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## **FACT-CHECKERS AS ENTREPRENEURS**

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Populism and personalisation – the first driven by a sense of alienation from dominant political forces, and the second by increasingly sophisticated tools for tailoring information production and consumption – have created unprecedented truth-telling challenges for journalists. One response has been a global surge in “fact-checking” enterprises, some backed by established news outlets and others entrepreneurial in nature.

This study of journalistic fact-checkers investigates audience development and engagement in a time of fragmentation and filter bubbles; value propositions in a fiercely 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 core principles of truth-telling and impartiality, and practices of verification and clarity. But fact-checkers add adjudication to the mix. Rather than seeking “balance” among opposing views, they act more like scientists, amassing data that enable them to present evidence-based findings (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,” said 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 U.S. fact-checkers, along with FactCheck.org, founded in 2003 at the University of Pennsylvania, and PolitiFact, created in 2007 by the *Tampa Bay Times*. Today, fact-checkers have spread around the world, from Argentina’s Chequeado to Zimbabwe’s ZimFact. Most but not all focus on claims of political actors. Some stick to verification of specific statements; others also debunk misinformation or incorporate explanatory journalism. Many are affiliated with media outlets, but others are entrepreneurial initiatives founded by independent journalists, academics, or policy experts.

This study focuses on three aspects vital to their success:

\* *Audiences*: Legacy journalists historically knew about their audiences mainly in the aggregate. But social media, metrics data, and economic pressures have combined to bring news consumers into sharper focus. Precisely defining an audience and describing how a new

initiative will serve it are primary concerns for journalists turned entrepreneurs, underpinning attempts to attract funding.

\* *Value propositions*: For journalists, these relate to why audiences turn to a particular information provider. Journalistic “value” involves long-standing norms of credibility and practices of verification, but also encompasses newer concepts such as interactivity, audience engagement, and transparency. The mission statements of news start-ups suggest they position themselves in relation to traditional forms but articulate how they hope to be better (Carlson and Usher 2016).

\* *Resources*: For journalism start-ups, securing adequate resources for long-term sustainability has been the biggest challenge. While traditional journalism relies heavily on just two revenue streams – advertisers and consumers – start-ups scramble to generate income from consulting, syndication, event hosting, and more. Fickle users and investors determine the fate of entrepreneurs, and “survival in itself must be recognised as a form of success” (Bruno and Nielsen 2012, 102).

To examine fact checkers in this context, this study asks:

RQ1: How are fact-checkers funded?

RQ2: How do these fact-checkers think about their audiences?

RQ3: How do they think about their value proposition?

RQ4: How do they think about resources and sustainability?

## Method

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 the founder of PolitiFact (<https://reporterslab.org/fact-checking/>). Many are signatories to a code of principles developed by the International Fact-Checking Network (<http://www.poynter.org/fact-checkers-code-of-principles/>), housed at the Poynter Institute in Florida. The code covers non-partisanship; fairness; corrections; and transparency of sourcing, funding, organisational structure, and methodology.

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, a dozen of them PolitiFact spin-offs); 46 in Europe; 14 in Asia and the Middle East; 13 in South America; four in Africa; and two in Australia.

The following month, interviews were conducted with 12 editors or founders at fact-checking sites in 10 countries; five women and seven men were included. The interviews, conducted via Skype or phone, lasted an average of one hour.

## Findings

### *Affiliations and funding sources (RQ1)*

Seventy-four of the 126 fact-checking operations were affiliated with – and financially supported by – a media outlet; the other 52 were entrepreneurial, including sites associated with universities as well as independent start-ups. The United States and Western Europe accounted for 59 of the affiliated sites; most of the rest were in other established democracies. Fact-checkers in emerging or otherwise troubled democracies without an independent press tradition were more likely to be entrepreneurial start-ups.

Most media organisations with affiliated fact-checkers are legacy print or broadcast outlets; for instance, many public broadcasters in Western Europe have fact-checking units. But fact-checkers in countries as diverse as Ireland, Mexico, and South Korea are affiliated with digital-only media.

The entrepreneurial fact-checkers, typically non-commercial enterprises, rely on diverse revenue streams, with more than half indicating multiple funding sources. A typical

model draws on a series of grants, for instance from philanthropic organisations, or on a combination of philanthropy and user donations. An example is the Brazilian site Truco, which receives money from the Ford Foundation, the Open Society Foundation, and the Omidyar Network, as well as via crowd-funding.

Reliance on advertising, even as one revenue source among many, is rare. More prominent, in addition to grant income, are crowd-funding and other user contributions. Additional support comes from NGOs, media partnerships, universities – and Google and Facebook, as they seek to increase the visibility and effectiveness of efforts to combat “fake news.” The U.S. government helps fund fact-checking initiatives in emerging democracies through its State Department and The National Endowment for Democracy.

### **Interviews**

The dozen interviews with editors or founders of fact-checking organisations focused on 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 crucial. 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, 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. Educators were a third key audience component. Among “ordinary” users, young urbanites constitute a primary demographic, largely because of their heavy social media use. Search and social were widely seen as mandatory for audience reach and engagement.

Broadening their audience was a widely shared, if challenging, goal. Argentina’s Chequeado, for example, 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,” said Executive Director Laura Zommer, citing as an example a fact-check of the conventional wisdom that carrots improve eyesight. (Yes, under some conditions.) In many cases, though, fact-checkers’ actual audience is small.

Fact-checkers tended to describe relationships 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 AfricaCheck founder Peter Cunliffe-Jones. Åsa Larsson of Viralgranskaren in Sweden said succinctly: “We get a lot of love.”

Serving audiences, most interviewees emphasised, involves more than simply verifying claims. 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.”

To fulfil that role, interviewees described online and in-person interactions with audiences. They universally said they welcome and seek to encourage user queries and contributions, including suggestions of items to check. Several also offer training sessions to help citizens do their own fact-checking.

**Value Proposition:** Fact-checkers saw this civic empowerment as a central value proposition. Of course, they also hoped to make politicians more accountable and less likely to try to mislead. “It’s not easy,” said El Sabueso’s Tania Montalvo in Mexico, but “maybe at some point, if we fact-check, people will think it’s not a good idea to tell the same lie.”

Two other core attributes were seen as according value to fact-checkers in a crowded media universe: independence and transparency.

Fact-checkers described independence as integral to their civic value; some interviewees said it set them apart from other media outlets seen, “often correctly, as having some sort of political stance,” explained Cunliffe-Jones. Even affiliated fact-checkers highlighted their independence. The *Post*’s Kessler emphasised that his small team makes its own decisions and that fact-checks complemented but did not replace political 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 prerequisite 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 is central to what fact checkers offer their audiences – Mikko Salo of Faktabaari in Finland described it as “our visiting card” – and another point of differentiation. “I think transparency is the biggest difference,” said Aos Fatos director Tai Nalon, whose fact checks include both methods and data. “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.”

Indeed, interviewees shared a 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 Baybars Örsek. “The bulk of the anger is ... [with] self-censorship by the big players.” Fact-checkers in countries with a supposedly unfettered press expressed a similar sentiment. Rob Edwards said his impetus for founding The Ferret was providing “a future for sustainable journalism in Scotland” in light of mainstream media “deterioration.” Austrian Philip Pramer described the primary mission of Fakt Ist Fakt 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 complemented the overview of financial resources above. Affiliated fact-checkers described relationships with their parent organisation as supportive, with their initiatives 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, affiliated with Stockholm’s *Metro* newspaper, checks the veracity of viral online content. “We have found the golden link – it’s important AND it’s something people want to read!”

But entrepreneurs indicated a perpetual struggle to build and maintain stable financial relationships with diverse constituencies. Most were responsible for fund-raising as well as overseeing or producing multiple fact-checks a week. Although all were upbeat, many confessed a precarious existence. “We don’t have a lot of money,” said Pramer, sheepishly adding “... actually, we have no money.” The lack of guaranteed resources can be frustrating. “To keep innovating is the biggest challenge,” said Nalon from Brazil. “It’s hard to wake up and have ideas but no resources to apply them.”

But despite the 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. “This is proof that people still want journalism,” said Agência Lupa’s Tardaguila. “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

Fact-checkers in this study are clearest in identifying their key value propositions, particularly in relation to traditional news providers and formats. These revolve around contributions to media literacy and civic engagement; independence from political and commercial interests; and transparency of method and message.

Interactions with audiences vary in nature, but interviewees universally highlighted them. All heavily use social media; all facilitate and encourage user input. They are fuzzier, however, in identifying their target audience or specifying strategies for reaching them. “Everyone” is a nice audience goal for organisations whose aim is to enhance civic discourse, but it is an exceptionally difficult goal for any entrepreneur to meet. Effectively engaging a larger and more diverse segment of their respective societies is a challenge.

Fact-checkers unaffiliated with a media outlet differ little from other entrepreneurs in the precariousness of their financial situation. Most rely on grants, typically for fixed terms, and fluctuating user contributions. Although none indicated any compromise to their editorial independence, most of the entrepreneurs interviewed were responsible for both journalistic and fund-raising tasks.

But all were deeply passionate about moving not only audiences but also traditional media outlets away from old habits and understandings of what constitutes public-service journalism. Fact-checkers saw themselves serving both as an extension to traditional journalism and in many respects a correction of it.

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