Clay Shirky, “Not an Upgrade – an Upheaval,” Cato Unbound Blog, entry posted July 13, 2009, <http://www.cato-unbound.org/2009/07/13/clay-shirky/not-an-upgrade-an-upheaval/> (accessed March 3, 2010); Christopher H. Sterling, “Gatekeeping,” in *Encyclopedia of Journalism* (Thousand Oaks, CA: SAGE Reference, 2009), http://www.sage-ereference.com.proxy.lib.sfu.ca/journalism/Article_n172.html (accessed July 6, 2010).

80 Michael R. Fancher, “The 21st Century Journalist’s Creed,” *Nieman Reports* 63, no. 3 (Fall 2009): 35–38, <http://www.nieman.harvard.edu/reportsitem.aspx?id=101895> (accessed July 5, 2010).

responsibly. Engagement with readers is not unknown territory for the *Tyee*. Like all successful magazines, the *Tyee* relies on involved communities of readers who, as subscribers, already have some sense of belonging and expect their voices to be heard. With the Friends of *Tyee* program in place, this relationship will shift. The program proposal does not explain exactly how readers' input will be incorporated in that new relationship. It is possible that the *Tyee*'s editors are cautious about handing any control to readers not only for ethical reasons, but also because they like having control of news reportage. The wise course is to give a small amount of influence to readers at first and to experiment with new models, even if the outcome cannot be known. The *Tyee* is "influenced" as soon as it invites another opinion (and sometimes even if it does not). The same is true for readers, and the *Tyee*'s plan to "educate" readers suggests that the influence will work both ways.

5.3 Financial Perspective

The main purpose of the *Tyee*'s program is to establish a sustainable ongoing fundraising program. To succeed in this, the *Tyee* needs resources to invest, because fundraising activities cost money to design, plan, deploy, and maintain. The program can only be sustained if it raises more money than it costs; that is, dues revenue must exceed program expenses.

On the revenue side, it is important but difficult to develop a projection, because the program is new and because the *Tyee* will not succeed in turning all prospects into members. Revenue depends on how many people join the program and how much they will pay. The *Tyee*'s reader survey has shown that about 25 percent of readers are willing to pay a \$5 premium subscriber fee, and that 20.4 percent⁸¹ are willing to make contributions. Survey respondents are a representative sample of some 20,000 commenters and subscribers. About 20 to 25 percent of this group is willing to contribute; this amounts to 4,000 to 5,000 readers—a big potential. In fact, the potential is even greater, as this estimate does not consider

81 4.8 percent are willing to make a monthly contribution, 15.6 percent would also make contributions, but less frequently.

that the *Tyee* has not only 20,000 commenters and e-newsletter subscribers, but a total readership of around 150,000 unique visitors.

The *Tyee*'s proposal sets the goal to acquire 400 members in the first year. Considering that the election fundraising campaign succeeded in finding more than 500 donors within a mere nine days, this number seems very conservative. The program will continue to acquire members over a longer period and will certainly benefit from increased promotion efforts. Therefore, it seems that a total of 700 new members is within reach in year one.

The proposal also projects that the program will acquire 200 members in each of the next two years. Rich and Hines state that a renewal rate of 40 to 50 percent is common for new members, and the overall rate usually ranges between 60 and 80 percent.⁸²

Table 2 shows a member growth and revenue projection, based on the following assumptions: 200 members are acquired annually, the retention rate for new members is 50 percent and 70 percent overall, and members pay \$5 per month on average.

Table 2. Members and revenue projection

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Members at the beginning of the year	0	700	550	585	609	626
Renewal Rate	0.0	0.50	0.70	0.70	0.70	0.70
Renewed Members	0	350	385	409	426	438
New Members	700	200	200	200	200	200
Members at the end of the year	700	550	585	609	626	638
Growth	100%	-21.43%	6.36%	4.10%	2.79%	1.92%
Revenue in \$	42.000	33.000	35.100	36.540	37.560	38.280

Adapted from: Patricia Rich and Dana Hines, *Membership Development: An Action Plan for Results* (Gaithersburg, MD: 2002), 240.

Table 2 is necessarily based on quite a bit of guesswork, but the guesses are based conservatively on a related reader survey, so the table shows a rough but not unrealistic projection. Table 2 also reflects Rich and Hines' assertion that over time, growth slows because it

⁸² Rich and Hines, *Membership Development*, 156–57.

becomes progressively harder to sign up new members. This emphasizes the significance of member acquisition and retention, which must be a top priority for the program in the short and long term. Furthermore, at some point it will be necessary to switch the strategy from growth to stability and to persuade current members to upgrade their membership levels in order to increase revenues.⁸³

The expenses side shows a one-time cost to develop the platform. As this investment has to be made before a single paying member joins, it bears the risk that the money might be lost. Therefore, the *Tyee* should try to keep this cost as small as possible. Fortunately, standard forum software includes most if not all required features and is very affordable. Once the platform is developed and members can join the program, most expenditures will be for staffing and marketing.⁸⁴ An investment in marketing is mandatory for growth in membership.⁸⁵ Staff will be needed to technically maintain the platform, to moderate the forum, to post the polls, and so on. If tangible benefits are offered, an expense for that item will have to be added.

A general rule is that costs for maintaining a membership program eat up 50 percent of the revenues.⁸⁶ Based on the numbers in table 2 above, the annual costs to maintain the program would be between about \$16,500 and \$21,000 for the *Tyee*. The proposal estimates an annual maintenance cost of \$24,000, more than the projection of table 2 would allow for. Therefore, the program will have to manage with a very lean budget.

83 Rich and Hines, *Membership Development*, 240.

84 *Ibid.*, 238.

85 *Ibid.*, 237.

86 *Ibid.*, 236.

CONCLUSION

For the Friends of Tyee membership fundraising program, the membership aspect is merely the organizational framework for a new form of community support and interaction. The benefits offered facilitate long-term member involvement. Involvement leads to a closer relationship to the *Tyee*, and maybe even to a sense of ownership. If people feel ownership of the *Tyee*, they will care strongly about it—a crucial aspect of sustaining the program. The benefits offered are strong enough to overcome possible reasons to resist joining, such as a tendency to regard the *Tyee* as a business that should pay its own way, or the fact that income-tax receipts cannot be offered.

The *Tyee* brings many assets to the program on which it can build. For example, the magazine's social mandate is advantageous for the program. Signing on with the Friends of Tyee program might be a way for like-minded readers to join the magazine's good cause. Furthermore, the *Tyee* has built a reputation as a trusted source of information and opinion, which gives credibility to its fundraising appeals. As a niche publication with a distinctive set of values and a loyal readership, the *Tyee* is in a favourable competitive position to ask for donations.

The *Tyee*'s readership data is promising as well. The high education level of readers is an advantage for the program, as educated people are more likely to join membership programs in general.⁸⁷ As well, *Tyee* readers are pleased with what the *Tyee* is doing and want to support independent media. Hence readers are interested in the *Tyee* and its activities, which is a pre-condition for their joining.⁸⁸ Readers have also demonstrated a willingness to support the *Tyee* during the election fundraising campaign. Readership survey data confirm that many readers are willing to make regular contributions. Overall, the environment of the Friends of Tyee program augers well for its success.

⁸⁷ Rich and Hines, *Membership Development*, 14–15.

⁸⁸ *Ibid.*, 6.

The *Tyee* increasingly focuses on solution-oriented reporting, and the reader membership program could help the *Tyee* to become the hub for debate on and solutions to issues in BC. The *Tyee* can offer not only the reporting but also the space for discussion and events: the forum. The magazine and its readers would be united by a mutual belief in the *Tyee* and a shared desire for solutions to certain issues. This, combined with the chance to participate in the important work the *Tyee* is doing, makes the program very attractive to readers.

The program would succeed in maintaining what has made the *Tyee* strong in recent years, and it is also a chance to make progress. To give even a bit of editorial influence to readers will require a learning process on the part of both editors and readers, but this is a necessary process anyway, as the role of editors as gatekeepers who speak down from the top continues to evolve in the age of internet and citizen journalism. The *Tyee* is a training ground for young journalists, and it could teach them the best traditions of journalism while exposing them to new roles and relationships for journalists and for publications.

Although the program has been designed to address ethical concerns responsibly, there are still risks and uncertainties. Vigilance will be required as it is for all journalists and publications.

The plan itself is strong and well thought out; much depends on the execution of it. Costs to operate the program must be kept as low as possible due to the *Tyee*'s tight budget. Yet the important things have to be done with all possible effort: to build a community and to work with it, to allow the right amount of influence, and to show members that their participation has an impact on the *Tyee*'s work, so that members' input enhances editorial integrity rather than compromising it. The program could offer further tangible benefits, such as events, print publications, an e-newsletter, and standard member services. A graduated dues structure that allows for monthly payments as well as annual ones is advisable. Readers could be invited to vote on editorial priorities semi-annually, and monthly polls could be offered on more specific questions that have relevance in the opinion of members. Generally, a shift in the *Tyee*'s mentality will be necessary to integrate member participation in a meaningful way.

In the end, the success of the program will depend on the number of members it can acquire and keep. Membership retention as well as member acquisition and program promotion, although outside the purview of this report, will therefore be essential to the program in the short and long term. Active recruiting must be carried out constantly. Therefore, emphasis should be placed not on technical solutions, but on the commitment of the *Tyee's* staff. The program must become an integral part of the *Tyee's* organizational culture—not the job of one person, but part of everyone's job.

The financial projections are modest but promising: reader support has the potential to become an important part of the revenue mix. If the *Tyee's* program generates \$40,000 in revenue per year, it will bring in about 7 percent of the budget. This is a small percentage, but the program has great potential to grow. Initial projections on member numbers and revenues are only educated guesses, and results must be monitored carefully and projections adjusted as needed.

The big opportunity for the *Tyee's* membership program is that it might initiate a self-energizing process that could be described as Membership-Readership Cycle. Members will join the program and contribute in two ways: by paying dues, and by helping to make the reporting and writing more relevant to their concerns. As the *Tyee's* work becomes more relevant to its community, the quality improves. Members' dues can be used to do more reporting, to improve the quality even more, and to promote the *Tyee*. The result will be an increase in readership, which will bring the *Tyee* more prospects for the membership program. More prospects lead to more members, and the self-energizing process is underway. Figure 2 sums up how this process would ideally work.

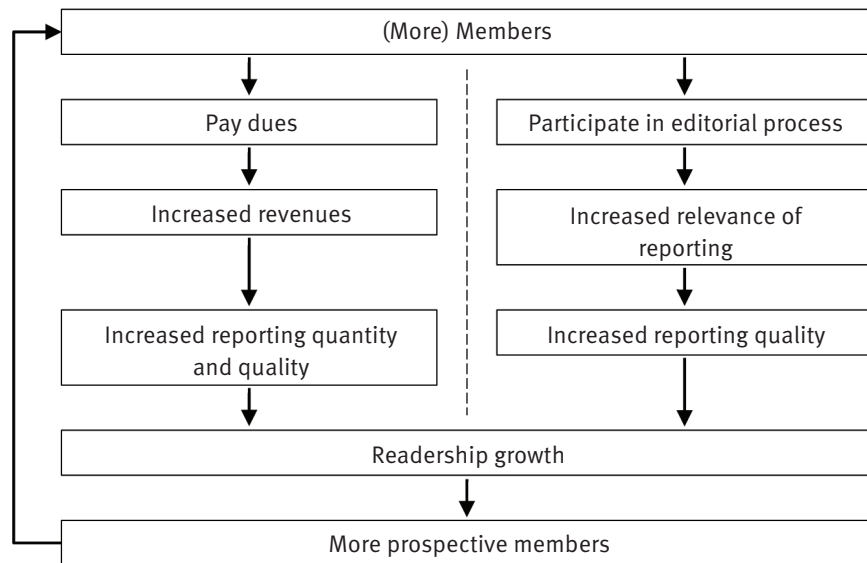


Figure 2. Membership-Readership Cycle

The next step for the *Tyee* will be to make decisions on the matters outlined in this report and to develop a detailed plan for the program. It will be necessary to test and review the decisions continuously, tabulate results, and adjust the program accordingly. The measurements of success defined in the *Tyee*'s proposal are well chosen and essential in this reviewing and adjusting process. With determination and courage, the *Tyee* has a good chance not only to develop a sustainable new source of revenue, but also to make a valuable contribution to the search for new models to enable and sustain good journalism in the age of online publishing.

APPENDIX

Table A. Overview on membership programs of online news publications (as at January 2010).

Publication	Dues	Benefits	Non-profit/ For-profit	Tax receipt
<i>Crosscut</i> crosscut.com	\$25/year	Recognition in member section	Non-profit	No
	\$35-\$99/year	As above		
	\$100-\$249/year	Above plus invitation to monthly New Member Coffee, free admission to <i>Crosscut</i> events and panels		
	\$250-\$499/year	Above plus recognition as day sponsor on home page		
	\$500-\$999/year \$1,000/year	As above Above plus invitation to additional special events featuring <i>Crosscut</i> writers and board members, website banner advertising space for member or a non-profit chosen by the member		
<i>Rabble.ca</i> rabble.ca	\$5/month	Independent print magazine subscription	Non-profit	No
	\$8/month	Two independent print magazine subscriptions, best of <i>rabble.ca</i> book		
	\$15/month	Three independent print magazine subscriptions, best of <i>rabble.ca</i> book		
	\$25/month	Above plus personally engraved wall plaque		
	\$50/month	Above plus one month of skyscraper advertising to donate to the organization of member's choice		
<i>Salon</i> salon.com	\$6/month	Ad-free access to <i>Salon</i> and premium content	For-profit	No
	\$29/year	Access to premium content, bonus book		
	\$70/2 years	Ad-free access to <i>Salon</i> and premium content		
	\$45/year	Ad-free access to <i>Salon</i> and premium content, bonus book or magazine subscription		
	\$69/year	Ad-free access to <i>Salon</i> and premium content, access to Progressive Book Club		
	\$79/year	Ad-free access to <i>Salon</i> and premium content, bonus membership to GigaOM Pro (market research company)		
		All models might also include: Exclusive discount for online retailer, one month of Nerve Premium (online magazine), discount for online store, access to <i>Salon's</i> premium discussion forum, invitations to events, <i>Salon</i> download edition, <i>Salon</i> on PDA		

Table A. (continued)

Publication	Dues	Benefits	Non-profit/ For-profit	Tax receipt
<i>SF Public Press</i> sfpublicpress.org	\$35	Monthly newsletter, invitation to gatherings of charter members	Non-profit	Yes
	\$50	As above		
	\$100	As above		
	\$250	As above		
	\$500	As above		
	Solicitation happens annually	\$1,000 \$5,000		
<i>St. Louis Beacon</i> stlbeacon.org	Up to \$99	Listing on supporters page, newsletter	Non-profit	Yes
	\$100–\$249	Above plus limited-edition stainless steel tumbler		
	\$250–\$499	Above plus reception with VIPs from <i>Beacon</i> events		
	\$500–\$999	Above plus access to exclusive events		
	\$1,000–\$2499	Above plus breakfast with the <i>Beacon</i>		
	\$2,500–\$4,999	Above plus lunch with the editor		
	\$5,000–\$9,999	Above plus Founder's Reception		
> \$10,000	Above plus limited edition print			
<i>Voice of San Diego</i> voiceofsandiego.org	\$35–\$500	Invitation to New Member Coffee; free admission to <i>Voice</i> panels, forums, and other events; recognition on the membership section of the website	Non-profit	Yes
	\$1,000–\$10,000	Above plus invitation to a special event with the editors and board; website advertising space for member or organization of member's choice		
	Dues can be one-time/annually/quarterly/monthly donations	\$15,000–\$100,000		

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