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AUTHOR Levi, Titus

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## ABSTRACT

This report of the Aspen Institute Forum on Diversity and the Media, supported and funded by the Ford Foundation, is not a typical Aspen Institute forum report. It explores an issue--the sustainability of mission-driven media--and through this discussion becomes a kind of resource guide for managers and others who desire to preserve and promote ethnic and social justice media. This is a report of a Forum convened in Aspen, Colorado, by the Aspen Institute Communications and Society Program (July 11-14, 2001), but it offers more than a summary of the discussion. It offers advice to the media manager, the foundation executive, the investment officer, the advertiser, the aspiring entrepreneur, and others on how each can help sustain these media now and into the future. The report begins with an attempt to define "mission-driven media"--a term coined by the Ford Foundation for the group of ethnic, cultural, community, and social justice media that have a specific purpose that drives them beyond the profit motive or general news source for a heterogeneous community. Although there are many barriers and obstacles to sustainability, three overriding issues emerged at the Forum sessions. The first is the problem of access to capital. A second focus of the conference is the need for research on the emerging diverse populations and markets that mission-driven media seek to serve. Their third area of discussion and recommendation is that of binding together for greater results, whether that means better social networking or an association of associations. The report ends with a list of items that participants at the Forum thought were necessary for their suggestions and advice to move forward. An appendix includes a list of conference participants; author biography; brief description of the Aspen Institute Communications and Society Program; and previous publications from the Aspen Institute Forum on Diversity and the Media. (AEF)

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# Mission-Driven Media: Not Just Survival, But Success

A Report of the Aspen Institute Forum  
on Diversity and the Media

Titus Levi, Rapporteur

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# Mission-Driven Media: Not Just Survival, But Success

A Report of the Aspen Institute  
Forum on Diversity and the Media

Titus Levi  
*Rapporteur*



THE ASPEN INSTITUTE

*Communications and Society Program*

Charles M. Firestone

Executive Director

Washington, DC

2002

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*For all other inquiries, please contact:*

The Aspen Institute  
Communications and Society Program  
One Dupont Circle, N.W.  
Suite 700  
Washington, DC 20036  
Phone: (202) 736-5818  
Fax: (202) 467-0790

Charles M. Firestone  
*Executive Director*

Patricia K. Kelly  
*Assistant Director*

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## Foreword

This report of the Aspen Institute Forum on Diversity and the Media, supported and funded by the Ford Foundation, is not a typical Aspen Institute forum report. It explores an issue—the sustainability of mission-driven media—and through this discussion becomes a kind of resource guide for managers and others who desire to preserve and promote ethnic and social justice media. This is a report of a Forum convened in Aspen, Colorado, by the Aspen Institute Communications and Society Program on July 11–14, 2001, but it offers the reader significantly more than a summary of the discussion. It offers advice to the media manager, the foundation executive, the investment officer, the advertiser, the aspiring entrepreneur, and others on how each can help sustain these media now and into the future.

The report begins with an attempt to define "mission-driven media"—a term that our colleagues at the Ford Foundation coined for the group of ethnic, cultural, community, and social justice media that have a specific purpose that drives them beyond the profit motive or general news source for a heterogeneous community. These are the "minority media," cause media, and niche media that are aimed at improving communities. The purpose of the conference was to assess and address ways of sustaining such media over time.

*Access to Capital.* Although there are many barriers and obstacles to sustainability, three overriding issues emerged at the Forum sessions. The first, and perhaps most obvious, is the problem of access to capital. There were some straightforward answers, such as cutting costs, maintaining sound management practices, and finding better ways of contacting the known sources of capital: venture capitalists, pension funds, other corporations, investment angels, foundations, and government sources. Some new and interesting ideas came out as well. Foundations are beginning to turn to program-related investments as a way of investing in for-profit businesses to meet

the nonprofit mission of the foundation. Government funds can make some modest changes that could result in significant social benefit as well.

*Research.* A second focus of the conference was the need for research on the emerging diverse populations and markets that mission-driven media seek to serve. If the case is presented with sound underlying data, participants suggested, then what is obvious to them should be clear to the advertiser and investor: Small, minority, focused communities have purchasing power and an interest in media that address their needs and wants. They can be good investments and good advertising buys. But how to arrive at that research? The report sets out some thoughts and suggestions in this area.

*Networking.* The third—and perhaps most productive, at least in this writer’s mind—area of discussion and recommendation that arose from the meeting is that of binding together for greater results. Whether that means better social networking or an association of associations, it is clear that a media manager who tries to go it alone will have little success in this field. Accordingly, the report devotes a fair amount of space on ways to widen traditional networks for the benefit of more minorities or others who have often missed out on good ideas because they did not know the right people. Of course, society misses out as well if that talent is not connected to capital, expertise, and community. Among the most significant results of the Forum could be an alignment of associations of ethnic and social justice media for purposes such as administrative support, common lobbying, and combining of funds for research or entrepreneurship training.

The Report ends with a laundry list of items that participants at the Forum thought were necessary for their suggestions and advice to move forward. In fact, however, getting the right people to read this volume and act on the insights provided could go a long way toward that goal.

## **Forum on Diversity and the Media**

Since 1996 the Ford Foundation has supported the Aspen Institute’s Forum on Diversity and the Media. This project has convened leaders in the media and related industries, leading academics and

thinkers, and leaders from the nonprofit sector to address ways in which the various media in the United States can be more responsive to the needs and interests of ethnic minorities. In particular, the Forum has addressed and proposed nongovernmental means to encourage market solutions to underrepresentation and, where appropriate, measures to improve the operation of the financial and business workings of the media in the interest of more socially responsible programming for and about ethnic and cultural minorities. To date, the Forum has released four reports on this and related topics. Each is available either online or through the Institute's publication office via the Program's website ([www.aspeninstitute.org/c&s/diversity.html](http://www.aspeninstitute.org/c&s/diversity.html)).

The first two reports, *Investing in Diversity* and *Changing Rules in the Market for Attention: New Strategies for Minority Programming*, focused on the difficulties of promoting minority programming in mainstream media and the concurrent difficulties of minority media competing with their larger counterparts in the mainstream. In the two subsequent reports, *Coming Together—Bridging the Gap between Investors and Minority Internet Entrepreneurs* and *Reinventing Minority Media for the 21st Century*, we changed focus to the ethnic and minority media. The best opportunity for these media to develop, we concluded, was through owning their own businesses, producing their own content, and developing a workforce devoted to their unique missions.

The current volume, then, is a logical progression of the Forum from addressing the broad panoply of media to more focused attention on the emergence of sustainable, indigenous media that can address the specific needs and interests of local, cultural, ethnic, or cause-related communities.

This report by Titus Levi, assistant professor of communications at the Annenberg School for Communication at the University of Southern California, is his interpretation of the dialogue at the Forum meeting in Aspen. Necessarily, a report of this nature cannot be "minutes" of the discussion. That would be both unreadable and uninteresting to those who did not attend. Accordingly, Professor

Levi has taken themes from the discussion, woven in occasional quotes from the participants, and delivered a series of recommendations and suggestions to those who will be in the trenches of mission-driven media in the years ahead. The opinions are his own, gathered from the general discussion; accordingly, statements in the report do not necessarily reflect complete agreement by all participants or their employers.

### **Acknowledgments**

We would like to thank Titus Levi for the deft job he does in fashioning a broad-ranging discussion into a cohesive document that addresses important issues for media managers in the future. We would also like to thank the Ford Foundation—particularly the Media, Arts and Culture Division and its deputy director, Jon Funabiki—for inspiring, guiding, and sponsoring this series. We also acknowledge the work of his colleagues, John Phillip Santos and John Bracken, on this work. We express our gratitude to our program associate, Patricia Katopol, for her countless hours drafting the agenda, preparing the background readings, and helping to select the right cross-section of participants for the forum meeting itself. Finally, we want to acknowledge the excellent work of Sunny Sumter-Sana in coordinating the conference and guiding the production of this report to its publication.

Charles M. Firestone  
Executive Director  
Communications and Society Program  
The Aspen Institute  
February 2002

**MISSION-DRIVEN MEDIA:  
NOT JUST SURVIVAL,  
BUT SUCCESS**

# Mission-Driven Media: Not Just Survival, But Success

## Introduction

Two clear aims emerged from the Aspen Institute's three-day conference titled *Mission-Driven Media: Not Just Survival, But Success*. The first aim was to develop a sharper definition and understanding of what makes mission-driven media distinct from mainstream media. The second aim was to create tools, strategies, and policies that allow such organizations to survive and thrive. These aims emerged from several formal and informal meetings held at the Aspen Meadows Conference Center in Aspen, Colorado, July 11–14, 2001. The staff of the Aspen Institute Communications and Society Program—Charles M. Firestone, executive director, and Patricia Katopol, program associate—selected participants from the ranks of media entrepreneurs, nonprofit managers, policymakers, academics, and consultants. The July meetings are the fifth set of meetings of the Forum on Diversity and the Media, a series of conferences convened by the Aspen Institute under sponsorship by the Ford Foundation.

## Developing a Definition for Mission-Driven Media

### *On Developing a Definition of Mission-Driven Media*

The impetus for organizing a conference exploring the unique difficulties faced by mission-driven media springs from new initiatives underway at the Ford Foundation. The foundation has initiated programs to move beyond its long-standing emphasis on supporting mainstream media organizations. In particular, Ford has moved some of its support toward alternative media channels, with an emphasis on those that advance Ford's mission.<sup>1</sup> Program managers at the Foundation's Media, Arts and Culture program used the following criteria to develop a working definition of mission-driven media outlets:

- The media must have a social purpose;
- This purpose commands a relatively greater weight in the allocation of resources and the organization's decision-making process than found in profit-maximizing firms; and
- This purpose should lead to a means of coping with or solving social problems.

With support and careful management of resources, Ford sees the possibility that such organizations can move beyond their role as media outlets and become social institutions, giving substance, form, and identity to the fabric of the communities they report on and represent.

Several conference participants found the need to distinguish mission-driven media such that the definition resonated with the group, the experience of the individuals in the group, and their collective sense of identity. Perhaps the most direct and succinct extension of the definition advanced by Ford came from Maureen Lewis, director of the Minority Telecommunications Development Program at the National Telecommunications and Information Administration (NTIA; [www.ntia.doc.gov/opadhome/mtdpweb/outline.htm](http://www.ntia.doc.gov/opadhome/mtdpweb/outline.htm)), who stated that a mission-driven medium "is a vehicle by which a community can define its own needs and empower the community to address those needs."

### *Moving Beyond a Working Definition*

Although conference participants generally agreed on the existence of some difference in approach to profitability, the nature of that difference—and its definition—remained a subject of contention. Many individuals who publish newspapers with an eye toward profitability found the notion of placing social action ahead of profits particularly disagreeable. First, without profit, enterprises whither and die. This observation clearly implies that any social mission dies with the organization. Second, these entrepreneurs regard their social missions as inextricably interwoven with their business success. Greater profitability can add to the resources used for social action. Moreover, increasing profitability directly correlates with producing a greater impact in delivering a message. Broadening the scope of communication often produces a social

benefit, particularly in covering neglected stories or reaching out to specialized communities.

Media—even large, mainstream, profit-oriented media—often serve a social purpose. Christopher Ma, vice president with the Washington Post Company ([www.washingtonpost.com](http://www.washingtonpost.com)), pointed out several recent stories that affected public opinion and changed the terms of public policy. He regards quality journalism on important policy issues as an important element in serving the *Post's* readership. Frank Washington, chairman and founder of Moon Shot Communications, framed the problem of defining media with a social mission in broader terms: Does a mission imply changes in content, changes in the targeted audience, or both?

A few conference participants questioned the logic of even making the "mission-driven" distinction, believing that such a distinction would be a marker of "second-class media status." Such concerns reached their clearest articulation in the comments of Lisa Keen, a freelance writer who recently stepped down as executive editor of the *Washington Blade* and *New York Blade* newspapers. Keen stated that press passes and other markers of legitimacy and access that are needed for news reporting sometimes remained inaccessible for writers with the *Washington Blade* because many event organizers thought the paper focused on advocacy rather than reportage. She supported a move from the notion of mission-driven media to an emphasis on the audience targeted and served by the media.

### *Commitment to Community*

Treating a particular media outlet or group of media providers as embedded in a community reflects the approach taken by many of the conference participants. City News Publishing Company's founder and president, Jan Edgenton Johnson, indicated her reticence for the "mission-driven" label while acknowledging that City News pursues endeavors beyond newspaper publication. She and her husband, *City News* chief executive and publisher Henry Johnson, have set out to uplift as well as inform their community. Specifically, they produce and promote a business expo and a jobs expo to help build business capacity and networking in the urban core of Newark, New Jersey. Other participants, such as Yolanda Rodriguez Pacheco, general manager of WRTE-FM in Chicago

([www.radioarte.org](http://www.radioarte.org)), see their role as increasing participation by underserved constituencies in productive business processes. When Rodriguez Pacheco and her colleagues founded WRTE, they wanted to bring local youth onto the airwaves and challenge them to create their own programming. For more than five years, the station has provided bilingual (Spanish/English) community radio that is aimed at and produced by young persons.

For Radio Arte, literally bringing voice to young persons has been the focus from the start. Giving voice to communities is at the core of the mission for many other media outlets, according to Benjamin Todd Jealous, executive director of the National Newspaper Publishers Association (NNPA). Jealous underscores this point by saying that "voice, access, power, and volume—bringing all those voices together to speak to the community as well as beyond it—are at the heart of what drives this sense of mission." One need only look at the opening statement of *Freedom's Journal*,<sup>2</sup> the first newspaper published by and for blacks, to understand the crucial role that voice has played since 1827—and today as well: "We wish to plead our own cause. Too long have others spoken for us."

Serving a community brings with it a need to be credible and committed to that community. First, legitimacy must be established and maintained. This legitimacy comes from what the media presents as well as how it is presented. It depends on fairly and accurately reporting how issues are perceived by affected members of the community. This may frighten away potential partnering organizations and advertisers. Most participants with such experience believe that the right course of action is to attack such difficulties head-on and to defuse potential problems by promoting the media's integrity and grit. In the long run, a commitment to these principles builds a more loyal audience base, which in turn can lead to advertiser support.

### *Link between Community and Demographics*

Several participants noted that building a focused and loyal audience base has economic advantages. In an increasingly fragmented media landscape, advertisers want to reach targeted audiences and demographic groups. Many managers of mission-driven media have extensive experience in developing content around which a demographically coherent audience will coalesce. Moreover, a

reputation for institution-building and community action and engagement further cements the relationship between the media outlet and its audience.

Several persons—in particular, John Phillip Santos, program officer with the Ford Foundation’s Media, Arts and Culture Program—pointed out the advantages of taking on a community focus. Doing so is a logical response to the increasingly diverse America hinted at in the 2000 census. Media serving these burgeoning populations act as pioneers in understanding and organizing the communications infrastructure that aims to serve these communities. In the long run, this chorus of voices in the independent, community-focused press will more precisely and completely intersect the needs, interests, and identity of the American people.

No clear definition for media-driven media emerged through this discourse. The group divided over what this language means and whether an alternative could be developed. Almost everyone agreed, however, that something is different: community orientation, the commitment to a social mission, the need to fill in the gaps left by the mainstream press in what is covered, how it is addressed, and in some limited cases, the willingness to forego some profits. Although the discussion did not lead to a reconciliation of ideas, it did provide some of the boundaries for continuing the conversation about what defines mission-driven media.

## **Identifying and Attacking Impediments to Sustainability**

### *The Importance of Having Access to Capital*

Conference participants mentioned problems in gaining access to capital and revenues more often than any other problem affecting the economic health of an organization. The difficulties in attracting capital depend on a variety of characteristics: the age of the business, the expected rate of return on capital, tax status (for-profit or non-profit), and the type of medium.

For-profit firms confront the challenge of raising capital in all phases of the business: planning, start-up, growth, maturity, and retooling. John "Jake" Oliver, chief executive officer (CEO) of the Afro-American Company of Baltimore, Inc.—which publishes the

Afro-American Newspapers in Baltimore, Maryland, and elsewhere ([www.afroam.org](http://www.afroam.org))—notes that even the most long-lived establishments face this problem and that the problem goes beyond economics. "We need to come out and say it: Race plays a key role in the exclusion we experience in this and other parts of the business process. It affects whether or not we're taken seriously, how we're seen, and who sees—and doesn't see—us. The ongoing lack of visibility we've experienced is really a problem. Some of it stems from our own lack of promotion, but after being in business over 108 years, it's hard to believe how many capital and advertising sources are just now finding out about us."

Encountering difficulties in raising capital will leave many projects stillborn and others with few options for growth. Growth occurs in discrete stages, and making the leap from one state of development or scale to another requires successive capital infusions that must reach many parts of the organization. For instance, to expand distribution, firms must invest in more delivery drivers, paper, ink, computers, and personnel. Expanding distribution in a thoroughgoing fashion increases *all of these expenses at once*; if any element fails to expand, the entire growth plan collapses. Loans or other forms of capital can create the conditions for this kind of "all at once" growth to be successful.

### *Taxonomy of Funding Sources*

Although many participants underscored the reticence of capital holders as a key problem facing managers of mission-driven media, others noted that their own limited knowledge regarding capital sources remains a problem. No one could identify a single list or small set of lists that provide the names and application procedures for capital sources that are interested in underwriting media operations, particularly those with a social action or community-oriented focus. Through various sessions, however, participants identified several possible sources for capital by drawing on different sources. Ginger Lew, CEO of the Telecommunications Development Fund ([www.tdfund.com](http://www.tdfund.com)), and Rosel Halle, associate director for business development for the Dingman Center for Entrepreneurship at the University of Maryland's Robert H. Smith School of Business ([www.rhsmith.umd.edu/dingman/](http://www.rhsmith.umd.edu/dingman/)), provided detailed insight into how to raise capital.

**Venture Capital**, commonly called VC, offers rapid infusions of capital, often in large sums. This support usually comes with access to experienced managers, bankers, lawyers, and other individuals with specialized business skills. This support does not come easily, however. First, venture funds look for strong business plans. Several participants stated that experience in business plan writing tends to be in short supply among ethnic media or managers driven as much by a social mission or community commitment as they are by profit and growth.

Second, VC funds usually support organizations with strong management teams. This criterion translates into individuals with considerable experience at industry-leading firms. It also tends to support individuals with traditional business education, particularly MBAs from elite business schools. Again, these criteria often work against managers who are leading community- or socially focused ventures.

Third, venture capitalists may look for personal references or connections to tip the balance on business plans trapped on the cusp between receiving funds or rejection. Once again, these networks rarely extend far enough to include the women and minorities who lead mission-driven media. This networking results in several outcomes: Venture funds ignore applications from individuals or firms on which they do not have reliable information; funds have to invest additional resources in gathering information on managers and their proposals; or they rely on spurious information. Citing an example in his attempts to attract funding for the upscale magazine he publishes, *El Andar*, Jorge Chino recalls that one investor refused to offer support because "the last Latino media outlet we funded went under." Even within the supposedly rationalized world of economic gains and losses, decisions sometimes may depend on lack of information, prejudice, stereotypes, and tokenism.

Mission-driven media often face even more problematic characteristics of the venture funding system. Most venture capitalists look for very aggressive growth and return-on-investment projections. The returns that media firms traditionally realize do not often fulfill such growth expectations, especially when the media are focused on minority communities with underdeveloped business potential. Furthermore, to assure the VC's return on investment, the VC may

negotiate terms that allow for control of the company in the event the management does not meet predetermined metrics. This type of arrangement can pose significant problems for firms that place a higher value on commitment to community than profit maximization.

Pluria Marshall, Jr., general manager at radio stations WLTH-AM and KVJM-FM and publisher of the *Informer* and *Texas Freeman* newspapers, underscores the resentment that can arise from the aggressiveness of VCs by bluntly stating that "the VC funds are the great white sharks of the capital world." In the bubble economy of the late 1990s, many investors became enamored of very rapid growth in their capital investments and the "built to flip" model. They emphasized exit strategies with lucrative payoffs over building ongoing businesses—least of all businesses that might define their service to stakeholders more broadly than just increasing shareholder value. This strategy placed impossible demands on mission-driven media, according to Dahlia Hayes, director of the Media and Telecommunications Project for the Rainbow/PUSH Coalition. And even though the bubble has burst on this model, economic growth in some sectors, such as radio, has led investors to seek unrealistically high margins in other sectors, such as print or Internet news media, argued Rita Henley Jensen, editor-in-chief of *Women's Enews*. Such demands have tended to lock out many managers of "mission media" from capital markets.

**Investment Funds and Corporate Investments.** Private equity funds, such as retirement funds, sometimes seek out small organizations that fit tightly with the interests and values of their contributors. Media corporations that are making strategic investments offer another source of money, although a substantial percentage of these funds are targeted toward new media ventures. When these sources do invest, however, they usually back up such money with valuable technical assistance and contracts. This support can be a real benefit to firms that are fortunate enough to acquire such support. Incubators, such as the Murphy Group for Minority Broadcasters, may also provide sources of funding that are more readily accessible by media operators.

Many corporations also target funds for purposes that advance their business interests. For instance, some corporate money has been funneled into urban centers in an effort to stimulate investment.

Some companies, such as Prudential, operate social investment funds. These funds offer favorable debt instruments that are aimed at developing small for-profit firms. One private/public partnership, the New Markets Equity Fund, is a notable example of innovative financing being directed toward media firms. (For a more complete list of such resources, see [www.ntia.doc.gov/opadhome/mtdpweb/finsources.htm](http://www.ntia.doc.gov/opadhome/mtdpweb/finsources.htm).)

**Angel Funds.** Another funding type receiving wide attention is "angel" support. Access to angels often depends on personal connections, however. As noted above, the managers and board members of community-oriented media all too rarely intersect with the individuals and organizations that hold access to substantial angel funds. This problem of networks and access to the "old-boy's club" receives attention throughout this report.

**Social Entrepreneurship** has emerged as an alternative to unfettered venture capitalism. In short, these funds operate on a venture fund model but specifically look for more mission-oriented projects and organizations as recipients of their support. This field is new, however. As such, the rules—formal and informal—are not well known or well understood. Furthermore, only a few funds exist, and a comprehensive list or database has yet to develop. A few nonexhaustive lists have been compiled online, however (e.g., see [nonprofit.miningco.com/library/weekly/aa031799.htm](http://nonprofit.miningco.com/library/weekly/aa031799.htm) and [www.entreworld.com](http://www.entreworld.com)). In spite of these problems, this development bears close attention because its goals and culture dovetail with those of mission-driven media.

**Loans.** For smaller enterprises with modest expected growth, options in the loan market remain limited, according to John Anner, founder and executive director of the Independent Press Association (IPA). To address this situation, the IPA developed a small revolving loan fund to provide stopgap support for such firms. Although it operates from a modest base of \$500,000, this fund serves as a telling example of using unorthodox methods to fill market needs. Like any other loan operation, the IPA loan fund accepts applications for funds, offering loans to successful applicants and rejecting others. Organizations that do not meet the standards of the program are steered toward grants programs as an alternative for funding. Moreover, the IPA provides loans and, in some cases, small grants to for-profit as well as nonprofit organizations. Although this approach

creates some difficulties for the IPA in its accounting practices, it serves a vital need in keeping some small, for-profit operators in business.

The IPA loan fund has been spectacularly successful. Most loans supply bridge funding over a 12- to 18-month period, often covering short-run costs such as printing and mailing. These monies allow clients to stay afloat and build revenues, which can be used for loan servicing as well as operational development. Expansion probably would make the fund more efficient, but raising money beyond the half million-dollar pool has proved difficult because this venture falls outside the programs funded by most foundations or financial services operators.

**Foundations.** Foundation money usually supports nonprofit enterprises. Currently, much of this support goes for project support rather than organizational support. Although this funding pumps money into organizations, it does not lead directly to organizational development and growth. Furthermore, because these funds usually do not lead to capitalization or equity-building for recipients, they do not directly help nonprofits seek support through capital markets. Although this barrier is partly an artifact of the tax codes, some observers suggest that it has persisted because of a lack of innovation among foundations and nonprofit managers alike. Again, foundations and other players have begun to develop new financial tools, but such efforts remain on the margin of the nonprofit world.

One innovation in the field is starting to gain foundations' attention. Jon Funabiki, deputy director the Ford Foundation's Media, Arts and Culture Program, mentioned that Ford and other large foundations have begun to innovate with program-related investments (PRIs). This mechanism allows foundations to invest some of their corpus funds in for-profit firms that demonstrate a strong mission orientation or social commitments in line with the foundation's mission. Sometimes these monies are investments; at other times they are loans at favorable rates or a combination of the two (e.g., convertible loans). PRIs can also refer to loans to for-profit firms from a foundation's grant funds, again when such funding is consistent with the foundation's programmatic mission. The fact that so few conference participants knew of such money indicates, however, that these programs remain small and underpromoted.

Other problems create barriers between media managers and foundations. First, foundations tend to work on a very slow

timetable. Funding shortfalls that may befall a media operator, especially in a volatile economy, cannot be addressed in a funding cycle that may extend for a year or more. Second, foundations tend to have a limited understanding of media operations, their purpose, and their value. This knowledge gap requires the media applicant to invest in educating program officers on the merits of its application. Third, foundations tend to require very stringent financial management, auditing, and reporting. Although these requirements serve the needs of the foundation for accountability, they may present a serious barrier to many resource-strapped organizations.

Many corporate foundations are well financed and should not be overlooked. These foundations have image-building in mind. As such, they often give on the basis of geography (more money might be spent where the company operates, earning the firm "good citizenship points") or impact (as an alternative to advertising).

For either type of foundation, participants had this advice: Carefully examine the foundation's mission statement before applying. Develop programs and proposals that serve the mission. If need be, use language in your proposal that mirrors that of the foundation's mission statement to establish a type of rapport regarding your interests and how they intersect those of the foundation.

**Government Sources.** To access government monies successfully, the manager must become informed on the programs, how they work, what their purposes are, and key decision makers in each office. Locating an individual who is sufficiently informed and responsible for delivering reliable information poses an ongoing problem. A panoply of such problems entered into discussions regarding specific offices, such as the Small Business Administration (SBA). Many conference participants alleged that the SBA has too few well-informed administrators, slow turnaround times, and copious red tape. Another program singled out as potentially helpful, though not without its problems, is the Specialized Small Business Investment Companies program.

These problems could be overcome if the agencies were to develop a more welcoming starting place in the grants process. This "front door" could focus on media, community service, or other areas of interest to the media operator. They could also create a more transparent process by, among other things, organizing programs by client interests rather than by departmental alignments.

Government could also do more to probe the social benefits generated by mission-oriented media. For instance, media firms whose mission aims at serving a particular minority community have a greater propensity to hire and promote minority persons. This fact generates a substantial social benefit, but this benefit is neither well understood by government nor widely promoted by community media. If governmental funders were to make this a matter of greater policy interest, more resources could funnel into operations that serve to broaden the labor pool. In general, however, media operators, in spite of their critical role as providers of information, have failed to push for policy changes that would produce benefits for themselves.

In spite of these difficulties, firms have survived by wit, determination, and creativity. Some managers look to friends, family, community leaders, and a day job, if necessary, to finance operations, according to Julian Do, associate director of New California Media ([www.ncmonline.com](http://www.ncmonline.com)). Frank Washington advocates a more direct approach. He stated, "There's all sorts of ways to raise capital. Don't get sucked into third-party models. Build capital out of earned equity and revenues."

### *Taking Action to Improve Access to Capital*

Participants saw an immediate need for creating, gathering, and distributing information on financial markets. This goal could be accomplished at various levels. For instance, trade organizations could commission video training seminars. These seminars could be distributed via downloadable streaming video from the organizations' websites. The Washington Post Company has conducted and archived similar chats and panels on its website ([www.washingtonpost.com](http://www.washingtonpost.com)). Professional organizations might also organize regional training conferences and seminars. The point is to make them easily accessible.

Nonprofit and government organizations have a role to play in educating managers on capital markets as well. For instance, foundations could offer to guarantee loans. Foundations could also provide training in the use and function of financial instruments. Once managers have acquired enough information, introductions to gatekeepers such as loan officers, venture capital officers, or social

venture fund managers could be made to move entrepreneurs closer to successfully acquiring funding. Foundations might also take on the role of conference organizers for meetings regarding issues such as scalability and finding financial support for resource-strapped organizations.

Government organizations have access to vast informational resources. However, these resources often remain scattered across numerous organizations. Therefore, getting access to the required information and knowing how to access it remains a problem. Governmental departments often further confound efforts by requiring customers or users to have very specific knowledge (such as the exact name of a program) to access information effectively. By gathering information into identifiable portals and delivering it to classes of customers or users (such as media operators), rather than according to their own departmental structures, government agencies could make their resources considerably more valuable.

Various informational resources effectively serve their audiences. For instance, the National Association of Investment Companies ([www.naichq.org](http://www.naichq.org)), a trade association of investors in minority operations, has a variety of resources that community-focused media operators will find useful. The Telecommunications Development Fund ([www.tdfund.com](http://www.tdfund.com)) has a variety of links that are designed to assist communications companies with acquiring capital. The Southeast i-DealFlow Forum ([www.southeasti-dealflowforum.org](http://www.southeasti-dealflowforum.org)) brings together venture funds and organizations seeking support in a "meet market" format. The Quetzal Fund seeks to change its investment focus to areas beyond broadcasting. Other sources include the Magic Johnson Fund, which invests in minority operations; the Champion Fund in Palo Alto, California, which functions like the Magic Johnson Fund; and Syncomm, which backed the very successful growth strategy of Radio One, one of the largest minority-owned media companies in the United States.

Nevertheless, unmet needs persist. In particular, no fund appears to focus on support for diversity in media ownership. Such a fund could offer equity investments as well as bridge financing instruments. It could offer more flexible and/or easier terms than those offered by most other financial institutions. For instance, it might offer longer loan periods, very small business loans for start-up and

bridge financing, and below-market interest rates. It might also offer loan guarantees to organizations on the cusp of gaining access to mainstream financial resources such as bank loans.

Such an organization could be built through eclectic methods. For instance, foundation program-related investments could be used as part of its assets. Such investments might generate more economic activity and therefore more benefit than a straightforward contribution to a typical media grantee. This strategy certainly is outside the normal bounds of foundation activities, but such innovations may help bridge the for-profit and nonprofit worlds. The fund could function like a nonprofit in some cases, offering loans or grants to mission-driven organization to build their financial health to the point at which they can have access to a broader array of financial instruments. This mechanism will require educating accountants as well as the financial and non-profit communities, but such innovations may serve the needs of mission-driven media quite well.

A critical need remains for making private funds, loan officers, and even foundations more attentive to media in general and community-focused media in particular. By educating these individuals and creating the means to prod them toward more equitable and transparent business processes, beneficial change can be brought about. Moreover, this change may take place more quickly and be more enduring than legislative actions which tend to be slow and, when they fail, produce almost no social benefit.

### *The Role of Research in Organization Building and Market Development*

Problems in attracting capital and advertising often stem from the lack of available market research describing the effectiveness of mission-driven and community-focused media in reaching consumers. Without such research, coherent and convincing arguments regarding the likelihood and degree of returns on investments, brand awareness, or sales from advertising remain speculative. As a former journalist who now focuses on market research, Ken Smikle cites numerous reasons for the uses of research: "Research can demonstrate your uniqueness, and that translates directly into competitive advantage. Difference equals opportunity."

Research means understanding all aspects of the market. Research is necessary for conducting analyses on the amount of potential revenue

in a market, what substitutes exist for your product or service, and how competitors have captured market segments. It provides insights into how many consumers exist in your market, what they buy, and, in some cases, what prompts them to buy a particular type of product. Research can provide the rationale for entering a market, expanding a business' scale, or targeting particular consumers. It can demonstrate the value of a particular community to an advertiser or investor. In short, it provides insights into the means by which a manager will grow her business.

Research depends on data. Data on many communities remain sparse, scattered, and flawed. For instance, because advertisers have systematically ignored many communities, detailed data regarding their buying power and behavior does not exist in some cases. In other cases, data exist but may have been compiled for vastly different uses by many research companies. Little of it has been gathered into a single resource and made available to media managers. For instance, radio managers almost always use Arbitron data in analyzing their audiences. Although Arbitron provides basic information on listening patterns, it overlooks many niches. As Jaclyn Sallee, president and CEO of Koahnic Broadcast Corporation in Anchorage, Alaska ([www.knba.org](http://www.knba.org)), notes, Arbitron does not collect statistics on American Indians, and Native Alaskans in particular. Although these corporate decisions seem to be statistically rational for most advertisers and radio managers, they render certain groups of listeners invisible. If they are not seen by statisticians, they have no value to program sponsors.

**The need for better metrics in research.** The kinds of metrics that are currently available, such as household income measures, often rationalize the neglect we see regarding particular markets. By using other metrics, however—for instance, income per square mile—researchers might present the buying power of urban residents more attractively. Although many urban areas have low levels of household income, the increased density of these neighborhoods often leads to a formidable concentration of income in a few city blocks. By using such statistics together, advertisers might see a more realistic picture of the opportunities available in many underserved markets.<sup>3</sup>

A cursory look at the 2000 census provides an illuminating example of the problems entailed in gathering data and analyzing it for

market research. The findings regarding immigration, changes in demographics across the nation, and the burgeoning multiracial population show that media targeting specialized communities and ethnicities will soon find larger, richer, and more influential audiences for their content. The census does not contain anything more than the most rudimentary statistics regarding consumer behavior, however, so although it can provide a cumulative look at these markets, the picture remains incomplete. Moreover, it often contains virtually no analysis of particular types of individuals, such as Asian women. Although this research policy decision may have a clear economic or political rationale underpinning it, it has wide-ranging implications beyond the logic on which it is based. Furthermore, the census suffers from poor response rates in specific places, especially areas dominated by transient or immigrant populations. For many media, this low response rate can lead to a substantial underestimation of the size and buying power of target markets for mission-driven media.

To overcome this shortcoming, we cannot realistically expect cash-strapped media managers to commission new research and make the results available to the advertising community. Some third party—perhaps a foundation with interests in media, a research institute (such as a university communications school), or a professional organization (such as the National Newspapers Publishers Association)—or a group of such organizations will need to pool resources to complete such a needed project. Moreover, because the need for this information will continue and probably grow as demographic changes continue, the data should be collected on an ongoing basis. Lisa Keen mentioned one successful example of a group of publishers pooling resources to sponsor research on the gay market. The results of this research helped these outlets sell advertising and demonstrate a need to continue the effort.

**Short-term actions supporting research.** Managers should also make use of tried-and-true data collection methods. For instance, managers might mail out surveys and analyze the results.<sup>4</sup> This information can then be shared or sold to other organizations, consistent with privacy policies and disclosures. Although some operators, such as public radio stations, cannot sell such information, sharing it with peer organizations can still prove valuable.<sup>5</sup> To preserve the privacy of customers and an operation's credibility, the

media company will have to disclose this use ahead of time or provide the data in aggregate form only.

## **Additional Strategies for Sustainability**

### *Revenue Enhancement*

For many media, advertising remains the most important source of revenue. Without the possibility of offering subscriptions, commercial broadcast media (over-the-air radio and television) remain almost completely dependent on advertisements. Even print media earn only a small portion of their revenues through sales and subscriptions of newspapers and magazines. The business model in print media rests firmly on the foundation of advertising—particularly classified advertising.

Numerous problems have created exceptional hardships for mission-driven and community-oriented media that rely on advertising revenues. Chief among them is a problem cited in attaining capital: lack of visibility among mainstream businesses and business managers. This lack of visibility often causes advertisers, representation firms, and agencies to overlook the possibility of placing ads with community-focused media. Jan Johnson underscored the problem in forceful terms: "Having access to five million readers and being largely ignored is wrong."

Various participants noted that, as with other issues of equity and justice in the United States, things are getting better and worse at once. Increased media concentration has reduced the number of potential partners, especially for local advertising. Ten or 15 years ago, managers could find like-minded peers at other print or electronic media outlets. As the number of owners and managers has dwindled, however, fewer options for partnering exist. Exacerbating the problem is the tendency of advertisers to place more national advertising at large media companies, which undermines attempts to partner with community-oriented media.

On some fronts, however, things seem to be improving. Jake Oliver, on behalf of the NNPA, has recently held meetings with major advertisers, including Philip Morris. Online sites, which are always hungry for content, can provide alternative channels of distribution for archived and current news. With proper handling,

competitors can be turned into allies. "We wrote up the new paper serving our market," notes Ernesto Fraga, publisher of the Waco, Texas based newspaper *Tiempo*. "Basically, we took some of the emphasis off of competition. With other 'competitors' we share clients and cooperate as much as we compete." Furthermore, competition should not always be regarded as a threat. Serving the same community from a diverse set of viewpoints can benefit the community while sharpening the competitive focus of a paper, notes Norma Sosa, doctoral student in the School of Journalism and Mass Communications at the University of North Carolina, Chapel Hill, and former senior news executive at *The New York Times*.

**Creative strategies in sustaining organizations.** Managers of all types report that to bring in enough revenue, creativity and flexibility are crucial. Advertising comes and goes, and having access to other revenue streams can help an organization get through the slumps. Special issues, sponsored events, joint ventures, and syndication can all add to the bottom line. Moreover, content must be tailored to coordinate between the needs of the audience and those of the advertiser. The kind of material that builds a large audience may not build a loyal one; a focused audience may not appeal to a large, mainstream advertiser, but it may suit an advertiser that is interested in a particular demographic niche. For nonprofits, the challenge might be to get foundational support for a particular program but to extend this support to the needs of organization building and economic stability beyond the year-to-year grind that stalls development at many nonprofit organizations. In short, to use the words of many rappers (who claim to be the "CNN of the 'hood"): You have to make a dollar out of 15 cents.

**Controlling costs.** Building revenue is only half of the sustainability picture. The other half is controlling costs. As a member of a shrinking caste of new media website managers, Don Rojas, publisher of *The Black World Today* ([www.tbwt.com](http://www.tbwt.com)), sees the need to rein in costs as key to the survival of his operation: "We have relentlessly controlled costs, especially in the start-up stages, which are often lengthy for most media."

In spite of the many obstructions and difficulties, the organizations represented at this conference and many others like them have

survived. They have endured against the stiff winds of competition, neglect, and sloppy policies. Although this tenacity is admirable, part of the goal of this conference was to move beyond surviving. If these organizations are to thrive, more must be done to overcome the impediments enumerated here.

### *Support for Nonprofit Organizations*

As with certain financial and capitalization instruments, nonprofit managers face additional constraints in attracting advertising. Nonprofit broadcasters can offer sponsorship announcements, paid promotional announcements, print ads in program guides and other print material, banners on websites, and signage at sponsored events, but these strategies all need to be tailored to meet the special standards imposed on nonprofits. Although nonprofits certainly want to do well by using such tools, they face additional costs in filing tax returns for revenues that fall outside the stated nonprofit mission of the organization. At the limit, such revenues, depending on their source, could threaten the organization's tax status. Although all media managers face formidable challenges, nonprofit managers must face these challenges with a more limited arsenal of tools.

## **People as a Resource: The Critical Role of Skills-Building and Networking**

### *The Problem of "the Old-Boys Network"*

Throughout the conference, participants touched on the need for finding, training, and retaining employees, managers, and entrepreneurs to develop a dynamic and vibrant set of media operations serving communities. Many issues similar to those relating to raising capital and revenues surfaced in the discussion of the barriers faced by mission-driven media. The problems of developing human resources and networks of skilled individuals often stood apart from pure economic issues, however.

Numerous participants noted that networks—particular the insiders or "old-boy networks"—remain inured to traditions and history and therefore closed to the managers of media-driven and community-focused media. Their resistance to including new

communities can take many forms. Often only insiders are made aware of important meetings on policy, business strategy, or network building itself. More subtle forms of exclusion and distance can arise, however, through repeated questioning of the need for or purpose of mission-driven media. In spite of serving its community for more than 100 years, the *Baltimore Afro-American* still has to be justified to individuals outside the community, according to its current publisher, Jake Oliver. Such questioning serves to point up the division and difference between publishers such as Oliver and the advertisers he courts.

Networks remain crucial because they are the locus of business activity. Crucial decision making, information sharing and trading, informal contacts, and important personal and cultural ties often form through such networks. Systematically excluding an entire group of individuals and organizations impoverishes the excluded and reduces the resources of the network.

### *The Importance of Social Networks in Business Strategy*

Although no clear remedy emerged from the discussion, participants spent time on better describing and explaining the importance of social networks in building businesses and markets. Learning how to build networks remains outside of most business courses and seminars, but it plays a central role in how businesses and markets *really* operate. This oversight might result from the fact that networks operate as social phenomena even if they affect business outcomes. As such, sociologists have done more than economists to examine the structure and effects of networks, which generally puts such lessons well outside the standard business education. A classic examination of the role of networks in business practice—specifically job searches—comes from sociologist Mark Granovetter in his paper "The Strength of Weak Ties."<sup>6</sup> In particular, Granovetter found that it is not only the closest connections, or strong ties, that lead to employment, but more distant ties—working through someone who knows someone who knows someone—give successful job hunters a leg up on their competition by expanding the number of job possibilities.

Unfortunately, many media entrepreneurs remain isolated. Even very distant ties often do not lead them to crucial decision makers in

banks, capital funds, advertising agencies, major advertisers, policy-making agencies, foundation program offices, or even other media entrepreneurs and managers. Ken Smikle noted that this isolation occurs at the formal and informal levels of social networking. Because the ranks of community-focused media managers are thinner, they have fewer opportunities to meet, build, and maintain professional organizations. Many professional organizations often function with only a few committed participants. Moreover, Smikle observed, many managers have a tendency to "go it alone." This tendency leads to further isolation and dilution of resources as many persons struggle to stay above water while larger policy and systemic interests fall to the wayside. The reinigorated NNPA stands as one of the few exceptions to this trend.

**The role of trade associations in building and maintaining networks.** Trade associations and professional organizations can use their presence and size to help managers of mission-driven media in many ways. For instance, various back-office needs and services—such as accounting—can be consolidated. Larger organizations can serve as more effective voices in attracting attention from the outside. Advertisers might become more willing to use community-focused newspapers if several ads in many papers could be purchased through one contract (as is currently being done for certain weekly papers). A united front would also have greater weight in addressing policy-makers and legislators. Finally, a consolidated effort would help community-oriented media become more visible, allowing them to become known entities outside their core audiences.

Creation of some unifying association would grow out of the organizations already working on these issues. For instance, the NNPA, the IPA, and New California Media could pool various resources and ideas. Much of their current work is complementary, which avoids redundancies and turf battles. The problem would be in the start-up phase of such a cooperative effort. Time-constrained managers would need to devote themselves to this effort and have sufficient resources to stay on course. Foundation grants and research support from various organizations concerned with media and diversity could develop such a venture. A strategic planning session aimed at defining the scope of the venture—whether it would

require new organizations and infrastructure, what the needs of the various members of the cooperative would be, and how the project would be financed until it reached self-sufficiency—would provide a logical next step in realizing such an endeavor.

**Boards of directors, other advising bodies, and organizational governance.** Boards of directors play a pivotal role in building a manager's networks. The board must include skilled, experienced, and knowledgeable individuals, according to Christopher Ma. These criteria pose an especially great challenge for many community-embedded media managers. As mentioned above, such managers must balance their within-community credibility with their reputation outside their community. These values often work against one another, and some kind of tradeoff becomes necessary, at least until a new way to frame the problem can be established and communicated.

Specifically, by bringing in outsiders—who may have great credibility and knowledge of the mainstream—community-embedded organizations run the risk of diluting the emphasis on serving their core constituency, or "selling out." Even if this is not the case, some critics within the community might perceive or expect a greater emphasis on appealing to the mainstream rather than serving the community. If the manager goes in the opposite direction, focusing almost exclusively on and within the community, the organization may become removed from individuals who can bring the organization credibility within the larger community and resources to better serve the organization's core mission and constituency.

This problem is especially acute with some small, isolated minority groups such as American Indians. As the founder and chief executive officer of the National Indian Telecommunications Institute and a member of the Comanche Tribe, Karen Buller speaks first-hand of the distance between business movers and shakers and the interests of her people. Connecting the two has required her to move far beyond the geographical center of her community and to draw on the handful of individuals who have interests that connect with the needs of the often-overlooked Native population.

Although building a board of directors serves a necessary function, governance must not stop there. Boards of advisors may provide a

less formal, more loosely structured alternative to the board of directors. According to Rosel Halle, advisors might meet less often, if at all, in a large group. But small-group meetings or meetings with particular individuals in the group might prove useful and instructive to managers. Media managers should also seek out opportunities to serve on boards of directors and advisors for other operations. By doing so, they increase the number, breadth, and depth of their contacts to other organizations and individuals. Individuals have a clearer idea of the expertise, temperament, and talents of individuals, as well as how those elements may complement the skills and knowledge of individuals sought out as advisors or directors. According to Alexis Scott, publisher of the *Atlanta Daily World* ([www.atlantadailyworld.com](http://www.atlantadailyworld.com)), joining other boards allowed her to gain first-hand knowledge of other organizations' operations, pick up new ideas, and avoid mistakes.

**Public goods aspects of networking and information sharing.** Building of organizations and social institutions stands out as an important spillover benefit of developing networks. By sharing information and expertise, individuals build a reserve of information, relationships, and access to funds, individuals, services, and products. This process allows organizations to evolve in a rich and nurturing environment where cooperation can blunt the negative effects of pure competition. Moreover, such informal and formal links allow younger individuals and new institutions to make use of valuable information, resources, and relationships. This strategy breeds an environment that is more conducive to entrepreneurship, good management practice, and growing markets. This in turn builds commerce in communities that can reinvest in media and information services. This virtuous circle depends on all parts functioning but may well begin with the intersection of social networks and economic interests.

This public good aspect of networking applies to the development of personnel. By having a greater social presence and more contacts, managers come in contact with more talented young persons. Many of the conference participants noted that the limited talent pool they have access to causes them to invest substantial resources in training and developing entry-level talent. Once trained, many of these persons

depart for greener and more economically rewarding pastures. This dynamic generates a resource drain that would be partially staunched by attracting better-prepared recruits.

**Developing leadership.** Networks also help organizations and communities attract, build, and maintain a new and broader group of leaders and entrepreneurs. Savvy leaders build healthier and expansive organizations and markets. Funding organizations, such as capital funds or foundations, select their targets on the basis of strong management skills and experience, expected growth, and impact, noted Ginger Lew.

Information sharing among managers aids in developing more capable, knowledgeable, and connected managers. For instance, Pluria Marshall uses his network of contacts to answer questions and access resources required to run and expand his businesses. He also knows that an unspoken *quid pro quo* exists in such transactions: When someone needs information from him, he tries to provide it. He and Frank Washington also noted that staying in touch with a broad set of contacts helps a person learn subtle aspects of the media business. Managers might arrive at a better understanding of how a particular fund actually works—as distinct from its written mission and program guidelines—by talking with others who have received money from the fund or even worked there. Moreover, such contact may help a manager become more socialized to the culture of the business. This socialization can include changes as simple as understanding and speaking the jargon of a particular business, knowing what questions to ask in a business meeting, or establishing a rapport that leads to the proverbial friendly game of golf or "power lunch."

**Outreach and extending the network beyond the community.** Connecting to new audiences and organizations may require outside resources. Although some managers and executives have effectively built relationships with mainstream organizations, these examples remain the exception. Attendees put forth various models for organizing the structure of these relationships. Several of these models focused on training, mentoring, and technical assistance. Such relationships would allow a smaller organization to draw on the experience and informational resources of a larger partner to develop and implement more effective management tools. Many participants expressed a particularly strong interest in how larger, longer-lived

firms might help emerging media outlets negotiate business cycles. Large organizations can also help smaller partners manage growth. Organizations driven by a deep sense of mission often run very well as small organizations. Growth, however, usually requires hiring new workers, and these individuals may not have the same deep commitment to the mission as the founders. This factor may create problems in achieving growth without sacrificing the mission. Even though mainstream organizations may not have the same community focus, they still have some corporate mission that serves as an organizing principle for their actions and goals, and they must fulfill this mission through various phases of growth.

Conference participants also suggested several other arrangements. If there is a compatible match on the basis of similar goals, a strategic partnership may build bridges between community-focused media and mainstream establishments. Self-interest drives alliances. Therefore, the smaller partner needs to deliver various benefits to the larger organization. For instance, the smaller partner may "lend" its reputation within the community to the larger partner, allowing that larger partner to forge a more meaningful connection to a sought-after audience. An alliance may also allow the larger partner to learn more about the workings of the community press. The partners need to speak the same language and have a willingness to learn from each other. Otherwise, the alliance may become a drag on resources and a distraction from core strategies.

Building ties beyond the comfort of the mission-driven media's community may require more external resources. Often these relationships grow out of personal, interest group, or "tribal" connections between managers within the community-oriented media and individuals working in the mainstream. These individuals probably have greater sensitivity to the mission driving the community-oriented media operation. Coming from a shared sense of meaning and identity may accelerate the process of building rapport. This rapport may also allow the individuals involved to leave aside economic considerations, which can derail the process.

Identifying such individuals and putting them in contact with each other may require a push. Too often the social distance between such individuals remains wide, and crossing such a chasm requires the expenditure of considerable resources of time and energy. Some

kind of "matchmaking" service built on databases may help emulate the denser network of social relations that mainstream managers take for granted.

Reaching beyond the community requires social connections and marketing skill as well. Community-embedded media, through their expertise, can help mainstream media organizations make a more authentic impact on growing and changing communities. This can move the dialog beyond two major points of contention: paying lip service to diversity issues and presenting the mainstream as *the* alternative vis-à-vis more multicultural approaches for addressing emerging populations.

**Networks and nonprofit organizations.** Building networks also has value for nonprofit media organizations. Persons in such organizations often will find a foundation far more receptive after a recommendation from an individual the foundation's program officers know and respect. As individuals and organizations become familiar with a foundation, a program manager may approach a board member or executive about developing a program jointly with the foundation. Such programs not only receive financial backing from foundations; they also embed the nonprofit more deeply within a web of contacts at other foundations that share the mission or interests of the nonprofit organization.

**Taking action to build networks.** In spite of the clear value of networks, they often function suboptimally. Making a clearer link between the social function and structure of networks and their market impact would attract more resources to developing networks, according to Jorge Reina Schement, professor of communications and codirector of the Institute for Information Policy in the College of Communications at Pennsylvania State University. Unfortunately, the economic value of a network only matters once the network exists. Without a functioning network, value remains low—and with it, investments in developing the network. This classic "chicken-and-egg" problem plagues network industries such as telephone and software development as well as social networks. Therefore, nonmarket mechanisms might jump-start the process. In another Aspen conference on building minority Internet businesses, MMG Ventures, LLP, and Syncomm Capital created the Historically Black Colleges and Universities (HBCU) Tech Fund to encourage talented HBCU students to enter technology and media fields. Getting young persons involved through this kind of program

would introduce them to managers and accelerate their entry into this network.

### **Conclusion: Translating Dialog into Action**

In the near term, participants suggested that several actions take place. These actions could and should be undertaken by entities and individuals well beyond the group gathered at the conference. This list is intended as a guide to stimulate discussion, to help in designing policy, to promote new means of engagement in capital and foundation programs, and to encourage managers and entrepreneurs to apply new ideas and skills to secure the futures of the organizations they lead.

Considering the pivotal role of acquiring funds, conference participants urged those interested in mission-driven media to foster conditions that would be more conducive to building a broader and more accessible funding base. First and foremost, this includes facilitating training on the capital acquisition process. Subsidiary to this goal is the need to find sources of capital that help to establish and build media organizations in all phases of development.

Second, there is a need to create new networks of interested organizations. Such networks help build social capital and create relationships whereby information, management skills, and personnel development ideas can be exchanged and improved. Two specific projects could make a substantive impact: creating an overarching professional organization and a consultancy that would support the counseling of less-experienced managers by those who have achieved success. Their work could be collected within a library of case studies and organizational histories examining successes and failures in management of mission-driven media. New communications technologies such as e-mail lists, web portals, archives, link lists, and online forums can help such endeavors.

Participants also noted the need for managers of mission-driven media to reach beyond their own organizations. Of chief importance here is developing an organization or support structure for research. This research would focus on market data, but it would also examine the likelihood, degree, and impact of discrimination in capital and advertising markets. Such research could also enhance the understanding of how social networks affect community-focused media, advertisers, and financial institutions.

Many participants expressed a keen interest in considering what kind of infrastructure would need to emerge to advance the discussion and foster further action. The model that they generally agreed on involved some kind of cooperative, launched with grant or other seed monies but which eventually would become self-sustaining. Clearly, such an organization would extend beyond this group to include a broad and varied assemblage of organizations.

In designing such an organization, several participants brought examples of other coalitions aimed at addressing concerns similar to those discussed during the conference. Jake Oliver mentioned the Madison Avenue Initiative ([www.nationalactionnetwork.org/madison.htm](http://www.nationalactionnetwork.org/madison.htm)) as a model of an organization that is used to pressure mainstream businesses. Although its impact to date has been limited, it has at least created a means for engaging corporations—particularly advertisers and advertising agencies—in a dialog aimed at raising their awareness of issues regarding the minority press.

The members of the Initiative make up a focused but somewhat homogeneous group. Jorge Schement spoke forcefully to suggest a different tack by opening participation to many constituencies. Using the example of the Advertising Council ([www.adcouncil.org](http://www.adcouncil.org)), he suggested that involving a variety of voices—perhaps through advisory committees—can facilitate "buy-in" on the part of the numerous constituencies without diluting the message and identity of the core constituency.

Ken Smikle noted problems with the African-American Marketing and Media Association in its ten-year existence. The loosely knit and heterogeneous group coalesced around only two issues: a focus on serving a black audience and demand for better research regarding that audience. Unfortunately, the members' disparate interests pulled the group in opposing directions.

Such an uber-organization could address many of the problems discussed in this report. Moreover, it could create an environment of cooperation and understanding where miscommunication, competitiveness, and confusion presently reign. Although some participants saw the need for a "catalytic event" to provide a rationale for such an organization, the rapporteur submits that this gathering has already provided the impetus and ingredients necessary to begin the process. Now we must lay the foundations.

## Notes

1. The Ford Foundation's mission statement is available at [www.fordfound.org/about/mission.cfm](http://www.fordfound.org/about/mission.cfm).
2. Founded on March 16, 1827 as a four-page, four-column, standard-sized weekly, *Freedom's Journal* was the first black-owned and operated newspaper in the United States; it was established the same year slavery was abolished in New York State. The *Journal* was published weekly in New York City from 1827 to 1829. See [www.shsw.wisc.edu/library/aanp/freedom/index.html](http://www.shsw.wisc.edu/library/aanp/freedom/index.html).
3. More detail regarding the use and abuse of statistics on underserved communities appears in Robert M. Entman's report of the Aspen Institute Conference titled *Coming Together—Bridging the Gap between Investors and Minority Internet Entrepreneurs*. See [www.aspeninstitute.org/c&s/pdfs/minority.pdf](http://www.aspeninstitute.org/c&s/pdfs/minority.pdf).
4. Using returns surveys can introduce sample bias problems into any analysis. Some information may well be better than none at all, however.
5. According to Yolanda Rodriguez of Radio Arte, media organizations receiving Corporation for Public Broadcasting (CPB) funds cannot sell, trade, or disclose member information.
6. Mark Granovetter, Mark, "The Strength of Weak Ties," *American Journal of Sociology*, vol. 78 (1973): 1360–80.

# APPENDIX

Aspen Institute  
Forum on Diversity and the Media

**List of Conference Participants**

July 11-14, 2001, Aspen, Colorado

**John Anner**  
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**Titus Levi**

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 Communication  
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Senior Program Coordinator  
 Communications and  
 Society Program  
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## About the Author

**Titus Levi** is assistant professor of communication at the Annenberg School of Communication of the University of Southern California. Levi investigates competition, firm structure, policy, and regulation in the radio and music industries. His work focuses on the adoption of new technologies and competition between firms within musical genres.

Before coming to academia, Levi worked as a disc jockey at KUSC-FM in California; he created, hosted, and produced *Songs of the Earth*, a program that featured classical and folk music from around the world. He also co-hosted and co-produced *Gone Global!* (a program with similar music leanings), with composer Enrique Gonzalez Medina. In addition, he worked for more than ten years as the writer of *Discoveries*, a column of new talent reviews that appeared several times a year in *Keyboard Magazine*.

As an arts administrator, Levi founded and presided over the California Outside Music Association (COMA), a small music presenter, and served as music curator for the 1990 Los Angeles Festival.

# The Aspen Institute Communications and Society Program

[www.aspeninstitute.org/c&s](http://www.aspeninstitute.org/c&s)

The Communications and Society Program is a global forum for leveraging the power of leaders and experts from business, government and the nonprofit sector in the communications and information fields for the benefit of society. Its roundtable forums and other projects aim to improve democratic societies and diverse organizations through innovative, multidisciplinary, values-based policymaking. They promote constructive inquiry and dialogue and the development and dissemination of new models and options for informed and wise policy decisions.

In particular, the Program provides an active venue for global leaders and experts from a variety of disciplines and backgrounds to exchange and gain new knowledge and insights on the societal impact of advances in digital technology and network communications. The Program also creates a multidisciplinary space in the communications policymaking world where veteran and emerging decision makers can explore new concepts, find personal growth and insight, and develop new networks for the betterment of the policymaking process and society.

The Program's projects fall into one or more of three categories: communications and media policy, communications technology and the democratic process, and information technology and social change. Ongoing activities of the Communications and Society Program include annual roundtables on journalism and society, international journalism, telecommunications policy, Internet policy, information technology, and diversity and the media. The Program also convenes the Aspen Institute Forum on Communications and Society, in which CEOs of business, government, and the nonprofit sector examine issues relating to the new technologies and lifelong learning.

Conference reports and other materials are distributed to key policymakers and opinion leaders within the United States and around the world. They are also available to the public at large through the World Wide Web.

## Previous Publications from the Aspen Institute Forum on Diversity and the Media

### *Reinventing Minority Media for the 21st Century* (2001)

América Rodríguez. This conference report examines minority media and the new business models that will allow them to strengthen their role as community information sources. 45 pages, ISBN Paper: 0-89843-311-8, \$12.00 per copy.

### *Coming Together—Bridging the Gap between Investors and Minority Internet Entrepreneurs* (2000)

Robert M. Entman. This report is a thought-provoking presentation of the problems minority Internet entrepreneurs face in their quest for venture capital funding. It also recommends some initiatives for overcoming the paucity of funding opportunities. 38 pages, ISBN Paper: 0-89843-298-7, \$12.00 per copy.

### *Changing Rules in the Market for Attention: New Strategies for Minority Programming* (2000)

Richard P. Adler. This report addresses new strategies and business models for producing and distributing news, entertainment, and general programming in traditional and digital media with the goal of increasing minority participation in all levels of the media. 68 pages, ISBN Paper: 0-89843-293-6, \$12.00 per copy.

### *Investing in Diversity: Advancing Opportunities for Minorities and the Media* (1998)

Amy Korzick Garmer. This volume is the result of work done during the first two years of the Aspen Institute Forum on Diversity and the Media. It includes papers on a wide range of issues (for example, demographics, economics, Internet usage, business ethics) that relate to the broader goal of the forum, which is to identify and understand the business case for greater cultural and ethnic diversity in the media. 249 pages, ISBN Paper: 0-89843-240-5, \$12.00 per copy.



THE ASPEN INSTITUTE

Publications Office

P.O. Box 222

109 Houghton Lab Lane

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