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Letter to the Editor for “News You Can Endow”

In their article “News You Can Endow”, author and chief investment officer of Yale David Swenson and financial analyst Michael Schmidt assert that newspapers move away from being for profit organizations and become endowed institutions in order to survive. Swenson and Schmidt quote President Thomas Jefferson to parallel their belief on why newspapers need saving. Swenson and Schmidt describe the basic business model for a successful newspaper and how some of the “pre-eminent” newspapers are prime examples of the “distress”. Swenson and Schmidt detail the temporary fixes such as the cutting of staff, that papers are taking in order to stay a float. They include examples of the “grave consequences” some of the notable papers face by taking these measures. They shed light on the fact that even newspaper websites do not create enough revenue to support a complete staff. Swenson and Schmidt contend that newspapers will serve an indefinite roll in American life as they believe papers will serve the public’s best interest through endowment. The final benefits of endowment are conveyed by Swenson and Schmidt for both newspapers and for those who decide to invest in them. Swenson and Schmidt discuss how endowed papers will no longer be able to support electoral candidates but, can speak freely on topics of importance of the people. Swenson and Schmidt find that there will be more journalistic freedom as writers will no longer have to worry about the opinions of investors or advertisers when writing for an endowed paper. Swenson and Schmidt illustrate the amount of

money necessary in endowment needed to run a newspaper as well as how the papers will generate revenue. Swenson and Schmidt call for “Enlightened philanthropist” to save in their belief a “vital component of American democracy” as they point out only a handful of wealthy individuals and foundations have the funds necessary for endowment opportunities.

They are writing to a general audience whom are most likely educated and of wealthier as the article is featured in *The New York Times*. On one occasion Swenson and Schmidt compliment readers of *The New York Times* directly calling them “unique” in an attempt to appeal to the readers. Swenson and Schmidt try to portray a sense of desperation for newspapers through the use of words like “distress” and “gaping wound” thereby garnering sympathy from the readers. The authors attempt to placate the readers by emphasizing public importance of newspaper endowment they would receive such as suggesting papers will “serve the public good more effectively”. The writers illustrate the sharp decline newspapers are experiencing by being for profit by using percentages such as *The Washington Post* profit margin being down by 25%. Swenson and Schmidt aim to reach the wealthier demographic by touching on the investment aspect of an endowed paper. By writing about Section 501 of the I.R.S code which gives “taxes deductions for people who make contributions to eligible organizations.” it will give confidence to affluent readers that their donations are well invested. Swenson and Schmidt write about how there will be more “journalistic freedom” with endowed papers in order to get fellow journalist to favor their position. Journalist often time worry that what they write will have consequences for them especially if they are too critical of a particular subject. It is a poignant point to make as writers yearn for journalistic freedom.

Swenson and Schmidt provide many intriguing points on the matter of turning newspapers into endowed organizations. However, by viewing large foundations and wealthy individuals as the only way to provide funds they are limiting financial outlets that could be available for newspapers. They provide a compelling argument for a more permanent solution as opposed to “Band-aid for a gaping wound” approach. Its similar to putting duck tape on leaky pipe. Eventually the pipe will burst. Overall the article serves it purpose in convincing readers to side with the authors. The writers’ use of strong and descriptive terminology and viable statistics assist in assembling a very persuasive and powerful argument in their favor.

