Crowdfunding for Journalism

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Crowdfunding has become a commonly used method to fund journalism in the midst of the decay of the traditional revenue models in journalism (Aitamurto, 2011, 2015b; Hunter, 2015). Crowdfunding is a type of crowdsourcing. In crowdfunding, the task, which is crowdsourced to the online crowd, is to donate money for a certain purpose. In crowdfunding in journalism, the task is to gather funding for a journalistic project. The proliferation of crowdfunding in journalism follows an expansive growth of the use of crowdfunding in other realms, including art and technology.

Individual journalists, groups of journalists, and news organizations increasingly raise funding to journalistic productions on crowdfunding platforms. Just on one crowdfunding platform, Kickstarter, the amount of funding raised for journalism has totaled more than $6.3 million, and the number of funded projects has been rapidly increasing. Crowdfunding, however, is rarely the sole revenue model for a single journalist or a publication, and crowdfunding does not replace the legacy business models for journalism. Crowdfunding typically offers only a partial support to a journalist and the other revenue streams rely on traditional funding models. The revenue streams in journalism have become hybrid combinations of multiple sources, crowdfunding being one of them (Aitamurto, 2015b). Crowdfunding, however, has become increasingly important as an additional revenue source in journalism. The rise of crowdfunding in journalism reflects larger societal changes in which labor and production processes are becoming increasingly more distributed across various actors on digital platforms.

Despite the attention of crowdfunding as a new funding model in journalism, donation-based journalism is not a new phenomenon. Large news organizations such as NPR in the United States have for decades raised funding through donations. Crowdfunding, however, brings several new aspects as a donation-based funding model in journalism. In crowdfunded journalism, the funders are often contributing money for one story at a time instead of for a whole organization. There is also more transparency in a crowdfunded journalistic process compared to traditional journalism. Crowdfunding also comes with stronger collaborative aspects with the audience than traditional journalism. As an open journalistic practice crowdfunding allows the crowd to participate in the making of journalism (Aitamurto, 2011, 2015a).

Crowdfunding in journalism often takes place on dedicated crowdfunding platforms such as Kickstarter and Indiegogo. These platforms accept projects of a variety of topics, not only journalism-related projects. There have also been only journalistic crowdfunding platforms, such as Spot.Us, Beacon, and Contributoria, which have gone dormant. The pitching process in crowdfunded journalism follows a similar cycle regardless of the

crowdfunding platform that the journalist or the news organization chooses to use. The process starts with producing a pitch for the project and determining the fundraising goal. The pitch tells the motivation and the goals of the project for which the journalist is seeking funding. The fundraising process is structured as a campaign with a limited time that the pitch will be up for accepting donations. The donors can typically choose the amount of money they want to donate by choosing from several tiers.

The power of crowdfunding as a revenue model comes from the quantity of relatively small donations, ranging often from $5 to $20. The donations can be compared to votes: by donating, the donor votes for a certain story to be produced. The aggregated donations—or votes—make the crowd's collective intelligence emerge. Collective intelligence, here, refers to the distributed knowledge of the large online crowds (Aitamurto, 2011).

Journalists seek funding for multiple types of productions through crowdfunding: for single stories, continuous coverage and beats, new platforms or publications, and operations supporting journalism, such as organizations, delivery mechanisms, and marketing. In recent years, several important stories have been funded through crowdfunding including coverage of firefighters working in wild fires and issues in unpaid internships as labor force.

Some of the best-known crowdfunding campaigns in recent years for establishing a new publication include successful fundraising for a long-form, independent investigative journalism magazine, *Reporter*, in Luxembourg. The project raised more than $220,000 on Kickstarter in 2018. In a similar vein, a platform for investigative, long-form journalism, *de Correspondent*, raised $1.30 million to launch the publication in 2013 in the Netherlands. Its operations have since expanded to the United States with presence in New York. The initial funding was raised in $80 subscriptions for a year-long membership and by additional extra donations. Similarly, a science publication, *Matter*, raised over $140,000 on Kickstarter in 2012 from about 2,500 backers. *Matter* was acquired in 2013 by a publication called *Medium*. An example of operations supporting journalism is the Community Information Cooperative's successful campaign in 2018 to raise thousands of dollars on Kickstarter for a new district-based network for delivering local news.

In journalism, crowdfunding is typically categorized as *ex ante* crowdfunding. This means that the donors support journalistic productions before the stories are done instead of paying for a completed product like in digital tip jars, which would be *ex post facto* crowdfunding (Kappel, 2009). Receiving enough funding for the project is the primary goal of crowdfunding. However, crowdfunding also creates value in journalism in several other ways. Crowdfunded journalism has five points for value creation (a) funding, (b) sensing traction for the story idea or publication, (c) branding, (d) finding knowledge for the story, and (e) building audiences (Aitamurto, 2015b). Sensing traction means that crowdfunding helps journalists to measure the potential interest among the audience for the story process or for the publication for which the funding is raised. The more interest there is, the more funding the pitch would gather. Crowdfunding campaigns receive attention that helps journalists to build the brand for themselves and/or for the publication for which they are pitching the project. Crowdfunding can also have strong knowledge producing aspects in journalism if journalists ask the

audience to contribute to the story process with information such as tips and sources. The transparent and collaborative nature of crowdfunding also helps journalists to build audiences and following for their work.

Journalistic norms are often contested when new technologies and production models are introduced to journalism practice. Crowdfunding as a new funding and collaboration mechanism is not an exception. Crowdfunding is a double-edged sword in its relation to journalistic norms: it can both support and challenge them. As an open journalistic practice, crowdfunding brings more transparency in the journalistic process compared to traditional journalism. Open journalism means a set of journalistic practices, such as crowdsourcing and crowdfunding, which increase transparency in journalism and thus strengthen openness in the journalistic process (Aitamurto, 2013, 2016). The inherently transparent nature of crowdfunding thus supports the journalistic norm of transparency. The increased transparency can help journalists to do more autonomous and objective reporting, however, at the same time the transparency can threaten journalistic autonomy and objectivity. The crowd has a new and a potentially powerful role in the journalistic process and may influence the story process and its outcome in ways that can compromise journalistic autonomy. Moreover, although crowdfunding contributes to journalists' independence from other funding sources and thus can help journalists to break free from editorial agendas, the independence can also lead biases in reporting, without the editorial oversight guiding the journalists' work. This can lead to crowdfunded journalism distancing itself from traditional normative boundaries in journalism. Perhaps symptomatically, crowd-funded journalism often has a point of view, as Hunter (2015) shows. Crowdfunding thus brings forth the importance of journalistic norms as a guideline for practicing balanced, autonomous, and impartial journalism.

To date, the research on crowdfunded journalism has largely focused on two aspects: the journalists' perceptions of crowdfunding as a new funding model and the donors' intentions and motivation factors (Aitamurto, 2011; Hunter, 2015; Jian & Shin, 2015). These micro-level questions are important aspects and their examination contributes to our understanding about the impact of crowdfunding on journalism, particularly in its early stage. As crowdfunding establishes itself as a funding source in journalism, it will become more timely to address macro-level questions. These questions include the role of crowdfunding as a revenue source in the evolving business model ecosystem in the media. Furthermore, relevant macro-level aspects include the impact of crowdfunding on how journalistic work is produced, consumed, and regulated in society.

SEE ALSO: Audience Engagement; Citizen Journalism; Crowdsourcing; Digital News Start-Ups; Freelance Journalists and Stringers; Journalistic Roles; Nonprofit News: An Exploration of a Changing Field; Profits and Profitability of News Media; Technology and Journalism

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