FACT-CHECKERS AS ENTREPRENEURS:

Scalability and Sustainability for a New Form of Watchdog Journalism

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Abstract: This study considers fact-checkers as innovators and entrepreneurs. It explores funding models as well as perceptions about three core aspects of a successful journalistic enterprise: audiences, value propositions, and resources. Findings indicate particular attention to media literacy and civic engagement, independence, and transparency. In addition, many fact-checkers see their role as not merely extending traditional journalism but also correcting some of its shortcomings.

Keywords: accountability, entrepreneurs, fact-checkers, independence, sustainability, transparency, watchdog journalism

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Bio: Jane B. Singer is research lead and Professor of Journalism Innovation in the Department of Journalism at City, University of London. Her research explores roles, perceptions, norms, and practices in digital journalism.
The dramatic combination of populism and personalisation – the first driven largely by a sense of alienation from dominant political forces, and the second by increasingly sophisticated tools for shaping information production and consumption – has resulted in unprecedented truth-telling challenges for journalists. One response has been a surge in “fact-checking” enterprises around the world, some backed by established news outlets and others entrepreneurial in nature.

This exploratory study considers journalistic fact-checkers as intrapreneurs (housed within larger media organisations) and entrepreneurs (leaders of start-up initiatives). It draws on an assessment of funding models for fact-checking entities around the world, plus in-depth interviews with a dozen leading fact-checkers. Issues investigated include audience development and engagement in a time of fragmentation and filter bubbles; value propositions in an increasingly competitive environment; and the resources needed to keep the lights shining – both the metaphorical spotlight on those in power, and, literally, the light on the office ceiling.

The Rise and Role of Fact-Checkers

In some ways, “fact-checking” is just “good journalism”, grounded in such core principles as truth-telling and impartiality, and core practices such as verification and clarity of presentation. But fact-checkers challenge old habits by adding an adjudication of claims and evidence. In taking on this role, fact-checkers go beyond the norms of objectivity as traditionally understood, particularly in the United States (Coddington, Molyneaux, and Lawrence 2014; Graves 2016). “I see fact-checking as a move away from the ‘he said, she said’ journalism that never takes a position on anything,” explained Michael Dobbs (2012, 13), who founded the Washington Post’s Pinocchio-dealing fact-checker in 2007. “Reporters should be allowed to sift the evidence and reach conclusions.”

The Post’s is one of three well-established and widely cited U.S. fact-checkers, along with FactCheck.org, founded in 2003 in affiliation with the Annenberg Public Policy Center at the University of Pennsylvania; and PolitiFact, created in 2007 by the Tampa Bay Times. Fact-checkers have since proliferated; today, they can be found on every continent, from AfricaCheck.org to UYCheck.com in Uruguay. Many are affiliated with media organisations, others have been founded by independent journalists, and some are the initiatives of academics or policy experts. Most focus on the claims of political actors, but others fact-check scientists, academics, and even media pundits. Some stick to verification of specific statements; others also debunk fake news or incorporate explanatory journalism. In general, they share some strategies in pursuit of legitimacy, but diverge in structure and approach (Lowrey 2017).

This study aims to complement what currently is a small and largely U.S.-centric body of academic literature on fact-checkers, headlined by the work of Lucas Graves. In his 2016 book, Graves focused on the three political entities highlighted above, exploring how their editors work and think as well as how they – and we – “negotiate public facts in a divided political moment” (13). In particular, he tackles the tricky matter of what constitutes objectivity, arguing that although fact-checkers describe themselves as inherently “objective” in the sense of impartially weighing statements against evidence, their work can be seen as part of an interpretive turn in news. Coddington and his colleagues (2014) expand on this idea by positing that fact-checkers follow something closer to a scientific ideal of objectivity than a stereotypically journalistic one: testing hypotheses and then drawing – and declaring – evidence-based conclusions, rather than seeking “balance” among opposing views.

Research into the effects of fact-checking on audiences has been somewhat contradictory. For instance, one study showed that fact-checking sites increase the accuracy of perceived candidate issue stances (Gottfried et al. 2013), while another suggested that
attitudes can persist even after the information has been effectively discredited (Thorson 2016). Looking at the impact of fact-checks on political advertising, Amazeen (2016) found that candidates’ attack ads are most likely to draw fact-checkers’ attention, while Fridkin and her colleagues (2015) found that fact-checks do influence viewers’ assessments of the accuracy, usefulness, and tone of negative ads.

More recently, Graves (2018) has turned his attention to the evolution of fact-checking into a genuinely transnational movement encompassing practitioners from multiple journalistic cultures as well as other fields. Using a ternary mapping strategy to understand this increasing diversity, he identifies a journalistic core that also incorporates academic and political-civic dimensions. He ends with a call for further comparative research in this area. The study reported here is one response.

Entrepreneurs and Intrapreneurs

Digital media have decimated the business model for legacy media but have created opportunities for entrepreneurs unburdened by massive infrastructure and overhead costs. Though not without its critics (see Cohen 2015), “entrepreneurial journalism” has gained visibility and viability, and for-profit and non-profit journalistic start-ups continue to emerge worldwide. Growing numbers of journalism programmes are incorporating entrepreneurship in their curricula, taking the view that learning business concepts can empower students “with the knowledge and skill sets to create their own jobs” (Ferrier 2013, 229).

Partly in response to new competitors as well as to the relatively low-cost affordances of a digital environment, legacy news outlets also are more open to experimentation than in the past. Although newsroom culture and structure affect the degree to which “intrapreneurs” become fully integrated (Boyles 2016), in-house initiatives enable traditional media to test new approaches and content offerings without major adjustments to core operations. They also offer opportunities to reconfigure, extend, and rebrand long-standing aspects of news work and relationships among practitioners inside and outside a newsroom (Holton 2016).

The literature on entrepreneurialism, particularly in the field of management studies, is vast and multi-faceted. This study focuses on three considerations vital to the success of a new journalistic initiative, whether independent or affiliated:

* Audiences: Legacy journalists historically knew little about their audiences except in the aggregate. But the combined forces of social media, metrics data, and economic pressures have brought news consumers into sharper focus. For journalists turned entrepreneurs, an ability to clearly define an audience and describe how it will be served by a new initiative is a first order of business (Briggs 2012); it underpins any attempts to attract potential revenue sources, from advertisers to the grant-awarding bodies on which most of the entrepreneurial fact-checkers in the current study rely. Broadly, considerations of audience relationships in a digital era involve both the expectation and the performance of inclusion (Loosen and Schmidt 2012).

* Value propositions: For journalists, these relate to why audiences turn to a particular information provider. Although just what constitutes “value” is open to interpretation, it likely involves long-standing norms of credibility and practices of verification, while also invoking newer concepts such as interactivity, audience engagement, and transparency (Karlsson 2010). News start-ups can be hampered by attempts to import old ideas wholesale into new initiatives (Naldi and Picard 2012). An examination of mission statements suggests that they tend to position themselves in relation to traditional forms, but also to articulate how they hope to improve on those forms (Carlson and Usher 2016).

* Resources: For journalism start-ups, securing adequate resources to provide long-term sustainability has been the biggest challenge. While traditional journalism relies heavily on just two revenue sources – advertisers and consumers – start-ups scramble to generate
income from consulting, syndication, event hosting, and whatever other opportunities present themselves (Sirkkunen and Cook 2012). Entrepreneurial enterprises thus inherently operate in highly uncertain circumstances, dependent on fickle users and investor whims; the elusiveness of sustainability suggests that “survival in itself must be recognised as a form of success” (Bruno and Nielsen 2012, 102).

Drawing on these ideas related to fact-checking as an emerging journalistic enterprise, this study poses three research questions:

RQ1: How are fact-checkers in varying political and media environments funded?
RQ2: How do these fact-checkers think about their audiences?
RQ3: How do they think about their value proposition, mission, or goals?
RQ4: How do they think about issues related to resources and sustainability?

Method

For this study, a census was taken of the 126 active fact-checkers listed as of July 2017 on a site maintained by the Duke (University) Reporters Lab, headed by PolitiFact founder Bill Adair.1 Most of these sites also are formally or informally associated with the International Fact-Checking Network; housed at the Poynter Institute for Media Studies in Florida, the IFCN provides training, fellowships, networking, and an annual conference. It has crafted a code of principles related to non-partisanship; fairness; corrections; and transparency of sourcing, funding, organisational structure, and methodology.2

The author logged information related to affiliation, if any, and funding sources for each site: 47 from North America (including 42 in the United States); 46 in Europe; 14 in Asia and the Middle East; 13 in South America; four in Africa; and two in Australia. Where possible, this information was obtained from the description provided on the Reporters Lab website; if unclear, the fact-checking site was consulted. Sites were categorised as “intrapreneurial” if they were affiliated with a legacy or digital media outlet, and “entrepreneurial” if unaffiliated. The second category included sites associated with university journalism departments as well as independent start-ups.

To supplement this baseline information, interviews were conducted in August 2017 with 12 editors or founders at fact-checking sites in 10 countries. Interviewees, who were solicited by email, were purposively sampled from the online list to obtain geographical and contextual diversity; five women and seven men were included. All interviewees were provided with a participant information sheet; they also completed and signed a consent form, as required by the researcher’s university. All waived their right to anonymity. A list of interviewees is available from the author.

Semi-structured interviews, conducted via Skype or phone, lasted an average of one hour. Interviews were recorded with the participant’s consent and supplemented with written notes. Interview data were analysed in relation to the thematic research questions.

Findings

Affiliations and funding sources (RQ1)

Among the 126 fact-checking operations considered here, 74 were affiliated with a larger media outlet and 52 were entrepreneurial. Regional differences correlated loosely with press freedom.3 The United States and Western Europe accounted for 59 of the intrapreneurial sites; most of the rest were in other established democracies, such as Australia or South Korea. In contrast, fact-checkers in emerging or otherwise troubled democracies without an independent press tradition were more likely to be entrepreneurial start-ups; examples included operations in Africa, much of Eastern Europe, and the Middle East. Latin and South America, where press freedom and political stability vary considerably, reflected a mix, with nine entrepreneurial and six intrapreneurial sites.
Fact-checkers as entrepreneurs: 5

The intrapreneurs generally are funded through their affiliated media organisations, of course. Most are legacy print or broadcast outlets, but fact-checkers in countries as diverse as Ireland, Mexico, and South Korea are affiliated with digital-only media. In the United States, a dozen fact-checkers are niche spin-offs of PolitiFact. Many public broadcasters in Western Europe have fact-checking units; examples include Detektor in Denmark and Faktenfinder in Germany. Faktisk in Norway offers one of the more eclectic funding arrangements; it is a collaborative effort among two newspapers, the public broadcaster, and a commercial broadcaster that also receives support from several foundations and trusts.

The entrepreneurial operations rely on a variety of revenue streams. Among the 52 start-ups in the study, just over half indicate multiple funding sources. Although the small pool prevents firm conclusions, a few points are noteworthy:

* Most of those with diversified funding sources are non-commercial enterprises. They typically are funded through a series of grants, for instance from philanthropic organisations, or through a combination of philanthropy and user donations. An example is the Brazilian fact-checking site Truco, which received money from the Ford Foundation, the Open Society Foundation, and the Omidyar Network, as well as via crowd-funding.

* Along with U.S.-based foundations, the U.S. government plays a role in funding fact-checking initiatives in emerging democracies. The U.S. State Department was a revenue source for fact-checking start-ups in Croatia and, via its embassy, in Georgia. The National Endowment for Democracy, funded by Congress via the United States Information Agency, backed fact-checkers in Macedonia, Turkey, Ukraine, and elsewhere. None of the eight U.S. entrepreneurial fact-checkers received government funding.

* Reliance on advertising, even as one revenue source among many, is relatively rare. Three smaller entrepreneurial fact-checkers among a total of eight in Brazil relied on it, as did two from the United States. More prominent, in addition to forms of support already mentioned, were crowd-funding and other user contributions, listed by 14 organisations (though others may also take donations). Additional support came from NGOs, media partnerships, academic institutions – and Google and Facebook, which have sought to increase the visibility and effectiveness of efforts to combat “fake news.”

**Interviews**

The dozen interviews with editors or founders of fact-checking organisations yielded a wealth of insights about how they see their audiences (RQ2), the value they believe they offer those audiences (RQ3), and the resources allocated to the task (RQ4).

**Audiences:** Although most interviewees said they sought to reach as many people as possible, they identified social influencers as their key audience. Politicians and other policymakers have a keen interest in seeing whether they (or their opponents) have been called out. “People on Capitol Hill certainly live in fear of those Pinocchios,” Glenn Kessler of the Washington Post said wryly. Journalists are a second big audience segment, in some cases also serving as redistributors. “Our mission is ‘steal our stuff,’” said Eugene Kiely of FactCheck.org, which makes its fact-checks available free to news outlets, including such giants as CNN and USA Today. Teachers, of both university and younger students, were a third key audience component. In both Finland and Sweden, fact-checkers work extensively with schools to develop materials that encourage critical thinking.

Among “ordinary” users, young urbanites constitute a primary demographic, largely because of heavy use of social media to promote fact-checks. “I think there is a group of young and politically interested people in Austria, and we want to reach as many as possible,” said Philip Pramer, a university student who heads Fakt Ist Fakt, which relied heavily on social media (and putting stickers in pubs) to reach potential readers. Interviewees generally agreed that search and social were mandatory for audience reach and engagement.
Reaching a broader audience was a widely shared, if challenging, goal. “The more audience you have, the bigger the impact,” Tai Nalon, director of Aos Fatos in Brazil, said simply. In Argentina, Laura Zommer said Chequeado tries to appeal to people who never read political news as well as those who do. “The main goal is to explain about things affecting people’s lives,” she said, citing as an example a recent fact-check of the conventional wisdom that carrots improve eyesight. (Yes, under some conditions.) In many cases, though, their actual audience remained relatively small; to boost visibility, most relied on redistribution via media outlets, social platforms, or popular political leaders.

Fact-checkers tended to describe their relationship with their audience as positive. “Fact-checking answers a very basic need that people feel, to see what they think is true reflected in the public debate,” said Peter Cunliffe-Jones of AfricaCheck. Most people, he said, can see that “we really are … applying a method, testing claims against evidence, and making findings based on whatever the evidence suggests,” Åsa Larsson of Viralgranskaren in Sweden said succinctly: “We get a lot of love.”

Serving broadly defined popular audiences, most interviewees emphasised, involved more than simply verifying claims. Particularly outside the United States, fact-checkers saw their role as fostering citizen empowerment and media literacy as well as engagement. “The mission is very clear: It’s to improve the public debate with quality information,” said Christina Tardaguila, director of Agência Lupa in Brazil. In doing so, “you give ammunition to Brazilian citizens to make better decisions and improve the public debate.” Baybars Örsek of Doğruluk Payi, Turkey’s first fact-checker, identified voters as a key audience segment; in addition to providing truthful information, he said, the goal was to shift them from decisions rooted in values to ones based on issues.

In fulfilling that role, interviewees described a variety of online and in-person interactions with audiences. They universally said they welcomed and sought to encourage user queries and contributions, from updated information to suggestions of items to be checked. Tardaguila said readers were “big contributors” of story ideas; she described their contributions as vital because “there are bizarre things being said that we don’t see because we are focused in another place.”

Several also offer training sessions to help citizens do their own fact-checking. Tania Montalvo of El Sabueso in Mexico explained that she works with journalism schools to help students see “how they can fact-check data, not just writing what they hear in a press conference.” In general, the goal seemed to be to give as many people as possible the tools for media literacy in a complex information world. By demonstrating tools and techniques, we enable critical thinking and thus train people “to see the world as a fact-checker,” said Mikko Salo of Faktabaari in Finland.

**Value Proposition:** Fact-checkers saw this civic empowerment as a central value proposition of their offering. “We’re very keen on real public engagement,” said Rob Edwards of the Ferret in Scotland, adding that his site tapped into a “fairly rich environment of activism” in the wake of post-referendum anger around fake news. And of course, they hoped to make politicians both more accountable and less likely to try to mislead the citizenry. “It’s not easy,” said El Sabueso’s Montalvo, but “maybe at some point, if we fact-check, people will think it’s not a good idea to tell the same lie.”

In addition, two other core attributes were broadly seen as according value to fact-checkers in a crowded media universe: independence and transparency.

Independence was described as integral to fact-checkers’ civic value; some interviewees also said it set them apart from other media outlets. “We felt it was important to set [AfricaCheck] up as an independent organisation, partly because most media houses are seen, often correctly, as having some sort of political stance,” explained founder Cunliffe-Jones. Even the intrapreneurs highlighted their independence. The *Post’s* Kessler, a former
political reporter himself, emphasised that his small team makes its own decisions and that fact-checks complemented but did not replace news coverage: “They’re reporting on the news. We’re able to go deeper, [to say] here’s why what the president said is correct or not.” Independence also was framed as a perquisite to impartiality, another widely cited distinguishing trait. “We’re trying to lower the temperature, provide information in a way that people will appreciate on both sides,” said FactCheck.org’s Kiely, describing the site’s mission as “to inform rather than inflame.”

Transparency also was seen as central to what fact-checkers offered their audiences; Faktabaari’s Salo described it as “our visiting card.” Transparency was seen as both a method and a product – and, again, as a point of differentiation. “I think transparency is the biggest difference,” said Aos Fatos director Nalon, explaining how both methods and data are provided with each fact-check. “If you look at Folha [de São Paulo, Brazil’s largest newspaper and publisher of a rival fact-checker], it doesn’t do that. Its information can be true and reliable, but who is saying so? Just Folha, by its own authority? This is not enough anymore.” In neighbouring Argentina, Zommer agreed that transparency was a “clear difference” between Chequeado and traditional media. “When someone criticises us, we say, ‘You can criticise because you know’ [what we’re doing],” she said.

Despite considerable structural and cultural variation among these enterprises, interviews suggested a widespread perception that fact-checkers were needed in part because other media players are failing the public they ostensibly serve. “Press freedom is not just an issue with the [Turkish] government,” said Doğruluk Payı’s Örsek, an expert in international relations. “The bulk of the anger is … [with] self-censorship by the big players.” Fact-checkers in countries with a supposedly unfettered press expressed a not-dissimilar sentiment. Edwards, whose investigative journalism site had expanded into fact-checking with help from a Google grant, said the impetus for the Ferret was to “provide a future for sustainable journalism in Scotland” in light of mainstream media “deterioration.” Pramer described the primary mission of Austria’s only dedicated fact-checker as informing voters, but also highlighted the desire to “rough up the journalistic landscape in Austria a little bit. It’s quite old-fashioned.”

**Resources:** Interviews fleshed out details in the overview of financial resources provided above. Intrapreneurs generally described relationships with the parent organisation as very supportive in a hands-off sort of way – El Sabueso’s Montalvo, for instance, recounted how her editor buffered her from angry callers – with the fact-checking operation seen as strengthening or even extending the core brand. “This is something with a little depth; they can say with pride, ‘This is us’,” said Larsson, whose Viralgranskaren site dedicated to checking the veracity of viral online content is affiliated with Stockholm’s Metro newspaper. “We have found the golden link – it’s important AND it’s something people want to read!”

For the entrepreneurs, interviews suggested a perpetual struggle to build and maintain stable financial relationships, particularly given the perception that diverse revenue streams convey the message that “you are not acting to anyone’s will,” as Cunliffe-Jones said. Diversity provides security plus “genuine freedom to operate more professionally.” Most of the entrepreneurs were responsible for fund-raising as well as overseeing or producing multiple fact-checks a week. Although all were upbeat, many indicated a precarious existence. “We don’t have a lot of money,” said Fakt Ist Fakt’s Pramer, sheepishly adding “… actually, we have no money.” Others had fixed-term grant funding. The Ferret’s initial Google grant for its Scottish fact-checking operation ran until March 2018; at the time of these interviews, Turkey’s Doğruluk Payı was in the fourth year of a five-year grant from the National Endowment for Democracy.

The lack of guaranteed resources can be frustrating. “To keep innovating is the biggest challenge,” said Aos Fatos director Nalon. “It’s hard to wake up and have ideas but
no resources to apply them.” Some saw fact-checking as a bit of a fad, driven in part by what several termed “the Trump effect.” They feared that when the wave crested, philanthropic funding would dry up in its wake.

Human resources also varied. Half of the 12 interviewees, including three affiliated with larger media outlets, said they had full-time staffs of three people or fewer; the largest, with 19, was AfricaCheck, but it covers multiple countries under one umbrella site. Several drew on additional part-time, sporadic, or unpaid labour, including students, volunteers, and even pensioners, who have proved useful in steering fact-checkers to expert sources in Finland.

But despite the short-term challenges and day-to-day uncertainties, interviewees all expressed a fervent commitment to the fact-checking enterprise, which they saw as vital—and as potentially revitalising journalism, as well. “This is proof that people still want journalism,” said Agência Lupa’s Tardaguila. “One of the things I like the most is when people share our fact checks on social media with captions like ‘journalism is still alive!’” As the Ferret’s Edwards put it:

“I don’t know if there will be more or less fact-checking in five or 10 years’ time, but there will still be some. And it will always be crucial in a world of competing interests, money, power, whatever. People will always want someone to assess in a fair, honest, open way whether they’re being told the truth.”

Conclusion

This exploratory study has considered fact-checkers as innovators, exploring their views on three core aspects of a successful enterprise: audiences, value propositions, and resources. Combining an assessment of financial structures with interviews with a dozen fact-checkers in 10 diverse countries, it has taken preliminary steps toward identifying how these entrepreneurs and intrapreneurs think about what they do and why they do it.

Findings are clearest in identifying what fact-checkers see as their key value propositions, particularly in relation to traditional news providers and formats. These revolve around their contributions to media literacy and civic engagement; their independence from political and commercial interests; and their transparency of method and message. Indeed, they spoke with one voice in highlighting the importance of showing audiences the evidence used in reaching a judgment. Especially given that these fact-checkers operate as digital-first or digital-only entities, it is noteworthy—and deserving of further investigation—that this latter attribute is the one highlighted by Karlsson (2010) and others as a foundational norm of digital communication. In this regard, as well as in what seems to be a genuine commitment to meaningful interactions with users, fact-checkers may be leading the way for other journalists.

Those interactions varied in nature, but all interviewees highlighted them in talking about their audiences. All made widespread use of social media; all facilitated and encouraged user suggestions, corrections, and other online input; and most also described various forms of in-person communication. They were a bit fuzzier, however, in identifying their target audience or in specifying strategies for reaching them beyond training sessions that are inherently limited in number and scope. “Everyone” is a nice audience goal for organisations whose aim is to enhance civic discourse, but it’s an exceptionally difficult goal for any entrepreneur to meet, as several interviewees admitted. One challenge, again deserving of additional scholarly attention, is how to effectively engage a larger and more diverse segment of their respective societies.

The findings also indicate that fact-checkers unaffiliated with a strong media outlet differ little from other entrepreneurs in the precariousness of their financial situation. Most
relied on a mix of grants, which tend to be for fixed terms, and user contributions, which typically fluctuate considerably. Although none indicated any compromise to their editorial independence, most of the entrepreneurs interviewed were responsible for both journalistic and fund-raising initiatives some if not all of the time.

But all were deeply passionate about what they universally saw as moving not only audiences but also traditional media outlets away from old habits and understandings of what constitutes public-service journalism. Indeed, findings indicate a widespread sentiment that fact-checkers serve both as an extension to traditional journalism and in many respects as a correction of it.
Endnotes

1) See https://reporterslab.org/fact-checking/

2) See http://www.poynter.org/fact-checkers-code-of-principles/

3) See https://rsf.org/en/ranking
References


