The public’s hunger for state government news did not wane as newsroom cutbacks forced staff reductions. Rather, the need gave way to a collaborative journalism approach conducted under the banner of Spotlight PA. And it’s working.

“Powered by The Philadelphia Inquirer in partnership with PennLive/The Patriot-News, TribLIVE/Pittsburgh Tribune-Review and WITF Public Media,” Spotlight PA “is dedicated to producing nonpartisan investigative journalism about Pennsylvania government and urgent statewide issues,” according to its website.

Spotlight PA describes itself as “an independent watchdog unafraid to dig deep, fight for the truth and take on the powerful to expose wrongdoing and spur meaningful reform. We connect Pennsylvanians to their state, and to each other, through public service journalism that matters to their lives and is creatively told in the many modern, digital ways they consume their news.”

While this approach doesn’t solve the financial pressures in every market, Spotlight PA’s model is generating a significant boost in coverage and capacity in its partnering newsrooms.

“We’re not here to compete with other newsrooms across the state – we can all agree that there are not enough reporters, so we cannot afford to compete. There is a greater sense now more than ever that we’re all in this together.”

— Christopher Baxter
Editor-in-chief, Spotlight PA

Well-coordinated enterprise coverage avoids duplication and focuses resources, while keeping reporters on the stories that impact Pennsylvania – a streamlined model responding to a transforming industry.

It is a long-held American belief that strong investigative journalism is vital to a fair and thriving democracy. However, there are also tangible financial implications for communities that lose their local daily paper. The value of local journalists serving in their role as the fourth estate makes an impact on local economies. When journalists show up at local zoning board hearings, city council meetings and school board work sessions to report on decisions being made by government officials, review, study and transparency follow. Without the fourth estate, public funds are left unchecked, oftentimes resulting in real financial consequence to taxpayers.

Recent research published in the Journal of Financial Economics provides the evidence. This study finds that local newspaper closures affect public finance outcomes for local governments. When a newspaper closes, municipal borrowing costs increase by 5 to 11 basis points, which costs the municipality an additional $650,000 per loan issue. The effect is not driven by underlying economic conditions in a community. Rather this effect is causal, meaning that newspaper closures have a direct and negative effect on public financing. The loss of government monitoring as a result of a newspaper closure is also associated with higher government wages and deficits, and increased likelihoods of costly advance refundings and negotiated sales. Local newspapers hold government accountable, keeping municipal borrowing costs low, and ultimately saving local taxpayers money. Shining a light on government activity makes a difference.

6 Refunding is the act of replacing an old loan or other debt with a new one.