The State of Funding in Information and Media Among Community and Place-based Foundations

This report was produced by FSG Social Impact Advisors with support from and in collaboration with the John S. and James L. Knight Foundation.

Introduction

The last two decades have brought fundamental and rapid change in the way information is produced, gathered and shared. Communities have experienced a decline in traditional local news sources and reporting. At the same time, however, new technologies, information sources and tools are emerging at a staggering rate. Yet, in this new sea of information, individuals risk relying on sources that lack credibility and comprehensiveness, and participation in online media remains uneven with marginalized populations facing significant barriers in access. As these disruptions play out, national and local leaders have become increasingly concerned about the overall health of local information systems, and the impact this will have on the vitality of communities and the ability of individuals to meaningfully engage in democratic processes.

The philanthropic sector has been called upon to address information and media as a core need in communities, alongside quality education, healthcare and social services. Several national funders have committed to the issue, and, increasingly, community and place-based foundations are playing a leadership role in meeting their local information needs. To better understand the current state of philanthropic funding in this area, the Knight Foundation commissioned FSG Social Impact Advisors to survey the field of community and place-based foundations.

What follows are highlights from the survey results. The online survey was administered in partnership with the Council on Foundations, with input provided by Grantmakers in Film and Electronic Media (GFEM). It was distributed to 928 community and place-based foundations, of which 92 and 43 responded respectively (total 135 respondents, with an overall response rate of 15%).[1] Respondents were asked to provide information on their grantmaking and non-grantmaking activities in the areas of information and media; their perceptions of the information ecosystem in their own communities; and their awareness of Knight's activities.

Although the data were collected anonymously, we are able to identify respondents based on a few key attributes. For example,

- **Information and Media Funders and Non-Funders**. 63 of 125 respondents made information or media grants in the past year.[2]

- **KCIC Applicants and Non-Applicants**. 47 of 76 respondents indicated that they had applied, or had considered applying, to the Knight Community Information Challenge (KCIC).

FSG has analyzed responses[3] based on these sub-groupings of respondents to test whether certain groups responded differently based on these attributes. We have highlighted selected findings by subgroup throughout the report and refer to respondents using the above underlined identifiers.

The survey gives us a snapshot of the current state of the field. Over time, we will continue to collect data from the field to better understand how and to what extent community and place-based foundations are engaging in and responding to changes in their local information environments.

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[1] 735 community foundations received a link to the survey from the Council on Foundations (response rate: 13%); 193 private, place-based foundations received the survey link directly from the Knight Foundation (response rate: 22%). We received 99 complete responses and 36 partial responses.

[2] One respondent that indicated "Don't know" when asked what type of projects they are funding has been excluded from the subgroup analysis.

[3] While responses among the subgroups varied in many instances, the small sample size precludes establishing the differences as statistically significant. Without a larger sample size, we should consider these differences as directional at best, but not necessarily definitive.

Funding to Information and Media

In the past year, 50% of respondents made grants to information or media related projects in their communities.

Respondents were asked to identify where they were making grants across four sub-categories. Among *funder* respondents:

- **Information or media content**[4] was the most commonly identified category, with 37% providing support

- **Information and media infrastructure**[5] was identified by 30% of respondents

- **Media literacy**[6] was identified by 12% of respondents

- **Information and media policy**[7] was identified by 14% of respondents

Subcategories of Information or Media Funding by Community and Place-based Foundations in the Past Year
n=126

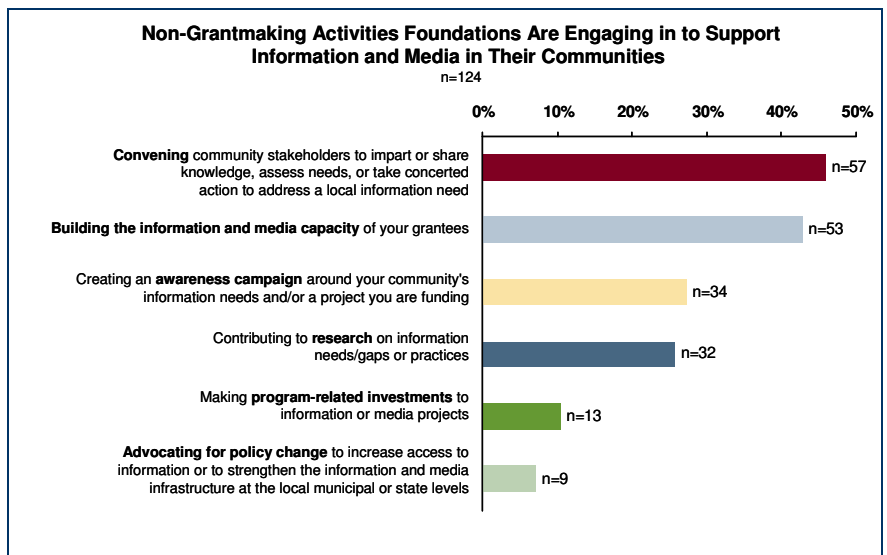|	
Information and media content (n=47)	
Information and media infrastructure (n=38)	
Media literacy (n=15)	
Information and media policy (n=18)	
We have not made any grants to information or media projects in the past (n=63)	
Don't know (n=1)	
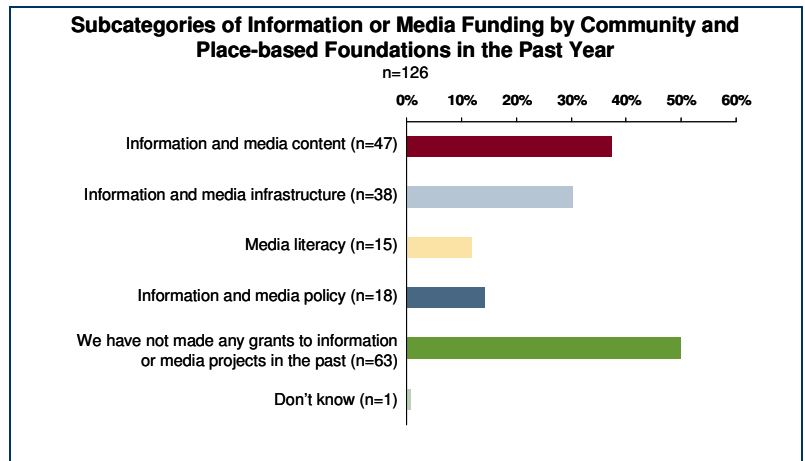
When asked to indicate ranges of their contributions in each category in the past year, survey respondents indicated the following contributions across all categories: ">$1M" (n=15); "$500K-$999K" (n=2); "$100K-$499K" (n=20); "<$100K" (n=106).[8] In aggregate, at least $23.3M is being contributed to information and media projects, of which approximately $6.6M comes from community foundation respondents (average contribution of $78K), and approximately $16.8M from place-based foundations (average contribution of $453K).[9]

Beyond Grantmaking

Aside from the provision of direct funds, 74% of respondents engaged in other non-grantmaking activities to support information and media in their communities.

Respondents were asked to identify the activities they are involved in from a list of six categories.[10]

- 46% of respondents are **convening** community stakeholders around the issue of local media and information

- 42% are **building the information and media capacity** of their grantees

Non-Grantmaking Activities Foundations Are Engaging in to Support Information and Media in Their Communities
n=124

Convening community stakeholders to impart or share knowledge, assess needs, or take concerted action to address a local information need	n=57
Building the information and media capacity of your grantees	n=53
Creating an **awareness campaign** around your community's information needs and/or a project you are funding	n=34
Contributing to **research** on information needs/gaps or practices	n=32
Making **program-related investments** to information or media projects	n=13
Advocating for policy change to increase access to information or to strengthen the information and media infrastructure at the local municipal or state levels	n=9

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[4] Information and media content, e.g., news content for distribution on radio, TV and/or Internet, documentary films, educational and teaching resources, Web 2.0/social networking media, print publication and distribution.
[5] Information and media infrastructure, e.g., developing new media outlets or expanding the reach of media outlets; developing and disseminating innovative technologies for content production and distribution; supporting efforts to increase broadband access locally
[6] Media literacy, e.g., addressing digital or media literacy among residents or specific populations.
[7] Information and media policy, e.g., promoting government transparency, supporting freedom of information, building public constituencies and partnerships to promote information and media policy locally.
[8] "n" refers to number of responses; respondents could have selected ranges in up to 4 categories. From 121 respondents, 402 responses were included in the analysis.
[9] Cumulative dollar amounts reflect the amount at the low end of each range multiplied by the number of respondents. For "<$100K", a midpoint of $50K was used as the multiplier.
[10] Respondents were asked to select all that applied.

Fewer respondents are creating awareness campaigns, funding research, making program-related investments or engaging in advocacy.
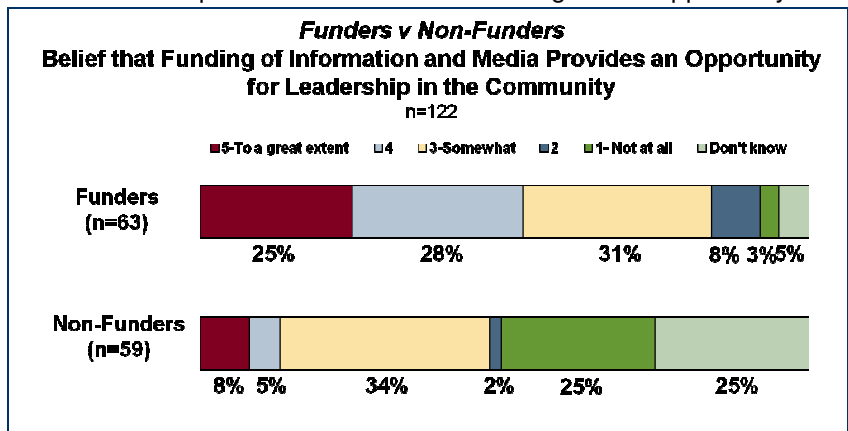
Foundation Strategy and Community Leadership

The survey also sought to help us better understand how information or media-related grantmaking fits into foundations' overall strategy and mission. 37% of respondents are providing support to information and media to advance their programmatic objectives in specific issue areas, such as education, health or economic development. Another 27% reported that grants in this area support a combination of information and media-related objectives, as well as objectives in other program areas.
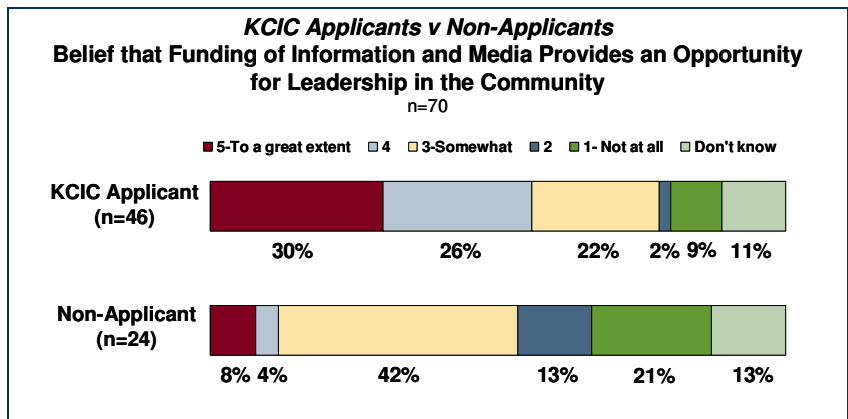
More than a third (34%) of all respondents believes that funding in information and media-related projects provides their foundation with a unique opportunity to play a leadership role in their community.[11] Among respondents who are making grants toward explicit information or media-related programmatic objectives[12], 55% strongly believe[13] their engagement with information and media provides the foundation with a unique opportunity to play a leadership role in the community. This finding supports the view that there is a strong connection between supporting community information and media projects and the role of community and place-based foundations as leaders in their communities. As we heard from grantees through our findings in the first year of the Knight Community Information Challenge, information is a core ingredient to catalyzing meaningful social change for community and place-based foundations.[14]

Subgroups

- **Information and media funders:** 52% of *funder* respondents believe that funding is an opportunity for leadership in the community. It appears that *non-funder* respondents are less likely to believe that funding in this area provides an opportunity for leadership (8 of 59 non-funding respondents). 25% of *non-funders* do not believe funding in this area provides a leadership opportunity; and another 25% said that they did not know whether information or media projects provided an opportunity for leadership in the community.

Funders v Non-Funders
Belief that Funding of Information and Media Provides an Opportunity for Leadership in the Community
n=122

Legend: ■ 5-To a great extent □ 4 □ 3-Somewhat ■ 2 ■ 1- Not at all □ Don't know

Funders (n=63): 25% | 28% | 31% | 8% | 3% | 5%
Non-Funders (n=59): 8% | 5% | 34% | 2% | 25% | 25%

- **KCIC Applicants[15]:** *Applicant* respondents appear more likely to believe that information funding can provide their foundation with a leadership role in the community (57%), compared to *non-applicant* respondents (3 of 24, 13%).

KCIC Applicants v Non-Applicants
Belief that Funding of Information and Media Provides an Opportunity for Leadership in the Community
n=70

Legend: ■ 5-To a great extent □ 4 □ 3-Somewhat ■ 2 ■ 1- Not at all □ Don't know

KCIC Applicant (n=46): 30% | 26% | 22% | 2% | 9% | 11%
Non-Applicant (n=24): 8% | 4% | 42% | 13% | 21% | 13%

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[11] 42 of 124 responded "4" or "5" on a 5-point scale
[12] Respondents who indicated they funded projects to support information or media-related objectives exclusively, or in combination with objectives in other program areas (n=38)
[13] Responded "4" or "5" on a 5-point scale
[14] *Reports from the Field: Community and Place-based Foundations and the Knight Community Information Challenge* (February 2010)
[15] 61% of respondents are aware of the KCIC; of those who are aware, 62% have applied or considered applying and 12% received funding.

Perceptions about the Information Health of Communities

Foundations were surveyed about their perceptions on the overall information health of their communities, as well as on specific aspects, including the state of government information and transparency, media literacy, high-speed broadband internet access and local news. Findings indicate that there is not a clear consensus across communities on how the information health of their localities is changing.

On particular aspects of the local information system, there was clearer consensus.

- 66% of respondents disagree that everyone in their community has access to affordable **high-speed broadband internet**

- 63% agree that their community has **vibrant libraries** and community centers that provide digital access

On other issues, respondents did not know the status in their community. For example, 29% of respondents reported that they did not know the state of **media literacy** education in their community's classrooms.

Subgroups

KCIC Applicants: *Applicant* respondents appear to have more negative perceptions about their community's information ecosystem than *non-applicant* respondents.

**Respondents' Perceptions About Their Communities**

- 54% of *applicant* respondents disagree that government information and services can be found online through a clear, easy-to-use portal, compared to 37% of *non-applicant* respondents that disagree.

- 76% of *applicant* respondents disagree that their community has access to high-speed, broadband internet, compared to 67% of *non-applicant* respondents that disagree.

Applicant v Non-Applicant
Belief that Government Information and Services Can Be Found Online through a Clear, Easy-to-use Portal
n=73

Applicant v Non-Applicant
Belief that Community Has Access to High-speed, Broadband Internet
n=73
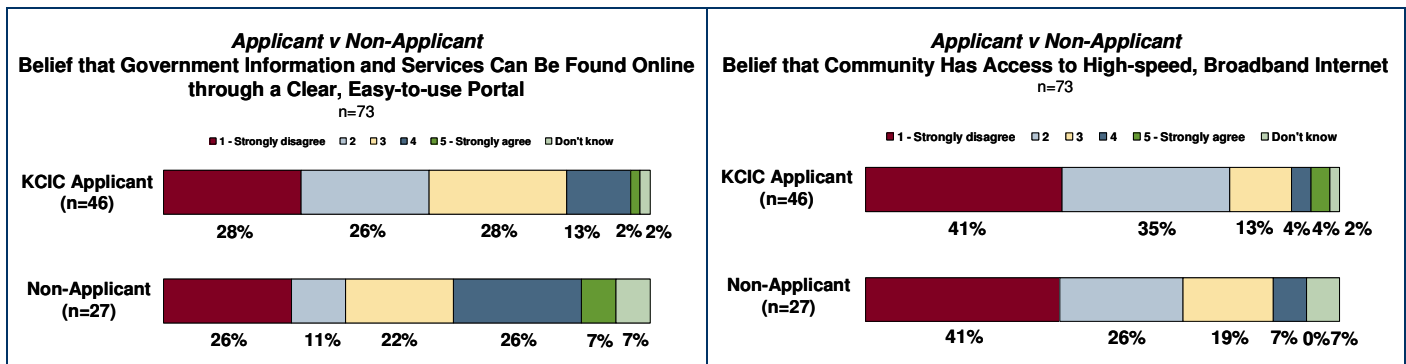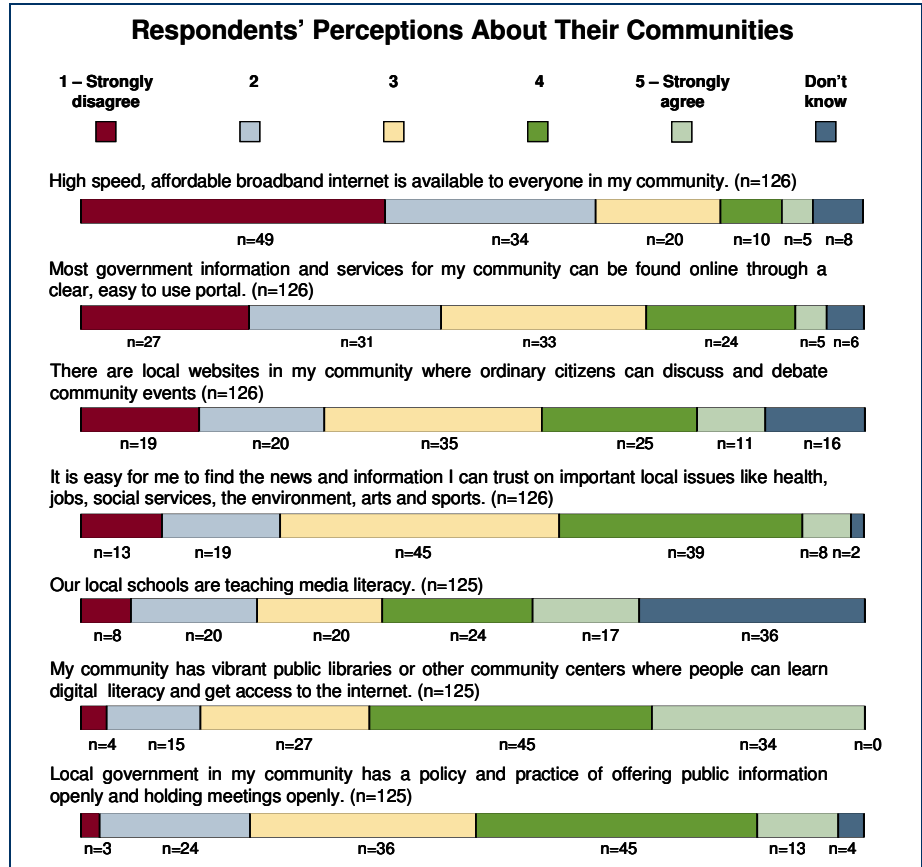
Funding Trends

Although this report captures a snapshot of just 15% of the community and place-based foundation field's perceptions and behaviors, respondents indicated that funding of information and media is increasing.

- For 34% of respondents, their funding today of information and media projects, as a proportion of their overall grantmaking, has increased relative to three years ago.

- In the future, 34% of respondents expect their funding of information and media will increase; 35% say their funding will remain the same.
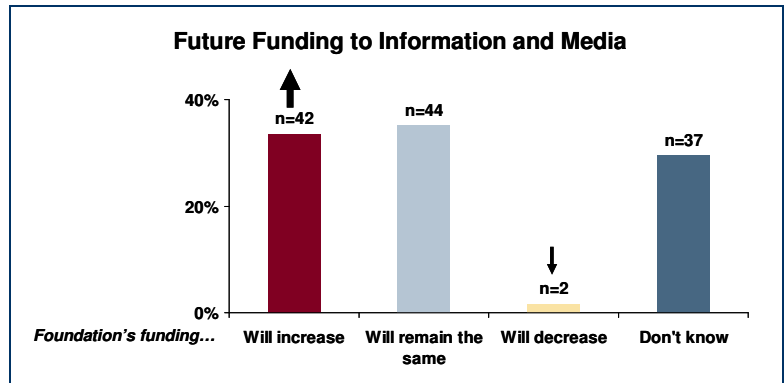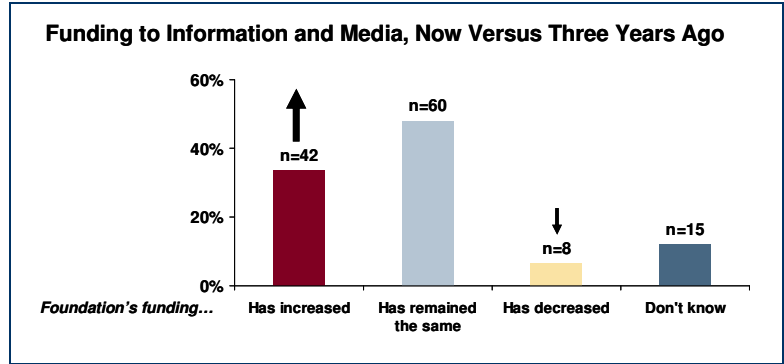
Subgroups

Information and media funders and KCIC applicants forecast more funding to information and media.
- 46% of *funder* respondents expect their funding of information and media to increase, and 24% believe it will remain the same. Among *non-funder* respondents, 21% believe it will increase, and 48% believe it will remain the same.

- 48% of *applicant* respondents have seen funding towards information and media projects increase over the past three years, and 52% expect funding to increase in the future. 24% expect funding to remain the same. Among *non-applicant* respondents, 24% have seen funding increase, and another 24% expect funding to increase in the future; 48% expect it to remain the same.

Funding to Information and Media, Now Versus Three Years Ago

Future Funding to Information and Media

Funders v Non-Funders
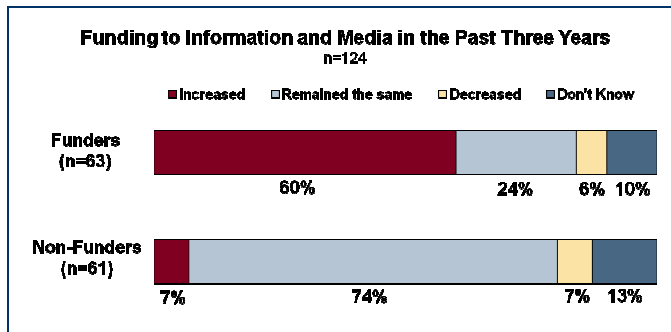
KCIC Applicants v Non-Applicants
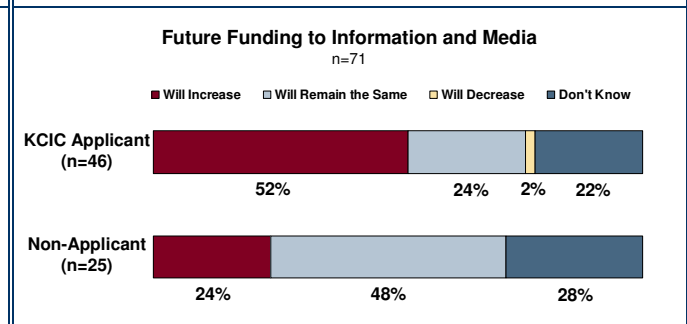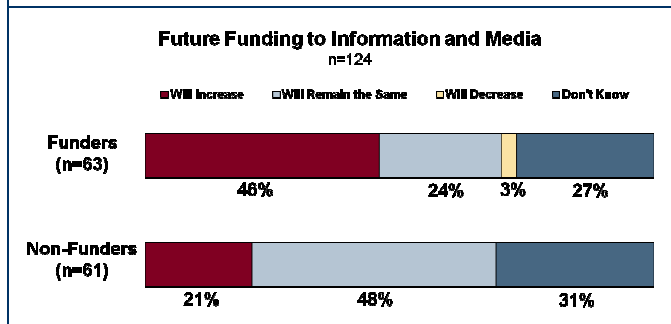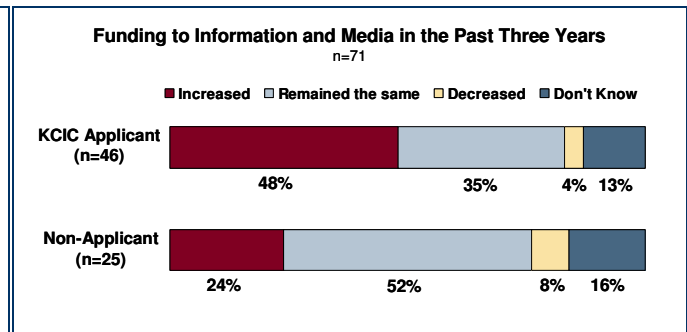
Awareness of Other Information and Media Funders

When asked about their awareness of other information and media funders, **72% of respondents said that they were not aware of other funders**. Among those that are aware, 83% (n=29) listed at least one other funder of information and media.

When comparing *funder* and *non-funder* respondents, *funders* appear more likely to be aware of other funders than *non-funders*.

	Aware of other funders (n=35)	Not aware of other funders (n=89)
Funders (n=63)	23	40
Non-Funders (n=61)	12	49

Respondents listed **48 different foundations, including 9 KCIC grantees**. Below is the complete list of foundations identified by respondents and the frequency with which they were listed. (KCIC grantees indicated in **bold**.)

Foundation	n	Foundation	n
Kaiser Foundation	5	Fetzer Institute	1
Ford Foundation	4	Funding Exchange	1
Pew Charitable Trust	4	George Foundation	1
Gates Foundation	3	**Grand Rapids Community Foundation**	1
MacArthur Foundation	3	Henry Luce Foundation	1
Beldon Fund	2	HKH	1
Hewlett Foundation	2	Instructional Telecommunications Foundation	1
Irvine Foundation	2	Kansas City Community Foundation	1
McCormick Foundation	2	Lancaster County PA	1
Surdna Foundation	2	McCune Foundation	1
William Penn Foundation	2	**Minneapolis Foundation**	1
Annenberg Foundation	1	**Minnesota Community Foundation**	1
Annie E. Casey Foundation	1	Mobile and **Richmond**	1
Atlantic Philanthropies	1	**Community Foundation of Greater New Haven**	1
Benton Foundation	1	OSI	1
California Endowment	1	**Palm Beach and Martin County Community Foundation**	1
California HealthCare Foundation	1	Portland Regional Educational Telecommunications Corporation	1
California Wellness Foundation	1	Scripps-Howard	1
Carnegie Corporation	1	Skoll Foundation	1
Chicago Community Trust	1	The Denver Foundation	1
Chicago Instructional Technology Foundation	1	Tides	1
Colorado Health Foundation	1	Time Warner Cable	1
Community Foundation Serving Boulder County	1	Twin Cities Schools Telecommunications Group	1
Denver Area Educational Telecommunications Consortium	1	WK Kellogg Foundation	1

Conclusion

The philanthropic sector occupies an important space in this new landscape in strengthening local information systems that are essential to communities in a democracy. This survey of community and place-based foundations has given us a glimpse of the state of funding of information and media in the field today.

At a national policy level, the role foundations can play in addressing community information needs is also becoming an important subject of discussion. In January 2010, the U.S. Federal Communications Commission embarked on an examination of the future of the media, for which the agency will assess the information health of America's communities and put forth policy recommendations. The commitment and function of foundations has been explicitly included as a topic in the FCC's proceedings.[16]

While FSG's research contributes to a baseline understanding of the state of funding in information and media, continued attention to the adoption of information needs by the field is needed.

About

FSG Social Impact Advisors is an international nonprofit consulting and research firm dedicated to accelerating progress on social issues by providing evaluation and strategic consulting services to nonprofits and philanthropic funders. Our work combines the analytical rigor and data-driven approach of world-class strategy firms with a deep understanding of the social sector. FSG's Strategic Learning and Evaluation Center supports our mission by designing and conducting relevant, credible, and useful evaluations, building evaluation capacity and advancing dialogue among foundations, nonprofit, government, and corporate organizations. http://www.fsg-impact.org

The John S. and James L. Knight Foundation advances journalism in the digital age and invests in the vitality of communities where the Knight brothers once owned newspapers. Knight Foundation focuses on projects that promote community engagement and lead to transformational change. In 2008, the Knight Foundation launched a campaign to increase the involvement of community and place-based foundations with a focus on three key activities:

- *Knight Media Learning Seminar* – An annual gathering of journalism and technology experts and foundation leaders that explores cutting-edge ideas in community information

- *Knight Community Information Challenge* – A five-year, $24M contest that helps community and place-based foundations find creative ways to use new media and technology to keep residents informed and engaged. http://informationneeds.org/

- *Knight Commission on the Information Needs of Communities in a Democracy* – A convening of experts around the provocative idea of what will happen to U.S. democracy in the face of declining news and information resulting in the publication of the Commission's report, "Informing Communities: Sustaining Democracy in the Digital Age" in 2009. http://report.knightcomm.org/

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[16] www.fcc.gov/futureofmedia