

Application - Salt Lake Tribune

Please accept the following as The Salt Lake Tribune's application for the 2020 Mega-Innovation Award. We are honored to be invited to apply.

The Salt Lake Tribune

From schools to elections, from the air we breathe to the businesses we grow, from laws that pass and the voices that are overlooked in the process, no community can understand itself and no democracy can function properly without a shared understanding of what's true and what isn't. Local voices, stories and facts can and do change the way we live and work in Utah.

For nearly 150 years, The Salt Lake Tribune has served our state as Utah's independent voice. We don't have to tell America's Newspapers that local journalism is changing rapidly, or that communities across the nation are losing their newspapers, tearing a hole in their civic and democratic fabric. We are taking proactive, innovative and swift action to pioneer a new business model so that this does not happen in Utah. By doing so, we hope to serve as an example for local news organizations across the country.

- We are the first metropolitan daily newspaper in the United States to transition to a 501(c)(3) nonprofit organization.
- We are transforming The Salt Lake Tribune to a community institution owned and operated by, and working for, the people of Utah.
- We have also created The Utah Journalism Foundation, an endowment fund that will ensure the long-term future of The Tribune and provide support to innovative, high quality community-based journalism, including new voices.

The Tribune is the state's newspaper of record. It captures our history and helps chart its future. And now, the future of The Tribune itself is changing.

The Future: The Nonprofit Salt Lake Tribune

Continued pressures on the traditional business model of local newspapers provide an opportunity for the leadership of The Tribune, led by owner and publisher Paul C. Huntsman, to take matters into its own hands and create a new, sustainable course.

First, we embraced the fact that The Tribune is a civic rather than commercial enterprise. As an institution the community relies on, we believe that a nonprofit Tribune could, in turn, rely on the community for financial support, including philanthropic grants and individual donations in addition the traditional subscriptions and ad revenue.

In April of 2019, we started on this new path forward by filing applications with the Internal Revenue Service to create two new organizations: the nonprofit Salt Lake Tribune and the Utah Journalism Foundation. We were awarded nonprofit status by the IRS in late October of 2019, months earlier than anticipated.

Our Innovative Nonprofit Model

The Tribune is not a start-up. It is an established news organization with 60 employees, producing both a print and a digital product every day. For this reason, our approach to the IRS was deliberately designed to ensure that we could continue operations as they are now, without having to change or reduce any current form of revenue, most importantly our paywall. There was a risk that donation amounts would take too long to reach sufficient levels to replace the subscriber and advertising revenue that had previously sustained the paper. The IRS had no argument with this approach. The approval we received allows us to continue receiving revenue from advertising and subscriptions while also accepting charitable donations.

This innovative shift allows The Tribune to continue doing what the community needs it to do and gain access to a new source of revenue — philanthropy. The Tribune continues to have a hard paywall on its digital product and sells print subscriptions and advertising. Our reporters still cover a full range of issues and events, including sports and entertainment alongside our hard hitting local journalism. The only significant change to our editorial work is that the paper no longer endorses candidates. By retaining our ability to gain revenue through traditional means and adding the ability to receive philanthropic donations, we ensured that other newspapers considering a nonprofit model are not forced to follow a precedent of having to change their revenue model in order to receive IRS approval of their nonprofit status.

As a nonprofit, mission-driven organization, however, changes to the way we do business have been significant. We are now managed by a Board of Directors representative of the diversity of the state we serve. The traditional role of publisher is gone, though the president of the Board will serve on the editorial board. We have put in place new accounting practices and requirements. We are building out a nonprofit business development staff. We are experimenting with different models for a hybrid “donor/subscriber” membership program.

Newsroom culture has remained strong as our reporters have always felt accountable to the public. Their primary concerns are a) that we have a significant and growing donor base, and b) that those donors hold no sway, real or imagined, over their work. We have developed gift acceptance policies to procedures to clarify to donors and to the public that donations of any size will not give the donating individual or organization special influence on or access to our newsroom and the content it produces. We are adding “educational” content to our website about the role of journalism in our democracy, and we are devising ways to increase the effectiveness and impact of our community engagement efforts. We have also benefited from grants that we would not otherwise have been eligible to receive, and have used these resources to improve our digital products to make our reporting more interactive and impactful. We understand that people will not donate to something they do not find brings value to their life and their community. We are working every day to ensure that we fulfill our mission and exceed our readers’ expectations.

In just two short months as a nonprofit organization, we have already launched our first fundraising campaign and raised nearly \$200,000 from our readers. Clearly that isn't enough to keep an organization of our size afloat — but it is an indication of the value our readers place in us, and their confidence and and commitment to this new model.

Submitted by Fraser Nelson
Vice President of Innovation
The Salt Lake Tribune