

Web news site Grist inks deal with Washington Post

by [Greg Lamm](#) Staff Writer

Friday, August 8, 2008

The online environmental journalism site Grist has landed a content-sharing deal with The Washington Post's website, part of the Seattle nonprofit's quest to develop a hybrid business model that relies on both donations and advertising during a time when for-profit newspapers are struggling to adapt to an online world.

Grist founder and CEO Chip Giller said the Post deal helps further validate Grist as a trusted information source and hopefully will drive more traffic to its website.

"It's very meaningful for us. It sort of announces even more firmly that Grist has arrived on the scene," said Giller, adding Grist also has content-sharing deals with MSN, The Huffington Post and other web outlets. More such deals are in the works, he said.

The deals also signal that the financially hard hit media industry is paying attention as small organizations like Grist explore new ways of generating revenue to pay for producing and distributing information. As Grist and similar organizations launch and grow, more industry observers are wondering if a nonprofit business model could help guarantee a solid future for journalism.

"Are nonprofits the answer? I think they are part of the answer," said Charles Lewis, an investigative journalist and educator who helped launch three Washington, D.C.-based nonprofits, including The Center for Public Integrity, an investigative journalism organization he founded in 1989.

Grist is expanding its reach and seeking to expand its revenue from advertising and content fees during a time when long-standing media companies are reeling. Advertisers and readers are turning away from television news broadcasts and newspapers, and the turmoil has led to widespread layoffs. Stocks of large publicly traded media companies such as McClatchy Co. and The New York Times Co. have plummeted, and several newspapers appear to be teetering on the edge of going out of business.

At the same time, nonprofit journalism has been gaining attention as an alternative to relying on advertising and subscriptions to pay for gathering and presenting news. Grist, among others, relies heavily on foundation money.

While nonprofits are seeking to diversify their revenue base to include advertisers and syndication fees, for-profit media companies are seeking support from charities to help pay for some coverage.



*Grist Executive Editor Russ Walker, left, and company founder and CEO Chip Giller are exploring innovative business models for their environmental news website.
(Photo: Dan Schlatter)*

“Even big media players are experimenting in the opposite direction,” said Russ Walker, who recently became Grist’s executive editor.

For example, Walker, a former assistant managing editor at washingtonpost.com, said The Washington Post has an ongoing partnership with the Henry J. Kaiser Foundation to bring attention to health care and other issues. The foundation pays for surveys.

Grist could strike similar arrangements with other media outlets, Walker said.

“What you might see in the future is more branding and fewer walls,” said Walker, who said Grist might partner with a national media organization or even a regional newspaper on an environmental project.

Lewis, a former producer at the CBS show “60 Minutes” who currently teaches at American University, said organizations such as Grist and the recently launched New York-based investigative website Pro Publica, which rely heavily on donations from foundations or wealthy philanthropists, are helping redefine the industry.

Nonprofit journalism is not a new idea. The National Public Radio model has been around for decades.

But today’s economic climate is leading to experimentation and even a blurring of the lines between for-profit and not-for-profit models, Lewis said. Nonprofits have large membership groups valued by foundations and advertisers, while for-profits might take money from foundations that are interested in seeing certain types of issues covered.

Lewis said that although he has not closely studied Grist’s model, he has followed the nonprofit’s development and says it has picked an opportune time to cover environmental issues because of so much interest in global warming and other green topics.

“These should be heady days for Grist,” Lewis said. “This should be a period where Grist takes off like a rocket.”

Today, Grist.com attracts about 700,000 unique individuals a month with environmental news, blogs, book reviews and opinion pieces, often delivered with wit and a touch of irreverence that plays well to readers in their 20s and 30s.

Launched in 1999, Grist has an operating budget of about \$3 million in 2008 and a staff of about 25 people. More than half of its dollars come from foundations such as The Ford Foundation and The Geraldine R. Dodge Foundation.

Contributions from readers make up about 20 percent of Grist’s revenues. Grist also is in the second year of a three-year, \$10 million fundraising campaign, and Giller said Grist is on track to meet that goal.

Giller said he also hopes to boost Grist’s advertising revenues. Last year, advertisers accounted for about 5 percent of Grist’s revenues. This year, earned income, including advertisers and syndication fees, is approaching 15 percent of Grist’s revenues.

Because of high fuel costs and environmental concerns, green is a big topic and larger companies are coming to Grist. That includes BMW, which plans to launch an advertising campaign for its Mini Cooper on Grist this fall.

Grist also hopes to increase revenue from syndicated deals, Giller said.

The Washington Post is not paying Grist to use its content. But Giller said the agreement will allow Grist to vastly expand its brand and reach washingtonpost.com’s coveted audience, which includes government decision makers and those who closely follow government policy.

Giller said the hybrid model works best for Grist.

“There is going to be a lot of experimentation in the next 10 years with media. I think there probably will be several different models that work,” Giller said.

Giller said it is exciting to be running an online environmental news site during a time when both media and green issues are being reinvented online.

“We sit at the nexus of these two,” Giller said. “I don’t think either strictly philanthropic dollars or earned revenue would be enough to do it alone. But for us to have the types of resources necessary to meet our mission, I think it’s going to take both flowing through the organization.”

greglamm@bizjournals.com | 206.876.5435