

Baltimore Sun deal sets up major test for nonprofit news model

March 14 2021, by Rob Lever



Baltimore Sun reporter Jean Marbella holds up the newspaper's front page that headlined its potential take over by a nonprofit group during an interview on March 11

After years of staff cuts, shrinking budgets and declining readership, the Baltimore Sun finally has some good news to report about itself: a deal

for a new nonprofit group to take over, and potentially revive the struggling newspaper.

The plan unveiled in February comes in response to an extraordinary movement—supported by civic and [business leaders](#), sports figures, journalists and others—to rescue the 184-year-old newspaper and bring it back to local ownership.

The nonprofit Sunlight for All Institute, led by businessman Stewart Bainum, struck the tentative deal to acquire the Sun and affiliated newspapers for \$65 million as part of the sale of parent firm Tribune Publishing to Alden Global Capital.

The agreement represents a major new test for the nonprofit model which has gained momentum in recent years in response to the deepening crisis in the sector.

Newsroom employment at newspapers fell by half between 2008 and 2019, according to Pew Research Center, with more cuts reported during the pandemic.

The idea had been circulating in Baltimore for years but gained steam with the "Save Our Sun" campaign launched last year by journalists, union and civic leaders and others.

"There was a huge amount of community support," said Sun journalist Liz Bowie, one of those behind the campaign.

Bowie said Baltimoreans appeared to understand the value of the longtime news organization and what might happen if it failed or was hollowed out.



The Baltimore Sun has moved its newsroom to this headquarters building with its printing operations, but journalists have been working remotely during the pandemic

"That void can't be filled by a digital startup," she said.

Ted Venetoulis, a former county executive and gubernatorial candidate who joined the campaign, said the initiative drove home the notion that the newspaper was the "soul" and "conscience" of the community.

"They're watchdogs, they keep people honest, but they also are cheerleaders. They magnify the good things about our society," Venetoulis said.

The "Save our Sun" campaign got more than 7,000 signatures and was endorsed by prominent locals including baseball icon Cal Ripken, TV producer David Simon and film director John Waters.

The deal for Bainum's group to buy Sun Media Group would depend on Alden's acquisition of the rest of Tribune Publishing, including the Chicago Tribune, Hartford Courant and other regional dailies.

Going nonprofit

The nonprofit model has been growing in recent years in the United States, and now includes some 300 news outlets, according to University of Illinois professor Brant Houston, a founder of the Institute for Nonprofit News.

Nonprofits have made inroads during a crisis that has seen many local newspapers disappear and others consolidated by big chains and hedge fund owners, most of which have cut staff and coverage.



Baltimore Sun reporter Liz Bowie (C) wears a "Save Our Sun" facemask at a gathering with other journalists gathering March 11 outside the headquarters of the newspaper which has a tentative deal to be acquired by a nonprofit organization

"The business model for newspapers was just not working," Houston said.

"If you have an organization beholden to stockholders, you end up with a business model of laying people off and cutting coverage," Houston said. "That's not a strategic plan."

The Sun has won 16 Pulitzer prizes including one last year for a story on a corruption scandal which led to the resignation and prosecution of

mayor Catherine Pugh.

But it has been reeling like many of its peers, with print circulation has fallen to just 43,000 on weekdays and 125,00 on Sunday, a fraction of the level from its peak years. Newsroom staff has been slashed over the years, and is now less than 100.

Sun journalists expressed hope the new model could help reverse the newspaper's decline.

"We were blown away and psyched by this," said reporter Colin Campbell.

Health reporter Meredith Cohn said she hopes the deal will lead "getting more reporters and covering the community," including areas neglected in recent years.



Like other daily newspapers, the Baltimore Sun has seen shrinking revenue and print circulation as more people turn to digital news

Philadelphia experiment

One hopeful sign comes from Philadelphia, where the Inquirer newspaper has been under nonprofit ownership since 2016 when owner Gerry Lenfest donated his stake to the Lenfest Institute along with a \$20 million endowment.

Since then, "there has been an outpouring of community financial support" for the daily with some \$7 million in grants in 2020 alone, said Jim Friedlich, chief executive of the nonprofit group.

The Inquirer has been able to maintain a newsroom staff of 200, far bigger than most of its peers, said Friedlich.

The Philadelphia group offered informal advice to Bainum, who has not publicly discussed his plans for the Baltimore Sun, he added.

Bainum, chairman of Choice Hotels, "has become something of a student of the news business and has been inspired by and is replicating the Lenfest nonprofit model," Friedlich said.

John Schleuss, president of the NewsGuild which represents newsroom staff and helped organize Save the Sun, is optimistic that the Sun can open the door to similar deals.

"I hope we can get back to publications which are accountable to the community, and not just interested in short-term profits."

Schleuss said he was disappointed that similar efforts failed at other Tribune dailies which will be taken over by a company "with a history of cutting a large number of jobs."

"It's good that people in Baltimore stepped up," Schleuss said. "We need that to happen all across the country."

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