

Chicago Local Digital News Landscape Analysis

Summary of Research Findings

Executive Summary

Chicago has a rich digital media landscape with dozens of outlets that serve the entire metro area. It is also home to many outlets designed to fulfill the information needs of broadly defined neighborhoods, as well as interest topics – such as real estate and education – that transcend geography.

The city of Chicago is also the site of research efforts to understand the challenges and opportunities for strengthening local media in the face of changing economic and market forces. Recent systems-level studies by the Field Foundation of Illinois and the John D. and Catherine T. MacArthur Foundation, the Democracy Fund, and Public Narrative identify segregation, lack of audience trust, and aging business models as major challenges for Chicago media.¹ The proposed opportunities and solutions are similarly targeted at the Chicago media ecosystem: resource sharing, rethinking audience engagement, and creating professional pipelines.

This research adds to the discussion about the landscape of Chicago media, but it differs in that it emphasizes potential news deserts in Chicago and presents economy of scale solutions to establish sound business models among Chicago’s digital media outlets. The Robert R. McCormick Foundation commissioned the News Revenue Hub to undertake a research study designed to, first, identify how many digital local media outlets there are in the Chicago metro area (encompassing Downtown Chicago, North Side Chicago, South Side Chicago, West Side Chicago, and Suburbs), as well as to identify any regions with a relative lack of local news. Second, we administered a survey to digital media outlets to identify common business model challenges to determine if addressing targeted issues might also improve critical information needs that may have shown up in the first phase of research.

The landscape analysis and survey of digital news outlets showed the following:

- A rich digital media environment that includes established legacy outlets, non-English language news, and young entrepreneurial media organizations;
- A relative lack of local news serving West Side Chicago;
- A general reliance on business models that are primarily made up of advertising revenue;
- A general willingness for Chicagoans to pay for engaging and relevant local news; and
- Opportunities to improve business models and bridge gaps between organizations through targeted trainings and technological solutions.

¹ “The Shape of Chicago’s Media Ecosystem and Possible Paths Forward,” by Sheila Solomon and Andrea Hart, prepared for Democracy Fund, 2017 (revised 2018); “Chicago Media Landscape: Looking Beyond Legacy Players,” Public Narrative, 2018; “Field Foundation Local Media and Storytelling White Paper,” 2019.

The Digital Media Landscape

With the assistance of Public Narrative, the McCormick Foundation and its partners, and our own supplemental research, we began the study by assembling an initial list of over 100 local digital news outlets. Both nonprofit and commercial media were included in this list, although the news sites of local broadcast and public media outlets were not, nor were the websites of major print publications, including the *Chicago Tribune* and the *Chicago Sun Times*.

We reduced the number of outlets based on factors such as dormancy (no updates in several months), the lack of a meaningful digital presence, or coverage of communities beyond what can reasonably be considered as part of the Chicago metro area. The analysis of the landscape of Chicago's digital media presence is based on the remaining 86 outlets. In some cases, a single company operated and represented multiple news outlets.

An analysis of the distribution of digital news outlets shows that about half (40 of 86) of outlets in Chicago claim to serve a city wide audience. Each region, therefore, has a baseline of 40 outlets. While it's beyond the scope of this research, the assertion that an outlet caters to the entire city does not necessarily mean that it actually does. That's also true for outlets that claim to serve the entirety of a single region. For example, nine of the 40 city wide outlets are either a language other than English only or bi-lingual.

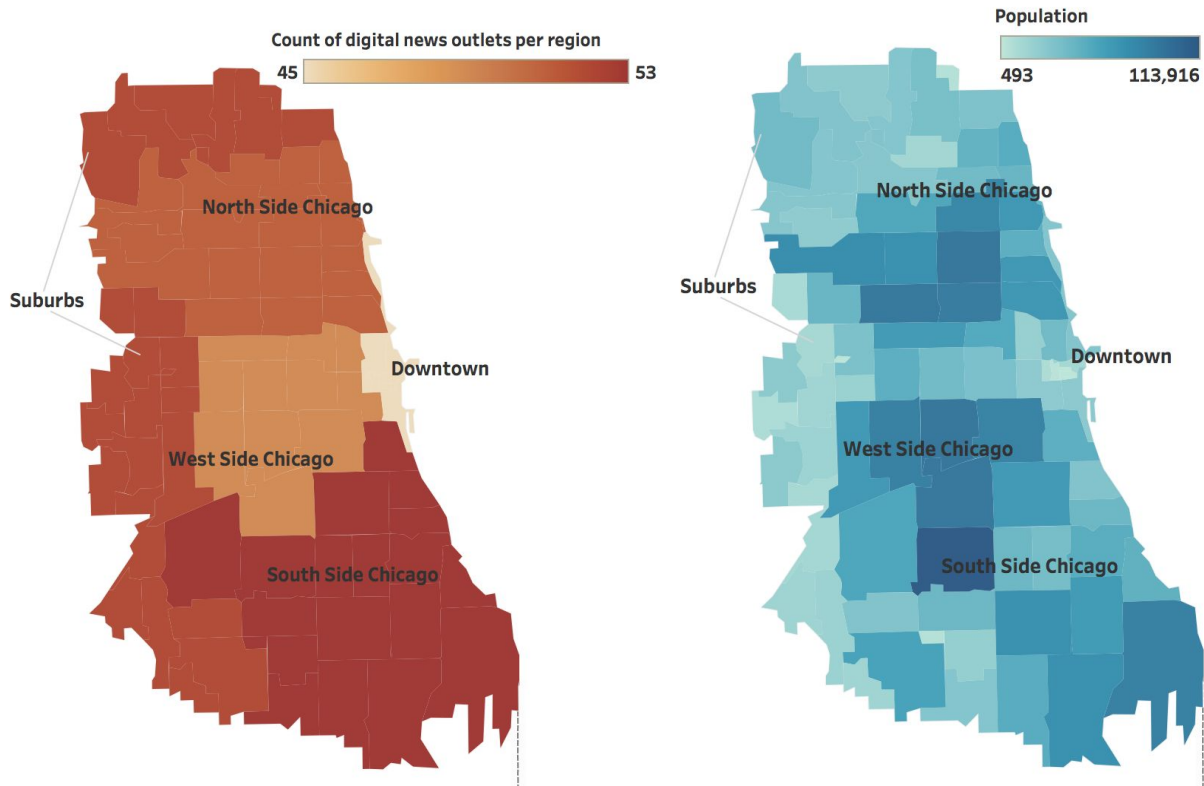
Because the boundaries of Chicago's regions are less defined than, for example, the boroughs of New York City, Chicago is home to multiple outlets that serve more than one region, but not necessarily the entire city. This is particularly true for Chicago's South and West Sides, which are adjacent to one another and whose populations are predominantly people of color. The [Field Foundation's Chicago heat maps](#) show this segregation.

Our analysis indicates that West Side Chicago and Downtown Chicago lack coverage relative to the other regions, with West Side Chicago having the greatest information needs.

West Side Chicago has 9 dedicated outlets, 3 of which also serve other areas. Additionally, of the 6 remaining outlets that cover West Side Chicago, 4 of them are hyperlocal (3 for the Austin neighborhood and 1 for McKinley Park). Downtown Chicago has even less dedicated coverage, as just 5 outlets claim to cater to Downtown and, like in West Side Chicago, 3 also serve other areas. But, again, the ZIP Codes coded as "Downtown" in this map is geographically smaller and have a much smaller population than the other regions, with just over 200,000 residents compared, for example, to the more than 600,000 in West Side Chicago and about 1,000,000 in North and South Side Chicago, which are geographically larger.

While South Side Chicago, North Side Chicago, and the Suburbs are well represented with digital news outlets – with 13, 11, and 12 outlets, respectively – two caveats must be kept in mind. First,

the Suburbs region is expansive, and the rendering below nearly encircles Chicago from the North Shore to the far south. Indeed, few outlets claim to serve the “Suburbs” writ large, but are dedicated to specific communities. Digital news remains spotty in the Suburbs, although the outlets they do have tend to be hyperlocal.



Chicago’s North and South Sides are well represented with local news outlets, both with a mix of hyperlocal outlets and more general ones. It should be noted that the boundaries in the map above include many distinct communities. “North Side Chicago” encompasses [community areas typically categorized as “Far North” and “Northwest.”](#) Similarly, “South Side Chicago” includes community areas categorized as “Southwest,” “Far Southwest,” and “Far Southeast.” As a result, the depth of coverage found in these areas may not accurately reflect the distribution of community news within these areas.

Business Models and Budget Sources

Advertisement is the most common form of revenue among the surveyed organizations, with 65% (15 of 23) of the organizations saying it constitutes the largest proportion of their budgets. Of the 23 that indicated that more than 50% of their budget comes from advertising, just two outlets identified donations as comprising at least 50% of it.

Advertising	Donations	Institutional sup	Membership	Subscriptions	Other
Less than 25%					75%+
75%+	Less than 25%	Less than 25%	Less than 25%	Less than 25%	
75%+	Less than 25%	Less than 25%		Less than 25%	
75%+	Less than 25%	Less than 25%	Less than 25%	Less than 25%	
75%+	Less than 25%	Less than 25%		Less than 25%	
	Less than 25%	75%+	Less than 25%		Less than 25%
Less than 25%	Less than 25%	Less than 25%		50-75%	Less than 25%
50-75%				25-50%	
75%+				Less than 25%	
50-75%			Less than 25%	Less than 25%	Less than 25%
Less than 25%	50-75%	25-50%	Less than 25%	Less than 25%	Less than 25%
75%+	Less than 25%	Less than 25%	Less than 25%	Less than 25%	Less than 25%
75%+	Less than 25%	Less than 25%	Less than 25%	Less than 25%	Less than 25%
50-75%	Less than 25%	Less than 25%			25-50%
Less than 25%		50-75%			50-75%
50-75%	Less than 25%	Less than 25%	Less than 25%	Less than 25%	25-50%
50-75%	Less than 25%	Less than 25%	Less than 25%	Less than 25%	Less than 25%
Less than 25%	Less than 25%	75%+			
75%+				Less than 25%	
	25-50%	Less than 25%			25-50%
Less than 25%	Less than 25%	Less than 25%	Less than 25%	Less than 25%	75%+
50-75%				25-50%	

While 70% (16 of 23) of the organizations surveyed receive grant support from philanthropic foundations as part of their budgets, it comprised less than 25% of the budget for all but four of them. One organization has only been around for three years and said that during its first year of operation it received most of its budget from foundation grants. In its subsequent two years of existence, however, the primary sources of revenue have shifted. Only one outlet counts subscriptions as comprising more than 50% of its budget.

Membership is a challenge for all of the organizations surveyed. Only 10 of the 23 organizations identified Membership as a source of revenue, and for each of these 10 it comprised less than 25% of its yearly budget.

Common challenges

Two common and related challenges that organizations face emerged from the survey. First, organizations are having difficulty adapting old business models to our new reality, a challenge common in journalism far beyond Chicago. All but two of the organizations surveyed stated that they are looking for a new revenue stream (the two that did not answered “Unsure”). Second, organizations lack the resources and/or strategic forethought to take advantage of new revenue opportunities, even if they know what the opportunities are. For instance, one survey taker said “it’s frankly been frustrating to hear newsrooms with successful subscription operations condemned by some funders, and it’s hard not to feel like you’re damned if you do, damned if

you don't." Another said, "when foundations want us to be a nonprofit in order to be eligible for grant funding, we can never apply because we don't have the funds to create a nonprofit."

In general, Chicago digital media outlets don't view foundation grants as a solution for sustainability, but rather as a way to build systems and develop the necessary business acumen and staff capacity so that they can grow and continue serving critical audience needs.

Even organizations with staff dedicated to revenue feel the pressure to find new sources of revenue. For instance, one organization has as many as nine staff roles dedicated to generating revenue and more than 75% of their revenue comes from selling advertisements. But with annual decreases in advertising revenue and a subscriber base of less than 10,000, it states that "the fundamental business model which has sustained us for four decades is shifting rapidly, and we need to actively add reader, donor, and foundation revenues to sustain our community work."

Recommendations

As we considered what solutions could be applied or scaled to multiple organizations, we considered two factors:

1. What investments make the most use of support in the form of funding, workshops, capacity building, and the like?
2. What neighborhoods would benefit from a coverage standpoint?

To address these factors, we considered the needs of individual organizations, as well as the common challenges faced by the surveyed outlets as a whole. There are two opportunities that stick out:

- Access to software and technical tools:
 - **CMS:** Several organizations use a custom or otherwise difficult to scale CMS. If they were offered the opportunity to migrate to a widely supported CMS such as Wordpress, they would have the ability to easily adjust their strategies and implement the right features to grow and convert their audience to paid members.
 - **CRM:** Every single organization identified membership as a part of their budget revenue. At the same time, each organization reported using a different CRM to manage their donor information. This cohort of organizations could benefit from an economy of scale situation that was both affordable and easy to maintain. One consideration could be getting the organizations on the News Revenue Hub tech stack.
- Organizational learning:
 - **Workshops:** An organization's potential for sustainability largely depends on their ability to grow their audience and increase loyalty. While many organizations indicate strong performance in both areas, there is room for improvement.

Workshops and training around developing newsletter products, messaging, and engagement practices could benefit each organization.

- **Peer Training:** Despite geographic segregation and generational divides, 18 of the 23 surveyed organizations said they partner with other news organizations for editorial projects or events, and two additional outlets said they don't currently but would like to. There may be an opportunity for cross-organizational learning, where outlets share expertise and audience.

Because West Side Chicago was identified as an area of particular need, it makes sense to focus these recommendations and consider investments that would lead to more and deeper coverage there.

Appendix I – 86 mapped outlets

AREA Chicago	City wide
Auburn Gresham Portal	South Side
Austin Talks	West Side
Austin Voice	West Side
Austin Weekly News	West Side
Better Government Association	City wide
Beverly Review	South Side
Block Club Chicago	Downtown
Block Club Chicago	North Side
Block Club Chicago	South Side
Block Club Chicago	West Side
Bridgeport News	South Side
Brighton Park Life	South Side
Chalkbeat	City wide
Chas I Podii	City wide
Chicago Business	City wide
Chicago Chinese News	City wide
Chicago Crusader	City wide
Chicago Daily Observer	City wide
Chicago Defender	City wide
Chicago Jewish Home	City wide
Chicago Korean Times	City wide
Chicago Magazine	City wide
Chicago Maroon	City wide
Chicago News	City wide
Chicago News Russian	City wide
Chicago Parent	City wide
Chicago Reader	City wide
Chicago Reporter	City wide
Chicago Shimpo	City wide

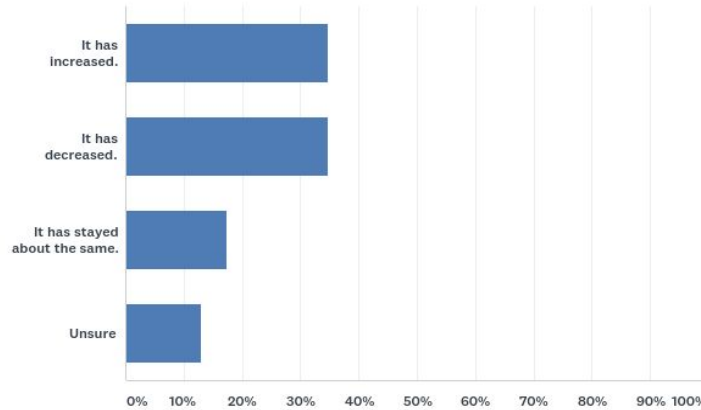
Chicago Talks	City wide
Chicoganista	City wide
City Bureau	South Side
City Bureau	West Side
Copy Line News Magazine	City wide
Curbed Chicago	City wide
Daily Herald	Suburbs
Daily Whale	City wide
Desplaines Valley News	Suburbs
Dziennik Zwiazkowy	City wide
Edgeville Buzz	North Side
El Dia	City wide
Englewood Portal	South Side
Epoch Times	City wide
Evanston Now	North Side
Extra	City wide
Forest Park Review	Suburbs
Free Spirit Media	West Side
Gate News	South Side
Gazette Chicago	Downtown
Gozamos	City wide
Herald Life	Suburbs
Herald News	Suburbs
Humboldt Park Portal	North Side
Hyde Park Herald	South Side
Injustice Watch	City wide
Inside Booster Chicago	North Side
Inside Chicago Government	City wide
La Raza	City wide
Lawndale News	City wide
Loop North News	Downtown
Loop North News	North Side

McHenry County Blog	Suburbs
McKinley Park News	West Side
Medill Reports Chicago	City wide
My Suburban Life	Suburbs
N'Digo	City wide
Nadig Newspapers	North Side
Negocios Now	City wide
Northwest Herald	Suburbs
OakPark.com	Suburbs
Our Urban Times	North Side
Our Village News	North Side
Patch Chicago	City wide
Proximity Magazine	City wide
Real Deal, The	City wide
Red Line Project	City Wide
Riverside-Brookfield Landmark	Suburbs
Skyline Newspaper	Downtown
Skyline Newspaper	North Side
Sloopin	Downtown
Sounds, The	Suburbs
South Side Weekly	South Side
Substance News	City wide
The Daily Line	City wide
The Sixth Ward	South Side
TRiiBE, The	South Side
TRiiBE, The	West Side
Village Free Press	West Side
Weekly Citizen	South Side
Weekly Citizen	Suburbs
Welles Park Bulldog	North Side
Windy City Greek	West Side
Windy City Times	City wide

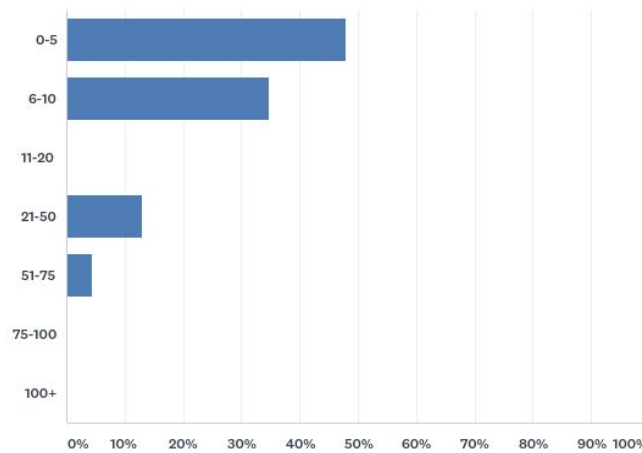
Appendix II

Select survey results

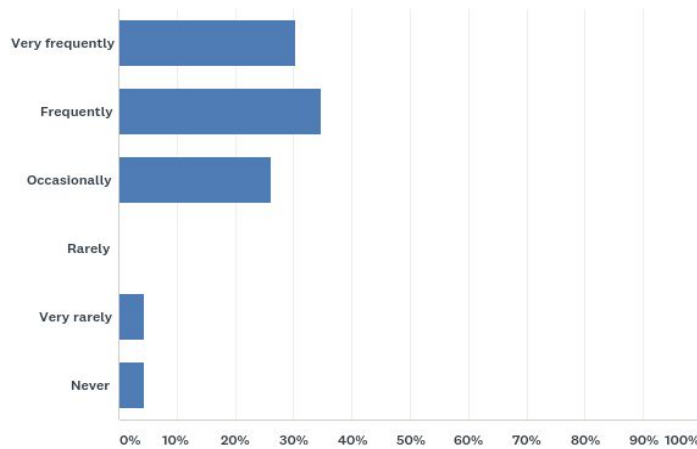
Q31 In the past three years, how has your annual revenue changed?



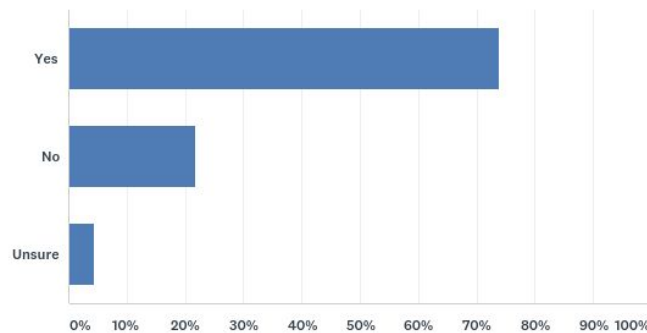
Q3 How many full-time staff does your organization employ?



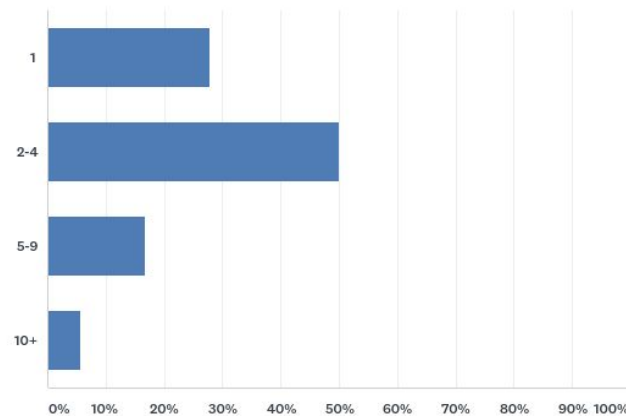
Q5 How frequently does your organization hire freelancers for any aspect of day-to-day operations? This could include reporting, web development, editing, etc.



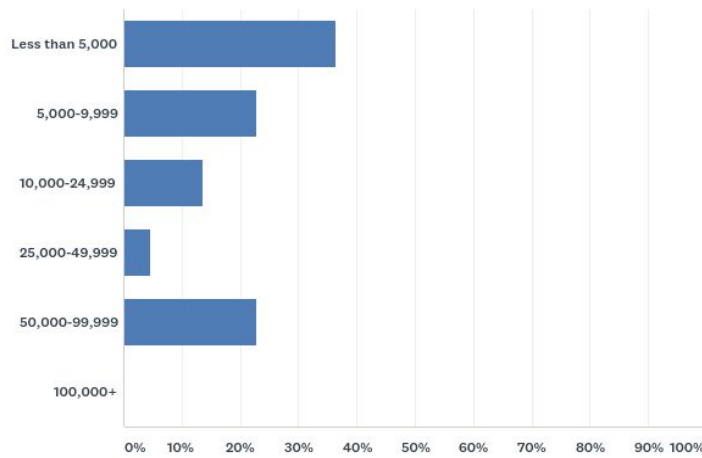
Q24 Does your organization have a person or team dedicated to revenue? For example, business development, advertisement sales, fundraising



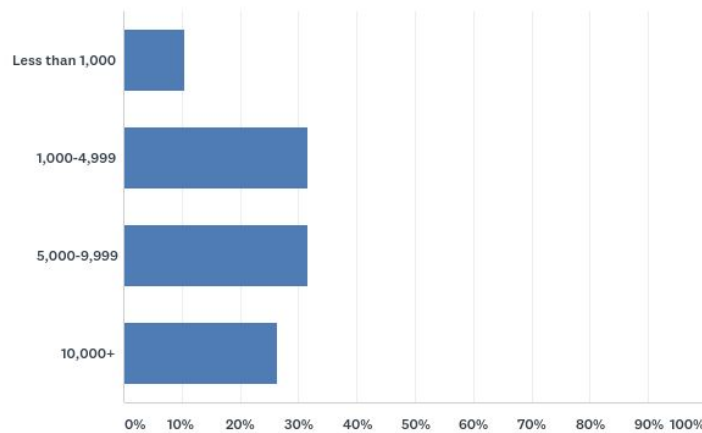
Q25 If yes, how many people are on the team dedicated to revenue?



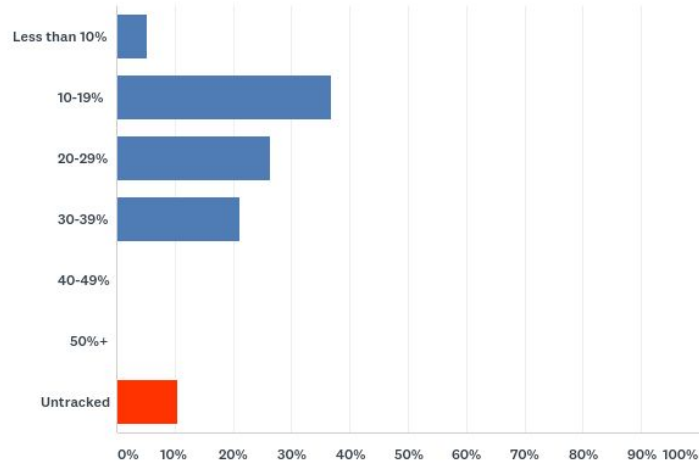
Q38 About how many email addresses are on your organization's master email list (this may or may not be different from a newsletter subscriber list)?



Q21 How many subscribers do you have to your newsletter?



Q22 What is your newsletter's average open rate?



Q13 Does your organization ever partner with other news outlets on editorial projects or events?

