

Seeking Sustainability: Local Nonprofit News Organizations

Crosscut

Crosscut is a for-profit turned nonprofit that is in the early stages of experimentation with revenue models such as membership.

A general interest news site, Crosscut publishes a mix of traditional news coverage with advocacy journalism and opinion.

With foundation funding, the site in 2010 was able to expand its staffing, including creating a community editor position to strengthen coverage of underreported communities and voices.

Key Lessons: Lean Operations and Membership Development

Crosscut more than doubled its revenue in 2010 to over \$473,000, largely on the strength of \$325,000 in foundation grants. Founded in 2007 by longtime journalist David Brewster, Crosscut began as a for-profit entity. In late 2008, it was reincorporated as a nonprofit in order to tap into new sources of revenue to support public-interest journalism.

Crosscut will be the first nonprofit site to convert to the Armstrong publishing platform being developed for nonprofit news start-ups by The Bay Citizen and The Texas Tribune. That process is currently under way.

Donor Development

While foundation funds dominate, Crosscut has maintained lean operations and is looking to membership and donations to provide significant revenue in the long term. Donations, including board member giving, accounted for 20 percent of 2010 revenue.

In 2009, its first year as a nonprofit, Crosscut recruited more than 500 donors, nearly all of them small donors who contributed a total of about \$37,400. The next year, Crosscut raised \$65,500 from 617 small donors.

Key Facts

Crosscut

Site: crosscut.com

Founded: 2007
Nonprofit since 2008

Mission: To reveal and strengthen the civic and cultural life of Seattle, the Puget Sound Region and the Pacific Northwest.

Content: Local general interest coverage of politics, business, arts and lifestyle in the Pacific Northwest states of Washington, Oregon, Idaho and Montana, and the province of British Columbia.

2010 Revenue: \$473,400

2010 Staff: 5

2011 Unique Monthly Visitors: 72,000¹

Local Market Size: 3.4 million
Seattle-Tacoma-Bellevue residents²

Revenue

Revenue Increase

Crosscut reported total revenue of \$473,400 in 2010, compared to \$201,000 the year before. Foundation grants accounted for more than two-thirds of the site's 2010 revenue.

Donors and Members

As of the end of March 2011, Crosscut had 650 members, who joined at an average of \$85. Member benefits include invitations to member coffees and parties held throughout the year, frequent ticket giveaways, discounted tickets for a local arts and lecture series and public recognition for their contribution on the website.

Revenue Goals

In the future, Crosscut hopes to grow revenue from advertising, membership and large donors while reducing the share of foundation funding.

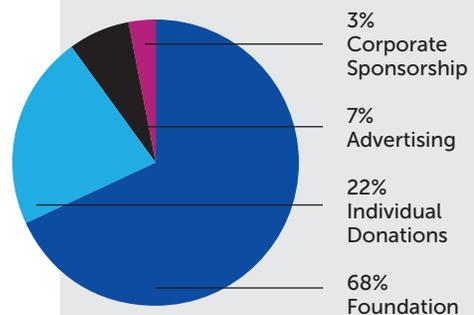
Expenses

Crosscut operates with low fixed costs. It spent \$396,600 in 2010, most heavily on editorial and administrative expenses, with smaller expenditures for marketing and IT. With a staff of only five, Crosscut relied more heavily on freelance journalists than other sites that have larger staffs.

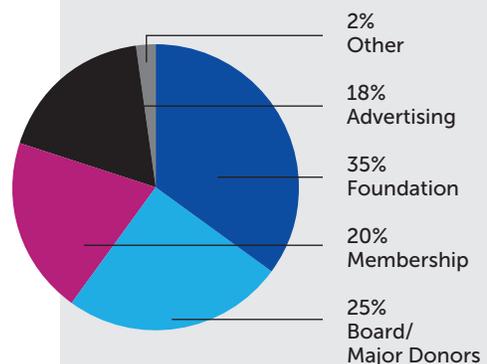
Website Analytics

The site attracted an average of 71,000 unique visitors a month in early 2011, up from about 50,000 a year earlier.³ However time on site declined to just over two minutes.

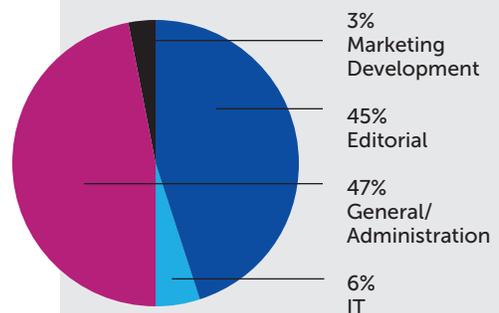
2010 Revenue - \$473,400



2014 Revenue Goals



2010 Expenses - \$396,600



¹ Average, December 2010-March 2011

² 2009 Market Profile, ESRI

³ Compares data for November 2009-March 2010 to data for December 2010-March 2011