

2023

# Public Benefit Report

THE COLORADO SUN





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Published September 2023 by the Media Enterprise Design Lab  
at the University of Colorado Boulder.

*This report was researched and written by Libby O'Neill. It was edited by Nathan Schneider. The Media Enterprise Design Lab received compensation from the Colorado Sun to conduct an independent assessment. A special thanks to everyone who informed this report including, but not limited to everyone at the Sun, Sam Moody, and Bruce Barnum.*

# About the Sun

The Colorado Sun began publishing as a journalist-owned digital news platform on September 10, 2018. Since its start, the Sun has aimed to produce journalism in a manner that is economically sustainable and encompasses the variety of voices and interests across the state. As part of that commitment, the Sun was incorporated as a public benefit corporation.

Its mission, according to the staff's 2019 [annual report](#):

*“The purpose of the Corporation is to produce high-quality, in-depth journalism that helps readers understand Colorado and their place in it, and to assure that this work is readily accessible to all potential readers in all parts of the state of Colorado.”*

In the five years since its founding, the Sun has made much headway in providing a benefit to the public, but it is still a work in progress. The Sun continues to reevaluate its business processes and content to ensure the advancement of its mission. The purpose of this report is to review the company's development in light of its stated mission and its commitment to serving the common good.

# The Public Benefit

Public benefit corporations (PBCs) in the state of Colorado must operate in a sustainable and responsible manner while generating positive impacts in their communities. Colorado law requires that PBCs produce reports detailing the actions taken to pursue its purpose of public benefit, its successes in doing so, and any challenges encountered along the way.

Although the state does not specify a required frequency, the Sun staff has commissioned a report annually—with the exception of 2020, when adjustments in response to the pandemic took priority over a report. The Media Enterprise Design Lab at CU Boulder also produced the reports in 2019, 2021, and 2022.

B Lab, a non-profit organization dedicated to assisting PBCs, provides tools for assessing the efficacy and impact of businesses like the Sun. Using its guidance, we narrowed our assessment of the Sun's benefit to the following areas: governance, company culture, and the Colorado public. We selected these criteria because they are especially relevant to the Sun's mission.

# Governance & Business Model

As the Sun celebrates its fifth anniversary, Larry Ryckman, editor, co-founder, and current co-director, made a big announcement. In a letter from the editor, he announced the intent of the owners to transition from their current legal structure of a PBC to a nonprofit, but not a typical nonprofit. It will remain governed primarily by the professional journalists who produce the Sun's content each day. The Sun's mission remains the same: to serve the information needs of the people of Colorado as best as it can.

There were a few reasons for the staff's decision to shift the publication's business structure. Leadership at the Sun recognized a need to encourage more inclusive decision-making and participation among the entire staff. When it comes to the bottom line, membership continues to increase, but at a slower rate. By converting to a nonprofit, the publication will become eligible for more funding. Additionally, the PBC model is not widely understood, creating a disconnect between potential donors and members.

"It often took lengthy efforts to explain what a public benefit corporation is and how it works. Friends and supporters urged us to make it easier for people and philanthropists to donate to our cause," Ryckman says in his Sept. 10 letter from the editor. A nonprofit structure, he believes, will be easier for people to understand, along with its other benefits.

# Governance & Business Model: Funding

Becoming a nonprofit news organization opens up more opportunities for funding through grants, diversifying the Sun's already varied revenue streams. The Sun's sales director, Sylvia Harmon, has been hard at work expanding the outlet's revenue streams and working to solidify funding for future years as well. Harmon continues to hear from sponsors that ads on the Sun's website are more effective than others in driving customers to the advertiser's website. Harmon attributes this to the fact that readers trust the Sun's content, so they are more likely to trust and click an advertisement posted on the website.

It will be important for the sales team at the Sun to remember the mission of the organization and the primary stakeholders it aims to serve: the Colorado public. As they direct some efforts towards receiving grants, they will have to ask themselves how the money they receive from a given foundation will benefit their audience, and not just their bottom line. While more funding is typically a good thing, sponsors are yet another stakeholder for the Sun to strive to meet the needs of.

Despite qualifying for more pools of funds, nonprofit news organizations often still lack the funding necessary to fill gaps in coverage, which is why having an expansive network of revenue sources is a main indicator of an organization's financial resilience. The staff at the Sun plans to focus their efforts on maintaining membership as their greatest source of funding.

Since starting in mid-July of 2023, Lauren Whynott has been working to refine her role as director of membership, marketing & audience engagement. Part of her job scope is converting current Sun members into higher-paying members, and converting unique website visitors into paying members. Eventually, her outreach will encompass larger organizations such as universities and corporations.

# Governance & Business Model: Processes

As mentioned previously, the Sun will become a special kind of nonprofit organization, a self-directed nonprofit. As a PBC, high-level decisions were typically voted upon by the original nine founder-journalists and the three co-directors would exercise their discretion when appropriate, such as discussions related to personnel salary specifics.

The Sun currently has 27 employees, putting the nine decision-makers in the minority. This goes against one of the main principles the Sun was founded on, which is being “journalist controlled.” As a self-directed nonprofit, all employees, including journalists and operations staff, have a vote, whether it’s on workplace conditions or the company’s direction as a whole.

Changing the business structure is an important step for addressing the challenges faced by the Sun and the industry at large.



source: [https://www.theselc.org/workplace\\_democracy\\_in\\_nonprofit\\_organizations](https://www.theselc.org/workplace_democracy_in_nonprofit_organizations)

# Company Culture

At the time of the 2022 Annual PBC review, staff at the Sun identified challenges such as retaining younger writers and fostering an inclusive environment in a digital newsroom, where many people are former colleagues.

Being completely remote comes with its pros and cons; On one hand, it is what gives the Sun staff the ability to be geographically distributed throughout the state, allowing them to get closer to their mission of covering all parts of Colorado. According to Sam Moody, learning and grants manager at Colorado Media Project, the Sun is “a leading demonstrator of the capabilities of digital-first start-up newsrooms and what that can become.”

However, the remote workplace can also make it difficult to ensure all reporters are on the same page regarding mission, writing style, and general business operations. Current leadership at the Sun makes frequent attempts to bring the staff together. Part of paving the way for digital-first newsrooms means navigating the trials and errors of staff engagement.

One example of an initiative in the past year to engage journalists by the Sun staff are the standing Wednesday meetings. Every Wednesday, the team editors Dave Krause and Lance Benzel as well as senior editor and co-director, Dana Coffield, host open virtual office hours. This is part of an effort to do away with one-to-one editor to writer relationships and create a more classic, collaborative sounding-board environment for their remote newsroom, according to co-director, Jennifer Brown.

The aim of the Wednesday meetings is to give writers access to three editors with different writing expertise, where they can look at, “new angles to pursue, new sources to pursue, more opportunities to broaden and deepen our stories,” Benzel says.



# Company Culture: Mentorship

The Sun hosts paid internships through Report for America, Poynter, Dow Jones, and other organizations. This year, Parker Yamasaki joined the newsroom first through the Dow Jones News Fund program and then decided to continue her time at the Sun after she was awarded the Poynter-Koch Media Fellowship.

Yamasaki is the Sun's first designated Arts & Culture reporter. Upon starting at the Sun, she noticed this gap in coverage and pitched it to editors who were receptive to filling this interest space. Yamasaki recognizes the self-directed learning environment at the Sun, but appreciates the freedom to come up with her own story ideas.

Though Arts & Culture may not be as urgent or essential as health or equity reporting, Yamasaki's coverage is still an opportunity to introduce Coloradans to something they otherwise would not know about, she says, citing her article titled, "[Stranger's donation finally gives Chicano arts group a permanent home in Denver](#)." This is significant because [Hispanic](#) Coloradans make up the largest minority in the state, and coverage on topics related to these communities creates more visibility on issues important to the demographic as a whole throughout the state.

Similarly, Parker's coverage can serve as a "point of entry" for readers to return to the Sun website. Readers may come for the Arts & Culture coverage, then begin exploring the politics or environmental coverage, Coffield explains.

# Company Culture: Inclusivity

An intention in becoming a nonprofit is to preserve the original vision of all staff members having a vote and a voice in the future direction of the Sun. Before the decision for this conversion was made, the Sun took lengths to include everyone in the staff in meetings regarding business structure. The Sun invited Minsun Ji from Rocky Mountain Employee Ownership Center (RMEOC) to give a presentation on the potential models for ownership, which the entire staff was encouraged to attend and ask questions.

When Ryckman reflects on the time of his departure from the Denver Post, owned by hedge fund Alden Capital, he remembers that ownership showed little interest in his input. Because of this, he is a major advocate in uplifting journalists at the Sun to be decision-makers.

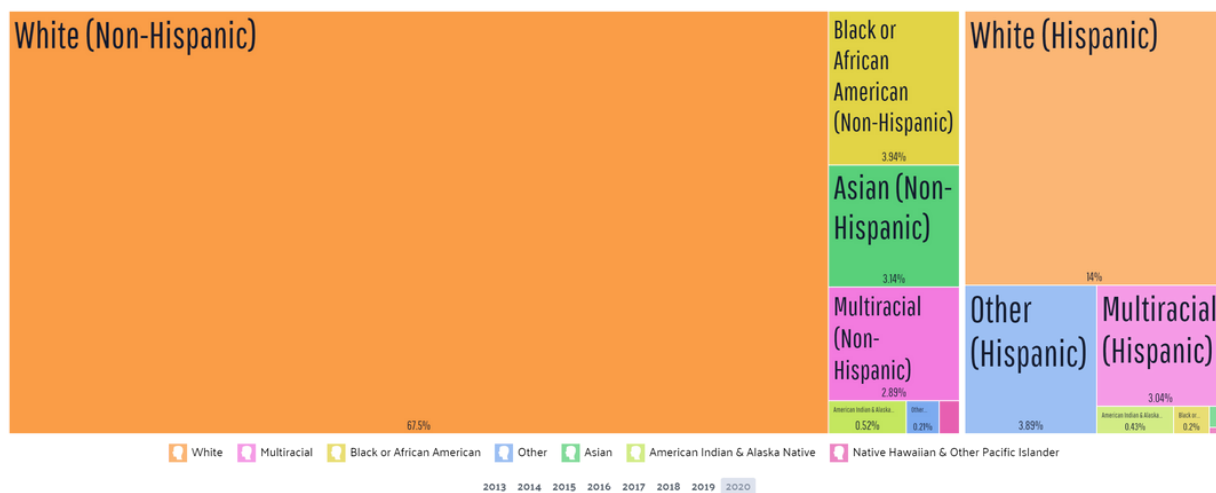
When asked whether current staffers expressed interest in having a greater stake in the Sun that will be provided in a nonprofit business structure, leadership said it was hard to tell. Sun leadership hopes that giving journalists more say in business processes will address the “us-them” dynamic that they’ve noticed between themselves and the non-founder journalists. At the least, this ownership transition will create a framework that is more democratic when it comes to decision-making.

# The Colorado Public

The primary mission of the Sun, despite any alterations to business functions, is to inform the people of Colorado. The way they see it, the changes being made to the way that they do business will only open up more opportunities in terms of funding, allowing them more resources to fill news deserts in the state.

“We believe that a free press is a vital part of a healthy democracy, not just for those who can pay,” Ryckman says. In order to keep producing well-reported news, though, there is one piece that is essential; reader engagement. How can the Sun staff make sure that the work they are doing is reaching their intended audience? How can they encourage readership?

## Colorado Demographic Information



source: [datausa.io/profile/geo/colorado](https://datausa.io/profile/geo/colorado)

# The Colorado Public

## Consequential Reporting and Collaboration

As the Sun is a news outlet, its greatest impact should come from its reporting. In the past year, there has been no shortage of informative, thoughtful reporting from journalists at the Sun. Jesse Paul's HOA investigation, for instance, held lawmakers accountable for pushing forward environmental and affordable housing measures. Reporters at the Sun have also worked with Colorado Public Radio to cover the state's ongoing housing crisis.

Similarly, Brown's continuous coverage efforts on Colorado's child welfare system and its pitfalls has illuminated what may be an invisible issue to some. Brown has likewise collaborated with outside organizations Chalkbeat and KFF Health News for educational reporting on facility schools, or schools for children whose needs exceed those within their regular district. Coverage of topics dealing with policy can sometimes be complicated and hard to dissect, but Bruce Barnum of Colorado Center on Law and Policy, says that he thinks Sun reporters do a good job of making sure readers can understand the issue, while still being detail-oriented.

Moody likewise recognizes the mentorship and expertise provided by Sun equity reporter, Tatiana Flowers within workshops with other news organizations, saying that this kind of collaboration is the future of journalism.

The Sun continues on its mission of filling and preventing news deserts from forming, citing regions of Colorado such as the Eastern Plains, the Western Slope outside Grand Junction, the Four Corners, and the San Luis Valley. They are able to use their resources to elevate stories in these communities that otherwise may not have the bandwidth to cover them, Brown says.

It is important to note that despite innovative efforts by the Sun to heal Colorado's news ecosystem, it is still a long way from where it should be. Moody points out that two decades ago Colorado had twice as many journalists. Now, the population has grown millions and continues to grow. Although one newsroom alone cannot fill all the state's news deserts, the Sun will need to continue to experiment with various collaborative ways it can address the information needs of Coloradans.

# The Colorado Public

## Membership & Readership

The Sun business staff is working to redefine membership value in many ways. To start, the first SunFest was announced. SunFest is a way for the Sun to engage readers through networking and presentations, while also generating revenue and appealing to sponsors.

The Sun also recently launched an app, a different point of access for readers, which will eventually be monetizable. Eric Lubbers, the Sun's chief technology officer, is trying to be thoughtful about how information is delivered via the app. When it comes to push notifications, "We want it to be a little more like serendipity and less us shoving things down your throat," he says.

The fact is, however, news fatigue is affecting readership. According to Ryckman, "We are seeing what a lot of news organizations around the country are seeing, which is that a lot of people are burned out from the news. There are people that are worried about inflation and worried about recession and are hanging on to their money a little more tightly."

Aside from the app, Lubbers is already brainstorming ways to help the news reach people where they are, such as text messaging. Benzel looks for possible remedies for falling readership in story formatting; whether writing shorter stories or more use of multimedia and graphics, he highlights the importance of balancing story depth while also making sure articles are accessible and approachable.

# Conclusion

Ryckman predicts that audiences will begin to re-engage with news as the 2024 presidential election approaches. The election will prove to be an important time for the Sun, as more readers are expected to visit the Sun for information on issues they will vote on. It will, of course, be important for the Sun to maintain its nonpartisan, factual stance on the topics covered, but it will also be a chance for the Colorado public to set the agenda, Moody says.

Moody cites the feedback loop as one of the best ways for the Sun to gauge public engagement. Reporters should talk to voters first to see what they need to know, and this will help set the stage for the election docket.

In terms of fulfilling Coloradans' information needs more generally, Benzel voices his desire for the Sun to hire a Spanish-speaking reporter. The Sun has published some articles in Spanish with the help of a translator, but this can be expensive.

Aside from engaging readers, the Sun also has work to do with instilling ideals of ownership in younger staffers at the Sun. This may be something that comes with time, as it is difficult to understand the benefits of a worker self-directed nonprofit until participating in it.

"I am excited about the potential of converting into the co-op because I think that will open the door for the younger, newer people to envision themselves in leadership roles and that's an important thing for us. We need to work on our sustainability over time," Coffield says.

Finally, the Sun must continue to find creative solutions to mend its slowing membership growth rate. For the organization to continue covering topics close to the public, the public should remain their primary focus as a revenue source as well. Even with the possibility of more national sponsors, readers' needs must always take precedence for the Sun to further its public benefit mission.

# Looking Ahead

Addressing the needs of the Colorado news ecosystem, or any media ecosystem, is an iterative process. There will always be new things to learn and new groups of people with emerging information diets. Just as the Sun adjusted the way it conducts business to better serve its public benefit commitment to their readers, key aspects of the organization will inevitably be readjusted down the road. Still, one aspect remains the same from the time that the Sun was founded.

“We felt that Colorado deserved more than hedge funds were willing to give readers in Colorado, and we created the Sun to produce robust, independent, nonpartisan journalism, and that's what we still do,” Ryckman says.



**Recent photo of Sun Staff** source: <https://coloradosun.com/about-us/>