

Chi-Town Daily News

Chi-Town Daily News was an early news start up with the ambitious goal of engaging residents in covering each of Chicago's 77 neighborhoods. The site's closure in 2009 offers valuable lessons about the limits of citizen contributions and the importance of local ties and strategic business development.

Launched in 2005, Chi-Town also aimed to provide professional public affairs coverage of agencies that lacked consistent coverage by mainstream news organizations in Chicago.

Key Lessons: Local Ties and the Limits of Citizen Journalism

Revenue Challenges

Chi-Town relied heavily on foundation funding. In 2008, nearly 94 percent of its \$345,000 in revenue came from foundations. Longer term, the organization envisioned three major sources of revenue: sponsorship and advertising, individual contributors, and foundation grants.

However, the founder, veteran journalist and technologist Geoff Dougherty, was not able to raise funds or sell advertising quickly enough to support its budget. Selling advertising to local merchants takes a great deal of effort, including multiple in-person visits. Unlike the other profiled sites, Chi-Town's leadership lacked local history and relationships with wealthy individuals that are often necessary to succeed in fund raising. All of the key management and staff members at Chi-Town were from other cities.

In addition, the organization spent very little on marketing, which might have helped it pursue small donors or memberships. Chi-Town invested its resources heavily in editorial with much less emphasis on business development. Dougherty was spread thin, working on editorial, revenue development and IT. Chi-Town's early success with grants may have lessened the urgency of developing and adapting a long-term business strategy.

Citizen Journalism

Significantly, Chi-Town's ambitious assumptions about citizen journalism proved incorrect. Volunteer contributors required more support and produced less content than anticipated. Additionally, many of the staff were new and aspiring journalists who required more training than originally planned.

Chi-Town attempted the difficult task of delivering broad coverage over a large geographic area. Establishing an incremental launch plan, such as fortifying citizen journalists in 10 to 15 neighborhoods per year, might have eased the demands on fund raising and allowed the organization to learn while growing.

Key Facts

Chi-Town Daily News

Site: chitowndailynews.org

Founded: 2005, closed in 2009

Mission: Provide Chicago residents with the information they need to participate in our city's civic life.

Content: Local coverage of citywide topics including education, the environment, public housing, health and local government services, all supported by a team of trained volunteer neighborhood reporters.

2009 Revenue: \$345,000

2010 Staff: 5

2011 Unique Monthly Visitors: 65,000

Local Market Size: 9.8 million Chicago-Naperville-Joliet residents¹

Revenue

Chi-Town relied almost entirely on foundations for start-up revenue and attracted only small amounts of money from individual donations (\$19,478 or less than 6 percent) and advertising (less than \$500 or less than 1 percent).

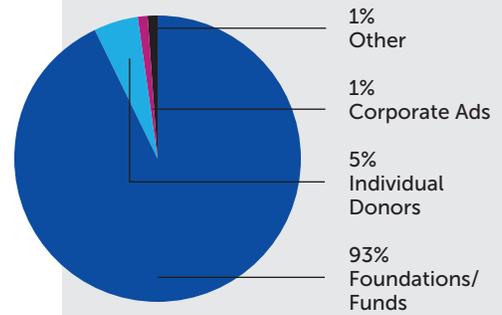
Expenses

Two-thirds of Chi-Town's resources went to editorial; the site did little marketing, allotting it only 5 percent of total expenses. Expenses totaled \$331,974 in fiscal year 2008-09.

Website Analytics

At its height in the winter of 2008-09, the site attracted 65,000 unique visitors a month. However, in the last six months of Chi-Town's operation, the number of visitors declined to less than 20,000.

2008 Revenue Sources



Resource Allocation

