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# The Death and Rebirth of Local News - Day 1



Mark Silverman

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# About Me

Top editor at newspapers in Detroit, Nashville, Louisville and Gannett News Service, corporate news executive for nation's largest newspaper chain



# Sources:

- Studies published by the Poynter Institute for Media Studies
- Medill University
- Nieman Media Lab & Neiman Reports
- Pew Research Center
- Price Waterhouse
- Pre-publication review of *Hegged* by Margot Susca,
- Interviews with editors, publishers, academics, and local politicians and business leaders.



**Day 1: The Business of Publishing**

**Day 2: Journalism and Communities**

**Day 3: A Hopeful Future**



# Why is this important?

- Fewer reports on how and why institutions, events impact people's lives
- Fewer investigative and accountability pieces
- Less basic information about daily life in a community
- Loss of common frame of reference, sense of community
- In smaller markets, TV newsrooms aren't pushed by newspapers
- Narrow websites only reach select audiences; quality iffy
- Poor reporting, rumors, misinformation, conspiracy theories

“At a minimum, the loss of local news only worsens the political, cultural and economic divisions in the country.”

- Sara Fischler, Axios Media Trends

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Question:

**Isn't it just the Internet?**

**Yes and No**





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# Last 30 years: Disruptive innovation



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“I don’t wish to minimize the impact of the internet ... but newspaper companies’ management ... should get **more** of the blame.” - **Margot Susca, *Hedged***

- Advertising market changes
- Mass marketing replaced by targeted marketing, direct-to-consumer

## Examples of changes:

- No printing press needed
  - Anyone can be a publisher
- Ownership changes
  - This has been a significant issue
- Strategic and operational missteps



## Audience decline accelerating:

From 2022 to 2023: Print/digital down **8 %**

# The Numbers

## 1973 Circulation:

- 63 million readers daily
- 60 million Sunday

## 2023 Print and Digital (combined):

- 20 million daily
- 19 million Sunday (est.)

# Aren't readers just using newspaper Web sites?

## Unique visitors to newspaper Websites:

- 2016: 12 million
- 2020: 13 million
- 2022: 8.8 million

## Duration of visit:

- 2014: 2 minutes, 30 seconds
- 2022: 1 minute, 30 seconds

(People are grazing)



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# Revenue peaked in 2010, then fell:

- 1980: \$11B advertising; \$2.5B circulation
- 2000: \$40B advertising; \$8B circulation
- 2010: \$25B advertising; \$8B circulation
- 2020: \$13B advertising; \$10B circulation
- 2023: \$10B advertising; \$11B circulation

## Advertising share from digital:

- 17% in 2011
- 48% in 2022

correspondent reports news foreign  
war original Germany magazines postal location  
journalist individual  
stationed largest capitol  
remote filing practice agent type  
headquarters government on-the-scene often  
newspaper stories via contributor reporter  
UK covers BBC belong another correspondents  
primary ARD original Germany magazines  
distant letter television first-hand  
locations radio speaking country generally  
refers commentator term  
company zone networks

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- Competition for local ad dollars:
    - Google
    - Facebook
    - Apple
    - National and local social media sites, classified sites (Nextdoor)
  - Classified advertising decline
    - 2005: 35-40 percent of total newspaper revenue
    - Today: Less than 10 percent



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- Midsize newspaper: \$20 million a year in 2005 dollars gone from real estate classified alone.
  - Hundreds of millions lost from advertising inserts on Sundays and Food section days

There are now more precise and cost-effective ways of reaching targeted customers

# Newspapers late to invest in technology



- Late to provide customers with consumer research tools to target customers
- Some still sell zoned advertising with zoned local content, mostly weeklies and twice-weeklies.

Rare Advertising Success:

## Virginia Gazette

Zone products: Light features, profiles, calendar information. Little hard news.



## The Challenge...

- Historically advertising provided 70-80 percent of revenue
- Today advertising provides about 20-30 percent at small and mid-size newspapers
- Newspapers overly dependent on a shrinking audience



## The challenge continued:

- Fewer people charged more for shrinking products with less value.
- Less money to invest in quality staff, content
- Some try to sustain / grow audience by appealing to the extremes of society
- Click bait
- Recirculate rumors, half-truths

# Impact of the numbers:

- 2008: 8,891 daily and non-daily newspapers
- 2022: 6,377 daily and non-daily newspapers
- 2004 newsroom employment: 75,000
- 2023 newsroom employment: 25,000 (estimated)

## Gannett/Gatehouse Merger:

Eliminated **half** its newsroom jobs in the past **four** years

# Impact:

- Industry-wide layoffs: 20-30 percent of those terminated replaced by less-experienced, lower-paid people
- A \$80,000/year reporter is now replaced by a \$40,000/year online producer
- Fewer journalists, less experienced journalists = limited, weakened coverage

# Impact:

One-fifth of Americans live in a “News Desert,” with no reliable reporting on community issues



\*Note: no animals were harmed in the making of this slide

# Impact:

- A third of 2005 newspapers will be out of business by the end of 2024
- Almost all newspapers now a shell of themselves
- Half of all Americans get some or all of their news from social media
- Many social media sites: No original reporting, no checks on quality, often rumors, half-truths, often anonymous





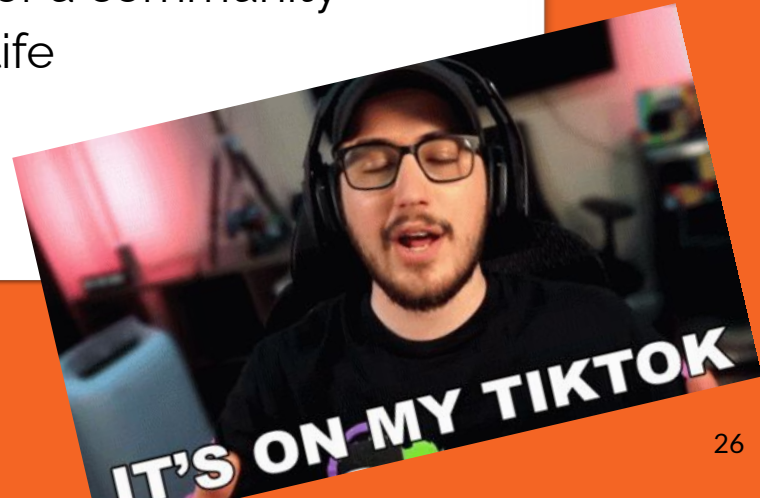
## Impact:

- One third of adults under 30 use TikTok as their primary news source
- Other non-journalistic “news sites:” Facebook, Instagram, NextDoor



# Impact:

- National, local rumors become “fact”
- Lost: common frame of reference for a community
- Less basic information about daily life
- Less celebration of good things



# Serge Schmemmann, New York Times:

“(Newspapers) offered a screenshot of a small but real world ... an ongoing scandal on the school board, a winning season at a high school, the death of a beloved teacher.”

“They were the building blocks of a community. Their loss is a major reason behind the acute polarization and political confusion we are suffering today.”



Sorry for the dark clouds.  
Please **exhale**.

There are some bright signs, some  
**good initiatives**, some successes

The background features a collage of newspaper clippings. Visible text includes 'The Real Career 100', 'SERVING ASHEVILLE', 'hot tubs', 'Want Greene reports', 'Serving Southeastern North Carolina', 'THE JOURNAL', 'African', '23', 'Part Cans', 'out to voters', 'He's a freshman, but Duke's Mattnew Hurt is turning heads', 'WEDNESDAY OCTOBER 9 2019', 'News & Observer', 'www.newsobserver.com', 'NEWS', 'of', 'WILL hot', and 'ON'.

## Evolution of the Industry

- Post-World War II: A 30-plus years success story
- Multiple newspapers in most mid-size and larger communities
- 15 percent-plus profit margins

# Generational Change

- Family ownership; newspapers had a stake in the community
- Third- and fourth generation family members sell newspapers
- National chains buy family newspapers: Tribune, Gannett, Knight-Ridder, McClatchy, Hearst, Scripps, Lee, GateHouse, and others

# Generational change

- Now Wall Street owns your newspaper
- Some chains invest in newsrooms and produce excellent journalism; some don't
- Economies of scale: Consolidate some business, news operations
- Decision makers no longer local

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## Chains make lots of money... at first

- 15 percent profit margins grow – 35 to 50 percent in some markets
- Drive to expand leads companies to go public





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# 2019 Gannett- Gatehouse Merger



# Goal of Publishing



- Shareholder value replaces community impact
- Venture capital firms and/or hedge funds demands drive company decisions
- Largest newspaper publishers: Gannett (Fortress Investment Group/Softbank/others), McClatchy (Chatham Asset Management); Tribune (Alden Global Capital)

A photograph of the John Peter Zenger statue in front of the New York Stock Exchange building. The statue is a dark bronze figure of a man in a long coat, seen from the back. The building behind it is a grand, classical-style structure with columns and a pediment. Modern skyscrapers are visible in the background.

# Newspaper Value Shrinks

- 1986: Belo (Dallas, TX) buys Providence Journal-Bulletin (ProJo), 11 TV stations, for \$1.6 billion
- 2014: Belo sells ProJo, minus TV, to GateHouse for \$46 million

# Impact on Newsrooms

Fewer:

- Copy editors
- Story editors
- Investigative Teams
- Reporters



## Impact on Newsrooms (cont.)

- Basics ignored: **Government meetings aren't covered, community events aren't covered**, press releases published without vetting.
- Local nuances lost with regional copy desks. **Mistakes multiply.**

## Impact on Newsrooms (cont.)

- Needed digital production jobs replace reporters, editors, etc., but often **without journalism backgrounds.**
- Rush to be first on web, not necessarily to be right

## Impact on Newsrooms (cont.)

- Sharing of content: **less “local” coverage**; more regional stories to fill pages
- Buildings and presses sold
- **Deadlines change** in Providence: Print deadline 3 p.m. (had been 1 a.m.)

## Impact on Newsrooms (cont.)

- No late afternoon or evening news in print
- Little staff coverage at night: website has **little late news**
- It's in the mail: Yesterday's News Tomorrow
- Daily doesn't mean daily in **print**



## Impact on Newsrooms (cont.)

- Content focus still reflects daily news reporting, not analysis or perspective or profiles or “what’s next.”
- Single regional editor manages several far-flung newsrooms
- **AI experiments** in news gathering, writing and research



# Daily Press

Daily Press - We're  
More Fortunate Than  
Most

# Daily Press

## Then and Now

- Tribune buys Daily Press and Virginia Gazette in 1986.
- Tribune buys Virginian-Pilot in 2018
  - Operations are gradually consolidated.

# Daily Press

- Tribune history: Ownership changes, acquisitions, divestitures, and bankruptcy
- Alden Global Capital buys Tribune in 2021 for \$635 million

# Daily Press

- Virginian-Pilot, Daily Press, Virginia Gazette – combined staff of about 50, plus freelancers
- Single editor for all papers
- Local stories shared
- High percentage of state/national coverage vs local content

A stack of newspapers is shown on a wooden surface. The newspapers are slightly crumpled and layered. A white rectangular box with a thin black border is centered over the stack. Inside the box, the words "Daily Press" are written in a large, black, gothic-style font. Below this, the text "More local content than similarly sized newspapers owned by other companies" is written in a smaller, orange, sans-serif font. The background shows the texture of the newspaper paper and the grain of the wood.

# Daily Press

**More local content than similarly sized  
newspapers owned by other companies**

## Among other local news sources:

- WY Daily / 92.3 radio: Local staff / freelancers, several local stories/day, obituaries
- Newport News / Virginia Beach TV stations – spotty area coverage
- Various entertainment sites
- Flat Hat – William & Mary student newspaper

Missing: Local investigative, in-depth reporting, follow-ups



- What news is missing now?
- What will you pay for local news?





Cartoon by JOE HELLER,  
The Green Bay Press-Gazette

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## Next Week:

- The community impact
- Diminished newspapers
- Ghost newspapers
- News deserts
- And some **rays of hope**

