

Why Report for America is pulling out of newsrooms owned by hedge funds, private equity firms

By [Aidan Ryan](#) Globe Staff, Updated March 22, 2024, 5:50 a.m.



Rachel Hellman, a Report for America corps member at Seven Days, a Vermont publication, conducted an interview. Jeb Wallace-Brodeur

Kim Kleman is the executive director of Report for America. BEN BRODY

The decision to stop supporting outlets owned by private equity firms and hedge funds comes at a time when many media companies are [laying off staff](#) and [struggling financially](#). Two of the major newspaper chains affected by the program's decision are Gannett, which owns newspapers such as USA Today and [The Patriot Ledger in Quincy](#), and MediaNews Group, which counts among its papers The Chicago Tribune and The Boston Herald.

MediaNews Group, which is owned by the investment firm Alden Global

Capital, did not respond to a request for comment. A spokesperson for Gannett, which is publicly traded but owes over \$1 billion from a loan financed by private equity firm Apollo, declined to comment on the decision, but said the chain is investing in its newsrooms.

Kleman, who lives in Marlborough, spoke to the Globe about the decision, the New England media landscape, and the future of Report for America. The interview has been edited for brevity and clarity. (Report for America has helped fund a Globe reporter's position in recent years.)

Q: You made headlines earlier this month by announcing that Report for America would no longer place journalists in newsrooms that are owned by private equity firms and hedge funds. What prompted that decision?

A: This has been a phasing out. We still this year have 21 corps members in these chain newsrooms that are owned by hedge funds, and we are going to support them throughout their tenure in Report for America. But as we increasingly focus on the newsrooms that, with our help, can become more sustainable, we realize that a hedge fund-owned model for local news is not the future of local news as we see it.

We have loved working with these editors within newsrooms, and with these corps members — they have done incredible work. It's just that moving forward, we don't see this as the best way for a robust local news system to move forward.



Reporter Lau Guzmán, a Report for America reporter at the Record-Journal, interviewed a political candidate in Meriden, Connecticut, in November 2023. Richie Rathsack

Q: What are models that you support when it comes to local news organizations?

A: We don't think that there's one solution to the local news crisis. What we are trying to do is find what is working and where, and share that broadly so that others can adopt those good ideas. Thirty-eight percent of our newsrooms are for-profit newsrooms — the rest are nonprofit newsrooms. We know that nonprofit newsrooms are not going to work everywhere.

Q: A lot of people praised the move, but you also received some criticism from others who argued it hurts the public and might hurt journalism. How do you respond to those critics and those

arguments?

A: Report for America will always have way, way more need than we have the resources to help. There will always be more needy newsrooms than we can possibly help. And we have to be very careful where we spend our money and our attention.

We started out working with a lot of chain newsrooms. But as hedge funds and private equity became owners of those newsrooms — and not all of them, but a good number of them — staff size has shrunk and other effects of the cost-cutting and focus on short-term profits. That is not a kind of business model that we see being the best for the future of local journalism.



Report for America corps members participated in group activities at the organization's national gathering

Q: Report for America started as an initiative of The GroundTruth Project, a nonprofit here in Boston. Coincidentally, there were no Report for America members placed in private equity- or hedge fund-owned newsrooms in New England. Is there anything about New England about why that's the case?

A: We have had 51 corps members in New England newsrooms since we began. And we have 20 in the program now, and we have worked with 26 New England newsrooms in our history, including 19 now. I think New England is a good example of so many different kinds of newsrooms when it comes to models and ownership. There was no decision that we're not going to partner with any hedge fund-owned newsrooms in New England. There were just so many wonderful examples of locally owned for-profits and new nonprofits and established larger newsrooms.

Q: Report for America has been around since 2017. What do the next seven years of the organization look like?

A: We need to scale as an organization. We will continue to work throughout the country with newsrooms of all sizes with a variety of business models. Newsrooms are expecting more from us than just corps members, and so expanding what we can offer to newsrooms is always a goal. For example, we're about to launch a program for AI in newsrooms.

The ultimate goal is for residents in every community to have access to good local news. I would love for Report for America to go out of business in the next couple of years because we have met that goal. But I think we're going to be around for a few more years.

Aidan Ryan can be reached at aidan.ryan@globe.com. Follow him [@aidanfitzryan](#).